GEORGE KENT (MALAYSIA) BERHAD
Condensed Consolidated Income Statements for the Year Ended 31 January 2008

	Note	3 months ended 31.01.2008 RM'000	3 months ended 31.01.2007 RM'000 (restated)	12 months ended 31.01.2008 RM'000	12 months ended 31.01.2007 RM'000 (restated)
Revenue	5	25,161	27,390	89,745	93,777
Cost of sales		(17,684)	(19,428)	(61,755)	(63,664)
Gross profit		7,477	7,962	27,990	30,113
Other income		481	118	6,625	2,121
Administrative and other expenses		(5,903)	(5,352)	(21,781)	(20,783)
Distribution cost		(195)	(209)	(501)	(506)
Operating Profit		1,860	2,519	12,333	10,945
Finance costs		(124)	(646)	(1,419)	(1,873)
Share of profit of associates		290	603	2,150	1,764
Profit before tax		2,026	2,476	13,064	10,836
Income tax expense	22	(835)	(17)	(4,151)	(2,609)
Profit for the year	5	1,191	2,459	8,913	8,227
Attributable to:					
Equity holders of the Company		1,183	2,434	8,833	8,081
Minority interest		8	25	80	146
		1,191	2,459	8,913	8,227
Earnings per share attributable to equity holders of the Company (sen):					
Basic, for profit for the year	30	0.53	1.08	3.92	3.59
Diluted, for profit for the year	30	0.53	1.08	3.92	3.59

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements.

GEORGE KENT (MALAYSIA) BERHAD
Condensed Consolidated Balance Sheet As At 31 January 2008

	Note	As at 31.01.2008 RM'000	As at 31.01.2007 RM'000 (restated)
ASSETS			
Non-current assets			
Property, plant & equipment	10	50,395	56,337
Prepaid land lease payments		89	91
Intangible assets		557	613
Investment in associates		22,165	20,192
Other investments	24	-	292
Deferred tax asset		954	1,176
		74,160	78,701
Current assets			
Inventories		27,005	39,598
Trade and other receivables		28,980	24,049
Tax recoverable	22	817	1,813
Marketable securities	24	400	227
Cash and bank balances		25,398	22,061
		82,600	87,748
TOTAL ASSETS		156,760	166,449
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	11	79,228	79,228
Share premium		2,065	2,065
ICULS	11	33,382	33,382
Other reserves		8,710	9,479
Accumulated losses		(855)	(11,398)
		122,530	112,756
Minority interests		903	823
Total equity		123,433	113,579
Non-current liabilities			
Borrowings	26	11,546	19,605
Deferred tax liabilities		1,005	1,902
		12,551	21,507
Current Liabilities			
Borrowings	26	5,101	9,607
Trade and other payables		15,581	21,661
Current tax payable		94	95
		20,776	31,363
Total liabilities		33,327	52,870
TOTAL EQUITY AND LIABILITIES		156,760	166,449

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2007 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 2008

	Attributable to Equity Holders of the Company						Minority Interest	Total Equity
		Non-Distributable						
	Share Capital RM'000	Share Premium RM'000	ICULS RM'000	Other Reserves RM'000	Accumulated Losses RM'000	Total RM'000	RM'000	RM'000
At 1 February 2006	79,228	2,065	33,382	11,263	(19,479)	106,459	677	107,136
Foreign currency translation	-	-	-	(1,784)	-	(1,784)	-	(1,784)
Net expense recognised directly in equity	-	-	-	(1,784)	-	(1,784)	-	(1,784)
Profit for the year	-	-	-	-	8,081	8,081	146	8,227
Total recognised income and expense for the year	-	-	-	(1,784)	8,081	6,297	146	6,443
At 31 January 2007	79,228	2,065	33,382	9,479	(11,398)	112,756	823	113,579
At 1 February 2007	79,228	2,065	33,382	9,479	(11,398)	112,756	823	113,579
Foreign currency translation	-	-	-	284	-	284	-	284
Deferred tax asset	-	-	-	657	-	657	-	657
Reversal of asset revaluation reserve	-	-	-	(1,710)	1,710	-	-	-
Net income recognised directly in equity	-	-	-	(769)	1,710	941	-	941
Profit for the year	-	-	-	-	8,833	8,833	80	8,913
Total recognised income and expense for the year	-	-	-	(769)	10,543	9,774	80	9,854
At 31 January 2008	79,228	2,065	33,382	8,710	(855)	122,530	903	123,433

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2007 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 2008

	12 Months ended	
	31.01.2008	31.01.2007
	RM' 000	RM' 000
Net cash generated from/(used in) operating activities	9,021	(6,211)
Net cash generated from investing activities	6,755	4,896
Net cash (used in)/generated from financing activities	(13,548)	2,761
Net increase in cash & cash equivalents	2,228	1,446
Effect of exchange rate changes	(53)	(1,019)
Cash & cash equivalents at beginning of the financial year	18,656	18,229
Cash & cash equivalents at end of the financial year *	20,831	18,656

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

	As at 31.01.2008 RM'000	As at 31.01.2007 RM'000
Cash and bank balances	25,398	22,061
Bank overdrafts (included within short term borrowings in Note 26)	(1,101)	(15)
	24,297	22,046
Deposits with licensed banks (restricted portion)	(3,466)	(3,390)
Total cash and cash equivalents	20,831	18,656

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2007 and the accompanying explanatory notes attached to the interim financial statements.

