



**Condensed consolidated interim financial statements**  
**For the twelve-month period ended 31 January 2013**  
**Condensed consolidated statement of comprehensive income**

	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31 January 2013 Unaudited RM'000	31 January 2012 Unaudited RM'000	31 January 2013 Unaudited RM'000	31 January 2012 Unaudited RM'000
Revenue		122,562	49,352	276,806	152,673
Cost of sales		(99,937)	(33,807)	(215,927)	(104,816)
<b>Gross profit</b>		<b>22,625</b>	<b>15,545</b>	<b>60,879</b>	<b>47,857</b>
Other operating income		296	(250)	2,483	2,897
Administrative expenses		(254)	(758)	(3,237)	(2,989)
Selling and distribution costs		(971)	(445)	(2,832)	(1,747)
Other operating expenses		(6,820)	(5,299)	(21,839)	(20,063)
<b>Operating profit</b>		<b>14,876</b>	<b>8,793</b>	<b>35,454</b>	<b>25,955</b>
Finance costs		(923)	(443)	(2,750)	(1,869)
Share of results of an associate		753	766	2,985	2,106
<b>Profit before tax</b>	8	<b>14,706</b>	<b>9,116</b>	<b>35,689</b>	<b>26,192</b>
Income tax expense	9	(4,186)	(2,086)	(10,067)	(6,858)
<b>Profit for the period, net of tax, attributable to owners of the parent</b>		<b>10,520</b>	<b>7,030</b>	<b>25,622</b>	<b>19,334</b>
<b>Other comprehensive income</b>					
Net gain/(loss) from translation of foreign operations		771	(118)	1,507	8,174
<b>Total comprehensive income for the period, net of tax, attributable to owners of the parent</b>		<b>11,291</b>	<b>6,912</b>	<b>27,129</b>	<b>27,508</b>
<b>Earnings per share attributable to owners of the parent (sen):</b>					
Basic	10	4.7	3.1	11.4	8.6
Diluted	10	4.7	3.1	11.4	8.6

*The 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 twelve-month period ended 31 January 2013**  
**Condensed consolidated statement of financial position**

		<b>31 January 2013</b>	<b>31 January 2012</b>	<b>1 February 2011</b>
	<b>Note</b>	<b>Unaudited RM'000</b>	<b>Unaudited RM'000 (restated)</b>	<b>Unaudited RM'000 (restated)</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	11	94,930	93,513	87,176
Intangible assets	12	379	454	496
Investments in associates		27,241	32,110	25,224
Deferred tax asset		2,007	1,835	1,722
		<u>124,557</u>	<u>127,912</u>	<u>114,618</u>
<b>Current assets</b>				
Inventories	13	40,293	38,615	39,814
Trade and other receivables		75,561	50,155	38,428
Other current assets		143	106	3,226
Tax recoverable		65	-	-
Investment securities	15	2,243	4,692	4,497
Cash and bank balances	14	121,030	59,574	61,714
		<u>239,335</u>	<u>153,142</u>	<u>147,679</u>
<b>Total assets</b>		<u>363,892</u>	<u>281,054</u>	<u>262,297</u>
<b>Equity and liabilities</b>				
<b>Equity attributable to owners of the parent</b>				
Share capital	16	112,651	112,651	112,650
Share premium	16	2,092	2,092	2,091
Other reserves		(2,104)	(3,611)	(11,785)
Retained earnings		120,476	103,303	92,417
<b>Total equity</b>		<u>233,115</u>	<u>214,435</u>	<u>195,373</u>
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	17	14,907	19,237	11,570
Deferred tax liabilities		2,433	2,327	1,845
		<u>17,340</u>	<u>21,564</u>	<u>13,415</u>
<b>Current liabilities</b>				
Interest-bearing loans and borrowings	17	16,890	15,219	16,674
Trade and other payables		96,547	29,579	36,009
Tax payables		-	257	826
		<u>113,437</u>	<u>45,055</u>	<u>53,509</u>
<b>Total liabilities</b>		<u>130,777</u>	<u>66,619</u>	<u>66,924</u>
<b>Total equity and liabilities</b>		<u>363,892</u>	<u>281,054</u>	<u>262,297</u>

