

Condensed consolidated interim financial statements
Condensed consolidated statement of profit or loss and other comprehensive income
For the financial period ended 30 September 2022

	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30 September 2022 Unaudited RM'000	30 September 2021 Unaudited RM'000	30 September 2022 Unaudited RM'000	30 September 2021 Unaudited RM'000
Revenue		61,827	79,686	148,097	140,965
Cost of sales		(45,955)	(66,644)	(114,685)	(113,543)
Gross profit		15,872	13,042	33,412	27,422
Interest income		1,532	746	2,316	1,249
Other gains/(losses)		5,972	(9,012)	10,251	(7,014)
Administrative expenses		(545)	(559)	(1,085)	(1,131)
Distribution costs		(387)	(293)	(727)	(1,031)
Other expenses		(8,679)	(4,132)	(15,343)	(11,293)
Finance costs		(2,631)	(2,762)	(5,218)	(5,484)
Share of results of associates		(3,395)	(445)	(3,974)	(475)
Share of results of joint venture		-	5,607	-	12,436
Profit before tax	7	7,739	2,192	19,632	14,679
Tax expenses	8	(1,822)	(2,059)	(4,155)	(2,752)
Profit for the period, attributable to the owners of the Company		5,917	133	15,477	11,927
Other comprehensive (loss)/income					
Items that will not be reclassified subsequently to profit or loss:					
Fair value loss on financial assets at FVTOCI		(877)	(265)	(3,261)	(435)
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange translation		1,137	8	1,763	39
Fair value loss on financial assets at FVTOCI		(481)	(398)	(763)	(394)
Other comprehensive loss for the period, net of tax		(221)	(655)	(2,261)	(790)
Total comprehensive income/(loss) for the period, attributable to the owners of the Company		5,696	(522)	13,216	11,137
Earnings per share attributable to the owners of the Company (sen):					
Basic and diluted	9	1.13	0.03	2.96	2.28

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
Condensed consolidated statement of financial position
For the financial period ended 30 September 2022

		30 September	31 March 2022
		2022	Audited
	Note	Unaudited	RM'000
		RM'000	RM'000
Assets			
Non-current assets			
Property, plant and equipment	10	130,004	131,187
Right-of-use assets	11	563	788
Goodwill	12	876	876
Other intangible assets	13	23,384	24,107
Financial assets at FVTOCI	15	9,592	1,331
Investment in associates		24,161	19,021
Deferred tax assets		779	540
		<u>189,359</u>	<u>177,850</u>
Current assets			
Inventories	14	124,618	81,039
Trade and other receivables		142,858	141,977
Contract assets		97,654	145,797
Financial assets at FVTPL	15	115	115
Financial assets at FVTOCI	15	30,948	33,068
Tax recoverable		4,350	6,560
Deposits, cash and bank balances	16	275,295	283,366
		<u>675,838</u>	<u>691,922</u>
Total assets		<u>865,197</u>	<u>869,772</u>
Equity and liabilities			
Equity attributable to the owners of the Company			
Share capital	17(a)	187,756	187,756
Treasury shares	17(a)	(38,450)	(38,300)
Foreign currency translation reserve		(9,505)	(11,268)
Property revaluation reserve		35,541	35,541
Fair value reserve		(7,221)	(3,197)
Retained earnings		375,191	367,548
Total equity		<u>543,312</u>	<u>538,080</u>
Non-current liabilities			
Loans and borrowings	18	131,338	131,184
Other payables		1,531	1,621
Deferred tax liabilities		6,901	6,901
		<u>139,770</u>	<u>139,706</u>
Current liabilities			
Loans and borrowings	18	75,358	72,718
Trade and other payables		106,179	114,560
Contract liabilities		-	4,107
Tax payable		578	601
		<u>182,115</u>	<u>191,986</u>
Total liabilities		<u>321,885</u>	<u>331,692</u>
Total equity and liabilities		<u>865,197</u>	<u>869,772</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
Condensed consolidated statement of changes in equity
For the financial period ended 30 September 2022

