GEORGE KENT (MALAYSIA) BERHAD
Condensed Consolidated Income Statements for the Three-Month Period Ended 30 April 2006

	Note	3 months ended 30.4.2006 RM'000	3 months ended 30.4.2005 RM'000 (restated)
Continuing Operations			
Revenue	5	24,075	20,721
Cost of sales		(15,812)	(13,946)
Gross profit		8,263	6,775
Other income		412	395
Distribution cost		(49)	(126)
Administrative and other operating expenses		(6,015)	(4,773)
Finance costs		(388)	(561)
Interest income		405	681
Share of profit of associates		459	88
Profit before tax		3,087	2,479
Income tax expense	22	(1,518)	(459)
Profit for the quarter from continuing operations		1,569	2,020
Discontinued Operations			
Profit/ (Loss) for the quarter from discontinued operations		-	-
Profit for the quarter		1,569	2,020
Attributable to:			
Equity holders of the parent		1,514	2,001
Minority interest		55	19
		1,569	2,020
Earnings per share (sen) attributable to equity holders of the parent:			
Basic, for profit for the quarter	30	1.0	1.3
Diluted, for profit for the quarter	30	0.9	1.1

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.

GEORGE KENT (MALAYSIA) BERHAD
Condensed Consolidated Balance Sheet As At 30 April 2006

	Note	As at 30.4.2006 RM'000	As at 31.1.2006 RM'000 (restated)
ASSETS			
Non-current assets			
Property, plant & equipment	10	57,085	57,475
Intangible assets		660	676
Investment in associates		19,303	19,199
Amount due from an associate		1,742	1,440
Financial assets at fair value through profit or loss	24	324	237
Deferred tax asset		1,315	1,314
		80,429	80,341
Current assets			
Inventories		20,682	22,570
Trade receivables		29,234	26,626
Other receivables		1,376	1,493
Tax recoverable		1,806	1,821
Financial assets at fair value through profit or loss	24	346	4,100
Cash and bank balances		22,770	21,588
		76,214	78,198
TOTAL ASSETS		156,643	158,539
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital	11	79,228	79,228
Share premium		2,065	2,065
ICULS		33,382	33,382
Other reserves		11,180	11,263
Retained earnings		(17,965)	(19,479)
		107,890	106,459
Minority interest		732	677
Total equity		108,622	107,136
Non-current liabilities			
Borrowings	26	21,872	23,325
Amount due to an associate		321	384
Deferred tax liabilities		2,307	2,307
		24,500	26,016
Current Liabilities			
Borrowings		3,000	3,000
Trade payables		16,474	15,657
Other payables		3,884	6,365
Current tax payable		163	365
		23,521	25,387
Total liabilities		48,021	51,403
TOTAL EQUITY AND LIABILITIES		156,643	158,539

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.

GEORGE KENT (MALAYSIA) BERHAD
Condensed Consolidated Statement of Changes in Equity for the Three-Month Period Ended 30 April 2006

		Attributable to Equity Holders of the Parent						Minority Interest	Total Equity
			Non-Distributable			Distributable			
	Note	Share Capital RM'000	Share Premium RM'000	ICULS RM'000	Other Reserves RM'000	Retained Earnings RM'000	Total RM'000	RM'000	RM'000
At 1 February 2005		79,228	2,065	33,382	10,975	(26,885)	98,765	554	99,319
Foreign currency translation, representing net expense recognised directly in equity		-	-	-	(310)	-	(310)	-	(310)
Profit for the quarter		-	-	-	-	2,001	2,001	19	2,020
At 30 April 2005		79,228	2,065	33,382	10,665	(24,884)	100,456	573	101,029
At 1 February 2006		79,228	2,065	33,382	11,263	(19,479)	106,459	677	107,136
Foreign currency translation		-	-	-	(83)	-	(83)	-	(83)
Profit for the quarter		-	-	-	-	1,514	1,514	55	1,569
At 30 April 2006		79,228	2,065	33,382	11,180	(17,965)	107,890	732	108,622

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.

GEORGE KENT (MALAYSIA) BERHAD
Condensed Consolidated Cash Flow Statement for the Three-Month Period Ended 30 April 2006

	3 Months ended 30.4.2006 RM' 000	3 Months ended 30.4.2005 RM' 000
Net cash used in operating activities	(38)	(809)
Net cash generated from/(used in) investing activities	3,715	(4,153)
Net cash used in financing activities	(1,500)	(523)
Net Increase in cash & cash equivalents	2,177	(5,485)
Effect of exchange rate changes	(145)	(305)
Cash & cash equivalents at beginning of financial quarter	17,358	13,555
Cash & cash equivalents at end of financial quarter *	19,390	7,765

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

	As at 30.4.2006 RM'000	As at 30.4.2005 RM'000
Cash and bank balances	22,770	12,284
Bank overdrafts (included within short term borrowings in Note 26)	-	(659)
	22,770	11,625
Short term deposits (restricted portion)	(3,380)	(3,860)
	19,390	7,765

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2006 and the accompanying explanatory notes attached to the interim financial statements.

