

**GEORGE KENT (MALAYSIA) BERHAD**  
**Condensed Consolidated Income Statements for the Year Ended 31 January 2009**

	Note	3 months ended		12 months ended	
		31.01.2009 RM'000	31.01.2008 RM'000	31.01.2009 RM'000	31.01.2008 RM'000
Revenue	4	26,754	24,767	106,933	89,832
Cost of sales		(17,754)	(17,452)	(72,617)	(62,651)
<b>Gross profit</b>		<u>9,000</u>	<u>7,315</u>	<u>34,316</u>	<u>27,181</u>
Other income		473	864	2,231	7,008
Administrative and other expenses		(4,248)	(6,167)	(22,043)	(21,398)
Distribution cost		(239)	(195)	(445)	(501)
<b>Operating Profit</b>		<u>4,986</u>	<u>1,817</u>	<u>14,059</u>	<u>12,290</u>
Finance costs		(593)	(92)	(1,734)	(1,387)
Share of profit of associates		597	288	1,894	2,148
<b>Profit before tax</b>		<u>4,990</u>	<u>2,013</u>	<u>14,219</u>	<u>13,051</u>
Income tax expense	21	(73)	(763)	(3,421)	(4,079)
<b>Profit for the year</b>		<u>4,917</u>	<u>1,250</u>	<u>10,798</u>	<u>8,972</u>
Attributable to:					
Equity holders of the Company		4,917	1,232	10,783	8,882
Minority interest		-	18	15	90
		<u>4,917</u>	<u>1,250</u>	<u>10,798</u>	<u>8,972</u>
<b>Earnings per share attributable to equity holders of the Company (sen):</b>					
Basic/diluted, for profit for the year	29	<u>2.2</u>	<u>0.5</u>	<u>4.8</u>	<u>3.9</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 January 2008 and the accompanying explanatory notes attached to the interim financial statements.

**GEORGE KENT (MALAYSIA) BERHAD**  
**Condensed Consolidated Balance Sheet As At 31 January 2009**

	Note	As at 31.01.2009 RM'000	As at 31.01.2008 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant & equipment	9	49,502	50,392
Prepaid land lease payments		100	89
Intangible assets		519	557
Investment in associates		27,385	22,159
Deferred tax asset		1,196	957
		<u>78,702</u>	<u>74,154</u>
<b>Current assets</b>			
Inventories		29,644	26,936
Trade and other receivables		35,994	28,511
Tax recoverable		179	745
Marketable securities	23	232	400
Cash and bank balances		27,493	25,403
		<u>93,542</u>	<u>81,995</u>
<b>TOTAL ASSETS</b>		<u>172,244</u>	<u>156,149</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	10	96,263	79,228
Share premium		2,065	2,065
ICULS	10	16,347	33,382
Other reserves		12,986	8,796
Retained earnings/(Accumulated losses)		7,514	(892)
		<u>135,175</u>	<u>122,579</u>
<b>Minority interests</b>		<u>-</u>	<u>913</u>
<b>Total equity</b>		<u>135,175</u>	<u>123,492</u>
<b>Non-current liabilities</b>			
Borrowings	25	16,083	11,546
Deferred tax liabilities		805	1,005
		<u>16,888</u>	<u>12,551</u>
<b>Current Liabilities</b>			
Borrowings	25	5,849	5,242
Trade and other payables		13,968	14,698
Current tax payable		364	166
		<u>20,181</u>	<u>20,106</u>
<b>Total liabilities</b>		<u>37,069</u>	<u>32,657</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>172,244</u>	<u>156,149</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2008 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 2009**

