

INTERIM FINANCIAL STATEMENTS

Condensed consolidated statement of profit or loss and other comprehensive income for the fourth financial quarter ended 31 March 2024

	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000	31 March 2024 Unaudited RM'000	31 March 2023 Unaudited RM'000
Revenue		30,655	42,216	134,448	247,040
Cost of sales		<u>(31,954)</u>	<u>(28,837)</u>	<u>(109,287)</u>	<u>(189,453)</u>
Gross (loss)/profit		(1,299)	13,379	25,161	57,587
Interest income		2,373	1,767	8,361	5,935
Other (losses)/gains		(11,479)	993	(3,518)	7,927
Administrative expenses		(11,619)	(9,258)	(29,464)	(30,982)
Distribution costs		(403)	(389)	(1,539)	(1,561)
Other expenses		(1,125)	(731)	(2,950)	(2,378)
Finance costs		(2,884)	(2,624)	(10,929)	(10,346)
Share of results of associates		<u>(3,240)</u>	<u>(12,065)</u>	<u>(10,840)</u>	<u>(18,430)</u>
(Loss)/Profit before tax	7	(29,676)	(8,928)	(25,718)	7,752
Tax income/(expense)	8	<u>1,009</u>	<u>(3,171)</u>	<u>(160)</u>	<u>(7,037)</u>
(Loss)/Profit for the period		<u>(28,667)</u>	<u>(12,099)</u>	<u>(25,878)</u>	<u>715</u>
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss:					
Increase in property revaluation reserve		2,143	-	2,143	-
Fair value gain/(loss) on financial assets at FVTOCI		5,437	2,184	6,476	(1,915)
Share of property revaluation reserve of associate		740	1,054	468	1,054
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange translation		647	102	1,284	1,222
Fair value (loss)/gain on financial assets at FVTOCI		<u>(170)</u>	<u>423</u>	<u>490</u>	<u>1,261</u>
Other comprehensive income for the period, net of tax		<u>8,797</u>	<u>3,763</u>	<u>10,861</u>	<u>1,622</u>
Total comprehensive (loss)/income for the period		<u>(19,870)</u>	<u>(8,336)</u>	<u>(15,017)</u>	<u>2,337</u>
(Loss)/Profit attributable to:					
Owners of the Company		(28,596)	(12,099)	(25,781)	715
Non-controlling interests		<u>(71)</u>	<u>-</u>	<u>(97)</u>	<u>-</u>
		<u>(28,667)</u>	<u>(12,099)</u>	<u>(25,878)</u>	<u>715</u>
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(19,799)	(8,336)	(14,920)	2,337
Non-controlling interests		<u>(71)</u>	<u>-</u>	<u>(97)</u>	<u>-</u>
		<u>(19,870)</u>	<u>(8,336)</u>	<u>(15,017)</u>	<u>2,337</u>
(Loss)/Earnings per share attributable to the owners of the Company (sen):					
Basic and diluted	9	<u>(5.48)</u>	<u>(2.32)</u>	<u>(4.94)</u>	<u>0.14</u>

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.

INTERIM FINANCIAL STATEMENTS

Condensed consolidated statement of financial position
for the fourth financial quarter ended 31 March 2024

	31 March 2024	31 March 2023
	Unaudited	Audited
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10 134,490	128,764
Right-of-use assets	11 4,771	1,911
Goodwill	12 876	876
Other intangible assets	13 26,823	24,050
Financial assets at FVTOCI	15 19,460	11,732
Investment in associates	4,442	29,639
Deferred tax assets	949	782
	<u>191,811</u>	<u>197,754</u>
Current assets		
Inventories	14 82,914	106,033
Trade and other receivables	116,461	98,589
Contract assets	79,896	116,747
Financial assets at FVTPL	15 142	123
Financial assets at FVTOCI	15 36,716	32,308
Tax recoverable	6,685	5,604
Deposits, cash and bank balances	16 274,335	250,177
	<u>597,149</u>	<u>609,581</u>
Total assets	<u>788,960</u>	<u>807,335</u>
EQUITY AND LIABILITIES		
Equity attributable to the owners of the Company		
Share capital	17(a) 187,756	187,756
Treasury shares	17(a) (38,539)	(38,450)
Foreign currency translation reserve	(8,762)	(10,046)
Property revaluation reserve	39,206	36,595
Fair value reserve	3,958	(3,008)
Retained earnings	319,455	354,367
	<u>503,074</u>	<u>527,214</u>
Non-controlling interests	956	-
Total equity	<u>504,030</u>	<u>527,214</u>
Non-current liabilities		
Loans and borrowings	18 136,381	132,609
Other payables	1,188	1,404
Deferred tax liabilities	7,367	6,764
	<u>144,936</u>	<u>140,777</u>
Current liabilities		
Loans and borrowings	18 70,810	66,980
Trade and other payables	68,622	71,771
Tax payable	562	593
	<u>139,994</u>	<u>139,344</u>
Total liabilities	<u>284,930</u>	<u>280,121</u>
Total equity and liabilities	<u>788,960</u>	<u>807,335</u>