*The 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 twelve-month period ended 31 January 2013**  
**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	27,508	-	-	19,334	8,174	-	8,174
<b>Transactions with owners</b>							
Dividends	(8,448)	-	-	(8,448)	-	-	-
Issue of ordinary shares pursuant to employee share option scheme	2	1	1	-	-	-	-
<b>At 31 January 2012</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>
<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)	-
At 1 February 2012, restated	<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	27,129	-	-	25,622	1,507	-	1,507
<b>Transactions with owners</b>							
Dividends	(8,449)	-	-	(8,449)	-	-	-
<b>At 31 January 2013</b>	<b>233,115</b>	<b>112,651</b>	<b>2,092</b>	<b>120,476</b>	<b>(2,104)</b>	<b>-</b>	<b>(2,104)</b>

*The 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 twelve-month period ended 31 January 2013**  
**Condensed consolidated statement of cash flows**

	Note	12 months ended	
		31 January 2013	31 January 2012
		Unaudited RM'000	Unaudited RM'000
Operating activities			
<b>Profit before tax</b>		35,689	26,192
<u>Adjustments for:</u>			
Interest income		(1,825)	(1,839)
Interest expenses		2,750	1,869
Gain on disposal of property, plant and equipment	11	(42)	(30)
(Gain)/loss on disposal of investment securities		(3)	31
Net fair value (gain)/loss on held for trading investment securities		(155)	474
Net loss on voluntary liquidation of an associates		27	-
Amortisation of intangible assets	12	89	88
Impairment loss on trade receivables		331	-
Depreciation of property, plant and equipment		3,289	2,610
Loss on foreign exchange - unrealised		1,108	1,126
Share of results of an associate		(2,985)	(2,106)
Gain on disposal of an associate		-	(33)
Other non-cash adjustments		(199)	(125)
Total adjustments		<u>2,385</u>	<u>2,065</u>
<b>Operating cash flows before changes in working capital</b>		<b>38,074</b>	<b>28,257</b>
<u>Changes in working capital</u>			
(Increase)/decrease in inventories		(1,653)	1,199
(Increase)/decrease in trade and other receivables		(24,896)	(7,081)
Increase/(decrease) in trade and other payables		66,943	(8,688)
Total changes in working capital		<u>40,394</u>	<u>(14,570)</u>
Interest received		1,825	1,839
Interest paid		(2,750)	(2,303)
Income tax paid		(10,426)	(7,058)
		<u>(11,351)</u>	<u>(7,522)</u>
<b>Cash flows from operations</b>		<b>67,117</b>	<b>6,165</b>
<u>Investing activities</u>			
Purchase of property, plant and equipment		(5,011)	(6,886)
Proceed from disposal of property, plant and equipment		701	140
Purchase of intangible assets		(14)	(46)
Purchase of investment securities		(1,411)	(2,565)
Proceed from disposal of investment securities		4,193	1,865
Redemption of debenture from associate		6,418	-
Proceeds from disposal of an associate		-	500
Proceeds from capital distribution of an associate		297	-
Others		160	125
<b>Net cash used in investing activities</b>		<u>5,333</u>	<u>(6,867)</u>
<u>Financing activities</u>			
(Repayment)/drawdown of bank borrowings		(1,905)	1,858
Dividends paid on ordinary shares		(8,449)	(8,448)
Proceed from exercise of employee share options		-	2
<b>Net cash generated from financing activities</b>		<u>(10,354)</u>	<u>(6,588)</u>
<b>Net change in cash and cash equivalents</b>		<b>62,096</b>	<b>(7,290)</b>
Effect of exchange rate changes on cash and cash equivalents		840	2,841
<b>Cash and cash equivalents at 1 February</b>		<b>54,896</b>	<b>59,345</b>
<b>Cash and cash equivalents at 31 January*</b>		<b>117,832</b>	<b>54,896</b>
<b>* Cash and cash equivalents comprise the following at 31 January:</b>			
Cash and bank balances	14	121,030	59,574
Bank overdrafts		(3,198)	(4,678)
Total cash and cash equivalents		<u>117,832</u>	<u>54,896</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 twelve-month period ended 31 January 2013

### 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 10 December 2012.

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

These condensed consolidated interim financial statements, for the period ended 31 January 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:



## Explanatory notes pursuant to MFRS 134 For the twelve-month period ended 31 January 2013

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

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

#### (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 1 February 2011, the date of transition to MFRS and as of 31 January 2012.

