

GEORGE KENT (MALAYSIA) BERHAD
Condensed Consolidated Income Statements for the Three-Month Ended 30 April 2009

		3 months ended	
	Note	30.04.2009 RM'000	30.04.2008 RM'000
Revenue	4	20,939	25,598
Cost of sales		(13,988)	(18,208)
Gross profit		<u>6,951</u>	<u>7,390</u>
Other income		946	849
Administrative and other expenses		(4,888)	(5,298)
Distribution cost		(135)	(118)
Operating Profit		<u>2,874</u>	<u>2,823</u>
Finance costs		(342)	(288)
Share of profit of associates		512	224
Profit before tax		<u>3,044</u>	<u>2,759</u>
Income tax expense	21	(1,065)	(905)
Profit for the quarter		<u>1,979</u>	<u>1,854</u>
Attributable to:			
Equity holders of the Company		1,979	1,867
Minority interest		-	(13)
		<u>1,979</u>	<u>1,854</u>
Earnings per share attributable to equity holders of the Company (sen):			
Basic/diluted, for profit for the quarter	29	<u>0.9</u>	<u>0.8</u>

The condensed consolidated income statements should be read in conjunction with the audited financial statements for the year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

GEORGE KENT (MALAYSIA) BERHAD
Condensed Consolidated Balance Sheet As At 30 April 2009

	Note	As at 30.04.2009 RM'000	As at 31.01.2009 RM'000
ASSETS			
Non-current assets			
Property, plant & equipment	9	50,128	49,503
Prepaid land lease payments		92	100
Intangible assets		505	519
Investments in unquoted shares of associates		16,162	16,943
Investments in unquoted debentures of associate		9,660	10,443
Deferred tax asset		1,200	1,201
		<u>77,747</u>	<u>78,709</u>
Current assets			
Inventories		29,556	29,643
Trade and other receivables		26,699	37,801
Tax recoverable		108	179
Marketable securities	23	397	232
Cash and bank balances		44,388	27,493
		<u>101,148</u>	<u>95,348</u>
TOTAL ASSETS		<u>178,895</u>	<u>174,057</u>
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	10	96,263	96,263
Share premium		2,065	2,065
ICULS	10	16,347	16,347
Other reserves		10,129	12,986
Retained earnings		9,903	7,924
Total equity		<u>134,707</u>	<u>135,585</u>
Non-current liabilities			
Borrowings	25	16,172	16,083
Deferred tax liabilities		805	805
		<u>16,977</u>	<u>16,888</u>
Current Liabilities			
Borrowings	25	17,396	5,849
Trade and other payables		9,526	15,372
Current tax payable		289	363
		<u>27,211</u>	<u>21,584</u>
Total liabilities		<u>44,188</u>	<u>38,472</u>
TOTAL EQUITY AND LIABILITIES		<u>178,895</u>	<u>174,057</u>

The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

GEORGE KENT (MALAYSIA) BERHAD
Condensed Consolidated Statement of Changes in Equity for the Three-Month Ended 30 April 2009

	Attributable to Equity Holders of the Company						Minority Interest RM'000	Total Equity RM'000
	Non-Distributable					Total RM'000		
	Share Capital RM'000	Share Premium RM'000	ICULS RM'000	Other Reserves RM'000	(Accumulated Losses)/ Retained Profits RM'000			
At 1 February 2008	79,228	2,065	33,382	8,796	(892)	122,579	913	123,492
Foreign currency translation	-	-	-	(147)	-	(147)	-	(147)
Net income recognised directly in equity	-	-	-	(147)	-	(147)	-	(147)
Profit for the quarter	-	-	-	-	1,867	1,867	(13)	1,854
Total recognised income and expense for the quarter	-	-	-	(147)	1,867	1,720	(13)	1,707
At 30 April 2008	79,228	2,065	33,382	8,649	975	124,299	900	125,199
At 1 February 2009	96,263	2,065	16,347	12,986	7,924	135,585	-	135,585
Foreign currency translation	-	-	-	(2,857)	-	(2,857)	-	(2,857)
Net income recognised directly in equity	-	-	-	(2,857)	-	(2,857)	-	(2,857)
Profit for the quarter	-	-	-	-	1,979	1,979	-	1,979
Total recognised income and expense for the quarter	-	-	-	(2,857)	1,979	(878)	-	(878)
At 30 April 2009	96,263	2,065	16,347	10,129	9,903	134,707	-	134,707

