

INTERIM FINANCIAL STATEMENTS

Condensed consolidated statement of profit or loss and other comprehensive income
for the first financial quarter ended 30 June 2024

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000	30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000
Revenue		30,272	32,014	30,272	32,014
Cost of sales		(20,508)	(25,319)	(20,508)	(25,319)
Gross profit		9,764	6,695	9,764	6,695
Interest income		2,217	1,737	2,217	1,737
Other (losses)/gains		(98)	8,106	(98)	8,106
Administrative expenses		(5,818)	(7,021)	(5,818)	(7,021)
Distribution costs		(374)	(393)	(374)	(393)
Other expenses		(769)	(561)	(769)	(561)
Finance costs		(2,795)	(2,636)	(2,795)	(2,636)
Share of results of associates		(1,687)	(1,409)	(1,687)	(1,409)
Profit before tax	7	440	4,518	440	4,518
Tax expense	8	(302)	(468)	(302)	(468)
Profit for the period		138	4,050	138	4,050
Other comprehensive (loss)/income					
Items that will not be reclassified subsequently to profit or loss:					
Fair value (loss)/gain on financial assets at FVTOCI		(67)	1,020	(67)	1,020
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange translation		(374)	1,541	(374)	1,541
Fair value loss on financial assets at FVTOCI		(49)	(49)	(49)	(49)
Other comprehensive (loss)/income for the period, net of tax		(490)	2,512	(490)	2,512
Total comprehensive (loss)/income for the period		(352)	6,562	(352)	6,562
Profit/(Loss) attributable to:					
Owners of the Company		236	4,050	236	4,050
Non-controlling interests		(98)	-	(98)	-
		138	4,050	138	4,050
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(254)	6,562	(254)	6,562
Non-controlling interests		(98)	-	(98)	-
		(352)	6,562	(352)	6,562
Earnings per share attributable to the owners of the Company (sen):					
Basic and diluted	9	0.05	0.78	0.05	0.78

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 first financial quarter ended 30 June 2024

	30 June 2024	31 March 2024
Note	Unaudited RM'000	Audited RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10 133,789	134,486
Right-of-use assets	11 4,012	4,398
Goodwill	12 876	876
Other intangible assets	13 26,230	26,823
Financial assets at FVTOCI	15 17,967	16,791
Investment in associates	2,190	4,442
Deferred tax assets	1,075	949
	<u>186,139</u>	<u>188,765</u>
Current assets		
Inventories	14 85,087	82,915
Trade and other receivables	109,477	116,532
Contract assets	80,629	79,896
Financial assets at FVTPL	15 151	142
Financial assets at FVTOCI	15 36,998	36,716
Tax recoverable	6,283	6,690
Deposits, cash and bank balances	16 268,774	274,330
	<u>587,399</u>	<u>597,221</u>
Total assets	<u>773,538</u>	<u>785,986</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)	(38,539)
Foreign currency translation reserve	(9,165)	(8,791)
Property revaluation reserve	39,206	39,206
Fair value reserve	1,210	1,326
Retained earnings	315,809	319,486
	<u>496,277</u>	<u>500,444</u>
Non-controlling interests	847	945
Total equity	<u>497,124</u>	<u>501,389</u>
Non-current liabilities		
Loans and borrowings	18 135,434	136,050
Other payables	1,133	1,188
Deferred tax liabilities	7,368	7,368
	<u>143,935</u>	<u>144,606</u>
Current liabilities		
Loans and borrowings	18 71,447	70,675
Trade and other payables	60,499	68,754
Tax payable	533	562
	<u>132,479</u>	<u>139,991</u>
Total liabilities	<u>276,414</u>	<u>284,597</u>
Total equity and liabilities	<u>773,538</u>	<u>785,986</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 first financial quarter ended 30 June 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 2023		187,756	(10,046)	36,595	(3,008)	(38,450)	354,367	-	527,214
Total comprehensive income		-	1,541	-	971	-	4,050	-	6,562
Dividends	20	-	-	-	-	-	(5,218)	-	(5,218)
Share buy-backs	17(a)	-	-	-	-	(89)	-	-	(89)
At 30 June 2023		187,756	(8,505)	36,595	(2,037)	(38,539)	353,199	-	528,469
At 1 April 2024		187,756	(8,791)	39,206	1,326	(38,539)	319,486	945	501,389
Total comprehensive (loss)/income		-	(374)	-	(116)	-	236	(98)	(352)
Dividends	20	-	-	-	-	-	(3,913)	-	(3,913)
At 30 June 2024		187,756	(9,165)	39,206	1,210	(38,539)	315,809	847	497,124

