



**Condensed consolidated interim financial statements**

For the nine-month period ended 31 October 2013

**Condensed consolidated statement of profit or loss and other comprehensive income**

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		31 October 2013 Unaudited RM'000	31 October 2012 Unaudited RM'000	31 October 2013 Unaudited RM'000	31 October 2012 Unaudited RM'000
<b>Revenue</b>		71,857	57,722	239,490	154,244
Cost of sales		(57,853)	(44,125)	(195,748)	(115,990)
<b>Gross profit</b>		14,004	13,597	43,742	38,254
Other operating income		758	402	1,920	2,187
Other gains or losses		(757)	-	(757)	-
Administrative expenses		(249)	(1,459)	(2,176)	(2,983)
Selling and distribution costs		(404)	(724)	(1,322)	(1,861)
Other operating expenses		(3,213)	(5,051)	(15,331)	(15,019)
<b>Operating profit</b>		10,139	6,765	26,076	20,578
Finance costs		(533)	(593)	(1,516)	(1,827)
Share of results of an associate		837	611	2,185	2,232
<b>Profit before tax</b>	8	10,443	6,783	26,745	20,983
Income tax expense	9	(3,370)	(2,207)	(9,020)	(5,881)
<b>Profit for the period, net of tax, attributable to the owners of the Company</b>		7,073	4,576	17,725	15,102
<b>Other comprehensive (loss)/income</b>					
Item that will be reclassified subsequently to profit or loss:					
Net (loss)/gain from translation of foreign operations		(6,075)	(1,893)	(8,785)	736
<b>Total comprehensive income for the period, net of tax, attributable to the owners of the Company</b>		998	2,683	8,940	15,838
<b>Earnings per share attributable to the owners of the Company (sen):</b>					
Basic	10	3.1	2.0	7.9	6.7
Diluted	10	3.1	2.0	7.9	6.7

*The condensed consolidated statement of profit or loss and other 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 nine-month period ended 31 October 2013**  
**Condensed consolidated statement of financial position**

		<b>31 October 2013</b>	<b>31 January 2013</b>
	<b>Note</b>	<b>Unaudited RM'000</b>	<b>Audited RM'000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	11	92,967	95,281
Intangible assets	12	319	379
Investments in an associate		21,866	27,241
Deferred tax asset		2,034	2,056
		<u>117,186</u>	<u>124,957</u>
<b>Current assets</b>			
Inventories	13	33,992	40,293
Trade and other receivables		87,439	75,589
Tax recoverable		-	81
Investment securities	15	2,754	2,243
Cash and bank balances	14	101,641	121,033
		<u>225,826</u>	<u>239,239</u>
<b>Total assets</b>		<u>343,012</u>	<u>364,196</u>
<b>Equity and liabilities</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	16	112,654	112,651
Share premium	16	2,093	2,092
Retained earnings		127,503	120,762
Foreign currency translation reserve		(10,893)	(2,108)
<b>Total equity</b>		<u>231,357</u>	<u>233,397</u>
<b>Non-current liabilities</b>			
Loans and borrowings	17	9,624	11,607
Deferred tax liabilities		2,425	2,433
		<u>12,049</u>	<u>14,040</u>
<b>Current liabilities</b>			
Trade and other payables		79,879	96,646
Loans and borrowings	17	17,546	20,098
Derivative financial instruments	15	757	-
Tax payable		1,424	15
		<u>99,606</u>	<u>116,759</u>
<b>Total liabilities</b>		<u>111,655</u>	<u>130,799</u>
<b>Total equity and liabilities</b>		<u>343,012</u>	<u>364,196</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 nine-month period ended 31 October 2013**  
**Condensed consolidated statements of changes in equity**