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 2007. 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 2007.

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 2007 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial year beginning 1 February 2007:

FRS 6	Exploration for and Evaluation of Mineral Resources
FRS 117	Leases
FRS 119	Employee Benefits – Actuarial Gains and Losses, Group Plans and Disclosures
FRS 124	Related Party Disclosures

The adoption of FRS 6, 119 and 124 does not have significant financial impact on the Group. The principal effect of the change in accounting policy resulting from the adoption of the FRS 117 is discussed below:

FRS 117: Leases

(i) Leasehold land held for own use

Prior to 1 February 2007, leasehold land held for own use was classified as property, plant and equipment and was stated at cost less accumulated depreciation and impairment losses. The adoption of the revised FRS 117 has resulted in a change in the accounting policy relating to the classification of leases of land and buildings. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. Leasehold land held for own use is now classified as operating lease and where necessary, the minimum lease payments or the up-front payments made are allocated between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

The Group has applied the change in accounting policy in respect of leasehold land in accordance with the transitional provisions of FRS 117. At 1 February 2007, the unamortised amount of leasehold land is retained as the surrogate carrying amount of prepaid lease payments as allowed by the transitional provisions. The reclassification of leasehold land as prepaid lease payments has been accounted for retrospectively and as disclosed in Note 3, certain comparatives have been restated. The effects on the consolidated balance sheet as at 31 January 2007 are set out in Note 3. There were no effects on the consolidated income statement for the year ended 31 January 2008.

(ii) Initial direct costs

Prior to 1 February 2007, the Group, as lessee in operating lease arrangements, had recognised initial direct costs incurred in negotiating and arranging leases as an expense in the profit or loss in the year in which they were incurred. The revised FRS 117 requires such costs to be added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income. According to the revised FRS 117, this change in accounting policy should be applied retrospectively. The Group did not incur significant initial direct costs on negotiating and arranging leases and as a result, this change in accounting policy has no impact on the Group's financial statements.

3. Restatement of Comparatives

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

	Previously stated	Adjustments FRS 101	Adjustments FRS 117	Restated
	RM'000	RM'000	RM'000	RM'000
At 31 January 2007				
Non-current assets				
Property, plant and equipment	56,428	-	(91)	56,337
Prepaid land lease payments	-	-	91	91

4. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 January 2007 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 31.01.2008	3 months ended 31.01.2007	12 months ended 31.01.2008	12 months ended 31.01.2007
	RM'000	RM'000	RM'000	RM'000
Segment Revenue				
Malaysia	22,646	25,287	78,908	85,331
Overseas	2,515	2,103	10,837	8,446
Total revenue	25,161	27,390	89,745	93,777
Segment Results				
Malaysia	(68)	(8)	2,872	2,172
Overseas	1,259	2,467	6,041	6,055
Total results	1,191	2,459	8,913	8,227

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter.

7. Changes in Estimates

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

8. Comments About Seasonality or Cyclical Operations

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

9. Dividends Paid

No dividends have been paid for the current quarter.

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 2007.

11. Debt and Equity Securities

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

12. Changes in Composition of the Group

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

13. Discontinued Operations

There were no discontinued operations during the current quarter.

14. Capital Commitments

There were capital commitments of RM255,000 for plant and equipment as at the end of the current quarter.

15. Changes in Contingent Liabilities and Contingent Assets

The Group does not have any contingent liabilities or contingent assets.

16. Subsequent Events

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

17. Related Party Disclosures

The Group had the following transactions with related parties during the year:

	12 months ended 31.01.2008 RM'000	31.01.2007 RM'000
Related companies: *		
Sale of products	18	415
Purchase of products	354	528
Rendering of services	280	145
Rental income	67	76
Associates:		
Sale of products	331	8,946
Purchase of products	-	997

* Related companies are companies within the Johan Holdings Berhad group.

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

18. Performance Review

The Group recorded a revenue of RM25.2 million for the 4th quarter ended 31 January 2008 (4th quarter ended 31 January 2007 - RM27.4 million) and RM89.7 million for the year ended 31 January 2008 (year ended 31 January 2007 – RM93.8 million).