		Attributable to the owners of the Company						
		Non-Distributable				Distributable		
		Share capital RM'000	Foreign currency translation reserve RM'000	Property revaluation reserve RM'000	Fair value reserve RM'000	Treasury shares RM'000	Retained earnings RM'000	Total RM'000
	Note							
At 1 April 2021		187,756	(11,508)	37,405	1,557	(37,433)	346,741	524,518
Total comprehensive income/(loss)		-	39	-	(829)	-	11,927	11,137
Dividends	20	-	-	-	-	-	(5,227)	(5,227)
Share buy-backs	17	-	-	-	-	(561)	-	(561)
At 30 September 2021		187,756	(11,469)	37,405	728	(37,994)	353,441	529,867
At 1 April 2022		187,756	(11,268)	35,541	(3,197)	(38,300)	367,548	538,080
Total comprehensive income/(loss)		-	1,763	-	(4,024)	-	15,477	13,216
Dividends	20	-	-	-	-	-	(7,834)	(7,834)
Share buy-backs	17	-	-	-	-	(150)	-	(150)
At 30 September 2022		187,756	(9,505)	35,541	(7,221)	(38,450)	375,191	543,312

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
Condensed consolidated statement of cash flows
For the financial period ended 30 September 2022

	6 months ended	
	30 September 2022	30 September 2021
	Unaudited RM'000	Unaudited RM'000
Note		
<u>Operating activities</u>		
Profit before tax	19,632	14,679
Adjustments for:		
Interest income	(2,316)	(1,249)
Finance costs	5,218	5,484
Gain on disposal of property, plant and equipment	10 (179)	(4)
Depreciation of property, plant and equipment	1,804	2,079
Depreciation of right-of-use assets	271	263
Amortisation of other intangible assets	13 899	860
Inventories written down	14 142	12
Reversal on inventories written down	14 (699)	-
Loss on disposal of financial assets at FVTPL	-	9
Fair value loss/(gain) on financial assets at FVTPL	1	(6)
Loss on disposal of joint venture	-	9,848
Unrealised (gain)/loss on foreign exchange	(8,757)	76
Share of results of associates	3,974	475
Share of results of joint venture	-	(12,436)
Income derived from short-term investments	(449)	(790)
Dividend income from financial assets at FVTOCI	(269)	(1,464)
Dividend income from financial assets at FVTPL	(3)	(4)
Operating profit before working capital changes	<u>19,269</u>	<u>17,832</u>
Changes in working capital:		
Inventories	(42,564)	(17,935)
Trade and other receivables	8,032	(21,724)
Contract assets/liabilities	45,478	23,518
Trade and other payables	<u>(14,608)</u>	<u>2,487</u>
Cash from operation	15,607	4,178
Tax paid	(3,109)	(560)
Tax refunded	1,000	-
Net cash from operating activities	<u>13,498</u>	<u>3,618</u>
<u>Investing activities</u>		
Purchase of property, plant and equipment	(560)	(3,766)
Proceeds from disposal of property, plant and equipment	307	5
Acquisition of other intangible assets	(633)	(2,470)
Acquisition of an associate	(10,000)	(4,000)
Purchase of financial assets at FVTOCI	(8,436)	(329)
Proceeds from disposal of financial assets at FVTPL	-	37
Dividend received from financial assets at FVTPL	2	4
Dividend received from financial assets at FVTOCI	269	1,464
Interest received	2,316	1,249
Income derived from short-term investments	449	790
Change in time deposits	136	347
Net cash used in investing activities	<u>(16,150)</u>	<u>(6,669)</u>
<u>Financing activities</u>		
Drawdown of other bank borrowings	70,968	67,426
Repayment of other bank borrowings	(67,683)	(79,758)
Repayment of lease liabilities	(431)	(407)
Interest paid	(6,512)	(3,655)
Dividends paid	(7,834)	(13,078)
Share buy-backs	(150)	(561)
Net cash used in financing activities	<u>(11,642)</u>	<u>(30,033)</u>
Net change in cash and cash equivalents	(14,294)	(33,084)
Effect of foreign exchange rate changes	6,215	(256)
Cash and cash equivalents at beginning of financial period	257,484	314,212
Cash and cash equivalents at end of financial period	16 <u>249,405</u>	<u>280,872</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 financial period ended 30 September 2022

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 23 November 2022.