	Note	Attributable to the owners of the Company				Total RM'000
		Share Capital RM'000	Share Premium RM'000	Distributable		
				Non-Distributable	Distributable	
				Foreign Currency Translation Reserves RM'000	Retained Earnings RM'000	
<b>At 1 February 2012</b>		112,651	2,092	(3,611)	103,653	214,785
Total comprehensive income		-	-	736	15,102	15,838
<b>Transactions with owners</b>						
Dividends	19	-	-	-	(8,448)	-
<b>At 31 October 2012</b>		<b>112,651</b>	<b>2,092</b>	<b>(2,875)</b>	<b>110,307</b>	<b>230,623</b>
<b>At 1 February 2013</b>		<b>112,651</b>	<b>2,092</b>	<b>(2,108)</b>	<b>120,762</b>	<b>233,397</b>
Total comprehensive income		-	-	(8,785)	17,725	8,940
<b>Transactions with owners</b>						
Dividends	19	-	-	-	(10,984)	(10,984)
Issue of ordinary shares pursuant to employee share option scheme		3	1	-	-	4
<b>At 31 October 2013</b>		<b>112,654</b>	<b>2,093</b>	<b>(10,893)</b>	<b>127,503</b>	<b>231,357</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 nine-month period ended 31 October 2013**  
**Condensed consolidated statement of cash flows**

	Note	9 months ended	
		31 October 2013	31 October 2012
		Unaudited RM'000	Unaudited RM'000
Operating activities			
<b>Profit before tax</b>		26,745	20,983
<u>Adjustments for:</u>			
Interest income		(1,004)	(1,332)
Interest expenses		1,516	1,827
Gain on disposal of property, plant and equipment	11	(89)	(42)
Gain on disposal of investment securities		(191)	12
Net fair value gain on held for trading investment securities		(91)	(78)
Amortisation of intangible assets	12	60	68
Depreciation of property, plant and equipment		2,754	2,301
Inventories written down	13	-	1,100
Unrealised (gain)/loss on foreign exchange		(1,141)	131
Share of results of an associate		(2,185)	(2,232)
Loss on financial derivatives		757	-
Other non-cash adjustments		(65)	(141)
Total adjustments		321	1,614
<b>Operating cash flows before changes in working capital</b>		27,066	22,597
<u>Changes in working capital</u>			
Decrease/(increase) in inventories		6,124	(9,405)
Increase in trade and other receivables		(13,192)	(15,620)
(Decrease)/increase in trade and other payables		(13,926)	8,111
Total changes in working capital		(20,994)	(16,914)
Interest received		1,004	1,332
Interest paid		(3,388)	(1,827)
Income tax refunded		1,124	-
Income tax paid		(8,787)	(6,124)
		(10,047)	(6,619)
<b>Cash flows used in operations</b>		(3,975)	(936)
<u>Investing activities</u>			
Purchase of property, plant and equipment		(388)	(4,693)
Proceeds from disposal of property, plant and equipment		89	699
Purchase of intangible assets		-	(14)
Purchase of investment securities		(1,880)	(1,281)
Proceeds from disposal of investment securities		1,538	3,815
Dividend from an associate		2,995	-
Others		63	141
<b>Net cash generated from/(used in) investing activities</b>		2,417	(1,333)
<u>Financing activities</u>			
Repayment of bank borrowings		(4,228)	(218)
Dividends paid on ordinary shares		(10,984)	(5,069)
Proceeds from exercise of employee share options		4	-
<b>Net cash (used in)/generated from financing activities</b>		(15,208)	(5,287)
<b>Net change in cash and cash equivalents</b>		(16,766)	(7,556)
Effect of exchange rate changes on cash and cash equivalents		(1,868)	133
<b>Cash and cash equivalents at 1 February</b>		117,835	54,896
<b>Cash and cash equivalents at 31 October*</b>		99,201	47,473
<b>* Cash and cash equivalents comprise the following at 31 October:</b>			
Cash and bank balances		101,641	51,610
Bank overdrafts		(2,440)	(4,137)
Total cash and cash equivalents		99,201	47,473

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 nine-month period ended 31 October 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 12 December 2013.

### 2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 October 2013, have been prepared in accordance with Malaysian Financial Reporting Standards ("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 and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 January 2013.

The consolidated financial statements of the Group for the financial year ended 31 January 2013 are available upon request from the Company's registered office at Lot 1115, Batu 15, Jalan Dengkil, 47100 Puchong, Selangor Darul Ehsan.

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 financial year ended 31 January 2013.