	Attributable to Equity Holders of the Company					Total RM'000	Minority Interest RM'000	Total Equity RM'000
	Non-Distributable							
	Share Capital RM'000	Share Premium RM'000	ICULS RM'000	Other Reserves RM'000	(Accumulated Losses)/ Retained Profits RM'000			
<b>At 1 February 2007</b>	79,228	2,065	33,382	9,479	(11,398)	112,756	823	113,579
Foreign currency translation	-	-	-	284	-	284	-	284
Deferred tax adjustments relating to revaluation of properties	-	-	-	657	-	657	-	657
Transfer of revaluation reserves on disposal of properties	-	-	-	(1,624)	1,624	-	-	-
Net income recognised directly in equity	-	-	-	(683)	1,624	941	-	941
Profit for the year	-	-	-	-	8,882	8,882	90	8,972
Total recognised income and expense for the year	-	-	-	(683)	10,506	9,823	90	9,913
<b>At 31 January 2008</b>	<b>79,228</b>	<b>2,065</b>	<b>33,382</b>	<b>8,796</b>	<b>(892)</b>	<b>122,579</b>	<b>913</b>	<b>123,492</b>
<b>At 1 February 2008</b>	79,228	2,065	33,382	8,796	(892)	122,579	913	123,492
Foreign currency translation	-	-	-	4,190	-	4,190	-	4,190
Deemed disposal of a subsidiary	-	-	-	-	-	-	(928)	(928)
Net income recognised directly in equity	-	-	-	4,190	-	4,190	(928)	3,262
Profit for the year	-	-	-	-	10,783	10,783	15	10,798
Total recognised income and expense for the year	-	-	-	4,190	10,783	14,973	(913)	14,060
Dividends	-	-	-	-	(2,377)	(2,377)	-	(2,377)
Issue of ordinary shares pursuant to ICULS	17,035	-	(17,035)	-	-	-	-	-
<b>At 31 January 2009</b>	<b>96,263</b>	<b>2,065</b>	<b>16,347</b>	<b>12,986</b>	<b>7,514</b>	<b>135,175</b>	<b>-</b>	<b>135,175</b>

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2008 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 2009**

	12 Months ended	
	31.01.2009 RM' 000	31.01.2008 RM' 000
Net cash generated from operating activities	324	8,321
Net cash generated from investing activities	581	6,904
Net cash generated from/ (used in) financing activities	<u>3,078</u>	<u>(13,525)</u>
Net increase in cash & cash equivalents	3,983	1,700
Effect of exchange rate changes	1,884	465
Cash & cash equivalents at beginning of the year	20,821	18,656
Cash & cash equivalents at end of the year *	<u><u>26,688</u></u>	<u><u>20,821</u></u>

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

	As at	As at
	31.01.2009 RM'000	31.01.2008 RM'000
Cash and bank balances	27,493	25,403
Bank overdrafts (included within short term borrowings in Note 25)	<u>(805)</u>	<u>(1,116)</u>
	26,688	24,287
Deposits with licensed banks (restricted portion)	-	<u>(3,466)</u>
Total cash and cash equivalents	<u><u>26,688</u></u>	<u><u>20,821</u></u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2008 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 2008. 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 2008.

#### **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 2008 except for the adoption of the following new/revised Financial Reporting Standards (“FRS”) effective for financial year beginning 1 February 2008:

FRS 107	Cash Flow Statements
FRS 111	Construction Contracts
FRS 112	Income Taxes
FRS 118	Revenue
FRS 119	Employee Benefits
FRS 120	Accounting for Government Grants and Disclosure of Government Assistance
Amendments	
To FRS 121	The Effects of Changes in Foreign Exchange Rates (Net investment in a foreign operation)
FRS 134	Interim Financial Reporting
FRS 137	Provisions, Contingent Liabilities and Contingent Assets

These new/revised FRSs are expected to have no significant financial impact on the financial statements of the Group upon their initial application.

#### **3. Auditors’ Report on Preceding Annual Financial Statements**

The auditors’ report on the financial statements for the year ended 31 January 2008 was not qualified.

#### **4. Segmental Information**

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

	3 months ended		12 months ended	
	31.01.2009 RM'000	31.01.2008 RM'000	31.01.2009 RM'000	31.01.2008 RM'000
<b>Segment Revenue</b>				
Malaysia	23,049	22,252	93,919	78,995
Overseas	3,705	2,515	13,014	10,837
Total revenue	<u>26,754</u>	<u>24,767</u>	<u>106,933</u>	<u>89,832</u>
<b>Segment Results</b>				
Malaysia	1,601	(72)	4,627	2,868
Overseas	3,316	1,322	6,171	6,104
Total results	<u>4,917</u>	<u>1,250</u>	<u>10,798</u>	<u>8,972</u>

**5. 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.

**6. Changes in Estimates**

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

**7. Comments About Seasonality or Cyclical Operations**

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

**8. Dividends Paid**

No dividends have been paid for the current quarter.

**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 2008.

**10. Debt and Equity Securities**

On 7 November 2008, 25,502,113 new ordinary shares of RM0.50 each were issued pursuant to the conversion of ICULS.

Save for the above, there were no other issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the current quarter.

**11. Changes in Composition of the Group**

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

**12. Discontinued Operations**

No major operations were discontinued during the current quarter.

**13. Capital Commitments**

There were capital commitments of RM1.7 million for plant and equipment as at the end of the current quarter.