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 first financial quarter ended 30 June 2024

	Note	3 months ended	
		30 June 2024 Unaudited RM'000	30 June 2023 Unaudited RM'000
<u>Operating activities</u>			
Profit before tax		440	4,518
Adjustments for:			
Interest income		(2,217)	(1,737)
Finance costs		2,795	2,636
Gain on disposal of property, plant and equipment	10	(1)	(45)
Depreciation of property, plant and equipment		1,157	1,061
Depreciation of right-of-use assets		311	147
Amortisation of other intangible assets	13	878	450
Inventories written down	14	31	26
Reversal on inventories written down	14	(235)	-
Fair value gain on financial assets at FVTPL		(9)	(2)
Unrealised loss/(gain) on foreign exchange		1,799	(7,353)
Share of results of associates		1,687	1,409
Income derived from short-term investments		(104)	(156)
Dividend income from financial assets at FVTOCI		(179)	(144)
Operating profit before working capital changes		<u>6,353</u>	<u>810</u>
Changes in working capital:			
Inventories		(1,967)	7,381
Trade and other receivables		7,082	(20,653)
Contract assets/liabilities		(733)	21,946
Trade and other payables		(11,940)	(12,792)
Cash used in operations		<u>(1,205)</u>	<u>(3,308)</u>
Tax paid		(90)	(774)
Tax refunded		5	-
Net cash used in operating activities		<u>(1,290)</u>	<u>(4,082)</u>
<u>Investing activities</u>			
Purchase of property, plant and equipment		(572)	(744)
Proceeds from disposal of property, plant and equipment		1	64
Acquisition of other intangible assets		(285)	(484)
Purchase of financial assets at FVTOCI		(1,447)	(2,441)
Dividend received from financial assets at FVTOCI		179	144
Interest received		2,217	1,737
Income derived from short-term investments		104	156
Change in time deposits		(183)	3,558
Net cash from investing activities		<u>14</u>	<u>1,990</u>
<u>Financing activities</u>			
Drawdown of other bank borrowings		69,345	56,315
Repayments of other bank borrowings		(72,921)	(59,171)
Repayments of lease liabilities		(338)	(156)
Interest paid		(985)	(826)
Share buy-backs		-	(89)
Net cash used in financing activities		<u>(4,899)</u>	<u>(3,927)</u>
Net change in cash and cash equivalents		(6,175)	(6,019)
Effect of foreign exchange rate changes		(1,804)	4,948
Cash and cash equivalents at beginning of financial period		<u>250,032</u>	<u>219,654</u>
Cash and cash equivalents at end of financial period	16	<u>242,053</u>	<u>218,583</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 first financial quarter ended 30 June 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 21 August 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 2024.

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 2024 as follows:

- Amendments to MFRS 101: Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to MFRS 101: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

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 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 first financial quarter ended 30 June 2024**
5 Segment information (continued)

	Engineering RM'000	Metering RM'000	Others RM'000	Adjustments eliminations and RM'000	Per condensed consolidated and financial statements RM'000
Current quarter					
3 months period ended 30 June 2024					
Revenue:					
External customers	1,164	29,108	-	-	30,272
Results:					
Interest income	6	361	839	1,011	2,217
Depreciation and amortisation	26	2,044	-	276	2,346
Share of results of associates	19	-	(1,706)	-	(1,687)
Segment (loss)/profit (Note A)	(180)	6,763	(853)	(5,290)	440
3 months period ended 30 June 2023					
Revenue:					
External customers	3,464	28,550	-	-	32,014
Results:					
Interest income	6	92	707	932	1,737
Depreciation and amortisation	27	1,406	-	225	1,658
Share of results of associates	21	-	(1,430)	-	(1,409)
Segment (loss)/profit (Note A)	(721)	4,003	2,494	(1,258)	4,518

Note A

The following items are deducted from segment (loss)/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 3 months ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Interest income	1,011	932	1,011	932
Other (losses)/gains	(359)	4,401	(359)	4,401
Finance costs	(2,795)	(2,636)	(2,795)	(2,636)
Employees benefits expenses	(2,258)	(2,681)	(2,258)	(2,681)
Other unallocated corporate expenses	(889)	(1,274)	(889)	(1,274)
	(5,290)	(1,258)	(5,290)	(1,258)

Engineering division

Revenue of RM1.16 million for the financial period ended 30 June 2024 was 67% lower as compared to RM3.47 million for the corresponding period in 2023 mainly attributed to the lower revenue contribution towards the end of the project. Segment loss was RM0.18 million for the financial period ended 30 June 2024 as compared to RM0.72 million for the financial period ended 30 June 2023.