### 3 Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 January 2013, except for the adoption of the following MFRSs, Amendments and IC Interpretations:

#### (a) Effective for financial periods beginning on or after 1 July 2012

- Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

#### (b) Effective for financial periods beginning on or after 1 January 2013

- MFRS 10: Consolidated Financial Statements
- MFRS 11: Joint Arrangements
- MFRS 12: Disclosure of Interests in Other Entities
- MFRS 13: Fair Value Measurement
- MFRS 119: Employee Benefits
- MFRS 127: Consolidated and Separate Financial Statements
- MFRS 128: Investments in Associates and Joint Ventures
- Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10: Consolidated Financial Statements : Transition Guidance
- Amendments to MFRS 11: Joint Arrangements: Transition Guidance
- Amendments to MFRS 12: Disclosure of Interests in Other Entities : Transition Guidance
- Annual Improvements to IC Interpretations and MFRSs 2009 – 2011 Cycle

The Directors expect that the adoption of the above MFRSs, Amendments and IC Interpretations will not result in any significant changes in the accounting policies and will not have any significant effect on the financial position, results and disclosures in the financial statements of the Group and the Company in the period of initial application.



**Explanatory notes pursuant to MFRS 134**  
**For the nine-month period ended 31 October 2013**

**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 significant changes in the 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 segments are explained below:

**(a) Manufacturing and Trading**

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

**(b) Construction**

Construction comprises mainly revenue derived from the execution of construction contracts.

**(c) Infrastructure Investment**

Infrastructure Investment comprises mainly income derived from investments in infrastructure.

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 except for Infrastructure Investment being reported separately.

	Manufac- turing and Trading RM'000	Construction RM'000	Infrastruc- ture Investment RM'000	Others RM'000	Adjustments and eliminations RM'000	Per condensed consolidated financial statements RM'000
<b>Current quarter</b>						
<b>3 months period ended 31 October 2013</b>						
<b>Revenue:</b>						
External customers	26,816	40,751	4,290	-	-	71,857
<b>Results:</b>						
Interest income	-	-	55	130	315	500
Depreciation and amortisation	1,420	-	23	-	-	1,443
Share of results of an associate	-	-	837	-	-	837
Segment profit (Note A)	6,366	4,222	2,726	1,925	(4,796)	10,443
<b>3 months period ended 31 October 2012</b>						
<b>Revenue:</b>						
External customers	26,981	26,032	4,709	-	-	57,722
<b>Results:</b>						
Interest income	-	-	23	306	22	351
Depreciation and amortisation	844	-	-	-	-	844
Share of results of an associate	-	-	611	-	-	611
Segment profit (Note A)	2,456	3,759	2,986	(81)	(2,337)	6,783



**Explanatory notes pursuant to MFRS 134  
For the nine-month period ended 31 October 2013**

**6 Segment information (continued)**

	Manufac- turing and Trading RM'000	Construction RM'000	Infrastruc- ture Investment RM'000	Others RM'000	Adjustments and eliminations RM'000	Per consolidated financial statements RM'000
<b>Cumulative quarter</b>						
<b>9 months period ended 31 October 2013</b>						
<b>Revenue:</b>						
External customers	84,464	141,650	13,376	-	-	239,490
<b>Results:</b>						
Interest income	-	-	113	307	584	1,004
Depreciation and amortisation	2,107	98	88	-	521	2,814
Share of results of an associate	-	-	2,185	-	-	2,185
Segment profit (Note A)	12,537	14,844	8,119	825	(9,580)	26,745
<b>9 months period ended 31 October 2012</b>						
<b>Revenue:</b>						
External customers	85,857	55,032	13,355	-	-	154,244
<b>Results:</b>						
Interest income	-	-	82	1,159	91	1,332
Depreciation and amortisation	1,962	-	-	-	407	2,369
Share of results of an associate	-	-	2,232	-	-	2,232
Segment profit (Note A)	9,520	8,249	8,604	881	(6,271)	20,983

**Note A**

The following items are deducted from segment profit to arrive at "Profit before tax" presented in the consolidated statement of profit or loss and other comprehensive income:

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31 October 2013 RM'000	31 October 2012 RM'000	31 October 2013 RM'000	31 October 2012 RM'000
Other gains or losses	(757)	-	(757)	-
Finance costs	(533)	(593)	(1,516)	(1,827)
Unallocated corporate expenses	(3,506)	(1,744)	(7,307)	(4,444)
	(4,796)	(2,337)	(9,580)	(6,271)



