

## Condensed consolidated interim financial statements

For the three-month period ended 30 April 2012

### Condensed consolidated statement of comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		30 April 2012 RM'000 Unaudited	30 April 2011 RM'000 Unaudited	30 April 2012 RM'000 Unaudited	30 April 2011 RM'000 Unaudited
<b>Revenue</b>		39,673	30,735	39,673	30,735
Cost of sales		(29,182)	(22,000)	(29,182)	(22,000)
<b>Gross profit</b>		10,491	8,735	10,491	8,735
Other operating income		712	1,538	712	1,538
Administrative expenses		(723)	(562)	(723)	(562)
Selling and distribution costs		(444)	(382)	(444)	(382)
Other operating expenses		(4,480)	(4,515)	(4,480)	(4,515)
<b>Operating profit</b>		5,556	4,814	5,556	4,814
Finance costs		(592)	(368)	(592)	(368)
Share of results of an associate		1,540	396	1,540	396
<b>Profit before tax</b>	8	6,504	4,842	6,504	4,842
Income tax expense	9	(1,773)	(1,770)	(1,773)	(1,770)
<b>Profit for the period, net of tax attributable to owners of the parent</b>		4,731	3,072	4,731	3,072
<b>Other comprehensive income</b>					
Net gain/(loss) from translation of foreign operations		715	1,914	715	1,914
<b>Total comprehensive income for the period, net of tax, attributable to owners of the parent</b>		5,446	4,986	5,446	4,986
<b>Earnings per share attributable to owners of the parent (sen):</b>					
Basic	10	2.1	1.4	2.1	1.4
Diluted	10	2.1	1.4	2.1	1.4

*These condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

## Condensed consolidated interim financial statements

For the three-month period ended 30 April 2012

### Condensed consolidated statement of financial position

	Note	30 April 2012 Unaudited RM'000	31 January 2012 Unaudited RM'000 (restated)	1 February 2011 Unaudited RM'000 (restated)
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant & equipment	11	96,654	93,513	87,176
Intangible assets	12	445	454	496
Investments in associates		34,464	32,110	25,224
Deferred tax asset		1,987	1,835	1,722
		<u>133,550</u>	<u>127,912</u>	<u>114,618</u>
<b>Current assets</b>				
Inventories	13	33,961	38,615	39,814
Trade and other receivables		53,190	50,155	38,428
Other current assets		127	106	3,226
Investment securities	15	3,775	4,692	4,497
Cash and bank balances	14	59,233	59,574	61,714
		<u>150,286</u>	<u>153,142</u>	<u>147,679</u>
<b>Total assets</b>		<u>283,836</u>	<u>281,054</u>	<u>262,297</u>
<b>Equity and liabilities</b>				
Share capital	16	112,651	112,651	112,650
Share premium	16	2,092	2,092	2,091
Other reserves		(2,896)	(3,611)	(11,785)
Retained earnings		108,034	103,303	92,417
<b>Total equity</b>		<u>219,881</u>	<u>214,435</u>	<u>195,373</u>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	17	21,929	19,237	11,570
Deferred tax liabilities		2,394	2,327	1,845
		<u>24,323</u>	<u>21,564</u>	<u>13,415</u>
<b>Current liabilities</b>				
Interest-bearing loans and borrowings	17	14,708	15,219	16,674
Trade and other payables		17,447	21,164	32,183
Other current liabilities		7,395	8,415	3,826
Current tax payable		82	257	826
		<u>39,632</u>	<u>45,055</u>	<u>53,509</u>
<b>Total liabilities</b>		<u>63,955</u>	<u>66,619</u>	<u>66,924</u>
<b>Total equity and liabilities</b>		<u>283,836</u>	<u>281,054</u>	<u>262,297</u>

*These condensed consolidated statement of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**Condensed consolidated interim financial statements**  
**For the three-month period ended 30 April 2012**

