

Condensed Consolidated Statement of Comprehensive Income for the Period Ended 31 January 2012

| | Note | 3 months ended | | 12 months ended | |
|---|------|----------------------|------------------------------------|----------------------|------------------------------------|
| | | 31.01.2012 RM'000 | 31.01.2011 RM'000 (restated) | 31.01.2012 RM'000 | 31.01.2011 RM'000 (restated) |
| Revenue | 4 | 48,932 | 47,924 | 152,253 | 165,037 |
| Direct operating expenses | | (33,807) | (29,412) | (104,816) | (110,121) |
| Gross profit | | 15,125 | 18,512 | 47,437 | 54,916 |
| Other operating income | | 235 | 1,498 | 3,382 | 3,408 |
| Operating expenses | | (6,563) | (8,917) | (24,860) | (26,199) |
| Profit from operations | | 8,797 | 11,093 | 25,959 | 32,125 |
| Finance costs | | (443) | (403) | (1,869) | (1,386) |
| Share of results of associates | | 766 | 458 | 2,106 | 1,695 |
| Profit before tax | | 9,120 | 11,148 | 26,196 | 32,434 |
| Income tax expense | 19 | (2,086) | (2,423) | (6,858) | (7,659) |
| Profit for the period attributable to owners of the parent | | 7,034 | 8,725 | 19,338 | 24,775 |
| Other comprehensive income, net of tax: | | | | | |
| Net gain/(loss) from translation of foreign operations | | (118) | (386) | 8,174 | (2,483) |
| Other comprehensive income/(loss) for the period / year net of tax | | (118) | (386) | 8,174 | (2,483) |
| Total comprehensive income for the period attributable to owners of the parent | | 6,915 | 8,339 | 27,512 | 22,292 |
| Earnings per share attributable to owners of the parent (sen): | | | | | |
| Basic/diluted, for profit for the period | 28 | 3.1 | 3.9 | 8.6 | 11.0 |

The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Financial Position As At 31 January 2012

| | Note | As at 31.01.2012 RM'000 | (Audited) As at 31.01.2011 RM'000 (restated) |
|--|------|-------------------------------|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant & equipment | | 62,401 | 56,064 |
| Intangible assets | | 454 | 496 |
| Investments in unquoted shares of associates | | 24,126 | 18,820 |
| Investments in unquoted debentures of associate | | 7,984 | 6,404 |
| Deferred tax asset | | 1,835 | 1,722 |
| | | <u>96,800</u> | <u>83,506</u> |
| Current assets | | | |
| Inventories | | 38,615 | 39,814 |
| Trade and other receivables | | 41,850 | 41,604 |
| Marketable securities | 22 | 4,692 | 4,547 |
| Cash and bank balances | | 59,573 | 61,714 |
| | | <u>144,730</u> | <u>147,679</u> |
| TOTAL ASSETS | | <u>241,530</u> | <u>231,185</u> |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to owners of the parent | | | |
| Share capital | 8 | 112,652 | 112,650 |
| Share premium | | 2,092 | 2,091 |
| Other reserves | | 7,897 | (277) |
| Retained earnings | | 60,685 | 49,797 |
| Total equity | | <u>183,326</u> | <u>164,261</u> |
| Non-current liabilities | | | |
| Borrowings | 24 | 19,237 | 11,570 |
| Deferred tax liabilities | | 2,327 | 1,845 |
| | | <u>21,564</u> | <u>13,415</u> |
| Current Liabilities | | | |
| Borrowings | 24 | 15,219 | 16,674 |
| Trade and other payables | | 21,164 | 36,009 |
| Current tax payable | | 257 | 826 |
| | | <u>36,640</u> | <u>53,509</u> |
| Total liabilities | | <u>58,204</u> | <u>66,924</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>241,530</u> | <u>231,185</u> |

The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Changes in Equity for the Period Ended 31 January 2012