Metering division

Revenue of RM29.11 million for the financial period ended 30 June 2024 was 2% higher as compared to RM28.55 million for the corresponding period in 2023 mainly attributed to higher local private sales. Segment profit of RM6.76 million for the financial period ended 30 June 2024 was 69% higher as compared to RM4.00 million for the financial period ended 30 June 2023 mainly due to the higher revenue and gross profit margin.

Explanatory notes pursuant to MFRS 134 for the first financial quarter ended 30 June 2024

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 reported profit before tax of RM0.44 million in the current financial period (30 June 2023: RM4.52 million). In the corresponding period, other gains mainly arose from unrealised gain on foreign exchange of RM7.35 million (30 June 2024: loss of RM1.80 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 3 months ended		Cumulative quarter 3 months ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Interest income from:				
- deposits with licensed banks	(2,000)	(1,606)	(2,000)	(1,606)
- financial assets at FVTOCI	(217)	(131)	(217)	(131)
(Gain)/Loss on foreign exchange:				
- realised	(1,338)	(237)	(1,338)	(237)
- unrealised	1,799	(7,353)	1,799	(7,353)

8 Tax expense

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30 June 2024 RM'000	30 June 2023 RM'000	30 June 2024 RM'000	30 June 2023 RM'000
Current Tax:				
Malaysian tax	366	373	366	373
Foreign tax	62	126	62	126
	428	499	428	499
Deferred tax	(126)	(31)	(126)	(31)
	302	468	302	468

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 are equity accounted net of tax) is lower than the statutory tax rate mainly due to the tax effect of certain income not being taxable for tax purposes.

Explanatory notes pursuant to MFRS 134 for the first financial quarter ended 30 June 2024

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 3 months ended	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023
Profit attributable to the owners used in computation of earnings per share (RM'000)	236	4,050	236	4,050
Weighted average number of ordinary shares (excluding treasury shares) for earnings per share computation ('000)	521,759	521,922	521,759	521,922
Basic/Diluted earnings per share (sen)	0.05	0.78	0.05	0.78

The basic and diluted 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 period ended 30 June 2024, the Group acquired assets at a cost of RM0.57 million (30 June 2023: RM1.36 million).

Assets with carrying amount of Nil (30 June 2023: RM19,000) were disposed of by the Group during the financial period ended 30 June 2024, resulting in a gain on disposal of RM1,000 (30 June 2023: RM45,000), recognised in profit or loss.

11 Right-of-use assets

Additions and termination

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

**Explanatory notes pursuant to MFRS 134
 for the first financial quarter ended 30 June 2024**
13 Other intangible assets

	Computer software RM'000	License RM'000	Product development costs RM'000	Total RM'000
Cost:				
At 1 April 2024	1,017	12,061	22,832	35,910
Additions	-	-	285	285
At 30 June 2024	<u>1,017</u>	<u>12,061</u>	<u>23,117</u>	<u>36,195</u>
Accumulated amortisation:				
At 1 April 2024	863	4,395	3,829	9,087
Amortisation	19	307	552	878
At 30 June 2024	<u>882</u>	<u>4,702</u>	<u>4,381</u>	<u>9,965</u>
Carrying amount:				
At 1 April 2024	154	7,666	19,003	26,823
At 30 June 2024	<u>135</u>	<u>7,359</u>	<u>18,736</u>	<u>26,230</u>

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 period ended 30 June 2024, the Group recognised the inventories written down of RM31,000 (30 June 2023: RM26,000) and reversal of inventories written down of RM235,000 (30 June 2023: Nil) in profit or loss.

**Explanatory notes pursuant to MFRS 134
 for the first financial quarter ended 30 June 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	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
At 30 June 2024				
Financial assets at FVTPL:				
- Quoted equity securities	151	151	-	-
Financial assets at FVTOCI:				
- Quoted bonds	19,289	19,289	-	-
- Quoted equity securities	17,709	17,709	-	-
- Unquoted equity securities	17,967	-	-	17,967
Non-financial assets:				
- Freehold land	91,350	-	-	91,350
- Buildings on freehold land	18,832	-	-	18,832
- Long-term leasehold land	1,128	-	-	1,128
- Building on long-term leasehold land	837	-	-	837
- Leased buildings	3,623	-	-	3,623

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

16,791

-

16,791

Non-financial assets:

