

**GEORGE KENT (MALAYSIA) BERHAD**  
**Condensed Consolidated Balance Sheet As At 31 January 2006**

	Note	As at 31 January 2006 RM'000	As at 31 January 2005 RM'000
<b>Non-Current Assets</b>			
Property, plant & equipment	9	57,514	57,992
Intangible assets		637	686
Investment in associates		18,999	18,328
Amount due from an associate		1,440	551
Other investments		237	403
Deferred tax asset		1,320	1,320
<b>Current Assets</b>			
Inventories		22,584	19,717
Receivables		28,564	55,271
Tax recoverable		1,470	1,736
Short term investments		4,114	575
Cash and bank balances		20,717	18,559
		<u>77,449</u>	<u>95,858</u>
<b>Current Liabilities</b>			
Payables & provisions		(21,626)	(34,131)
Taxation		(645)	(339)
Short term borrowings	23	(3,000)	(4,125)
		<u>(25,271)</u>	<u>(38,595)</u>
<b>Net Current Assets</b>			
		<u>52,178</u>	<u>57,263</u>
		<u>132,325</u>	<u>136,543</u>
<b>Financed by:</b>			
Share capital	6	79,228	79,228
ICULS	6	33,382	33,382
Reserves		(6,360)	(13,845)
Shareholders' equity		<u>106,250</u>	<u>98,765</u>
Minority interests		<u>619</u>	<u>554</u>
		<u>106,869</u>	<u>99,319</u>
<b>Long term liabilities</b>			
Long term liabilities	23	23,345	34,252
Amount due to an associate		376	365
Deferred tax liabilities		1,735	2,607
		<u>25,456</u>	<u>37,224</u>
		<u>132,325</u>	<u>136,543</u>

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Report for the year ended 31 January 2005 and the accompanying explanatory notes attached to the interim financial statements.

**GEORGE KENT (MALAYSIA) BERHAD**  
**Condensed Consolidated Income Statements for the Year Ended 31 January 2006**

	Note	3 months ended		12 months ended	
		31 January 2006 RM'000	31 January 2005 RM'000	31 January 2006 RM'000	31 January 2005 RM'000
<b>Revenue</b>	8	20,575	35,929	94,376	108,505
Cost of sales		(14,167)	(25,925)	(64,868)	(74,437)
<b>Gross profit</b>		<u>6,408</u>	<u>10,004</u>	<u>29,508</u>	<u>34,068</u>
Other operating income		428	606	1,092	2,553
Operating expenses		(5,956)	(6,028)	(21,212)	(21,593)
<b>Profit from operations</b>	8	<u>880</u>	<u>4,582</u>	<u>9,388</u>	<u>15,028</u>
Finance costs		(368)	(548)	(2,050)	(2,266)
Interest income		446	392	1,691	1,461
Share of profit of associates		120	(11)	1,021	580
<b>Profit before tax</b>		<u>1,078</u>	<u>4,415</u>	<u>10,050</u>	<u>14,803</u>
Taxation	19	(86)	(1,792)	(2,579)	(4,699)
<b>Profit after tax</b>		<u>992</u>	<u>2,623</u>	<u>7,471</u>	<u>10,104</u>
Minority interest		23	5	(64)	42
<b>Net Profit for the year</b>		<u>1,015</u>	<u>2,628</u>	<u>7,407</u>	<u>10,146</u>
Earnings per share (sen)					
Basic	27(a)	<u>0.6</u>	<u>1.7</u>	<u>4.7</u>	<u>6.4</u>
Diluted	27(b)	<u>0.6</u>	<u>1.4</u>	<u>4.3</u>	<u>5.5</u>

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Report for the year ended 31 January 2005 and the accompanying explanatory notes attached to the interim financial statements.

**GEORGE KENT (MALAYSIA) BERHAD****Condensed Consolidated Statement of Changes in Equity for the Year Ended 31 January 2006**

Note	Share capital RM'000	Share premium RM'000	ICULS RM'000	Currency translation RM'000	Accumulated loss RM'000	Revaluation reserve RM'000	Total RM'000
<b>At 1 February 2005</b>	79,228	2,065	33,382	(1,500)	(26,885)	12,475	98,765
Net Profit for the year	-	-	-	-	7,407	-	7,407
Currency translation difference	-	-	-	78	-	-	78
Issue of share capital	-	-	-	-	-	-	-
<b>At 31 January 2006</b>	<u>79,228</u>	<u>2,065</u>	<u>33,382</u>	<u>(1,422)</u>	<u>(19,478)</u>	<u>12,475</u>	<u>106,250</u>
<b>At 1 February 2004</b>	79,214	2,056	33,382	(2,337)	(37,031)	12,475	87,759
Net Profit for the year	-	-	-	-	10,146	-	10,146
Currency translation difference	-	-	-	837	-	-	837
Issue of share capital	14	9	-	-	-	-	23
<b>At 31 January 2005</b>	<u>79,228</u>	<u>2,065</u>	<u>33,382</u>	<u>(1,500)</u>	<u>(26,885)</u>	<u>12,475</u>	<u>98,765</u>

The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Report for the year ended 31 January 2005 and the accompanying explanatory notes attached to the interim financial statements.