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

GEORGE KENT (MALAYSIA) BERHAD**Condensed Consolidated Cash Flow Statement for the Three-Month Ended 30 April 2009**

	3 Months ended	
	30.04.2009 RM' 000	30.04.2008 RM' 000
Net cash generated from operating activities	7,045	244
Net cash (used in)/ generated from investing activities	(997)	2,185
Net cash generated from/ (used in) financing activities	<u>9,491</u>	<u>(2,900)</u>
Net increase/ (decrease) in cash & cash equivalents	15,539	(471)
Effect of exchange rate changes	(789)	(72)
Cash & cash equivalents at beginning of the quarter	26,688	20,821
Cash & cash equivalents at end of the quarter *	<u>41,438</u>	<u>20,278</u>

* Cash and cash equivalents comprise the following as at the end of the quarter:

	As at	As at
	30.04.2009 RM'000	30.04.2008 RM'000
Cash and bank balances	44,388	22,564
Bank overdrafts (included within short term borrowings in Note 25)	<u>(2,950)</u>	<u>(2,286)</u>
Total cash and cash equivalents	<u>41,438</u>	<u>20,278</u>

The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 January 2009 and the accompanying explanatory notes attached to the interim financial statements.

GEORGE KENT (MALAYSIA) BERHAD

Part A – Explanatory Notes Pursuant to FRS 134

1. Basis of Preparation

The interim financial statements have been prepared under the historical cost convention except for the revaluation of freehold land included within property, plant and equipment and financial assets at fair value through profit or loss.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 January 2009. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 January 2009.

2. Changes in Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 January 2009 except for the adoption of the new/revised Financial Reporting Standards (“FRS”), Amendments to FRS and Issues Committee (“IC”) interpretations that are effective for financial year beginning 1 February 2009.

The following new FRSs and Interpretations were issued but not yet effective and have not been applied by the Group:

		Effective for financial periods beginning on or after
FRS and Interpretations		
FRS 7	Financial Instruments: Disclosure	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010

The Group is exempted from disclosing the possible impact, if any, to the financial statements upon the initial application of FRS 139.

The other new FRSs and Interpretations above are expected to have no significant impact on the financial statements of the Company upon their initial application except for the changes in disclosures.

3. Auditors’ Report on Preceding Annual Financial Statements

The auditors’ report on the financial statements for the year ended 31 January 2009 was not qualified.

4. Segmental Information

The Group is organised on a worldwide basis into two major geographical segments, namely Malaysia and Overseas.

	3 months ended	
	30.04.2009	30.04.2008
	RM'000	RM'000
Segment Revenue		
Malaysia	17,552	22,896
Overseas	3,387	2,702
Total revenue	<u>20,939</u>	<u>25,598</u>
Segment Results		
Malaysia	209	566
Overseas	1,770	1,288
Total results	<u>1,979</u>	<u>1,854</u>

5. Unusual Items Due to their Nature, Size or Incidence

There were no unusual items affecting assets, liabilities, equity, net income or cash flow during the current quarter.

6. Changes in Estimates

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

7. Comments About Seasonality or Cyclical Operations

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

8. Dividends Paid

No dividends have been paid for the current quarter.

9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the financial statements for the year ended 31 January 2009.

10. Debt and Equity Securities

There were no issuances, cancellations, repurchases, resale and repayments of debts and equity securities during the current quarter.

11. Changes in Composition of the Group

There are no material changes in the composition of the Group during the current quarter.

12. Discontinued Operations

No major operations were discontinued during the current quarter.

13. Capital Commitments

There were capital commitments of RM439,000 for plant and equipment as at the end of the current quarter.

14. Changes in Contingent Liabilities and Contingent Assets

The Group does not have any contingent liabilities or contingent assets.

15. Subsequent Events

On 8 May 2009, 27,898,261 new ordinary shares of RM0.50 each were issued pursuant to the conversion of ICULS.

Save for the above, there were no other material events subsequent to the end of the current quarter.

16. Related Party Disclosures

The Group had the following transactions with related parties during the quarter:

	3 months ended	
	30.04.2009	30.04.2008
	RM'000	RM'000
Related companies: *		
Purchase of products	57	73
Sales commission	-	114
Rendering of services	25	28
Rental income	-	19
Associates:		
Sale of products	4,122	-

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

Part B – Explanatory Notes Pursuant to Appendix 9B of the Listing Requirements of Bursa Malaysia Securities Berhad

17. Performance Review

The Group's revenue was RM20.9 million for the 1st quarter ended 30 April 2009 (30 April 2008 – RM25.6 million).