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

INTERIM FINANCIAL STATEMENTS

Condensed consolidated statement of changes in equity
for the fourth financial quarter ended 31 March 2024

	Note	Attributable to the owners of the Company						Non-controlling interests RM'000	Total RM'000
		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		
At 1 April 2022		187,756	(11,268)	35,541	(3,197)	(38,300)	367,548	-	538,080
Total comprehensive income/(loss)		-	1,222	1,054	(654)	-	715	-	2,337
Transfer upon disposal of investment		-	-	-	843	-	(843)	-	-
Dividends	20	-	-	-	-	-	(13,053)	-	(13,053)
Share buy-backs	17(a)	-	-	-	-	(150)	-	-	(150)
At 31 March 2023		187,756	(10,046)	36,595	(3,008)	(38,450)	354,367	-	527,214
At 1 April 2023		187,756	(10,046)	36,595	(3,008)	(38,450)	354,367	-	527,214
Total comprehensive income/(loss)		-	1,284	2,611	6,966	-	(25,781)	(97)	(15,017)
Dividends	20	-	-	-	-	-	(9,131)	-	(9,131)
Share buy-backs	17(a)	-	-	-	-	(89)	-	-	(89)
Investment in a subsidiary	4	-	-	-	-	-	-	1,053	1,053
At 31 March 2024		187,756	(8,762)	39,206	3,958	(38,539)	319,455	956	504,030

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

INTERIM FINANCIAL STATEMENTS
Condensed consolidated statement of cash flows
for the fourth financial quarter ended 31 March 2024

		12 months ended	
		31 March 2024	31 March 2023
		Unaudited	Unaudited
	Note	RM'000	RM'000
<u>Operating activities</u>			
(Loss)/Profit before tax		(25,718)	7,752
Adjustments for:			
Interest income		(8,361)	(5,935)
Finance costs		10,929	10,346
Gain on disposal of property, plant and equipment	10	(241)	(257)
Reversal of impairment loss on property, plant and equipment		(336)	-
Depreciation of property, plant and equipment		4,451	3,919
Depreciation of right-of-use assets		860	578
Other intangible assets written off		338	117
Amortisation of other intangible assets	13	3,511	1,806
Inventories written down	14	205	508
Reversal on inventories written down	14	(104)	(1,019)
Other receivables written off		4	25
Fair value gain on financial assets at FVTPL		(19)	(8)
Unrealised gain on foreign exchange		(7,012)	(5,097)
Share of results of associates		10,840	18,430
Impairment loss on investment in an associate		14,742	-
Income derived from short-term investments		(309)	(1,002)
Dividend income from financial assets at FVTOCI		(600)	(535)
Dividend income from financial assets at FVTPL		(8)	(5)
Operating profit before working capital changes		<u>3,172</u>	<u>29,623</u>
Changes in working capital:			
Inventories		23,019	(24,025)
Trade and other receivables		(14,110)	47,687
Contract assets/liabilities		36,857	25,044
Trade and other payables		(5,927)	(44,707)
Cash generated from operations		<u>43,011</u>	<u>33,622</u>
Tax paid		(1,581)	(7,420)
Tax refunded		10	1,000
Net cash from operating activities		<u>41,440</u>	<u>27,202</u>
<u>Investing activities</u>			
Purchase of property, plant and equipment		(5,574)	(1,488)
Proceeds from disposal of property, plant and equipment		302	411
Acquisition of other intangible assets		(6,620)	(2,322)
Acquisition of an associate		(800)	(29,600)
Purchase of financial assets at FVTOCI		(3,045)	(10,846)
Dividend received from financial assets at FVTPL		8	5
Dividend received from financial assets at FVTOCI		600	535
Interest received		8,361	5,935
Income derived from short-term investments		309	1,002
Change in time deposits		3,161	(1,391)
Net cash used in investing activities		<u>(3,298)</u>	<u>(37,759)</u>
<u>Financing activities</u>			
Drawdown of other bank borrowings		69,013	62,968
Repayments of other bank borrowings		(62,964)	(71,542)
Repayments of lease liabilities		(739)	(809)
Interest paid		(10,675)	(10,351)
Dividends paid		(9,131)	(13,053)
Share buy-backs		(89)	(150)
Subscription of shares by non-controlling interest in a subsidiary		1,053	-
Net cash used in financing activities		<u>(13,532)</u>	<u>(32,937)</u>
Net change in cash and cash equivalents		24,610	(43,494)
Effect of foreign exchange rate changes		5,770	5,664
Cash and cash equivalents at beginning of financial year		<u>219,654</u>	<u>257,484</u>
Cash and cash equivalents at end of financial year	16	<u>250,034</u>	<u>219,654</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 fourth financial quarter ended 31 March 2024