GEORGE KENT (MALAYSIA) BERHAD

Part A – Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment and financial assets at fair value through profit or loss.

The interim financial statements are unaudited and 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 interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 January 2006. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 January 2006.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2006 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 February 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 102	Inventories
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 112	Income Taxes
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 128	Investments in Associates
FRS 131	Interests in Joint Ventures
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets
FRS 140	Investment Property

The adoption of FRS 3, 5, 102, 108, 110, 116, 121, 127, 128, 131, 133, 136 and 140 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the other new/revised FRSs are discussed below:

(a) FRS 2: Share-based Payment

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity.

The Company operates an equity-settled, share-based compensation plan for the employees of the Group, the George Kent (Malaysia) Berhad Employee Share Options Scheme ("ESOS"). Prior to 1 February 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognised in profit or loss over the vesting periods of the grants with a corresponding increase in equity. The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by vesting date. The fair value of the share option is computed using a binomial model. At every balance sheet date, the Group will revise its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate will be included in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

Under the transitional provisions of FRS 2, this FRS is applied to share options that were granted after 31 December 2004 and had not been vested on 1 February 2006. However, for the Group, the amount is not material and hence no adjustment has been made.

(b) FRS 101: Presentation of Financial Statements

The adoption of the revised FRS 101 has affected the presentation of minority interest, share of net after-tax results of associates and other disclosures. In the consolidated balance sheet, minority interests are now presented within total equity. In the consolidated income statement, minority interests are presented as an allocation of the total profit or loss for the quarter. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the quarter, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current quarter's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current quarter's presentation.

(c) FRS 112: Income Taxes

The Group's associate companies are also required to comply with FRS reporting (instead of Private Entity Reporting Standards) because they are associates of entities which are required to prepare and lodge financial statements under laws administered by the Securities Commission. In compliance with FRS 112 Income Taxes, the Group has written off in the consolidated accounts an associate company's deferred tax assets. The financial impact to the Group arising from this is as follows:

	3 months ended	
	30.4.2006 RM'000	30.4.2005 RM'000
Decrease in profit for the quarter	(42)	-

(d) FRS 138: Intangible Assets

FRS 138 requires the use of judgement in determining whether an asset that incorporates both tangible and intangible elements should be treated under FRS 116 or as an intangible asset under FRS 138 by assessing which element is more significant. Computer software is treated as tangible or intangible depending on whether the software is integral or not integral to the hardware. The financial impact to the Group arising from this change of accounting policy is as follows:

	As at 30.4.2006 RM'000	As at 31.1.2006 RM'000
Decrease in property, plant & equipment	(35)	(39)
Increase in intangible assets	35	39

As disclosed in Note 3, certain comparatives have been restated due to this change in accounting policy.

3. Comparatives

The following comparative amounts have been restated due to the adoption of new and revised FRSs:

	Previously stated	Adjustments FRS 138 (Note 2(d))	FRS 101 (Note 2(b))	Restated
	RM'000	RM'000	RM'000	RM'000
At 31 January 2006				
Property, plant and equipment	57,514	(39)	-	57,475
Intangible assets	637	39	-	676
3 months ended 30 April 2005				
Operating expenses	(4,610)	-	4,610	-
Distribution cost	-	-	(126)	(126)
Administrative and other operating expenses	-	-	(4,773)	(4,773)
Interest income	392		289	681
Profit for the quarter	2,001	-	19	2,020

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 January 2006 was not qualified.

5. Segmental Information

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

	3 months ended 30.4.2006	30.4.2005
	RM'000	RM'000
Segment Revenue		
Malaysia	22,031	18,732
Overseas	2,044	1,989
Total revenue	24,075	20,721
Segment Results		
Malaysia	1,325	1,162
Overseas	1,286	1,109
	2,611	2,271
Eliminations	-	-
Total results	2,611	2,271

6. Unusual Items Due to their Nature, Size or Incidence

The Group's results was affected by a write back of provision for sales tax not required of RM1.6 million and a withholding tax charge of RM741,000 on dividend declared by a subsidiary.

Save for the above, there were no unusual items affecting assets, liabilities, equity, net income or cash flows.

7. Changes in Estimates

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

8. Comments About Seasonality or Cyclical Operations

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

9. Dividends Paid

The Company did not pay any dividends.

10. 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 2006.

11. Debt and Equity Securities

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

12. Changes in Composition of the Group

There were no material changes in the composition of the Group during the quarter.