| | Attributable to owners of the Prent | | | | | | |
|--|-------------------------------------|----------------------------|----------------------------|--------------------------------|---------------------------------------|---|--|
| | Non-Distributable | | Distributable | | Non-Distributable | | |
| | Equity, total RM'000 | Share Capital RM'000 | Share Premium RM'000 | Retained Earnings RM'000 | Other reserves, total RM'000 | Asset Revaluation Reserve - Freehold Land RM'000 | Foreign Currency Translation Reserves RM'000 |
| At 1 February 2010 | | | | | | | |
| - As previously stated | 148,116 | 112,610 | 2,065 | 22,004 | 11,437 | 11,508 | (71) |
| - Effect of adopting IC 12 | 544 | - | - | 9,775 | (9,231) | - | (9,231) |
| At 1 February 2010, restated | 148,660 | 112,610 | 2,065 | 31,779 | 2,206 | 11,508 | (9,302) |
| Total comprehensive income | 22,292 | - | - | 24,775 | (2,483) | - | (2,483) |
| Transactions with owners | | | | | | | |
| Dividends | (6,757) | - | - | (6,757) | - | - | - |
| Issue of ordinary shares pursuant to employee share option scheme | 66 | 40 | 26 | - | - | - | - |
| At 31 January 2011 | 164,261 | 112,650 | 2,091 | 49,797 | (277) | 11,508 | (11,785) |
| At 1 February 2011 | 163,510 | 112,650 | 2,091 | 40,046 | 8,723 | 11,508 | (2,785) |
| - Effect of adopting IC 12 | 751 | - | - | 9,751 | (9,000) | - | (9,000) |
| At 1 February 2011, restated | 164,261 | 112,650 | 2,091 | 49,797 | (277) | 11,508 | (11,785) |
| Total comprehensive income | 27,512 | - | - | 19,338 | 8,174 | - | 8,174 |
| Transactions with owners | | | | | | | |
| Dividends | (8,450) | - | - | (8,450) | - | - | - |
| Issue of ordinary shares pursuant to employee share option scheme | 3 | 2 | 1 | - | - | - | - |
| At 31 January 2012 | 183,326 | 112,652 | 2,092 | 60,685 | 7,897 | 11,508 | (3,611) |

The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes attached to the interim financial statements.

Condensed Consolidated Statement of Cash Flows for the Period Ended 31 January 2012

| | 12 months ended | |
|--|-----------------|----------------|
| | 31.01.2012 | 31.01.2011 |
| | RM' 000 | RM' 000 |
| Net cash (used in)/generated from operating activities | 1,117 | 10,026 |
| Net cash used in investing activities | (7,215) | (3,791) |
| Net cash used in financing activities | <u>(4,541)</u> | <u>(9,019)</u> |
| Net decrease in cash & cash equivalents | (10,639) | (2,784) |
| Effect of exchange rate changes | 6,189 | (77) |
| Cash & cash equivalents at beginning of the year | 59,345 | 62,206 |
| Cash & cash equivalents at end of the period * | <u>54,895</u> | <u>59,345</u> |

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

| | As at | As at |
|---------------------------------|----------------|----------------|
| | 31.01.2012 | 31.01.2011 |
| | RM'000 | RM'000 |
| Cash and bank balances | 59,573 | 61,714 |
| Bank overdrafts | <u>(4,678)</u> | <u>(2,369)</u> |
| Total cash and cash equivalents | <u>54,895</u> | <u>59,345</u> |

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 January 2011 and the accompanying explanatory notes attached to the interim financial statements.



Part A – Explanatory Notes Pursuant to Financial Reporting Standard 134

1. Basis of Preparation

The interim financial statements are unaudited and have been prepared in accordance with the requirements of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Main Market 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 2011. 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 2011.

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 2011 except for the adoption of the following new/revised FRS, Amendments to FRS and Issues Committee (“IC”) interpretations that are effective for financial year beginning 1 February 2011.

On 1 February 2011, the Group adopted the following FRSs and IC Interpretations for annual financial periods beginning on or after 1 February 2011:-

FRSs, Amendments to FRSs and Interpretations

| | |
|-----------------------------------|--|
| FRS 1 | First-time Adoption of Financial Reporting Standards |
| FRS 3 | Business Combinations (revised) |
| Amendments to FRS 1 | Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters |
| Amendments to FRS 2 | Share based Payment |
| Amendments to FRS 2 | Share based Payment - Group Cash settled Share based Payment Transactions |
| Amendments to FRS 5 | Non-current Assets Held for Sale and Discontinued Operations |
| Amendments to FRS 7 | Improving Disclosures about Financial Instruments |
| Amendments to FRS 127 | Consolidated and Separate Financial Statements |
| Amendments to FRS 132 | Classification of Rights Issues |
| Amendments to FRS 138 | Intangible Assets |
| IC Interpretation 4 | Determining Whether An Arrangement contains a Lease |
| IC Interpretation 12 | Service Concession Arrangements |
| IC Interpretation 16 | Hedges of a Net Investment in a Foreign Operation |
| IC Interpretation 17 | Distributions of Non-cash Assets to Owners |
| IC Interpretation 18 | Transfers of Assets from Customers |
| Amendments to IC Interpretation 9 | Reassessment of Embedded Derivatives |