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 31 May 2024.

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 2023.

Adoption of New and Revised Malaysian Financial Reporting Standards

During the current financial year, 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 2023 as follows:

- Amendments to MFRS 101: Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112: International Tax Reform: Pillar Two Model Rules

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

During the current period, the Group has invested up to USD532,000.00 (equivalent to RM2.46 million) being its share of 70% contributed capital in George Kent (Vietnam) Company Limited ("GK Vietnam"). The principal activity of GK Vietnam is assembly and sale of water meters and related products.

Save for the above, there were no other changes in the composition of the Group during the current 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 fourth financial quarter ended 31 March 2024**
5 Segment information (continued)

	Engineering RM'000	Metering RM'000	Others RM'000	Adjustments eliminations RM'000	Per condensed consolidated and financial statements RM'000
Current quarter					
3 months period ended 31 March 2024					
Revenue:					
External customers	(4,130)	34,785	-	-	30,655
Results:					
Interest income	6	346	868	1,153	2,373
Depreciation and amortisation	27	3,378	-	262	3,667
Share of results of associates	7	-	(3,247)	-	(3,240)
Segment (loss)/profit (Note A)	(7,987)	1,535	(17,522)	(5,702)	(29,676)
3 months period ended 31 March 2023					
Revenue:					
External customers	2,512	39,704	-	-	42,216
Results:					
Interest income	5	63	743	956	1,767
Depreciation and amortisation	71	1,523	-	224	1,818
Share of results of associates	7	-	(12,072)	-	(12,065)
Segment profit/(loss) (Note A)	1,351	7,233	(12,077)	(5,435)	(8,928)
Cumulative quarter					
12 months period ended 31 March 2024					
Revenue:					
External customers	2,621	131,827	-	-	134,448
Results:					
Interest income	24	973	3,173	4,191	8,361
Depreciation and amortisation	107	7,710	-	1,005	8,822
Share of results of associates	52	-	(10,892)	-	(10,840)
Segment (loss)/profit (Note A)	(9,351)	20,428	(19,090)	(17,705)	(25,718)
12 months period ended 31 March 2023					
Revenue:					
External customers	103,421	143,619	-	-	247,040
Results:					
Interest income	24	94	2,007	3,810	5,935
Depreciation and amortisation	141	5,262	-	900	6,303
Share of results of associates	48	-	(18,478)	-	(18,430)
Segment profit/(loss) (Note A)	8,867	33,406	(15,856)	(18,665)	7,752

Explanatory notes pursuant to MFRS 134 for the fourth financial quarter ended 31 March 2024

5 Segment information (continued)

Note A

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

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Interest income	1,153	956	4,191	3,810
Other gains	1,548	1,235	5,382	3,572
Finance costs	(2,884)	(2,624)	(10,929)	(10,346)
Employees benefits expenses	(3,626)	(3,812)	(11,421)	(11,549)
Other unallocated corporate expenses	(1,893)	(1,190)	(4,928)	(4,152)
	<u>(5,702)</u>	<u>(5,435)</u>	<u>(17,705)</u>	<u>(18,665)</u>

Engineering division

The Engineering division suffered a loss of RM9.35 million for the year. This was mainly attributable to adjustment of variation work claims due to prolonged unresolved disputes and unforeseen additional costs incurred for the same project. Furthermore, the division was adversely affected when budgeted new contracts were delayed and not secured.