**Condensed consolidated statements of changes in equity**

	Attributable to owners of the Parent						
	Non-Distributable		Distributable		Non-Distributable		
	Equity, total RM'000	Share Capital RM'000	Share Premium RM'000	Retained Earnings RM'000	Other reserves, total RM'000	Asset Revaluation Reserve - Freehold Land RM'000	Foreign Currency Translation Reserves RM'000
<b>At 1 February 2011</b>							
As previously stated	164,261	112,650	2,091	49,797	(277)	11,508	(11,785)
Effect of transition to MFRS	31,112	-	-	42,620	(11,508)	(11,508)	-
At 1 February 2011, restated	195,373	112,650	2,091	92,417	(11,785)	-	(11,785)
Total comprehensive income	4,986	-	-	3,072	1,914	-	1,914
<b>Transactions with owners</b>							
Issue of ordinary shares pursuant to employee share option scheme	1	-	1	-	-	-	-
<b>At 30 April 2011</b>	<b>200,360</b>	<b>112,650</b>	<b>2,092</b>	<b>95,489</b>	<b>(9,871)</b>	<b>-</b>	<b>(9,871)</b>
<b>At 1 February 2012</b>							
As previously stated	183,323	112,651	2,092	60,683	7,897	11,508	(3,611)
Effect of transition to MFRS	31,112	-	-	42,620	(11,508)	(11,508)	-
<b>At 1 February 2012, restated</b>	<b>214,435</b>	<b>112,651</b>	<b>2,092</b>	<b>103,303</b>	<b>(3,611)</b>	<b>-</b>	<b>(3,611)</b>
Total comprehensive income	5,446			4,731	715		715
<b>At 30 April 2012</b>	<b>219,881</b>	<b>112,651</b>	<b>2,092</b>	<b>108,034</b>	<b>(2,896)</b>	<b>-</b>	<b>(2,896)</b>

*These condensed consolidated statement of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**Condensed consolidated interim financial statements**  
For the three-month period ended 30 April 2012

**Condensed consolidated statement of cash flows**

		3 months ended	
	Note	30 April 2012 Unaudited RM' 000	30 April 2011 Unaudited RM' 000
Operating activities			
<b>Profit before tax</b>		6,504	4,842
<u>Adjustments for:</u>			
Interest income		(457)	(374)
Interest expenses		592	368
Loss on disposal of property, plant and equipment	11	4	-
Net fair value loss/(gain) on held for trading investment securities		169	(26)
Amortisation of intangible assets	12	21	19
Depreciation of property, plant and equipment		683	489
Write off of inventories	13	-	35
Loss/(Gain) on foreign exchange - realised		432	(269)
Gain on foreign exchange - unrealised		(427)	(723)
Share of results of an associate		(1,540)	(396)
Other non-cash adjustments		(182)	327
Total adjustments		<u>(704)</u>	<u>(551)</u>
<b>Operating cash flows before changes in working capital</b>		5,800	4,291
<u>Changes in working capital</u>			
Decrease in inventories		4,654	82
Increase in trade and other receivables		(3,543)	(2,853)
Decrease in trade and other payables		(4,199)	(8,483)
Total changes in working capital		<u>(3,088)</u>	<u>(11,254)</u>
Interest received		457	374
Interest paid		(592)	(368)
Income tax paid		(2,034)	(2,007)
		<u>(2,169)</u>	<u>(2,001)</u>
<b>Cash flows from operations</b>		542	(8,964)
<u>Investing activities</u>			
Purchase of property, plant and equipment		(4,106)	(995)
Proceed from disposal of property, plant and equipment		63	-
Purchase of intangible assets		(13)	-
Purchase of marketable securities		(305)	(678)
Proceed from disposal of marketable securities		1,360	497
Others		15	12
<b>Net cash used in investing activities</b>		<u>(2,986)</u>	<u>(1,164)</u>
<u>Financing activities</u>			
Drawdown of bank borrowings		2,801	4,852
Proceed from exercise of employee share options		-	2
Others		169	(64)
<b>Net cash generated from financing activities</b>		<u>2,970</u>	<u>4,790</u>
<b>Net change in cash and cash equivalents</b>		526	(5,338)
Effect of exchange rate changes on cash and cash equivalents		(79)	1,299
<b>Cash and cash equivalents at 1 February</b>		<u>54,896</u>	<u>59,345</u>
<b>Cash and cash equivalents at 30 April*</b>		<u>55,343</u>	<u>55,306</u>
<b>* Cash and cash equivalents comprise the following at 30 April:</b>			
Cash and bank balances		59,233	57,918
Bank overdrafts		(3,889)	(2,612)
Total cash and cash equivalents		<u>55,344</u>	<u>55,306</u>