## Explanatory notes pursuant to MFRS 134

### For the twelve-month period ended 31 January 2013

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

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 MFRS 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 31 January 2012

	FRS as at 31 January 2012 RM'000	Effect of transition to MFRS 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

On 13 June 2012, the Board of Directors had announced that the final meeting for members' voluntary winding-up of George Kent (Sabah) Sdn Bhd, a subsidiary of the Company, was duly held on 12 March 2012. Pursuant to Section 272(5) of the Companies Act 1965, George Kent (Sabah) Sdn Bhd has been dissolved with effect from 12 June 2012, i.e. on the expiration of three (3) months after lodging of prescribed documents to Registrar of Companies in regards to the final meeting.

Save as disclosed above, there were no significant changes in the composition of the Group during the quarter and twelve months period ended 31 January 2013.

## Explanatory notes pursuant to MFRS 134

### For the twelve-month period ended 31 January 2013

#### 6 Segment information

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

##### (a) Investment

Investment comprised mainly income derived from investment activities.

##### (b) Manufacturing

Manufacturing comprises mainly revenue derived from the production and marketing of water related product and services.

##### (b) Infrastructure contract

Infrastructure contract comprises mainly revenue derived from the 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.

	Investment RM'000	Manufacturing RM'000	Infrastructure contract RM'000	Adjustments and eliminations RM'000	Per condensed consolidated financial statements RM'000
<b>Current quarter</b>					
<b>3 months period ended</b>					
<b>31 January 2013</b>					
<b>Revenue:</b>					
External customers	-	41,321	81,241	-	122,562
<b>Results:</b>					
Interest income	113	-	31	349	493
Depreciation and amortisation	-	598	197	214	1,009
Share of results of associate	-	-	753	-	753
Segment profit (Note A)	(708)	5,492	11,709	(1,787)	14,706
<b>3 months period ended</b>					
<b>31 January 2012</b>					
<b>Revenue:</b>					
External customers	-	28,254	21,098	-	49,352
<b>Results:</b>					
Interest income	352	-	74	60	486
Depreciation and amortisation	-	448	72	196	716
Share of results of associate	-	-	766	-	766
Segment profit (Note A)	1,123	1,338	10,927	(4,272)	9,116



## Explanatory notes pursuant to MFRS 134

### For the twelve-month period ended 31 January 2013

#### 6 Segment information (continued)

	Investment RM'000	Manufacturing RM'000	Infrastructure contract RM'000	Adjustments and eliminations RM'000	Per condensed consolidated financial statements RM'000
<b>Cumulative quarter</b>					
<b>12 months period ended</b>					
<b>31 January 2013</b>					
<b>Revenue:</b>					
External customers	-	127,178	149,628	-	276,806
<b>Results:</b>					
Interest income	1,273	-	113	439	1,825
Depreciation and amortisation	-	2,346	215	817	3,378
Share of results of associate	-	-	2,985	-	2,985
Segment profit (Note A)	5,724	15,008	28,556	(13,599)	35,689
<b>12 months period ended</b>					
<b>31 January 2012</b>					
<b>Revenue:</b>					
External customers	-	87,360	65,313	-	152,673
<b>Results:</b>					
Interest income	1,589	-	101	149	1,839
Depreciation and amortisation	-	1,652	397	649	2,698
Share of results of associate	-	-	2,106	-	2,106
Segment profit (Note A)	7,227	8,090	24,484	(13,609)	26,192

#### Note A

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

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 January 2013	31 January 2012	31 January 2013	31 January 2012
	RM'000	RM'000	RM'000	RM'000
Finance costs	(923)	(443)	(2,750)	(1,869)
Unallocated corporate expenses	(864)	(1,829)	(5,042)	(4,890)
Inter-segment dividend	-	(2,000)	(5,807)	(6,850)
	<u>(1,787)</u>	<u>(4,272)</u>	<u>(13,599)</u>	<u>(13,609)</u>



## Explanatory notes pursuant to MFRS 134 For the twelve-month period ended 31 January 2013

### 6 Segment information (continued)

#### Investment

Loss before tax of RM0.71 million for the current quarter ended 31 January 2013 decreased by 163% compared to profit before tax RM1.12 million for the corresponding quarter in 2012.