Metering division

Revenue of RM34.79 million for the quarter ended 31 March 2024 was 12% lower as compared to RM39.70 million for the corresponding quarter in 2023. Profit of RM1.54 million for the current quarter ended 31 March 2024 was 79% lower as compared to RM7.23 million for the corresponding quarter in 2023.

Revenue of RM131.83 million for the financial year ended 31 March 2024 was 8% lower as compared to RM143.62 million for the corresponding period in 2023 mainly attributed to deferment of certain export sales. Profit of RM20.43 million for the financial year ended 31 March 2024 was 39% lower as compared to RM33.41 million for the financial year ended 31 March 2023 mainly due to the lower revenue and gross profit.

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 (loss)/profit before tax

The Group's loss before tax for the current quarter of RM29.68 million (31 March 2023: RM8.93 million) was higher mainly attributed to lower contribution from both the Engineering and Metering divisions.

The Group reported loss before tax of RM25.72 million in the current financial year (31 March 2023: profit of RM7.75 million) mainly attributed to lower contribution from both the Engineering and Metering divisions. Other losses mainly arose from impairment loss on investment in an associate of RM14.74 million (31 March 2023: Nil).

**Explanatory notes pursuant to MFRS 134
 for the fourth financial quarter ended 31 March 2024**
6 Seasonality of operations

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

7 (Loss)/Profit before tax

Included in the (loss)/profit before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Interest income from:				
- deposits with licensed banks	(2,120)	(1,639)	(7,592)	(3,975)
- financial assets at FVTOCI	(253)	(128)	(769)	(773)
- associate	-	-	-	(1,187)
Impairment loss on investment in an associate	14,742	-	14,742	-
(Gain)/Loss on foreign exchange:				
- realised	(803)	449	(2,106)	(443)
- unrealised	(1,665)	(909)	(7,012)	(5,097)

8 Tax (income)/expense

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 March 2024 RM'000	31 March 2023 RM'000	31 March 2024 RM'000	31 March 2023 RM'000
Current Tax:				
Malaysian tax	(1,028)	2,940	-	7,792
Foreign tax	261	250	614	623
	(767)	3,190	614	8,415
Overprovision in prior years:				
Malaysian tax	-	(5)	(140)	(999)
Foreign tax	-	-	(74)	-
	(767)	3,185	400	7,416
Deferred tax	(242)	(14)	(240)	(379)
	(1,009)	3,171	160	7,037

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 current year ended with a loss for the year of RM25.88 million (FY2023: profit of RM715,000). Tax expenses is RM160,000. The significant variance as compared to the statutory tax rate of 24% is mainly due to non-tax deductibility of impairment loss and interest restriction on interest incurred for the sukuk bond.

The effective tax rate (excluding the results of associates which are equity accounted net of tax) for the corresponding year is higher than the statutory tax rate mainly due to certain expenses deemed not deductible for income tax purposes.

Explanatory notes pursuant to MFRS 134 for the fourth financial quarter ended 31 March 2024

9 (Loss)/Earnings Per Share

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

Diluted (loss)/earnings per share amounts are calculated by dividing (loss)/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 (loss)/profit and share data used in the computation of (loss)/earnings per share:

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
(Loss)/Profit attributable to the owners used in computation of (loss)/earnings per share (RM'000)	(28,596)	(12,099)	(25,781)	715
Weighted average number of ordinary shares (excluding treasury shares) for (loss)/earnings per share computation ('000)	521,759	521,959	521,799	522,018
Basic/Diluted (loss)/earnings per share (sen)	(5.48)	(2.32)	(4.94)	0.14

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

10 Property, plant and equipment

Acquisitions and disposals

During the financial year ended 31 March 2024, the Group acquired assets at a cost of RM7.11 million (31 March 2023: RM1.49 million).

Assets with carrying amount of RM61,000 (31 March 2023: RM154,000) were disposed of by the Group during the financial year ended 31 March 2024, resulting in a gain on disposal of RM241,000 (31 March 2023: RM257,000), recognised in profit or loss.

11 Right-of-use assets

Additions and termination

During the financial year ended 31 March 2024, assets at a cost of RM3.69 million (31 March 2023: RM1.90 million) were recorded by the Group.