The condensed consolidated statement of cash flows should be read in conjunction with the accompanying explanatory notes attached to the interim financial statements.

## Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2012

### 1 Corporate information

George Kent (Malaysia) Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad ("Bursa").

These condensed consolidated interim financial statements were approved by the Board of Directors on 25 June 2012.

### 2 First-time adoption of Malaysian Financial Reporting Standard ("MFRS")

These condensed consolidated interim financial statements, for the period ended 30 April 2012, have been prepared in accordance with MFRS 134 *Interim Financial Reporting* and Paragraph 9.22 of the Listing Requirements of Bursa. These condensed consolidated interim financial statements also comply with IAS 34 *Interim Financial reporting* issued by the International Accounting Standard Board. For the period up to and including the year ended 31 January 2012, the Group prepared its financial statements in accordance with Financial Reporting Standards ("FRS").

The consolidated financial statements of the Group for the year ended 31 January 2012 which were prepared under FRS are available upon request from the Company registered office at Lot 1115, Batu 15, Jalan Dengkil, 47100 Puchong, Selangor Darul Ehsan.

These condensed consolidated interim financial statements are the Group's first MFRS condensed consolidated interim financial statements for part of the period covered by the Group's first MFRS annual financial statements for the year ending 31 January 2013. MFRS 1 *First-Time Adoption of Malaysian Financial Reporting Standards* ("MFRS 1") has been applied.

The explanatory notes attached to these condensed consolidated 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 2012.

In preparing its opening MFRS Statement of Financial Position as at 1 February 2011 (which is also the date of transition), the Group has adjusted the amounts previously reported in financial statements prepared in accordance with FRS. An explanation of how the transition from FRS to MFRS has affected the Group's financial position, financial performance and cash flows is set out in Note 3 below. This note includes reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS. The transition from FRS to MFRS has not had a material impact on the statement of cash flows.

### 3 Significant accounting policies and application of MFRS 1

The audited financial statements of the Group for the year ended 31 January 2012 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 January 2012 except as discussed below:

#### (a) Business combination

MFRS 1 provides the option to apply MFRS 3 *Business Combinations*, prospectively from the date of transition or from a specific date prior to the date of transition. This provides relief from full retrospective application of MFRS 3 which would require restatement of all business combinations prior to the date of transition.

##### Acquisition before date of transition

The Group has elected to apply MFRS 3 prospectively from the date of transition. In respect of acquisitions prior to the date of transition,

- (i) The classification of former business combinations under FRS is maintained;
- (ii) There is no-remeasurement of original fair values determined at the time of business combination (date of acquisition).

#### (b) Property, plant and equipment

Except for certain of the freehold land of the Group and of the Company, which are carried at valuation, all other property, plant and equipment are carried at cost less accumulated depreciation. Certain freehold land of the Company and of the Group have not been revalued since they were first revalued in 1996. The directors have not adopted a policy of regular revaluations of such assets and no later valuation has been recorded. As permitted under the transitional provisions of MASB Approved Accounting Standard IAS 16 (Revised): *Property, Plant and Equipment*, these assets continue to be stated at their 1996 valuation less accumulated depreciation.