Profit before tax of RM5.72 million for the current period ended 31 January 2013 decreased by 21% compared to RM7.23 million in the corresponding period in 2012 mainly due to lower dividend income.

#### Manufacturing

Revenue of RM41.32 million for the current quarter ended 31 January 2013 increased by 46% compared to RM28.25 million for the corresponding quarter in 2012. Profit before tax of RM5.49 million for the current quarter ended 31 January 2013 increased by 310% compared to RM1.34 million for the corresponding quarter in 2012.

Revenue of RM127.18 million for the current period ended 31 January 2013 increased by 46% compared to RM87.36 million for the corresponding period in 2012. Profit before tax of RM15.01 million for the current period ended 31 January 2013 increased by 86% compared to RM8.09 million for the corresponding period in 2012 due to increase in sales.

#### Infrastructure contract

Revenue of RM81.24 million for the current quarter ended 31 January 2013 increased by 285% compared to RM21.10 million for the corresponding quarter in 2012. Profit before tax of RM11.71 million for the current quarter ended 31 January 2013 increased by 7% compared to RM10.93 million for the corresponding quarter in 2012.

Revenue of RM149.63 million for the current period ended 31 January 2013 increased by 129% compared to RM65.31 million for the corresponding period in 2012. Profit before tax of RM28.56 million for the current period ended 31 January 2013 increased by 17% compared to RM24.48 million for the corresponding period in 2012 in line with higher contract revenue from projects.

#### Consolidated revenue

The operations for the Group 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 crisis in Europe, the economies in the region showed resilience. The growing demand for water meters and manufactured products and the steady progress of project works led to higher revenue for the current quarter and cumulative quarter ended 31 January 2013.

#### Consolidated profit before tax

The Group's current quarter profit before tax of RM14.71 million (31 January 2012: RM9.12 million) has increased by 61%. The Group's cumulative quarter profit before tax of RM35.69 million (31 January 2012: RM26.19 million) has increased by 36%. The main factors which have affected the Group's profit before tax have been discussed above.

## Explanatory notes pursuant to MFRS 134

### For the twelve-month period ended 31 January 2013

#### 7 Seasonality of operations

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

#### 8 Profit before tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 January 2013 RM'000	31 January 2012 RM'000	31 January 2013 RM'000	31 January 2012 RM'000
Interest income	(493)	(486)	(1,825)	(1,839)
Other income (including investment income)	(99)	(343)	(301)	(495)
Interest expenses	923	443	2,750	1,869
Depreciation of property, plant and equipment	988	805	3,289	2,610
Amortisation of intangible assets	21	19	89	88
(Gain)/loss on disposal of quoted and unquoted investments	(15)	48	(3)	31
Gain on disposal of property, plant and equipment	-	(43)	(42)	(30)
Net fair value (gain)/loss on held for trading investment securities	(77)	131	(155)	474
Impairment loss on trade receivables	331	-	331	-
(Gain)/loss on foreign exchange				
- realised	(1,204)	(705)	(1,265)	(1,659)
- unrealised	977	1,503	1,108	1,126