The revenue was lower by RM2.2 million or 8.1% for the 4th quarter ended 31 January 2008 and RM4.0 million or 4.3% for the year ended 31 January 2008 due to lower sales of trading products and services.

The Group's profit before tax was RM2.0 million for the 4th quarter ended 31 January 2008 (4th quarter ended 31 January 2007 – RM2.5 million) and RM13.1 million for the year ended 31 January 2008 (year ended 31 January 2007 – RM10.8 million).

The profit before tax was higher by RM 2.2 million or 20.6% for the year ended 31 January 2008, mainly contributed by the water infrastructure investment.

19. Variation of Results Against Preceding Quarter

Group Results	Current quarter ended 31 January 2008	Preceding quarter ended 31 October 2007
	RM'000	RM'000
Revenue	25,161	24,480
Profit before tax	2,026	2,123

Revenue for the current quarter was RM25.2 million as compared to RM24.5 million in the preceding quarter and the profit before tax was RM2.0million as compared to RM2.1 million in the preceding quarter.

20. Commentary on Prospects

The Group will remain focused on its core competencies in manufacturing and marketing of meters and other water works products, water infrastructure investments and M&E projects. It will continue with its strategy of enhancing its operating margins through cost efficiencies and technology.

The Board is optimistic of the prospects for 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		12 months ended	
	31.01.2008	31.01.2007	31.01.2008	31.01.2007
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	439	346	169	1,091
Foreign tax	447	392	2,642	2,239
	886	738	2,811	3,330
Overprovision of Malaysian income tax in prior years	-	(454)	-	(454)
	886	284	2,811	2,876
Deferred tax	(345)	(267)	(345)	(267)
Reversal of deferred tax asset	294	-	303	-
Reversal of tax recoverable	-	-	1,382	-
Total income tax expense	835	17	4,151	2,609

Upon the adoption of the revised FRS 101, the Group's share of taxation of associates accounted for using the equity method are now included in the respective shares of profit reported in the consolidated income statement before arriving at the Group's profit before tax. The current year's and last year's tax expenses include withholding taxes of RM803,000 and RM741,000, respectively, on dividends declared by a subsidiary. The effective tax rates are higher than the statutory tax rate due to the write off of tax recoverable of RM1.4 million in another subsidiary.

23. Sale of Unquoted Investments and Properties

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

24. Marketable Securities

There were no purchases and disposals of quoted securities during the quarter.

Details of investments in quoted securities:

	As at 31.01.2008 RM'000	As at 31.01.2007 RM'000
Included within Other investments:-		
At cost	-	399
At book value	-	289
At market value	-	289
Marketable securities:-		
At cost	4,791	4,791
At book value	400	227
At market value	400	227

25. Corporate Proposals

There were no corporate proposals that have not been completed.

26. Borrowings

	As at 31.01.2008 RM'000	As at 31.01.2007 RM'000
Short Term Borrowings	5,101	9,607
Long Term Borrowings	11,546	19,605
Total Borrowings	16,647	29,212

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

On 22 September 2006, the Company, as co-plaintiff with Elster Metering Limited, served a Writ of Summons and Statement of Claim each on Damini Corporation Sdn Bhd, Delta Perdana Sdn Bhd, Premier Amalgamated Sdn Bhd and Dura-Mine Sdn Bhd in relation to their infringement of copyright of the design of the Kent PSM water meter. The matters are still on-going.

Save as above, the Group is not involved in any other material litigation

29. Dividend Payable

No ordinary dividend has been declared for the year ended 31 January 2008 (31 January 2007: Nil).

30. Earnings per Share

Basic earnings per share amounts are calculated by dividing the profit for the year attributable to ordinary equity holders of the Company by the adjusted weighted average number of ordinary shares in issue during the year. In accordance with FRS133, the ICULS unissued shares are included as they are mandatorily convertible instruments.

For the purpose of calculating diluted earnings per share, the profit for the year attributable to ordinary equity holders of the Company 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, i.e. ICULS. The ESOS shares are not included as the effect is anti-dilutive.

	3 months ended		12 months ended	
	31.01.2008	31.01.2007	31.01.2008	31.01.2007
Profit attributable to ordinary equity holders of the Company (RM'000)	1,183	2,434	8,833	8,081
Weighted average number of ordinary shares in issue ('000)	158,455	158,455	158,455	158,455
Adjustment for assumed conversion of ICULS ('000)	66,764	66,764	66,764	66,764
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	225,219	225,219	225,219	225,219
Earnings per share attributable to equity holders of the Company (sen):				
Basic, for profit for the year	0.53	1.08	3.92	3.59
Diluted, for profit for the year	0.53	1.08	3.92	3.59

By Order of the Board
Teh Yong Fah
Company Secretary
25 March 2008