2 Basis of preparation

These condensed consolidated interim financial statements are unaudited and had been prepared in compliance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 March 2022.

Adoption of New and Revised Malaysian Financial Reporting Standards

During the current financial period, the Group has adopted all the new and revised Standards and Interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after 1 January 2022 as follows:

- Amendments to MFRS 3: Reference to Conceptual Framework
- Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use
- Annual Improvements to MFRS Standards 2018 – 2020

The adoption of the above Standards and Amendments did not result in significant changes in the accounting policies and have no significant effect on the financial position, results and disclosures in the financial statements of the Group in the period of initial application.

3 Changes in estimates

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

4 Changes in composition of the Group

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

5 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) Engineering

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

(b) Metering

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

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 financial period ended 30 September 2022
5 Segment information (continued)

	Engineering RM'000	Metering RM'000	Others RM'000	Adjustments and eliminations RM'000	Per condensed consolidated financial statements RM'000
<u>Current quarter</u>					
3 months period ended 30 September 2022					
Revenue:					
External customers	24,986	36,841	-	-	61,827
Results:					
Interest income	6	7	472	1,047	1,532
Depreciation and amortisation	21	1,245	-	226	1,492
Share of results of associates	26	-	(3,421)	-	(3,395)
Share of results of joint venture	-	-	-	-	-
Segment profit/(loss) (Note A)	1,707	9,705	84	(3,757)	7,739
3 months period ended 30 September 2021					
Revenue:					
External customers	53,358	26,328	-	-	79,686
Results:					
Interest income	11	3	270	462	746
Depreciation and amortisation	34	1,290	-	235	1,559
Share of results of associates	9	-	(454)	-	(445)
Share of results of joint venture	5,607	-	-	-	5,607
Segment profit/(loss) (Note A)	176	7,210	(142)	(5,052)	2,192
<u>Cumulative quarter</u>					
6 months period ended 30 September 2022					
Revenue:					
External customers	74,223	73,874	-	-	148,097
Results:					
Interest income	12	13	693	1,598	2,316
Depreciation and amortisation	47	2,481	-	446	2,974
Share of results of associates	26	-	(4,000)	-	(3,974)
Share of results of joint venture	-	-	-	-	-
Segment profit/(loss) (Note A)	5,585	20,388	2,004	(8,345)	19,632
6 months period ended 30 September 2021					
Revenue:					
External customers	81,905	59,060	-	-	140,965
Results:					
Interest income	20	3	425	801	1,249
Depreciation and amortisation	69	2,650	-	483	3,202
Share of results of associates	(21)	-	(454)	-	(475)
Share of results of joint venture	12,436	-	-	-	12,436
Segment profit/(loss) (Note A)	7,157	17,172	(282)	(9,368)	14,679

Explanatory notes pursuant to MFRS 134

For the financial period ended 30 September 2022

5 Segment information (continued)

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		Cumulative quarter	
	3 months ended		6 months ended	
	30	30	30	30
	September	September	September	September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income	1,047	462	1,598	801
Finance costs	(2,631)	(2,762)	(5,218)	(5,484)
Other unallocated corporate expenses	(2,173)	(2,752)	(4,725)	(4,685)
	<u>(3,757)</u>	<u>(5,052)</u>	<u>(8,345)</u>	<u>(9,368)</u>

Engineering

Revenue of RM24.99 million for the quarter ended 30 September 2022 was 53% lower as compared to RM53.36 million for the corresponding quarter in 2021 mainly attributed to the completion of a hospital project. Segment profit of RM1.71 million for the current quarter ended 30 September 2022 was higher as compared to RM0.18 million for the corresponding quarter in 2021. The segment profit of the corresponding quarter was affected by the impact of the impairment loss of RM9.85 million arising from the decision to sell its investment in the LRT3 joint venture.