## Explanatory notes pursuant to MFRS 134

### For the twelve-month period ended 31 January 2013

#### 9 Income tax expenses

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 January 2013 RM'000	31 January 2012 RM'000	31 January 2013 RM'000	31 January 2012 RM'000
Current Tax:				
Malaysian income tax	2,710	1,362	5,682	3,861
Foreign tax	931	329	3,840	2,602
	<u>3,641</u>	<u>1,691</u>	<u>9,522</u>	<u>6,463</u>
Underprovision of Malaysian income tax in prior years	611	26	611	26
	<u>4,252</u>	<u>1,717</u>	<u>10,133</u>	<u>6,489</u>
Deferred tax	(66)	369	(66)	369
	<u>4,186</u>	<u>2,086</u>	<u>10,067</u>	<u>6,858</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 12 months ended	
	31 January 2013	31 January 2012	31 January 2013	31 January 2012
Profit net of tax attributable to owners used in computation of earnings per share (RM'000)	<u>10,520</u>	<u>7,030</u>	<u>25,622</u>	<u>19,334</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>40</u>	<u>59</u>	<u>52</u>	<u>81</u>
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	<u>225,343</u>	<u>225,361</u>	<u>225,355</u>	<u>225,383</u>
Basic earnings per share (sen)	<u>4.7</u>	<u>3.1</u>	<u>11.4</u>	<u>8.6</u>
Diluted earnings per share (sen)	<u>4.7</u>	<u>3.1</u>	<u>11.4</u>	<u>8.6</u>

## Explanatory notes pursuant to MFRS 134

### For the twelve-month period ended 31 January 2013

#### 11 Property, plant and equipment

##### Acquisitions and disposals

During the twelve months ended 31 January 2013, the Group acquired assets at a cost of RM5.74 million (31 January 2012: RM8.93 million).

Assets with carrying amount of RM0.66 million (31 January 2012: RM0.11 million) were disposed of by the Group during the twelve months period ended 31 January 2013, resulting in a gain on disposal of RM0.04 million (31 January 2012: RM0.03 million), recognised and included in other operating income in the statement of comprehensive income.

#### 12 Intangible assets

	Computer software RM'000	Develop- ment 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	14	-	14
At 31 January 2013	303	980	1,283
<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	40	49	89
At 31 January 2013	218	686	904
<b>Net carrying amount:</b>			
At 1 February 2011	104	392	496
At 31 January 2012	111	343	454
At 31 January 2013	85	294	379

##### Computer software

Computer software is stated at cost less any accumulated impairment losses and 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.

## Explanatory notes pursuant to MFRS 134

### For the twelve-month period ended 31 January 2013

#### 13 Inventories

During the twelve months ended 31 January 2013, the Group recognised a write-down of inventories of RM1.74 million (31 January 2012: RM0.03 million). This expense was included in the cost of sales in the statement of comprehensive income.

#### 14 Cash and bank balances

Cash and cash equivalents comprised the following amounts:

	31 January 2013 RM'000	31 January 2012 RM'000	1 February 2011 RM'000
Cash at bank and in hand	67,138	30,070	26,041
Short term deposits	53,892	29,504	35,673
	121,030	59,574	61,714

#### 15 Fair value hierarchy

The Group used 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 31 January 2013</b>				
Financial assets held for trading:				
- Quoted shares	2,243	2,243	-	-
<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

	31 January 2013 RM'000	31 January 2012 RM'000	1 February 2011 RM'000
<b>Secured</b>			
Short term borrowings	16,890	15,219	16,674
Long term borrowings	14,907	19,237	11,570
	31,797	34,456	28,244

## Explanatory notes pursuant to MFRS 134

### For the twelve-month period ended 31 January 2013

#### 18 Provisions for costs of restructuring

Not applicable.

#### 19 Dividends

The interim dividend of 2.0 sen less 25% tax per share for the financial year ended 31 January 2013 (FY2012: 2.0 sen less 25% tax) was paid on 22 November 2012 to shareholders whose names appear in the Register of Members and/or Record of Depositors on 23 October 2012.

Subject to shareholders' approval at the forthcoming Annual General Meeting ("AGM"), the Directors have recommended a final dividend of 4.5 sen less 25% tax per share for the financial year ended 31 January 2013 (FY2012: 3.0 sen less 25% tax). If approved at the AGM, the total dividend (interim and final) declared for the financial year ended 31 January 2013 will be 6.5 sen less 25% tax per share, an increase of 30% when compared to 5.0 sen less 25% tax per share in FY2012. In Ringgit Malaysia term, the total net dividend will be RM10.984 million (FY2012: RM8.448 million).

