

KKB ENGINEERING BERHAD

(Company No : 26495 - D)

(Incorporated in Malaysia)

INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**Condensed Consolidated Statement of Comprehensive Income**

	3 MONTHS ENDED		CUMULATIVE 12 MONTHS ENDED	
	CURRENT QUARTER ENDED 31/12/2011 RM	COMPARATIVE QUARTER ENDED 31/12/2010 RM	CURRENT PERIOD ENDED 31/12/2011 RM	COMPARATIVE PERIOD ENDED 31/12/2010 RM
Revenue	69,383,739	69,565,945	234,484,062	268,637,323
Cost of sales	(54,118,968)	(35,506,137)	(158,897,274)	(150,150,869)
Gross profit	<u>15,264,771</u>	<u>34,059,808</u>	<u>75,586,788</u>	<u>118,486,454</u>
Other income	885,532	1,483,985	4,868,786	3,861,547
Distribution costs	(435,023)	(619,268)	(1,511,444)	(1,982,510)
Administrative expenses	(5,114,202)	(5,639,590)	(14,318,285)	(12,935,566)
Other expenses	(685,841)	(837,081)	(1,911,014)	(2,635,161)
Finance costs	(258,792)	(107,340)	(447,591)	(511,477)
Share of results of associates	12,071	66,850	132,893	71,122
Profit before tax	<u>9,668,516</u>	<u>28,407,364</u>	<u>62,400,133</u>	<u>104,354,409</u>
Income tax expense	(2,474,625)	(7,279,900)	(15,283,577)	(26,353,511)
Profit for the period	<u>7,193,891</u>	<u>21,127,464</u>	<u>47,116,556</u>	<u>78,000,898</u>
Other Comprehensive Income				
Foreign currency translation	(1,139)	585	(916)	723
Total Comprehensive Income for the period	<u>7,192,752</u>	<u>21,128,049</u>	<u>47,115,640</u>	<u>78,001,621</u>
Profit for the period attributable to:				
Owners of the parent	6,700,863	21,042,076	46,607,221	76,896,561
Non-controlling interest	493,028	85,388	509,335	1,104,337
	<u>7,193,891</u>	<u>21,127,464</u>	<u>47,116,556</u>	<u>78,000,898</u>
Total Comprehensive Income for the period attributable to:				
Owners of the parent	6,699,724	21,042,661	46,606,305	76,897,284
Non-controlling interest	493,028	85,388	509,335	1,104,337
	<u>7,192,752</u>	<u>21,128,049</u>	<u>47,115,640</u>	<u>78,001,621</u>
Earnings per share attributable to owners the parent:				
Basic, for profit for the period (sen)	<u>2.60</u>	<u>8.16</u>	<u>18.08</u>	<u>29.83</u>
Diluted, for profit for the period (sen) - Not Applicable				

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

KKB ENGINEERING BERHAD

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INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**Condensed Consolidated Statement of Financial Position**

	UNAUDITED AS AT 31/12/2011 RM	AUDITED AS AT 31/12/2010 RM
ASSETS		
Non-current assets		
Property, plant & equipment	99,360,590	94,895,160
Investment in associates	1,212,037	1,139,144
	<u>100,572,627</u>	<u>96,034,304</u>
Current assets		
Inventories	67,706,552	38,674,288
Trade and other receivables	64,128,896	44,971,301
Other current assets	788,857	27,880
Cash and bank balances	75,332,557	103,508,813
	<u>207,956,862</u>	<u>187,182,282</u>
TOTAL ASSETS	<u>308,529,489</u>	<u>283,216,586</u>
EQUITY AND LIABILITIES		
Equity attributable to owners of the parent		
Share capital	128,896,000	128,896,000
Other reserves	6,984,916	6,985,832
Retained earnings	112,211,650	99,439,628
	<u>248,092,566</u>	<u>235,321,460</u>
Non-controlling interest	<u>4,758,572</u>	<u>4,649,237</u>
Total equity	<u>252,851,138</u>	<u>239,970,697</u>
Non-current liabilities		
Loans and borrowings	1,564,686	2,868,064
Deferred tax liabilities	2,239,361	2,648,628
	<u>3,804,047</u>	<u>5,516,692</u>
Current liabilities		
Loans and borrowings	24,957,301	1,480,144
Trade and other payables	24,156,210	27,058,836
Amount due to customers for contract work	1,587,460	4,273,555
Current tax payable	1,173,333	4,916,662
	<u>51,874,304</u>	<u>37,729,197</u>
Total liabilities	55,678,351	43,245,889
TOTAL EQUITY AND LIABILITIES	<u>308,529,489</u>	<u>283,216,586</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

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INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**Condensed Consolidated Statement of Changes in Equity**