Revenue of RM74.22 million for the period ended 30 September 2022 was 9% lower as compared to RM81.91 million for the corresponding period in 2021 mainly attributed to the lower revenue contribution towards the end of the hospital projects. Segment profit of RM5.59 million for the period ended 30 September 2022 was 22% lower as compared to RM7.16 million for the period ended 30 September 2021 mainly due to the lower revenue and higher expenses. In addition, the overall segment profit of the Engineering division is lower due to the cessation in profit contribution from a project following the disposal of the investment during the third quarter of the preceding year.

Metering

Revenue of RM36.84 million for the quarter ended 30 September 2022 was 40% higher compared to RM26.33 million for the corresponding quarter in 2021. The higher revenue mainly derived from export sales. Segment profit of RM9.71 million for the current quarter ended 30 September 2022 was 35% higher as compared to RM7.21 million for the corresponding quarter in 2021 mainly due to the higher sales.

Revenue of RM73.87 million for the period ended 30 September 2022 was 25% higher compared to RM59.06 million for the corresponding period in 2021. The higher revenue mainly derived from export sales. Segment profit of RM20.39 million for the period ended 30 September 2022 was 19% higher as compared to RM17.17 million for the corresponding period in 2021 mainly due to the higher sales.

Explanatory notes pursuant to MFRS 134

For the financial period ended 30 September 2022

5 Segment information (continued)

Consolidated revenue

The Group mainly derives its revenue from Malaysia and other ASEAN countries. Its core businesses are centred in the water industry and engineering works. The main factors which have affected the Group's revenue have been stated above.

Consolidated profit before tax

The Group's current quarter profit before tax of RM7.74 million (30 September 2021: RM2.19 million) was higher mainly attributed to higher contribution from both the Metering and Engineering divisions. Other gains mainly arose from unrealised gain on foreign exchange of RM5.60 million (30 September 2021: RM0.12 million) on foreign currencies held.

The Group's profit before tax for the period ended 30 September 2022 of RM19.63 million (30 September 2021: RM14.68 million) was 34% higher. The higher profit before tax reported was mainly attributed to higher contribution from the Metering division. Other gains mainly arose from unrealised gain on foreign exchange of RM8.76 million (30 September 2021: loss of RM0.08 million) on foreign currencies held.

6 Seasonality of operations

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

7 Profit before tax

Included in the profit before tax are the following items:

	Current quarter		Cumulative quarter	
	3 months ended		6 months ended	
	30	30	30	30
	September	September	September	September
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income from:				
- deposits with licensed banks	(696)	(482)	(1,109)	(854)
- financial assets at FVTOCI	(357)	(264)	(512)	(395)
- associate	(479)	-	(695)	-
Dividend income from:				
- financial assets at FVTPL	-	(2)	(3)	(4)
- financial assets at FVTOCI	(141)	(140)	(269)	(1,464)
Loss on disposal of joint venture	-	9,848	-	9,848
Loss/(Gain) on foreign exchange:				
- realised	266	(153)	(348)	(453)
- unrealised	(5,604)	(123)	(8,757)	76

Explanatory notes pursuant to MFRS 134

For the financial period ended 30 September 2022

8 Income tax expense

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 September 2022 RM'000	30 September 2021 RM'000	30 September 2022 RM'000	30 September 2021 RM'000
Current Tax:				
Malaysian tax	1,803	2,015	4,135	2,752
Foreign tax	157	44	259	-
	<u>1,960</u>	<u>2,059</u>	<u>4,394</u>	<u>2,752</u>
Deferred tax	(138)	-	(239)	-
	<u>1,822</u>	<u>2,059</u>	<u>4,155</u>	<u>2,752</u>

Domestic income tax is calculated at the Malaysian statutory rate of 24% of the estimated assessable profit. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate (excluding the results of associates which is equity accounted net of tax) was lower than the statutory tax rate mainly due to tax effect of certain income not being taxable for tax purposes.