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except for IC Interpretation 12 Service Concession Agreements as disclosed below:

IC Interpretation 12 Service Concession Agreements

IC Interpretation 12 is applicable to an associate, PNG Water Limited (PWL), who is an operator of a water concession in Papua New Guinea. The impact on the adoption of IC 12 at the Group level is as follows:



| As at 31 January 2011 | As Previously Stated RM'000 | Effects of Adopting IC Interpretation 12 RM'000 | As Restated RM'000 |
|--|--------------------------------|---|-----------------------|
| <u>Statement of Comprehensive Income</u> | | | |
| Share of results of associates | 1,719 | (24) | 1,695 |
| Foreign exchange translation | (2,714) | (231) | (2,483) |
| <u>Statement of Financial Position</u> | | | |
| Investment in associates | 18,069 | 751 | 18,820 |
| Retained earnings | 40,046 | 9,751 | 49,797 |
| Foreign currency translation reserve | (2,785) | (9,000) | (11,785) |

3. Auditors' Report on Preceding Annual Financial Statements

The auditors' report on the financial statements for the year ended 31 January 2011 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 | | 12 months ended | |
|------------------------|----------------------|----------------------------------|----------------------|----------------------------------|
| | 31.01.2012 RM'000 | 31.01.2011 RM'000 Restated | 31.01.2012 RM'000 | 31.01.2011 RM'000 Restated |
| Segment Revenue | | | | |
| Malaysia | 46,198 | 44,634 | 139,044 | 152,147 |
| Overseas | 2,734 | 3,290 | 13,209 | 12,890 |
| Total revenue | 48,932 | 47,924 | 152,253 | 165,037 |
| Segment Results | | | | |
| Malaysia | 4,857 | 8,871 | 12,027 | 20,334 |
| Overseas | 2,177 | (146) | 7,311 | 4,441 |
| Total results | 7,034 | 8,725 | 19,338 | 24,775 |

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. Seasonality or Cyclical Factors

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

8. Debt and Equity Securities

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

9. Changes in Composition of the Group

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

10. Discontinued Operations

No major operations were discontinued during the current quarter.

11. Capital Commitments

There were capital commitments of RM3.88 million for plant and equipment as at the end of the current quarter.

12. Changes in Contingent Liabilities and Contingent Assets

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

13. Subsequent Events

There were no material events subsequent to the end of the current quarter.

14. Related Party Disclosures

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

| | 12 months ended | |
|---|------------------------|-------------------|
| | 31.01.2012 | 31.01.2011 |
| | RM'000 | RM'000 |
| Related companies: * | | |
| Rental income for motor vehicle | 11 | - |
| Purchase of tiles | 110 | 414 |
| Purchase of air tickets | 125 | 321 |
| Professional and share registration charges | 94 | 77 |
| Associates: | | |
| Sale of products | 19,389 | 21,493 |

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



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

15. Performance Review

The Group's revenue for the current quarter of RM48.932 million was 2% higher than the corresponding period. The Group's profit before tax of RM9.120 million was 18% lower than the corresponding period. The results during the current quarter were lower mainly due to lower manufacturing sales and higher cost of sales that was also affected by higher rejection rates of certain products.

16. Variation of Results Against Preceding Quarter

| Group Results | Current quarter ended 31.01.2012 | Preceding quarter ended 31.10.2011 | Difference |
|-------------------|-------------------------------------|---------------------------------------|------------|
| | RM'000 | RM'000 | % |
| Revenue | 48,932 | 31,236 | 57 |
| Profit before tax | 9,120 | 3,586 | 154 |

The Group's revenue for the current quarter of RM48.932 million was 57% higher than the preceding quarter, and the profit before tax for the current quarter of RM9.120 million was 154% higher than the preceding quarter. The higher revenue and profit was attributed to higher sale of meters and project related works.

17. Prospects

Europe's sovereign debt crisis has led to a global economic slowdown resulting in lower demand for our products and services. The Group will take all necessary steps to minimise the adverse impact on the Group's performance due to the economic slowdown. The Group will continue to strengthen its manufacturing capabilities to put ourselves in a position to capitalise on new markets and new products. The Group has the necessary M&E engineering capabilities and track record to participate in high value infrastructure projects at home and abroad. The Board is optimistic of the Group's prospects for the financial year ending 31st January 2013.