Upon transition to MFRS, the Group has elected to measure all its property, plant and equipment using the cost model under MFRS 116 *Property, Plant and Equipment*. At the date of transition to MFRS, the group elected to apply the "deemed cost" transition exemption and use the fair value at date of transition as deemed cost. Accordingly, the financial impact is as follows:

- a decrease of RM291,000 for building on freehold land was recognised in property, plant and equipment and retained earnings as of 1 February 2011, 30 April 2011 and 31 January 2012;
- an increase of RM31,403,000 for freehold land was recognised in property plant and equipment (30 April 2011: RM31,403,000; 31 January 2012: RM31,403,000) was recognised in property, plant and equipment and retained earnings as of 1 February 2011, 30 April 2011 and 31 January 2012; and
- a reclassification of RM11,508,000 from asset revaluation reserve to retained earnings as of 1 February 2011, 30 April 2011 and 31 January 2012.

## Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2012

### 3 Significant accounting policies and application of MFRS 1 (continued)

#### (c) Estimates

The estimates at 1 February 2011 and 31 January 2012 were consistent with those made for the same dates in accordance with FRS. The estimates used by the Group to present these amounts in accordance with MFRS reflect conditions at at 1 February 2011, the date of transition to MFRS and as of 31 January 2012.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

#### (i) Reconciliation of equity as at 1 February 2011

	FRS as at 1 February 2011 RM'000	Effect of transition to MFRSs RM'000	MFRS as at 1 February 2011 RM'000
Property, plant and equipment	56,064	31,112	87,176
Other reserves (Asset revaluation)	11,508	(11,508)	-
Retained earnings	49,797	42,620	92,417

#### (ii) Reconciliation of equity as at 30 April 2011

	FRS as at 30 April 2011 RM'000	Effect of transition to MFRSs RM'000	MFRS as at 30 April 2011 RM'000
Property, plant and equipment	56,537	31,112	87,649
Other reserves (Asset revaluation)	11,508	(11,508)	-
Retained earnings	43,118	42,620	85,738

#### (iii) Reconciliation of equity as at 31 January 2012

	FRS as at 31 January 2012 RM'000	Effect of transition to MFRSs RM'000	MFRS as at 31 January 2012 RM'000
Property, plant and equipment	62,401	31,112	93,513
Other reserves (Asset revaluation)	11,508	(11,508)	-
Retained earnings	60,683	42,620	103,303

### 4 Changes in estimates

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

### 5 Changes in composition of the Group

There were no material changes in composition of the Group during the current interim period.

### 6 Segment information

Segment information is presented in respect of the Group's operating segments. The activities within each of these segment are explained below:

#### (a) Investment

Investment comprised mainly income derived from investment activities.

#### (b) Water infrastructure/engineering

Water infrastructure/Engineering comprises mainly revenue derived from the production and marketing of water related product and services, operation of water infrastructure and mechanical and engineering contracts.

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

## Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2012

### 6 Segment information (continued)

	Investment RM'000	Water infrastructure/ engineering RM'000	Adjustments and eliminations RM'000	Per condensed consolidated financial statements RM'000
<b>3 months period ended 30 April 2012</b>				
<b>Revenue:</b>				
External customers	-	39,673	-	39,673
<b>Results:</b>				
Interest income	451	6	-	457
Depreciation and amortisation	-	705	-	705
Share of results of associate	-	1,540	-	1,540
Segment profit (Note A)	297	5,259	948	6,504
<b>3 months period ended 30 April 2011</b>				
<b>Revenue:</b>				
External customers	-	30,735	-	30,735
<b>Results:</b>				
Interest income	349	26	-	374
Depreciation and amortisation	-	507	-	507
Share of results of associate	-	396	-	396
Segment profit (Note A)	876	3,938	28	4,842

#### Note A

The following items are added to/(deducted from) segment profit to arrive at "Profit before taxation from operations" presented in the consolidated statement of comprehensive income:

	30 April 2012 RM'000	30 April 2011 RM'000
Share of results of associate	1,540	396
Finance costs	(592)	(368)
	948	28

#### Investment

The investment segment contributed 5% (30 April 2011: 18%) of the operating profit of the Group, mainly derived from investments activities.