9 Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax attributable to owners by the 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 earnings per share:

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 September 2022	30 September 2021	30 September 2022	30 September 2021
Profit attributable to the owners used in computation of earnings per share (RM'000)	<u>5,917</u>	<u>133</u>	<u>15,477</u>	<u>11,927</u>
Weighted average number of ordinary shares (excluding treasury shares) for earnings per share computation ('000)	<u>521,959</u>	<u>522,710</u>	<u>522,078</u>	<u>522,834</u>
Basic/Diluted earnings per share (sen)	<u>1.13</u>	<u>0.03</u>	<u>2.96</u>	<u>2.28</u>

The basic and diluted earnings per share are the same as the Company has no dilutive potential ordinary shares.

Explanatory notes pursuant to MFRS 134

For the financial period ended 30 September 2022

10 Property, plant and equipment

Acquisitions and disposals

During the period ended 30 September 2022, the Group acquired assets at a cost of RM0.56 million (30 September 2021: RM3.77 million).

Assets with carrying amount of RM128,000 (30 September 2021: RM1,000) were disposed of by the Group during the period ended 30 September 2022, resulting in a gain on disposal of RM179,000 (30 September 2021: RM4,000), recognised in profit or loss.

11 Right-of-use assets

Acquisitions and disposals

There were no additions and termination of lease contracts during the current interim period.

12 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Impairment is assessed annually and whenever there is an indication that the goodwill may be impaired.

13 Other intangible assets

	Computer software RM'000	License RM'000	Product development costs RM'000	Total RM'000
Cost:				
At 1 April 2022	893	12,061	15,013	27,967
Additions	48	-	585	633
Reclassification	-	-	(457)	(457)
At 30 September 2022	941	12,061	15,141	28,143
Accumulated amortisation:				
At 1 April 2022	717	1,942	1,201	3,860
Amortisation	35	613	251	899
At 30 September 2022	752	2,555	1,452	4,759
Carrying amount:				
At 1 April 2022	176	10,119	13,812	24,107
At 30 September 2022	189	9,506	13,689	23,384

Computer software

Computer software is 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%. The amortisation of computer software is recognised in profit or loss.

License

The license, considered to have a finite useful lives, is stated at cost less any accumulated impairment losses and is amortised using the straight-line basis from the later of commencement of the contract to which it relates or when the related machinery and equipment are ready for their intended use over the period of its expected benefit not exceeding 10 years.

Product development costs

Product development costs relate to costs incurred in the development of new products which have finite useful lives are stated at cost less any accumulated impairment losses and are amortised over the period of expected benefit not exceeding 10 years on a straight-line basis. The amortisation of product development costs is recognised in profit or loss.

Explanatory notes pursuant to MFRS 134

For the financial period ended 30 September 2022

14 Inventories

During the period ended 30 September 2022, the Group recognised the inventories written down of RM142,000 (30 September 2021: RM12,000) and reversal of inventories written down of RM699,000 (30 September 2021: Nil) in profit or loss.