**GEORGE KENT (MALAYSIA) BERHAD****Condensed Consolidated Cash Flow Statement for the Year Ended 31 January 2006**

	12 months ended	
	31 January 2006 RM' 000	31 January 2005 RM' 000
Net cash generated from operating activities	18,869	7,940
Net cash used in investing activities	(4,991)	(6,357)
Net cash used in financing activities	<u>(10,154)</u>	<u>(5,246)</u>
<b>Net increase / (decrease) in cash &amp; cash equivalents</b>	3,724	(3,663)
Effects of exchange rate changes	79	823
<b>Cash &amp; cash equivalents at beginning of financial year</b>	<u>13,555</u>	<u>16,395</u>
<b>Cash &amp; cash equivalents at end of financial year *</b>	<u>17,358</u>	<u>13,555</u>

\* Cash and cash equivalents at the end of the financial year comprise the following:

	As at 31 January 2006 RM'000	As at 31 January 2005 RM'000
Cash and bank balances	20,717	18,559
Bank overdrafts (included within short term borrowings in Note 23)	<u>-</u>	<u>(1,875)</u>
	20,717	16,684
Short term deposits (restricted portion)	<u>(3,359)</u>	<u>(3,129)</u>
	<u>17,358</u>	<u>13,555</u>

The condensed consolidated cash flow statement should be read in conjunction with the Annual Report for the year ended 31 January 2005 and the accompanying explanatory notes attached to the interim financial statements.

## **GEORGE KENT (MALAYSIA) BERHAD**

### **Part A – Explanatory Notes Pursuant to FRS 134 (formerly MASB 26)**

#### **1. Basis of Preparation**

The unaudited interim financial statements have been prepared in accordance with the requirements of FRS 134 Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 January 2005.

#### **2. Auditors' Report on Preceding Financial Statements**

The auditors' report on the financial statements for the year ended 31 January 2005 was not qualified.

#### **3. Comments About Seasonality or Cyclical Operations**

The Group's performance was not affected by seasonal or cyclical factors.

#### **4. Unusual Items Due to their Nature, Size or Incidence**

There were no unusual items affecting assets, liabilities, equity, net income or cash flows.

#### **5. Changes in Estimates**

There were no changes in estimates that have had a material effect in the current quarter results.

#### **6. Debt and Equity Securities**

There were no issuance, repurchases, resale and repayments of debts and equity securities during the quarter.

#### **7. Dividends Paid**

The Company did not pay any dividends.

## 8. Segmental Information

The Group is organised on a worldwide basis into two major geographical segments, namely Malaysia and Overseas.

	3 months ended 31 January 2006 RM'000	12 months ended 31 January 2006 RM'000
<b>Segment Revenue</b>		
Malaysia	18,423	85,858
Overseas	2,152	8,518
Total revenue	<u>20,575</u>	<u>94,376</u>
<b>Segment Results</b>		
Malaysia	(395)	4,318
Overseas	1,275	5,070
	880	9,388
Eliminations	-	-
Profit from operations	<u>880</u>	<u>9,388</u>

## 9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 January 2005.

## 10. Subsequent Events

There were no material events subsequent to the end of the current year.

## 11. Changes in Composition of the Group

On 13 July 2005, Brass Alloys Sdn Bhd, a wholly owned subsidiary of the Company, invested RM140,000 for 140,000 shares, or 70% of the total paid up capital, in George Kent (Sabah) Sdn Bhd. There were no other changes in the composition of the Group during the year.

## 12. Changes in Contingent Liabilities and Contingent Assets

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 January 2005.

## 13. Capital Commitments

There were no capital commitments as at the end of the year.