#### 20 Commitments

Capital expenditure as at the reporting date is as follows:

	31 January 2013 RM'000	31 January 2012 RM'000	1 February 2011 RM'000
<b>Approved and contracted for:</b>			
Property, plant and equipment	429	-	-
<b>Approved but not contracted for:</b>			
Property, plant and equipment	490	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 twelve months period ended 31 January:

	<b>Cumulative quarter 12 months ended</b>	
	31 January 2013 RM'000	31 January 2012 RM'000
Related companies: *		
Rental income for motor vehicle	-	11
Purchase of tiles	7	110
Purchase of air tickets	410	125
Professional and share registration charges	121	94
Sale of products	6,513	-

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



## **Explanatory notes pursuant to MFRS 134 For the twelve-month period ended 31 January 2013**

### **23 Events after the reporting period**

As announced on 26 March 2013, the Board of Directors (the "Board") has been notified by PNG Water Limited ("PNG Water"), a 19% associate of the Company, that it has on 21 March 2013 received a Notice of Termination from Eda Ranu to terminate the Concession Agreement, Consultancy Agreement and all other related Agreements, Contracts, Amendments and engagements with PNG Water (the "Termination") with immediate effect.

The overall financial effects of the Termination cannot be ascertained at this point in time as Eda Ranu did not indicate in the Notice of Termination any compensation proposal for early termination of the Concession Agreement. However, under the terms of the Concession Agreement affecting PNG Water and a related Operation and Maintenance Sub-Contract affecting George Kent (PNG) Limited, a wholly owned subsidiary of the Company, there are provisions for monetary compensation for early termination.

Until the status of the Termination is clearer, the Board is not in a position to state precisely the financial impact to the Group's future revenue and profit contribution from this water concession business. This water concession business has over the years been contributing positively to the results of the Group. For purpose of information, for the financial year ended 31 January 2012, contribution from this water concession business to the Group's revenue and profit after tax were RM13.209 million and RM7.227 million respectively.

The Board will make further announcement when there is any new material development on the matter.





**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:  
Chapter 9, Appendix 9B, Part A  
For the twelve-month period ended 31 January 2013**

**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 31 January 2013 is 117% higher than the preceding quarter due to higher revenue and profit which was attributed to higher sale of meters and project related works.

**26 Commentary on prospects**

The Group performed well with the improvements in our manufacturing capabilities in spite of the ongoing global economic challenges. The continuous expansion of manufacturing production capacity to fulfill the growing demand for our meter and non-meter products remains our focus.

The Ampang LRT Extension Project is expected to contribute positively and will have a significant effect on the earnings of the Group.

The Board is optimistic of the Group's prospects for the financial year ending 31 January 2014.

**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**

The Federal Court has dismissed our leave application to the copyright case against Damini Corporation Sdn Bhd and Delta Perdana Sdn Bhd with costs in the sum of RM30,000. Save as disclosed above, there are no changes to the status of the material litigations since the last quarterly results announced by the Company on 10 December 2012.

**32 Dividend payable**

Please refer to Note 19 for details.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:  
Chapter 9, Appendix 9B, Part A  
For the twelve-month period ended 31 January 2013**

**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 31 January 2013 or the previous financial year ended 31 January 2012.

**35 Risks and policies of derivatives**

The Group did not enter into any derivatives during the period ended 31 January 2013 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 31 January 2013 and 31 January 2012.

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

The breakdown of the retained profits of the Group as at 31 January 2013 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 31 January 2013 RM'000</b>	<b>Previous financial year ended 31 January 2012 RM'000 (restated)</b>
Total (accumulated losses)/retained profits of the Company and its subsidiaries		
- Realised	(63,086)	(75,064)
- Unrealised	39,862	40,593
	<u>(23,224)</u>	<u>(34,471)</u>
Total share of retained profits from an associate		
- Realised	25,429	21,772
- Unrealised	(584)	(369)
	<u>1,621</u>	<u>(13,068)</u>
Less: Consolidation adjustments	118,855	116,371
Total Retained profits as per financial statements	<u>120,476</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.