## Explanatory notes pursuant to MFRS 134 For the nine-month period ended 31 October 2013

### 6 Segment information (continued)

#### Manufacturing and Trading

Revenue of RM26.82 million for the current quarter ended 31 October 2013 is only marginally lower by 1% compared to RM26.98 million for the corresponding quarter in 2012. Segment profit of RM6.37 million for the current quarter ended 31 October 2013 is 159% higher as compared to RM2.46 million for the corresponding quarter in 2012 mainly derived from higher gross profit margin from export sales of industrial products and meters in current quarter and inventory write-down in corresponding quarter.

Revenue of RM84.46 million for the current period ended 31 October 2013 is marginally lower by 2% compared to RM85.86 million for the corresponding period in 2012. Segment profit of RM12.54 million for the current period ended 31 October 2013 is 32% higher as compared to RM9.52 million for the corresponding period in 2012 mainly derived from higher gross profit margin from export sales of industrial products and meters in current period and inventory write-down in corresponding period.

#### Construction

Revenue of RM40.75 million for the current quarter ended 31 October 2013 is 57% higher as compared to RM26.03 million for the corresponding quarter in 2012. This increase is due to the steady progress on Ampang Line Extension project. Segment profit of RM4.22 million for the current quarter ended 31 October 2013 is 12% higher as compared to RM3.76 million for the corresponding quarter in 2012. This is due to higher contract revenue from projects although gross profit margin has dropped due to higher weightage on revenue from certain projects with relatively lower profit margin.

Revenue of RM141.65 million for the current period ended 31 October 2013 is 157% higher as compared to RM55.03 million for the corresponding period in 2012 contributed by steady progress on Ampang Line Extension, Pahang Selangor Raw Water Transfer and Panching Water Treatment projects. Segment profit of RM14.84 million for the current period ended 31 October 2013 is 80% higher as compared to RM8.25 million for the corresponding period in 2012. This is due to higher contract revenue from projects although gross profit margin has dropped due to higher weightage on revenue from certain projects with relatively lower profit margin.

#### Infrastructure Investment

Segment profit of RM2.73 million for the current quarter ended 31 October 2013 is lower by 9% compared to RM2.99 million for the corresponding quarter in 2012.

Segment profit of RM8.12 million for the current period ended 31 October 2013 is lower by 6% compared to RM8.60 million for the corresponding period in 2012 mainly due to lower translation rate and lower gross profit margin caused by higher pump running cost.

#### Consolidated revenue

The operations for the Group are mainly based 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. The revenue growth from Construction led to higher revenue for the current quarter and cumulative quarter ended 31 October 2013.

#### Consolidated profit before tax

The Group's current quarter profit before tax of RM10.44 million (31 October 2012: RM6.78 million) is higher by 54%. The Group's cumulative quarter profit before tax of RM26.75 million (31 October 2012: RM20.98 million) is higher by 28%. The main factors which have affected the Group's profit before tax have been stated above.





**Explanatory notes pursuant to MFRS 134**  
**For the nine-month period ended 31 October 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 9 months ended	
	31 October 2013 RM'000	31 October 2012 RM'000	31 October 2013 RM'000	31 October 2012 RM'000
Interest income	(500)	(351)	(1,004)	(1,332)
Other income (including investment income)	990	(49)	617	(202)
Interest expenses	533	593	1,516	1,827
Depreciation of property, plant and equipment	1,423	821	2,754	2,301
Amortisation of intangible assets	20	23	60	68
(Gain)/loss on disposal of investment securities	(84)	19	(191)	12
Gain on disposal of property, plant and equipment	-	(29)	(89)	(42)
Net fair value (gain)/loss on held for trading investment securities	(2)	20	(91)	(78)
Loss on fair value of financial derivatives				
- unrealised	757	-	757	-
Loss/(gain) on foreign exchange:				
- realised	779	(15)	1,774	(61)
- unrealised	(767)	618	(1,141)	131

**9 Income tax expenses**

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31 October 2013 RM'000	31 October 2012 RM'000	31 October 2013 RM'000	31 October 2012 RM'000
Current Tax:				
Malaysian income tax	2,220	992	5,360	2,972
Foreign tax	1,150	1,215	3,660	2,909
	<u>3,370</u>	<u>2,207</u>	<u>9,020</u>	<u>5,881</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.