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

**Explanatory notes pursuant to MFRS 134
 for the fourth financial quarter ended 31 March 2024**
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 2023	977	12,061	16,587	29,625
Additions	37	-	6,583	6,620
Written off	-	-	(338)	(338)
Exchange differences	3	-	-	3
At 31 March 2024	1,017	12,061	22,832	35,910
Accumulated amortisation:				
At 1 April 2023	787	3,169	1,619	5,575
Amortisation	75	1,226	2,210	3,511
Exchange differences	1	-	-	1
At 31 March 2024	863	4,395	3,829	9,087
Carrying amount:				
At 1 April 2023	190	8,892	14,968	24,050
At 31 March 2024	154	7,666	19,003	26,823

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.

14 Inventories

During the financial year ended 31 March 2024, the Group recognised the inventories written down of RM205,000 (31 March 2023: RM508,000) and reversal of inventories written down of RM104,000 (31 March 2023: RM1,019,000) in profit or loss.

**Explanatory notes pursuant to MFRS 134
 for the fourth financial quarter ended 31 March 2024**
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 RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
At 31 March 2024				
Financial assets at FVTPL:				
- Quoted equity securities	142	142	-	-
Financial assets at FVTOCI:				
- Quoted bonds	17,703	17,703	-	-
- Quoted equity securities	19,013	19,013	-	-
- Unquoted equity securities	19,460	-	-	19,460
Non-financial assets:				
- Freehold land	91,350	-	-	91,350
- Buildings on freehold land	19,050	-	-	19,050
- Long-term leasehold land	1,168	-	-	1,168
- Building on long-term leasehold land	882	-	-	882
- Leased buildings	4,357	-	-	4,357

At 31 March 2023

Financial assets at FVTPL:

- Quoted equity securities

123

123

-

-

Financial assets at FVTOCI:

- Quoted bonds

13,903

13,903

-

-

- Quoted equity securities

18,405

18,405

-

-

- Unquoted equity securities

11,732

-

11,732

Non-financial assets:

- Freehold land

91,350

-

-

91,350

- Building on freehold land

14,913

-

-

14,913

- Long-term leasehold land

1,206

-

-

1,206

- Building on long-term leasehold land

947

-

-

947

- Leased buildings

1,502

-

-

1,502

16 Deposits, cash and bank balances

	31 March 2024 RM'000	31 March 2023 RM'000
Deposits with licensed banks	180,847	152,763
Cash and bank balances	71,244	76,586
Short-term investment	22,244	20,828
Deposits, cash and bank balances	274,335	250,177
Less: time deposits	(24,151)	(27,341)
Less: bank overdraft	(150)	(3,182)
Cash and cash equivalents	250,034	219,654

Explanatory notes pursuant to MFRS 134 for the fourth financial quarter ended 31 March 2024

17 Debt and Equity Securities

(a) Share capital and treasury shares

At the 72nd AGM of the Company held on 13 September 2023, shareholders' approval was obtained for the Share Buy-Back scheme to be renewed from 13 September 2023 until the conclusion of the next AGM of the Company to be convened in 2024.

As at 31 March 2024, the Company repurchased a total of 41,510,000 of its shares from the open market for a total consideration of RM38,539,127. Subsequent to 31 March 2024 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 period.

18 Loans and borrowings

	31 March 2024 RM'000	31 March 2023 RM'000
Short-term borrowings		
Secured:		
Bank overdraft	-	3,182
Revolving credits	55,763	43,878
Bankers' acceptances	13,253	19,275
Lease liabilities	284	-
	<u>69,300</u>	<u>66,335</u>
Unsecured:		
Bank overdraft	150	-
Bond	99	99
Lease liabilities	1,261	546
	<u>70,810</u>	<u>66,980</u>
Long-term borrowings		
Secured:		
Lease liabilities	1,159	-
Unsecured:		
Bond	131,488	131,233
Lease liabilities	3,734	1,376
	<u>136,381</u>	<u>132,609</u>
	<u>207,191</u>	<u>199,589</u>

Explanatory notes pursuant to MFRS 134 for the fourth financial quarter ended 31 March 2024

19 Provisions for costs of restructuring

Not applicable.

20 Dividend

The Board of Directors has declared a second interim dividend of 0.75 sen per share for FY2024 (FY2023: 1.00 sen per share), payable on 11 July 2024 to shareholders whose names appear in the Record of Depositors on 20 June 2024, being the Book Closure Date ("BCD").