**14. Changes in Contingent Liabilities and Contingent Assets**

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

**15. Subsequent Events**

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

**16. Related Party Disclosures**

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

	12 months ended	
	31.01.2009	31.01.2008
	RM'000	RM'000
Related companies: *		
Sale of products	-	18
Purchase of products	250	354
Sales commission	330	89
Rendering of services	99	191
Rental income	56	78
Associates:		
Sale of products	14,829	301

\* 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**

**17. Performance Review**

The Group recorded a revenue of RM26.8 million for the 4th quarter ended 31 January 2009 (31 January 2008 – RM24.8 million).

The revenue was higher by RM2.0 million or 8.0% for the 4th quarter ended 31 January 2009 due to higher sales of metering products.

The Group's profit before tax was RM5.0million for the 4th quarter ended 31 January 2009 compared to RM2.0 million for the corresponding period.

**18. Variation of Results Against Preceding Quarter**

Group Results	Current quarter ended 31 January 2009	Preceding quarter ended 31 October 2008
	RM'000	RM'000
Revenue	26,754	28,853
Profit before tax	4,990	2,703

Revenue for the current quarter was RM26.8 million as compared to RM28.9 million in the preceding quarter and the profit before tax was RM5.0 million as compared to RM2.7 million in the preceding quarter. In the current quarter, the sales mix was concentrated on the higher profit margin items resulting in the improved results.

**19. 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 remains optimistic of the prospects for the current year but is cautious of the current downturn of the economies in which the Group operates.

**20. 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.

**21. Income Tax Expense**

	3 months ended		12 months ended	
	31.01.2009	31.01.2008	31.01.2009	31.01.2008
	RM'000	RM'000	RM'000	RM'000
Current tax:				
Malaysian income tax	533	762	1,418	491
Foreign tax	654	389	3,117	2,584
	<u>1,187</u>	<u>1,151</u>	<u>4,535</u>	<u>3,075</u>
Overprovision in prior years:				
Malaysian income tax	(676)	(357)	(676)	(357)
Reversal of tax recoverable	-	(1)	-	1,382
Reversal of deferred tax asset	(438)	(30)	(438)	(21)
Total income tax expense	<u>73</u>	<u>763</u>	<u>3,421</u>	<u>4,079</u>



The current year's and last year's tax expenses include withholding taxes of RM816,000 and RM803,000. The effective tax rate for the quarter was lower than the statutory tax rate due to overprovision for tax of RM676,000 and reversal of deferred tax asset of RM438,000.

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

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

**23. Marketable Securities**

Details of disposal of quoted securities is as follows:

	12 months ended	
	31.01.2009 RM'000	31.01.2008 RM'000
Purchase consideration/Acquired from trade debt settlement	5	381
Sales proceeds	5	599
Gain on disposal	0	218

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

Details of investments in quoted securities:

	As at 31.01.2009 RM'000	As at 31.01.2008 RM'000
	Marketable securities:-	
At cost	405	410
At book value	232	400
At market value	232	400

**24. Corporate Proposals**

There were no corporate proposals that have not been completed.

**25. Borrowings**

	As at 31.01.2009 RM'000	As at 31.01.2008 RM'000
	Short Term Borrowings	5,849
Long Term Borrowings	16,083	11,546
Total Borrowings	21,932	16,788

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

**26. Off Balance Sheet Financial Instruments**

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

**27. 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 above litigations are on-going.

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

**28. Dividend Paid/ Payable**

The interim gross dividend of 2 sen per 50 sen share less tax at 25% for the financial year ended 31 January 2009 was paid on 29 September 2008.

Subject to shareholders' approval at the forthcoming Annual General Meeting ("AGM"), the Directors have recommended a final gross dividend of 1.5 sen per 50 sen share less tax at 25% for the financial year ended 31 January 2009 (31 January 2008 : Nil). If approved at the AGM, the total gross dividend (interim and final) declared for financial year ended 31 January 2009 will amount to 3.5 sen per 50 sen share.

**29. Earnings per Share**

Basic earnings per share amount is calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year. In accordance with FRS133, the shares to be issued upon conversion of ICULS are included in calculating the basic earnings per share as they are mandatorily convertible instruments.

Diluted earnings per share amount is the same as basic earnings per share. The ESOS shares are not included as the effect is anti-dilutive.

	3 months ended		12 months ended	
	31.01.2009	31.01.2008	31.01.2009	31.01.2008
Profit attributable to ordinary equity holders of the Company (RM'000)	4,917	1,232	10,783	8,882
Number of ordinary shares in issue ('000)	166,998	158,455	166,998	158,455
Adjustment for assumed conversion of ICULS ('000)	58,221	66,764	58,221	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/diluted, for profit for the year	2.2	0.5	4.8	3.9

By Order of the Board

Teh Yong Fah  
Company Secretary  
25 March 2009