The uncertain global economic environment has adversely affected the returns of the Group's investments for the current quarter. Operating profit has decreased 66% from RM0.88 million in the corresponding quarter in 2011 to RM0.3 million in the current quarter.

#### Water infrastructure/engineering

The water infrastructure/engineering segment remained the Group's main source of revenue, contributing 100% (30 April 2010: 100%) of the revenue of the Group. This segment contributed 95% (30 April 2011: 82%) of the operating profit of the Group.

The operations for this segment are mainly concentrated in Malaysia, with the regional activities in the ASEAN countries and Papua New Guinea. Its core businesses are centred in the water industry and engineering works. Despite the sovereign debt crises in Europe, the economies in the region showed resilience. The demand for water industry and engineering contract related to water infrastructure are encouraging and led to higher revenue for the first quarter ended 30 April 2012.

Segment revenue of RM39.67 million for the first quarter ended 30 April 2012 increased by 29% compared to RM30.74 million for the corresponding quarter in 2011. Operating profit recorded RM5.26 million for the first quarter ended 30 April 2012, increased by 34% compared to a profit before tax of RM3.94 million for the corresponding quarter in 2011.

#### Consolidated profit before tax

The Group's current quarter profit before tax of RM6.504 million (30 April 2011: RM4.842 million) has increased by 34%. The main factors which have affected the current quarter's profit before tax have been discussed above.

### 7 Seasonality of operations

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

## Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2012

### 8 Profit before tax

Included in the profit before tax are the following items:

	Cumulative quarter 3 months ended		Cumulative quarter 3 months ended	
	30 April 2012 RM'000	30 April 2011 RM'000	30 April 2012 RM'000	30 April 2011 RM'000
Interest income	(457)	(374)	(457)	(374)
Other income (including investment income)	(255)	(1,164)	(255)	(1,164)
Interest expenses	592	368	592	368
Depreciation of property, plant and equipment	683	489	683	489
Amortisation of intangible assets	21	19	21	19
Gain on disposal of quoted and unquoted investments	(19)	(43)	(19)	(43)
Loss on disposal of property, plant and equipment	4	-	4	-
Net fair value loss/(gain) on held for trading investment securities	169	(26)	169	(26)
Write-off of inventories	-	35	-	35
Loss/(Gain) on foreign exchange - realised	432	(269)	432	(269)
Gain on foreign exchange - unrealised	(427)	(723)	(427)	(723)

### 9 Income tax expenses

	Cumulative quarter 3 months ended		Cumulative quarter 3 months ended	
	30 April 2012 RM'000	30 April 2011 RM'000	30 April 2012 RM'000	30 April 2011 RM'000
Current Tax:				
Malaysian income tax	678	569	678	569
Foreign tax	1,096	1,201	1,096	1,201
	<u>1,773</u>	<u>1,770</u>	<u>1,773</u>	<u>1,770</u>

Domestic income tax is calculated at the Malaysian statutory rate of 25% of the estimated assessable profit. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

### 10 Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax attributable to owners by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax attributable to owners by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of the dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30 April 2012	30 April 2011	30 April 2012	30 April 2011
Profit net of tax attributable to owners used in computation of earnings per share (RM'000)	<u>4,731</u>	<u>3,072</u>	<u>4,731</u>	<u>3,072</u>
Weighted average number of ordinary shares in issue ('000)	225,303	225,302	225,303	225,302
Effects of dilution - Share options ('000)	<u>34</u>	<u>80</u>	<u>34</u>	<u>80</u>
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	<u>225,337</u>	<u>225,382</u>	<u>225,337</u>	<u>225,382</u>
Basic earnings per share (sen per share)	<u>2.1</u>	<u>1.4</u>	<u>2.1</u>	<u>1.4</u>
Diluted earnings per share (sen per share)	<u>2.1</u>	<u>1.4</u>	<u>2.1</u>	<u>1.4</u>



## Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2012

### 11 Property, plant and equipment

#### Acquisitions and disposals

During the three months ended 30 April 2012, the Group acquired assets at a cost of RM4.106 million (30 April 2011: RM0.96 million).