On the assumption that as announced to date, the treasury shares of 41,510,000 (which are not entitled to dividends), remained the same as at BCD, the dividend pay-out on 521,759,065 shares will amount to approximately RM3.91 million (FY2023: RM5.22 million on 521,759,065 shares).

The Board of Directors declared a first interim dividend of 0.75 sen per share (FY2023: 1.00 sen per share) on 18 December 2023 paid on 8 January 2024 which amounted to RM3.91 million on 521,759,065 shares (FY2023: RM5.22 million on 521,959,065 shares).

In Ringgit term, the two interim dividends will total RM7.82 million (FY2022: RM10.44 million) for the financial year ended 31 March 2024.

21 Commitments

Capital expenditure as at the reporting date is as follows:

	31 March 2024 RM'000	31 March 2023 RM'000
Approved and contracted for:		
Property, plant and equipment	791	4,280
Approved but not contracted for:		
Property, plant and equipment	231	5

22 Contingencies

In light of the decision of the Court of Appeal as disclosed in the previous quarter, we have received written confirmation from Customs on the cancellation of the Bill of Demand on 26 February 2024. Accordingly, at the case management on 4 March 2024, the application for the judicial review was withdrawn. This matter is now closed.

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 financial year ended 31 March:

	Cumulative quarter 12 months ended	
	31 March 2024 RM'000	31 March 2023 RM'000
Related companies: *		
Construction of a manufacturing plant	7,424	42,218

* 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 period.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
 Chapter 9, Appendix 9B, Part A
 for the fourth financial quarter ended 31 March 2024**

26 Performance review

	Current quarter 3 months ended			Cumulative quarter 12 months ended		
	31 March 2024	31 March 2023	Changes	31 March 2024	31 March 2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	30,655	42,216	- 27	134,448	247,040	- 46
(Loss)/Profit before tax	(29,676)	(8,928)	+ 232	(25,718)	7,752	- 432
(Loss)/Profit after tax	(28,667)	(12,099)	+ 137	(25,878)	715	- 3719

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

27 Comment on material change in loss before tax

	Current quarter 3 months ended 31 March 2024 RM'000	Preceding quarter 3 months ended 31 December 2023 RM'000	Changes %
Revenue	30,655	34,080	- 10
Loss before tax	(29,676)	(1,292)	+ 2197
Loss after tax	(28,667)	(1,366)	+ 1999

The change in the loss before tax of +2197% mainly attributed to impairment loss on investment in an associate and lower contribution from both the Engineering and Metering divisions.

28 Commentary on prospects

The Group's core business in Metering continues to be profitable, underscoring the robustness of the metering business.

However, the Group closed the financial year ended 31 March 2024 with a Loss before tax of RM25.72 million (FY2023: Profit before tax of RM7.75 million). The results were significantly impacted by a combination of events:

- Impairment of property, plant and equipment of an associate, impacting the Share of results of associates and Impairment of investment in an associate.
- Adjustment of variation work claims due to prolonged unresolved disputes and unforeseen additional costs incurred for the same project impacting the Engineering division. Furthermore, the division was adversely affected when budgeted new contracts were delayed and not secured.

Metering division

Despite the challenges faced by the Group, the Metering division remained profitable, achieving a profit of RM20.43 million for the financial year.

The division is poised to gain deeper access to the Vietnam market with the completion of a plant for the assembly and testing of water meters near Ho Chi Minh City. It is a joint venture with a longstanding local partner with extensive local knowledge in the water sector. This plant will distribute water meters to the Vietnam market and is scheduled to commence operations by the third financial quarter and drive growth for the new financial year. We have successfully penetrated into the South American market and are strengthening collaborative efforts with our other regional distributors to expand our distribution channels and increase our water metering market share.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A
for the fourth financial quarter ended 31 March 2024**

28 Commentary on prospects (continued)

Engineering division

The Group continues to actively pursue new contracts in the local rail, water sectors and construction of hospitals. We are leveraging our proven track record and building capabilities through strategic collaborations to secure new contracts and explore opportunities within the neighbouring region.

Outlook

With our focus on securing new contracts and exploring strategic partnerships, the Engineering division is well-positioned for a turnaround in the coming year. The Metering division's strategic completion of an assembly plant in Vietnam, coupled with the strengthening of our ties with regional distributors further strengthens the Group's overall growth prospects.

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 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 31 March 2024 and 31 March 2023.

37 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 March 2023 was not qualified.

BY ORDER OF THE BOARD

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

31 May 2024