	<----- Attributable to owners of the parent ----->				Total RM	Non-controlling Interest RM	Total Equity RM
	Share Capital RM	<-----Non-Distributable-----> Share Premium RM	Other Reserves RM	Distributable Retained Earnings RM			
At 1 January 2010	80,560,000	17,245,723	6,985,109	73,370,542	178,161,374	4,137,400	182,298,774
Profit for the period	-	-	-	76,896,561	76,896,561	1,104,337	78,000,898
Other comprehensive income for the period	-	-	723	-	723	-	723
Total comprehensive income for the period	-	-	723	76,896,561	76,897,284	1,104,337	78,001,621
Dividend paid to non-controlling shareholder of a subsidiary	-	-	-	-	-	(592,500)	(592,500)
First and Final dividend for FYE 31 December 2009	-	-	-	(10,069,998)	(10,069,998)	-	(10,069,998)
Interim dividend for FYE 31 December 2010	-	-	-	(9,667,200)	(9,667,200)	-	(9,667,200)
Bonus issue	48,336,000	(17,245,723)	-	(31,090,277)	-	-	-
At 31 December 2010	<u>128,896,000</u>	<u>-</u>	<u>6,985,832</u>	<u>99,439,628</u>	<u>235,321,460</u>	<u>4,649,237</u>	<u>239,970,697</u>
At 1 January 2011	128,896,000	-	6,985,832	99,439,628	235,321,460	4,649,237	239,970,697
Profit for the period	-	-	-	46,607,221	46,607,221	509,335	47,116,556
Other comprehensive income for the period	-	-	(916)	-	(916)	-	(916)
Total comprehensive income for the period	-	-	(916)	46,607,221	46,606,305	509,335	47,115,640
Dividend paid to non-controlling shareholder of a subsidiary	-	-	-	-	-	(400,000)	(400,000)
Final dividend for FYE 31 December 2010	-	-	-	(24,167,999)	(24,167,999)	-	(24,167,999)
Interim dividend for FYE 31 December 2011	-	-	-	(9,667,200)	(9,667,200)	-	(9,667,200)
At 31 December 2011	<u>128,896,000</u>	<u>-</u>	<u>6,984,916</u>	<u>112,211,650</u>	<u>248,092,566</u>	<u>4,758,572</u>	<u>252,851,138</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.)

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INTERIM FINANCIAL STATEMENTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2011**Condensed Consolidated Statement of Cash Flows**

	CUMULATIVE 12 MONTHS ENDED 31/12/2011 RM	CUMULATIVE 12 MONTHS ENDED 31/12/2010 RM
Profit before taxation	62,400,133	104,354,409
Adjustments for:		
Depreciation of property, plant & equipment	4,922,243	5,059,920
Interest expense	447,591	511,477
Property, plant & equipment written off	973	4,660
Gain on disposal of property, plant & equipment	(52,521)	(193,496)
Provision for doubtful debts	99,553	-
Inventory written off	1,134	-
Impairment loss on trade receivables	188,718	379,187
Impairment of goodwill	-	8,364
Interest income	(2,970,519)	(2,150,015)
Share of results of associates	<u>(132,893)</u>	<u>(71,122)</u>
Total adjustments	2,504,279	3,548,975
Operating cash flows before changes in working capital	64,904,412	107,903,384
Changes in working capital		
Increase in inventories	(29,033,398)	(5,470,966)
(Decrease)/increase in amount due to customers for contract work	(2,686,095)	3,159,799
(Increase)/decrease in receivables	(19,157,435)	10,710,778
(Decrease)/increase in payables	(2,902,626)	12,911,520
Decrease/(increase) in other current assets	<u>16,851</u>	<u>(7,961)</u>
Cash flows from operations	11,141,709	129,206,554
Interest paid	(447,591)	(511,477)
Taxation paid, net of refund (if any)	<u>(20,213,999)</u>	<u>(24,504,419)</u>
Net cash flows (used in)/from operating activities	<u>(9,519,881)</u>	<u>104,190,658</u>
Investing activities		
Proceeds from disposal of property, plant & equipment	85,500	193,500
Purchase of property, plant & equipment	(9,421,626)	(10,894,072)
Net cash inflow from acquisition of a subsidiary	-	26,072
Interest received	2,682,088	1,826,119
Dividend received	<u>60,000</u>	<u>-</u>
Net cash flows used in investing activities	<u>(6,594,038)</u>	<u>(8,848,381)</u>
Financing activities		
Dividend paid to shareholders of the Company	(33,835,199)	(19,737,198)
Dividend paid to non-controlling shareholder of a subsidiary	(400,000)	(592,500)
Net proceeds from/(repayment of) short-term borrowings	23,672,000	(5,248,000)
Repayment of lease financing	(1,498,222)	(1,206,784)
Repayment of term loan	<u>-</u>	<u>(7,355,680)</u>
Net cash flows used in financing activities	<u>(12,061,421)</u>	<u>(34,140,162)</u>
Net (decrease)/increase in cash and cash equivalents	(28,175,340)	61,202,115
Effect of exchange rate changes on cash and cash equivalents	(916)	723
Cash and cash equivalents at the beginning of the period	103,508,813	42,305,975
Cash and cash equivalents at the end of the period	<u><u>75,332,557</u></u>	<u><u>103,508,813</u></u>

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