13. Discontinued Operations

There were no discontinued operations.

14. Capital Commitments

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

15. 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 2006.

16. Subsequent Events

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

17. Significant Related Party Transactions

	3 months ended 30.4.2006 RM'000
a) Transactions with associate :-	
Purchases from Pakar Sains Sdn Bhd	174
Sales to Pakar Sains Sdn Bhd	2,807
b) Transactions with corporations in which the directors, Tan Sri Tan Kay Hock and Puan Sri Tan Swee Bee, are deemed interested through their interest in Johan Holdings Bhd :-	
Sales to George Kent (Singapore) Pte. Ltd.	52
Purchases of air tickets from Diners World Travel (M) Sdn. Bhd.	75
Share registration charges and professional fees paid to Johan Management Services Sdn. Bhd.	36
Rental income from Natures Farm (Health Food) Sdn. Bhd.	19

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

18. Performance Review

In the quarter ended 30 April 2006, the Group generated higher revenue of RM24.1 million (30 April 2005: RM20.7 million) due to higher sales of manufactured and instrumentation products. The profit before tax of RM3.1 million (30 April 2005: RM2.5 million) was higher due to the higher revenue and a write back of provision on sales tax not required of RM1.6 million. The profit for the quarter was RM1.6 million (30 April 2005: RM2.0 million) after deducting withholding tax of RM741,000 on dividend declared by a subsidiary.

19. Comments on Material Change in Profit Before Taxation

The Group's profit before taxation for the current quarter ended 30 April 2006 was RM3.1 million which was higher by RM2.0 million or 186% over the RM1.1 million for the previous quarter ended 31 January 2006. This was attributable to higher revenue and the write back of provision on sales tax not required of RM1.6 million.

20. Commentary on Prospects

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

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

21. 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.

22. Income Tax Expense

	3 months ended	
	30.4.2006 RM'000	30.4.2005 RM'000
Current tax:		
Malaysian income tax	436	216
Foreign tax	1,082	364
	1,518	580
Overprovision of Malaysian income tax in prior years	-	(190)
	1,518	390
Deferred tax	-	69
Total income tax expense	1,518	459

The effective tax rate for the current quarter was higher than the statutory tax rate principally due to withholding tax of RM741,000 on dividend declared by a subsidiary. The effective tax rate for the previous year corresponding quarter was lower than the statutory tax rate principally due to the utilisation of reinvestment allowance and previously unrecognised tax losses and unabsorbed capital allowance to offset the income tax expense

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

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

24. **Quoted Securities**

Details of investment in quoted securities:

	As at 30.4.2006 RM'000	As at 31.1.2006 RM'000
Included within financial assets at fair value through profit or loss under non-current assets:		
At cost	399	399
At book value	306	219
At market value	306	219
Included within financial assets at fair value through profit or loss under current assets:		
At cost	5,015	5,015
At book value	346	300
At market value	346	300

There were no purchases or disposals of quoted securities.

25. **Corporate Proposals**

There were no corporate proposals that had not been completed.

26. **Borrowings**

	As at 30.4.2006 RM'000	As at 31.1.2006 RM'000
Short Term Borrowings	3,000	3,000
Long Term Borrowings	21,872	23,325
Total Borrowings	24,872	26,325

The total borrowings were secured. All of the borrowings are denominated in Ringgit Malaysia.

27. **Off Balance Sheet Financial Instruments**

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

28. **Changes in Material Litigation**

There were no changes in material litigation.

29. **Dividend Payable**

No interim ordinary dividend has been declared for the financial quarter ended 30 April 2006 (30 April 2005: Nil).

30. Earnings per Share

a) Basic

Basic earnings per share amounts are calculated by dividing the profit for the quarter attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares in issue during the quarter.

	3 months ended	
	30.4.2006	30.4.2005
Profit attributable to ordinary equity holders of the parent (RM'000)	1,514	2,001
Weighted average number of ordinary shares in issue ('000)	158,455	158,455
Basic earnings per share (sen)	0.96	1.26

b) Diluted

For the purpose of calculating diluted earnings per share, the profit for the quarter attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the quarter have been adjusted for the dilutive effects of all potential ordinary shares from conversion of the 10-year ICULS. The ESOS shares are not included as the effect is anti-dilutive.

	3 months ended	
	30.4.2006	30.4.2005
Profit attributable to ordinary equity holders of the parent (RM'000)	1,514	2,001
Weighted average number of ordinary shares in issue ('000)	158,455	158,455
Effects of dilution:		
ICULS	10,688	24,310
Adjusted weighted average number of ordinary shares in issue and issuable	169,143	182,765
Diluted earnings per share (sen)	0.90	1.09

By Order of the Board

Teh Yong Fah
Secretary

19 June 2006