15 Fair value hierarchy

The Group used the following hierarchy for determining the fair value of all 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 assets that are measured at fair value:

	Total	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
At 30 September 2022				
Financial assets at FVTPL:				
- Quoted equity securities	115	115	-	-
Financial assets at FVTOCI:				
- Quoted bonds	13,901	13,901	-	-
- Quoted equity securities	17,047	17,047	-	-
- Unquoted equity securities	9,592	-	9,592	-
Non-financial assets:				
- Freehold land	91,350	-	-	91,350
- Buildings on freehold land	15,264	-	-	15,264
- Long-term leasehold land	1,317	-	-	1,317
- Building on long-term leasehold land	1,020	-	-	1,020
At 31 March 2022				
Financial assets at FVTPL:				
- Quoted equity securities	115	115	-	-
Financial assets at FVTOCI:				
- Quoted bonds	15,239	15,239	-	-
- Quoted equity securities	17,829	17,829	-	-
- Unquoted equity securities	1,331	-	1,331	-
Non-financial assets:				
- Freehold land	91,350	-	-	91,350
- Building on freehold land	15,605	-	-	15,605
- Long-term leasehold land	1,167	-	-	1,167
- Building on long-term leasehold land	927	-	-	927

16 Deposits, cash and bank balances

	30 September 2022 RM'000	31 March 2022 RM'000
Deposits with licensed banks	138,365	53,969
Cash and bank balances	63,083	175,127
Short-term investment	73,847	54,270
Deposits, cash and bank balances	275,295	283,366
Less: time deposits	(25,890)	(25,842)
Less: bank overdraft	-	(40)
Cash and cash equivalents	249,405	257,484

Explanatory notes pursuant to MFRS 134

For the financial period ended 30 September 2022

17 Debt and Equity Securities

(a) Share capital and treasury shares

At the 71st AGM of the Company held on 22 September 2022, shareholders' approval was obtained for the Share Buy-Back scheme to be renewed from 22 September 2022 until the conclusion of the next AGM of the Company to be convened in 2023.

As at 30 September 2022, the Company repurchased a total of 41,310,000 of its shares from the open market for a total consideration of RM38,450,441. Subsequent to 30 September 2022 and up to the date of this report, no shares were repurchased from the open market. All these repurchased shares are held as treasury shares in accordance with Section 127 of the Companies Act, 2016 and no treasury shares have been cancelled or resold to date. The repurchases of these shares were financed by internally generated funds.

(b) Bond payables

Status of Sukuk Wakalah Programme

On 26 March 2021, the Company announced that it has completed its inaugural issuance of the Islamic Medium Term Notes (iMTN) of RM132.00 million in nominal value under the iMTN Programme with the periodic distribution rate of 5.5% p.a.. The tenure of the iMTN is 5 years. It is rated A+/S (stable) by Malaysian Rating Corporation Berhad.

The cumulative drawdown of the facility at the end of the reporting period are as follows:

Date of drawdown	Amount of drawdown RM'000	Repayment RM'000	Amount outstanding RM'000
26 March 2021	132,000	-	132,000

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

18 Loans and borrowings

	30 September 2022 RM'000	31 March 2022 RM'000
Short-term borrowings		
Secured:		
Bank overdraft	-	40
Revolving credits	40,000	40,000
Bankers' acceptances	30,968	27,839
Lease liabilities	14	118
	70,982	67,997
Unsecured:		
Revolving credits	3,927	4,024
Bond	80	60
Lease liabilities	369	637
	75,358	72,718
Long-term borrowings		
Unsecured:		
Bond	131,104	130,977
Lease liabilities	234	207
	131,338	131,184
	206,696	203,902

Explanatory notes pursuant to MFRS 134

For the financial period ended 30 September 2022

19 Provisions for costs of restructuring

Not applicable.

20 Dividend

The Board of Directors has declared an interim dividend of 1.0 sen per share for FY2023, payable on 29 December 2022 to shareholders whose names appear in the Record of Depositors on 8 December 2022, being the Book Closure Date ("BCD").

On the assumption that as announced to date, the treasury shares of 41,310,000 (which are not entitled to dividends), remained the same as at BCD, the dividend pay-out on 521,959,065 shares will amount to approximately RM5.22 million.