The effective rate for the current period was higher than the statutory rate principally due to withholding tax paid for dividend declared and paid/payable by a foreign subsidiary and an associate and non-deductible expenses.



**Explanatory notes pursuant to MFRS 134  
For the nine-month period ended 31 October 2013**

**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 9 months ended	
	31 October 2013	31 October 2012	31 October 2013	31 October 2012
Profit net of tax attributable to owners used in computation of earnings per share (RM'000)	7,073	4,576	17,725	15,102
Weighted average number of ordinary shares in issue ('000)	225,308	225,303	225,305	225,303
Effects of dilution				
- Share options ('000)	-	57	-	57
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	225,308	225,360	225,305	225,360
Basic earnings per share (sen)	3.1	2.0	7.9	6.7
Diluted earnings per share (sen)	3.1	2.0	7.9	6.7

**11 Property, plant and equipment  
Acquisitions and disposals**

During the nine months ended 31 October 2013, the Group acquired assets at a cost of RM0.84 million (31 October 2012: RM4.82 million).

Assets with carrying amount of Nil (31 October 2012: RM657,000) were disposed of by the Group during the nine months period ended 31 October 2013, resulting in a gain on disposal of RM89,000 (31 October 2012: RM42,000), recognised and included in other operating income in the statement of profit or loss and other comprehensive income.



**Explanatory notes pursuant to MFRS 134**  
**For the nine-month period ended 31 October 2013**

**12 Intangible assets**

	Computer software RM'000	Develop- ment costs RM'000	Total RM'000
<b>Cost:</b>			
At 1 February 2013	303	980	1,283
Addition	-	-	-
At 31 October 2013	303	980	1,283
<b>Accumulated amortisation:</b>			
At 1 February 2013	218	686	904
Amortisation	23	37	60
At 31 October 2013	241	723	964
<b>Carrying amount:</b>			
At 1 February 2013	85	294	379
At 31 October 2013	62	257	319

**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 profit or loss and other comprehensive

**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 profit or loss and other comprehensive income.

**13 Inventories**

During the nine months ended 31 October 2013, there was no inventory write-down (31 October 2012: RM1,100,000).

**14 Cash and bank balances**

Cash and cash equivalents comprised the following amounts:

	31 October 2013 RM'000	31 January 2013 RM'000
Cash on hand and at banks	43,311	67,141
Short term deposits	58,330	53,892
	101,641	121,033

## Explanatory notes pursuant to MFRS 134

### For the nine-month period ended 31 October 2013

#### 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 October 2013</b>				
Financial assets held for trading				
- Quoted shares	2,754	2,754	-	-
Financial liabilities at fair value through profit or loss				
- Derivative financial instruments	(757)	-	(757)	-
<b>At 31 January 2013</b>				
Financial assets held for trading				
- Quoted shares	2,243	2,243	-	-
Financial liabilities at fair value through profit or loss				
- Derivative financial instruments	-	-	-	-

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

On 19 July 2013, 5,000 new ordinary shares of RM0.50 each were issued pursuant to the exercise of option shares under the Employee Share Option Scheme ("ESOS") of the Company. The ESOS expired on 26 October 2013.

Save for the above, 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 October 2013 RM'000	31 January 2013 RM'000
<b>Secured</b>		
Short term borrowings	17,546	20,098
Long term borrowings	9,624	11,607
	<u>27,170</u>	<u>31,705</u>

#### 18 Provisions for costs of restructuring

Not applicable.

#### 19 Dividends

The final dividend of 4.5 sen less 25% tax per share for the financial year ended 31 January 2013 was approved by the shareholders on 26 July 2013 and subsequently paid on 22 August 2013 to shareholders whose name appeared in the Register of Members and/or Record of Depositors on 2 August 2013. The total dividend (interim and final) declared and paid for the financial year ended 31 January 2013 was 6.5 sen less 25% tax per share. In Ringgit Malaysia terms, the total net dividend amounted to RM10.984 million (FY2012: RM8.448 million).