14. **Significant Related Party Transactions**

	12 months ended <u>31 January 2006</u> RM'000
a) Transactions with associate :-	
Purchases from Pakar Sains Sdn Bhd	1,321
Sales to Pakar Sains Sdn Bhd	19,674
b) Transactions with corporations in which the directors, Dato' Tan Kay Hock and Datin Tan Swee Bee, are deemed interested through their interest in Johan Holdings Bhd :-	
Sales to George Kent (Singapore) Pte. Ltd.	396
Purchases of air tickets from Diners World Travel (M) Sdn. Bhd.	465
Share registration charges and professional fees paid to Johan Management Services Sdn. Bhd.	146
Rental income from Natures Farm (Health Food) Sdn. Bhd.	76

The directors are of the opinion that all the transactions above have been entered into in the normal course of business and have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

**Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad**

**15. Performance Review**

In the quarter ended 31 January 2006, the Group generated lower revenue of RM20.6 million (31 January 2005: RM35.9 million) due to lower project billings and lower sales of manufactured products. The profit before tax was lower at RM1.1 million (31 January 2005: RM4.4 million) due to lower revenue and lower foreign exchange gains. The net profit was RM1.0 million (31 January 2005: RM2.6 million).

In the year ended 31 January 2006, the Group generated revenue of RM94.4 million (31 January 2005: RM108.5 million) due to lower demand for manufactured products. The profit before tax was lower at RM10.1 million (31 January 2005: RM14.8 million) due to lower revenue, higher raw material costs, lower foreign exchange gains and because the previous corresponding year's results had included recovery of interest expenses. The net profit was RM7.4 million (31 January 2005: RM10.1 million).

**16. Comments on Material Change in Profit Before Taxation**

The Group's profit before taxation for the current quarter ended 31 January 2006 of RM1.0 million represents a decrease of RM1.8 million from the previous quarter ended 31 October 2005 of RM2.8 million. This was attributable to lower revenue and higher operating expenses.

**17. Commentary on Prospects**

The Group will remain focussed on its core competencies in brass manufacturing and water infrastructure projects. As an ongoing process, the Group will develop new products for brass manufacturing and source for new infrastructure projects. It will continue with its strategy of improving its operating margins through cost efficiencies and new technology.

The Board is cautiously optimistic for the prospects of the current year.

**18. Profit Forecast or Profit Guarantee**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

**19. Taxation**

	3 months ended 31 January 2006 RM'000	12 months ended 31 January 2006 RM'000
Income tax:		
Malaysian income tax	(97)	813
Foreign tax	627	1,878
	<hr/>	<hr/>
	530	2,691
Write back due to overprovision	27	(163)
	<hr/>	<hr/>
	557	2,528
Deferred tax	(509)	(301)
Share of taxation of associates	38	352
	<hr/>	<hr/>
	86	2,579



**20. Sale of Unquoted Investments and Properties**

There were no sales of unquoted investments and properties in the quarter.

**21. Marketable Securities**

	As at 31 January 2006 RM'000
Investment in quoted securities:	
At cost	5,414
At book value	519
At market value	519

There were no purchases or disposals of marketable securities.

**22. Corporate Proposals**

There were no corporate proposals that had not been completed.

**23. Borrowings and Debt Securities**

	As at 31 January 2006 RM'000
Short Term Borrowings	3,000
Long Term Borrowings	23,345
	<u>26,345</u>

The total borrowings of RM26.3 million as at 31 January 2006 was secured. All of the borrowings are denominated in Ringgit Malaysia.

**24. Off Balance Sheet Financial Instruments**

The Group does not have any off-balance sheet financial instruments.

**25. Changes in Material Litigation**

There were no changes in material litigation.

**26. Dividend Payable**

No ordinary dividend has been declared for the financial year ended 31 January 2006 (31 January 2005: Nil).

## 27. Earnings per Share

### a) Basic

Basic earnings per share is calculated by dividing the net profit for the year by the weighted average number of ordinary shares in issue during the year.

	3 months ended 31 January 2006	12 months ended 31 January 2006
Net profit for the year (RM'000)	1,015	7,407
Weighted average number of ordinary shares in issue ('000)	158,455	158,455
Basic earnings per share (sen)	<u>0.64</u>	<u>4.67</u>

### b) Diluted

For the purpose of calculating diluted earnings per share, the net profit for the year and the weighted average number of ordinary shares in issue during the year have been adjusted for the dilutive effects of all potential ordinary shares from conversion of the 10-year ICULS and ESOS shares.

	3 months ended 31 January 2006	12 months ended 31 January 2006
Net profit for the year (RM'000)	1,015	7,407
Weighted average number of ordinary shares in issue ('000)	158,455	158,455
Adjustment for assumed conversion of ICULS and ESOS ('000)	<u>14,463</u>	<u>14,463</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>172,918</u>	<u>172,918</u>
Diluted earnings per share (sen)	<u>0.59</u>	<u>4.28</u>

By Order of the Board

Teh Yong Fah  
Secretary

30 March 2006