Assets with carrying amount of RM66,000 were disposed of by the Group during the three months ended 30 April 2012 (30 April 2011: Nil), resulting in a loss on disposal of RM4,000 (30 April 2011: Nil), recognised and included in administrative expenses in the statement of comprehensive income.

### 12 Intangible assets

	Computer software RM'000	Development costs RM'000	Total RM'000
<b>Cost:</b>			
At 1 February 2011	243	980	1,223
Addition	46	-	46
At 31 January 2012 and 1 February 2012	289	980	1,269
Addition	12	-	12
At 30 April 2012	301	980	1,281
<b>Accumulated amortisation:</b>			
At 1 February 2011	139	588	727
Amortisation	39	49	88
At 31 January 2012 and 1 February 2012	178	637	815
Amortisation	9	12	21
At 30 April 2012	187	649	836
<b>Net carrying amount:</b>			
At 1 February 2011	104	392	496
At 31 January 2012	111	343	454
At 30 April 2012	114	331	445

#### Computer software

Computer software are stated at cost less any accumulated impairment losses and are amortised on a straight-line basis over the estimated economic useful lives at the annual rate of 20%. Impairment is assessed whenever there is an indication that the intangible asset may be impaired. The amortisation of computer software is included in administrative expenses in the statement of comprehensive income.

#### Development costs

Development costs, considered to have finite useful lives, are stated at cost less any accumulated impairment losses and are amortised using the straight-line basis from the commencement of the contract to which they relate over the period of their expected benefit not exceeding 20 years. The amortisation of development costs is included in administrative expenses in the statement of comprehensive income.

### 13 Inventories

During the three months ended 30 April 2012, there was no inventory write-off (30 April 2011: RM34,704).

### 14 Cash and cash equivalents

Cash and cash equivalents comprised the following amounts:

	30 April 2012 RM'000	31 January 2012 RM'000	1 February 2011 RM'000
Cash at bank and in hand	26,994	30,070	26,041
Short term deposits	32,239	29,504	35,673
	59,233	59,574	61,714

## Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2012

### 15 Fair value hierarchy

The Group use the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1 - Quoted price (unadjusted) in active markets for identical assets or liabilities

Level 2 - Input that are based on observable market data

Level 3 - Input that are not based on observable market data

As at the reporting date, the Group held the following financial assets that are measured at fair value:

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
<b>At 30 April 2012</b>				
Financial assets held for trading:				
- Quoted shares	3,775	3,775	-	-
<b>At 31 January 2012</b>				
Financial assets held for trading:				
- Quoted shares	4,692	4,692	-	-

### 16 Share capital, share premium and treasury shares

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current interim period.

### 17 Interest-bearing loans and borrowings

	30 April 2012 RM'000	31 January 2012 RM'000	1 February 2011 RM'000
<b>Secured</b>			
Short term borrowings	14,708	15,219	16,674
Long term borrowings	21,929	19,237	11,570
	<u>36,637</u>	<u>34,456</u>	<u>28,244</u>

### 18 Provisions for costs of restructuring

Not applicable.

### 19 Dividends

No interim ordinary dividend has been declared for the financial period ended 30 April 2012 (30 April 2011: Nil).

Subject to shareholders' approval at the forthcoming Annual General Meeting ("AGM"), the Directors have recommended a final gross dividend of RM0.03 less tax 25% per share for the financial year ended 31 January 2012 (FY2011 : RM0.03 less tax). If approved at the AGM, the total gross dividend (interim and final) declared for the financial year ended 31 January 2012 will be RM0.05 less tax 25% per share. In Ringgit Malaysia term, the total net dividend will be RM8.448 million (FY2011 : RM8.448 million).