## Explanatory notes pursuant to MFRS 134

### For the nine-month period ended 31 October 2013

#### 19 Dividends (continued)

On 24 September 2013, the Board had declared a first interim dividend of 2.0 sen less 25% tax per share (FY2013: 2.0 sen less 25% tax per share) amounted to RM3.380 million (FY2013: RM3.379 million) for the financial year ending 31 January 2014 and subsequently paid on 31 October 2013 to shareholders whose names appear in the Register of Members and/or Record of Depositors on 9 October 2013.

The Board declared a second interim single-tier dividend of 1.5 sen per share amounting to RM3.380 million for the financial year ending 31 January 2014. The dividend will be paid on 20 January 2014 to shareholders whose names appear in the Register of Members and/or Record of Depositors on 31 December 2013.

#### 20 Commitments

Capital expenditure as at the reporting date is as follows:

	31 October 2013 RM'000	31 January 2013 RM'000
<b>Approved and contracted for:</b>		
Property, plant and equipment	358	429
<b>Approved but not contracted for:</b>		
Property, plant and equipment	-	490

#### 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 nine months period ended 31 October:

	Cumulative quarter 9 months ended	
	31 October 2013 RM'000	31 October 2012 RM'000
Related companies: *		
Rental income for motor vehicle	9	-
Purchase of air tickets	200	298
Professional and share registration charges	65	184
Sale of products	6,332	2,645

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

#### 23 Events after the reporting period

On 19 November 2013, the Company has entered into a Share Sale Agreement with Abacus Pacific N.V., a wholly-owned subsidiary of Johan Holdings Berhad for the acquisition of 1,000 ordinary shares of S\$1.00 each and 3,500,000 Class "A" shares of S\$1.00 each in George Kent (Singapore) Pte Ltd ("GKS"), representing 100% equity interest in GKS for a cash consideration of S\$500,000.00. The acquisition was completed on 29 November 2013.

Save as disclosed above, 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 nine-month period ended 31 October 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 October 2013 is 25% higher than the preceding quarter due to lower operating expenses.

**26 Commentary on prospects**

The Group continues to perform well. Construction revenue is expected to be higher. We will continue to focus on achieving manufacturing efficiency and productivity. We will also intensify efforts to grow our order book.

The Ampang LRT Extension Project is expected to continue to contribute positively to the earnings of the Group.

The Board is optimistic of the Group's prospects for the current 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**

There are no changes to the status of the material litigations since the quarterly results announced by the Company on 28 March 2013.

**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 nine-month period ended 31 October 2013**

**33 Derivative financial instruments**

Details of derivative financial instruments outstanding as at 31 October 2013 measured at their fair values together with their corresponding contract/notional amounts classified by the remaining period of maturity are as follows:

<b>Types of derivatives</b>	<b>Contract/notional values RM'000</b>	<b>Net fair value liabilities RM'000</b>	<b>Maturity</b>
Foreign exchange contracts	43,781	43,024	Less than 1 year

Forward exchange contracts are used to manage the foreign currency exposures arising from the Company's payables denominated in currencies other than the functional currencies of the Company. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period.

The Group did not enter into any derivatives during the previous financial year ended 31 January 2013.

**34 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 October 2013 and 31 January 2013.

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

The breakdown of the retained earnings of the Group as at 31 October 2013 and 31 January 2013 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 October 2013 RM'000</b>	<b>Previous financial year ended 31 January 2013 RM'000</b>
Total (accumulated losses)/retained earnings of the Company and its subsidiaries		
- Realised	(56,276)	(63,190)
- Unrealised	41,370	40,249
	<u>(14,906)</u>	<u>(22,941)</u>
Total share of profits/(losses) from an associate		
- Realised	22,651	25,429
- Unrealised	(1,025)	(584)
	<u>6,720</u>	<u>1,904</u>
Less: Consolidation adjustments	120,783	118,858
Total retained earnings as per financial statements	<u>127,503</u>	<u>120,762</u>



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

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

The auditors' report on the financial statements for the financial year ended 31 January 2013 was not qualified.

BY ORDER OF THE BOARD

TEH YONG FAH  
(MACS00400)

Company Secretary  
13 December 2013