The revenue was lower by RM4.7 million or 18.2% for the 1st quarter ended 30 April 2009 due to lower sales of meters and trading products.

The Group's profit before tax was RM3.0million for the 1st quarter ended 30 April 2009 (30 April 2008 – RM2.8 million).

18. Variation of Results Against Preceding Quarter

Group Results	Current quarter ended 30 April 2009	Preceding quarter ended 31 January 2009
	RM'000	RM'000
Revenue	20,939	26,754
Profit before tax	3,044	4,990

Revenue for the current quarter was RM20.9 million as compared to RM26.8 million in the preceding quarter and the profit before tax was RM3.0 million as compared to RM5.0 million in the preceding quarter.

19. Commentary on Prospects

The Group will remain focused on its core competencies in manufacturing and marketing of meters and other water works products, water infrastructure investments and mechanical & electrical projects. It will continue with its strategy of enhancing its operating margins through cost efficiencies and technology.

The Board is constantly reminded of the unusually difficult trading conditions in the economies that it conducts business. Whilst the global recession is beyond the Board's control and will invariably impact its business, the Board nevertheless is confident of its prospects for the current year.

20. Profit Forecast or Profit Guarantee

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest and for the shortfall in profit guarantee are not applicable.

21. Income Tax Expense

	3 months ended	
	30.04.2009	30.04.2008
	RM'000	RM'000
Current tax:		
Malaysian income tax	57	32
Foreign tax	1,008	873
Total income tax expense	<u>1,065</u>	<u>905</u>

The effective tax rate for the quarter was higher than the statutory tax rate due to the withholding taxes of RM415,000 (30 April 2008: RM396,000) on dividend declared by a foreign subsidiary.

22. Sale of Unquoted Investments and Properties

There were no sales of unquoted investments and properties in the current quarter.

23. Marketable Securities

There were no purchases and disposal of quoted securities during the quarter.

Details of investments in quoted securities:

	As at 30.04.2009 RM'000	As at 31.01.2009 RM'000
Marketable securities:-		
At cost	393	393
At book value	397	232
At market value	397	232

24. Corporate Proposals

There were no corporate proposals that have not been completed.

25. Borrowings

	As at 30.04.2009 RM'000	As at 31.01.2009 RM'000
Short Term Borrowings	17,396	5,849
Long Term Borrowings	16,172	16,083
Total Borrowings	33,568	21,932

The total borrowings were secured. All borrowings are denominated in Ringgit Malaysia.

26. Off Balance Sheet Financial Instruments

The Group does not have any off balance sheet financial instruments.

27. Changes in Material Litigation

On 22 September 2006, the Company, as co-plaintiff with Elster Metering Limited, served a Writ of Summons and Statement of Claim each on Damini Corporation Sdn Bhd, Delta Perdana Sdn Bhd, Premier Amalgamated Sdn Bhd and Dura-Mine Sdn Bhd in relation to their infringement of copyright of the design of the Kent PSM water meter. The above litigations are on-going.

Save as above, the Group is not involved in any other material litigation.

28. Dividend Paid/ Payable

No ordinary dividend has been declared for the quarter ended 30 April 2009 (30 April 2008: Nil).

29. Earnings per Share

Basic earnings per share amount is calculated by dividing profit for the quarter attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the quarter. In accordance with FRS133, the shares to be issued upon conversion of ICULS are included in calculating the basic earnings per share as they are mandatorily convertible instruments.

Diluted earnings per share amount is the same as basic earnings per share. The ESOS shares are not included as the effect is anti-dilutive.

	3 months ended	
	30.04.2009	30.04.2008
Profit attributable to ordinary equity holders of the Company (RM'000)	<u>1,979</u>	<u>1,867</u>
Number of ordinary shares in issue ('000)	192,526	158,455
Adjustment for assumed conversion of ICULS ('000)	<u>32,693</u>	<u>66,764</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>225,219</u>	<u>225,219</u>
Earnings per share attributable to equity holders of the Company (sen):		
Basic/diluted, for profit for the quarter	<u>0.9</u>	<u>0.8</u>

By Order of the Board

Teh Yong Fah
Company Secretary
24 June 2009