- Freehold land

91,350

-

-

91,350

- Building 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

3,984

-

-

3,984

16 Deposits, cash and bank balances

	30 June	31 March
	2024	2024
	RM'000	RM'000
Deposits with licensed banks	191,335	180,844
Cash and bank balances	60,851	71,242
Short-term investment	16,588	22,244
Deposits, cash and bank balances	<u>268,774</u>	<u>274,330</u>
Less: time deposits	(24,279)	(24,148)
Less: bank overdraft	(2,442)	(150)
Cash and cash equivalents	<u>242,053</u>	<u>250,032</u>

**Explanatory notes pursuant to MFRS 134
 for the first financial quarter ended 30 June 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 30 June 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 30 June 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

	30 June 2024 RM'000	31 March 2024 RM'000
Short-term borrowings		
Secured:		
Bank overdraft	2,442	-
Revolving credits	43,871	55,763
Bankers' acceptances	21,551	13,253
Lease liabilities	288	284
	<u>68,152</u>	<u>69,300</u>
Unsecured:		
Bank overdraft	-	150
Bond	1,910	99
Lease liabilities	1,385	1,126
	<u>71,447</u>	<u>70,675</u>
Long-term borrowings		
Secured:		
Lease liabilities	1,085	1,159
Unsecured:		
Bond	131,552	131,488
Lease liabilities	2,797	3,403
	<u>135,434</u>	<u>136,050</u>
	<u>206,881</u>	<u>206,725</u>

Explanatory notes pursuant to MFRS 134 for the first financial quarter ended 30 June 2024

19 Provisions for costs of restructuring

Not applicable.

20 Dividend

No interim dividend has been declared for the financial period ended 30 June 2024.

Two interim dividends had been paid for the financial year ended 31 March 2024. The first and second dividends of 0.75 sen per share on 521,759,065 shares and 0.75 sen per share on 521,759,065 shares were paid on 8 January 2024 and 11 July 2024 respectively.

In Ringgit term, the total dividend for the financial year ended 31 March 2024 was RM7.83 million.

21 Commitments

Capital expenditure as at the reporting date is as follows:

	30 June 2024 RM'000	31 March 2024 RM'000
Approved and contracted for:		
Property, plant and equipment	826	791
Approved but not contracted for:		
Property, plant and equipment	231	231

22 Contingencies

There were no material contingent liabilities or contingent assets as at the date of this report.

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 period ended 30 June:

	Cumulative quarter 3 months ended	
	30 June 2024 RM'000	30 June 2023 RM'000
Related companies: *		
Construction of a manufacturing plant	1,164	3,465

* 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 first financial quarter ended 30 June 2024**

26 Performance review

	Current quarter 3 months ended			Cumulative quarter 3 months ended		
	30 June 2024	30 June 2023	Changes	30 June 2024	30 June 2023	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	30,272	32,014	- 5	30,272	32,014	- 5
Profit before tax	440	4,518	- 90	440	4,518	- 90
Profit after tax	138	4,050	- 97	138	4,050	- 97

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/(loss) before tax

	Current quarter 3 months ended 30 June 2024 RM'000	Preceding quarter 3 months ended 31 March 2024 RM'000	Changes %
Revenue	30,272	30,655	- 1
Profit/(Loss) before tax	440	(29,656)	+ 101
Profit/(Loss) Loss after tax	138	(28,647)	+ 100

The change in the profit/(loss) before tax of +101% mainly attributed to the improvement of contribution from both the Engineering and Metering divisions. Included in the preceding quarter was the impairment loss on investment in an associate.

28 Commentary on prospects

The Group achieved revenue of RM30.27 million for the quarter ended 30 June 2024.

Underscoring the robustness of our metering business, the sale of Class C meters continues to be strong in the Malaysian market, as well as the ASEAN region. The outlook for Class D water meters remains positive, with continuous orders from the South American region. These orders, coupled with the continuing momentum of progress in our assembly plant in Vietnam, together with the progress in AMR orders, are expected to result in better performance for the Division towards the second half of the financial year.

The Engineering Division remains well positioned in securing new contracts through its business development initiatives and continuing participation in tenders for local infrastructure projects in the rail and water sectors.

As the Group continues to manage commercial headwinds posed by geopolitics, inflation, commodity prices and foreign exchange fluctuations, it remains cautiously optimistic in its outlook of the financial year.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A
for the first financial quarter ended 30 June 2024**

- 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 30 June 2024 and 31 March 2024.
- 37 Auditors' report on preceding annual financial statements**
The auditors' report on the financial statements for the financial year ended 31 March 2024 was not qualified.

BY ORDER OF THE BOARD

TEH YONG FAH (MACS00400)
GAN LEE MEI (MA/CSA7057081)
Company Secretaries

21 August 2024