21 Commitments

Capital expenditure as at the reporting date is as follows:

	30 September 2022 RM'000	31 March 2022 RM'000
Approved and contracted for:		
Property, plant and equipment	1,363	683
Approved but not contracted for:		
Property, plant and equipment	17	82

22 Contingencies

Apart from what was reported in our announcement for the period ended 30 June 2022 on 30 August 2022, nothing has changed except that:

- (i) Customs has filed its appeal to the Court of Appeal and the hearing is fixed on 6 March 2023; and
- (ii) in respect of the Customs Bill of Demand for RM28.8 million, the application for judicial review is rescheduled for case management on 7 March 2023.

Save for the above, there were no other material contingent liabilities or contingent assets.

23 Provision of Financial Assistance

There were no material provision of financial assistance as at the date of this report.

24 Related party transactions

The Group had the following transactions with related parties during the period ended 30 September:

	Cumulative quarter 6 months ended	
	30 September 2022 RM'000	30 September 2021 RM'000
Related companies: *		
Construction of a manufacturing plant	25,700	18,520

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

25 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 financial period ended 30 September 2022**

26 Performance review

	Current quarter 3 months ended			Cumulative quarter 6 months ended		
	30 September 2022	30 September 2021	Changes %	30 September 2022	30 September 2021	Changes %
	RM'000	RM'000		RM'000	RM'000	
Revenue	61,827	79,686	- 22	148,097	140,965	+ 5
Profit before tax	7,739	2,192	+ 253	19,632	14,679	+ 34
Profit after tax	5,917	133	+ 4349	15,477	11,927	+ 30

Explanatory comment on the performance of each of the Group's business activities is provided in Note 5.

27 Comment on material change in profit before taxation

	Current quarter 3 months ended 30 September 2022 RM'000	Preceding quarter 3 months ended 30 June 2022 RM'000	Changes %
Revenue	61,827	86,270	- 28
Profit before tax	7,739	11,893	- 35
Profit after tax	5,917	9,560	- 38

The profit before taxation for the quarter ended 30 September 2022 is 35% lower than the preceding quarter due to higher share of loss of an associate.

28 Commentary on prospects

The Group achieved a higher profit before tax of RM7.74 million for the quarter ended 30 September 2022, higher by 253% year-on-year ("YoY") from RM2.19 million in the corresponding quarter of the preceding year mainly attributed to robust sales from the Metering business.

During the quarter under review, revenue from the Metering division continue to improve by 40% from the preceding corresponding quarter due to higher export to overseas markets as well as local sales. Going forward we are optimistic on maintaining the current momentum as we are actively pursuing our plan of expanding our water metering market within the Asian region. The Metering division will also continue with its operational improvements and increase the marketing of the Group's proprietary AMR meters both locally and overseas.

The Group remains active in tendering for new rail, water and other infrastructure projects to replenish and increase its order book. It is also exploring business opportunities including acquisition of assets and companies in the relevant sectors.

The Group continues to improve its operational efficiency and will remain vigilant to closely monitor any adverse impact from the current uncertain economic environment on the Group's financial results.

Despite the prevailing challenges, the Board remains optimistic on the long term prospects of the Group.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A
For the financial period ended 30 September 2022**

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

Not applicable.

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

Not applicable.

31 Profit forecast or profit guarantee

Not applicable.

32 Corporate proposals

There were no corporate proposals announced but not completed as at the date of this report.

33 Changes in material litigation

There was no outstanding material litigation as at the date of this report.

34 Dividend payable

Please refer to Note 20 for details.

35 Derivative financial instruments

The Group did not enter into any derivatives during the current interim period.

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

The Group did not have gains/losses arising from fair value changes of financial liabilities (other than derivative financial instruments) as at 30 September 2022 and 31 March 2022.

37 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2022 was not qualified.

BY ORDER OF THE BOARD

TEH YONG FAH (MACS00400)
GAN LEE MEI (MAICSA7057081)
Company Secretaries

23 November 2022