### 20 Commitments

Capital expenditure as at the reporting date is as follows:

	30 April 2012 RM'000	31 January 2012 RM'000	1 February 2011 RM'000
Approved but not contracted for:			
Property, plant and equipment	714	3,880	12,479

### 21 Contingencies

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

### 22 Related party transactions

The Group had the following transactions with related parties during the three-months period ended 30 April:

	3 months ended	
	30 April 2012 RM'000	30 April 2011 RM'000
Related companies: *		
Purchase of tiles	-	63
Purchase of air tickets	167	14
Professional and share registration charges	23	23

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

### 23 Events after the reporting period

There were no material event subsequent to the end of current interim period.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:  
Chapter 9, Appendix 9B, Part A**

For the three-month period ended 30 April 2012

**24 Performance review**

Explanatory comment on the performance of each of the Group's business activities is provided in Note 6.

**25 Comment on material change in profit before taxation**

The profit before taxation for the current quarter ended 30 April 2012 is 29% lower than the preceeding quarter due to lower sale of meters and slower project related works in the current quarter.

**26 Commentary on prospects**

The Group performed creditably at the start of this new financial year in spite of the headwind of global economic slowdown. The upgrading of our manufacturing facilities to expand production capacity has served to accommodate a stronger demand for meters and non-meter products.

The Group is confident that it can continue to draw on its core competencies to boost its orderbook in its manufactured products and infrastructure projects. The Board remains optimistic of the Group's prospects for the current financial year ending 31st January 2013.

**27 Commentary on progress to achieve revenue or profit estimate, forecast, projection or internal targets**

Not applicable.

**28 Statement by directors on achievability of revenue or profit estimate, forecast, projection or internal targets**

Not applicable.

**29 Profit forecast or profit guarantee**

Not applicable.

**30 Corporate proposals**

There were no corporate proposals announced but not completed as at the date of issue of these interim financial statements.

**31 Changes in material litigation**

There were no changes in the material litigation save for the following:

The Group has made an application for leave to appeal to the Federal Court in relation to our case against Delta Perdana Sdn Bhd and Damini Corporation Sdn Bhd.

**32 Dividend payable**

Please refer to Note 19 for details.

**33 Disclosure of nature of outstanding derivatives**

Not applicable.

**34 Rationale for entering into derivatives**

The Group did not enter into any derivatives during the period ended 30 April 2012 or the previous financial year ended 31 January 2012.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:  
Chapter 9, Appendix 9B, Part A**

For the three-month period ended 30 April 2012

**35 Risks and policies of derivatives**

The Group did not enter into any derivatives during the period ended 30 April 2012 or the previous financial year ended 31 January 2012.

**36 Disclosure of gains/losses arising from fair value changes of financial liabilities**

The Group did not have any gains/losses arising from fair value changes of financial liabilities as at 30 April 2012 and 31 January 2012.

**37 Breakdown of realised and unrealised profits or losses**

The breakdown of the retained profits of the Group as at 30 April 2012 and 31 January 2012 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with *Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses* in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, as issued by the Malaysian Institute of Accountants.

	<b>Current quarter ended 30 April 2012 RM'000</b>	<b>Previous financial year ended 31 January 2012 RM'000</b>
Total retained profits/(accumulated losses) of the Company and its subsidiaries		
- Realised	(77,877)	(75,064)
- Unrealised	42,788	40,593
	<u>(35,089)</u>	<u>(34,471)</u>
Total share of retained profits from an associate		
- Realised	22,947	21,772
- Unrealised	(1)	(369)
	<u>(12,143)</u>	<u>(13,068)</u>
Less: Consolidation adjustments	120,177	116,371
Total Retained profits/(accumulated losses) as per financial statements	<u>108,034</u>	<u>103,303</u>

**38 Auditors' report on preceding annual financial statements**

The auditors' report on the financial statements for the year ended 31 January 2012 was not qualified.