18. Profit Forecast or Profit Guarantee

Not applicable.

19. Income Tax Expense

| | 3 months ended | | 12 months ended | |
|--------------------------|----------------------|----------------------|----------------------|----------------------|
| | 31.01.2012 RM'000 | 31.01.2011 RM'000 | 31.01.2012 RM'000 | 31.01.2011 RM'000 |
| Current tax: | | | | |
| Malaysian income tax | 1,900 | 3,089 | 4,399 | 5,588 |
| Foreign tax | 186 | (666) | 2,459 | 2,071 |
| Total income tax expense | 2,086 | 2,423 | 6,858 | 7,659 |

The effective tax rate for the current period was higher than the statutory tax rate principally due to the withholding taxes on dividend declared by a foreign subsidiary.



20. Disclosure of Realised and Unrealised Profit and Loss

| | As at 31.01.2012 RM'000 | As at 31.01.2011 RM'000 Restated |
|---|--|---|
| Total retained profits/(accumulated losses) of the Company and its subsidiaries | | |
| Realised | (75,064) | (94,115) |
| Unrealised | (2,027) | 2,545 |
| | <hr/> | <hr/> |
| | (77,091) | (91,570) |
| Total share of retained profits/(accumulated losses) from associated companies | | |
| Realised | 21,775 | 15,738 |
| Unrealised | (369) | (263) |
| | <hr/> | <hr/> |
| | (55,685) | (76,095) |
| Less: Consolidated adjustments | 116,370 | 117,092 |
| Retained profits as per financial statements | <hr/> | <hr/> |
| | 60,685 | 49,797 |

21. Sale of Unquoted Investments and Properties

There were no profits/(losses) on sales of unquoted investments and properties, other than the following:-

| | 3 months ended 31.01.2012 RM'000 | 12 months ended 31.01.2012 RM'000 |
|----------------------------------|---|--|
| Gain on disposal of an associate | 33 | 33 |
| | <hr/> | <hr/> |

22. Marketable Securities

Details of purchases and disposals of quoted securities are as follows:

| | 3 months ended | | 12 months ended | |
|-------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 31.01.2012 RM'000 | 31.01.2011 RM'000 | 31.01.2012 RM'000 | 31.01.2011 RM'000 |
| Purchase consideration | 152 | 2,092 | 1,248 | 4,857 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Sales proceeds | 202 | 1,134 | 1,641 | 3,947 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| (Loss)/Gain on disposal | (48) | 30 | (32) | 89 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

Details of investments in quoted securities:

| | As at 31.01.2012 RM'000 | As at 31.01.2011 RM'000 |
|-------------------------|--|--|
| Marketable securities:- | | |
| At cost | 4,257 | 4,225 |
| At book value | <hr/> | <hr/> |
| | 4,692 | 4,547 |
| At market value | <hr/> | <hr/> |
| | 4,692 | 4,547 |



23. Corporate Proposals

There were no corporate proposals that have not been completed.

24. Borrowings

| | As at 31.01.2012 RM'000 | As at 31.01.2011 RM'000 |
|---|--|--|
| Short Term Borrowings:- | | |
| Bank overdrafts | 4,678 | 2,369 |
| Revolving credits | 4,000 | 3,000 |
| Bankers acceptances | 3,641 | 8,679 |
| Term loans | 2,400 | 2,400 |
| Hire purchase and finance lease liabilities | 500 | 226 |
| | 15,219 | 16,674 |
| Long Term Borrowings:- | | |
| Term loans | 17,557 | 11,056 |
| Hire purchase and finance lease liabilities | 1,680 | 514 |
| | 19,237 | 11,570 |
| Total Borrowings | 34,456 | 28,244 |

All borrowings are denominated in Ringgit Malaysia and secured against a landed property of the Group.

25. Off Balance Sheet Financial Instruments

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

26. Changes in Material Litigation

There are no changes in material litigation save for the following:

Dura-Mine Sdn Bhd has filed a Notice of Appeal to the Federal Court. No date has been fixed for the hearing of the appeal at the Federal Court.

27. Dividend Paid/ Payable

The interim gross dividend of RM0.02 per share less tax at 25% for the financial year ending 31 January 2012 (FY2011 : RM0.02 less tax 25%) was paid on 31 October 2011 to shareholders whose names appear in the Register of Members and/or Record of Depositors on 12 October 2011.

Subject to shareholders' approval at the forthcoming Annual General Meeting ("AGM"), the Directors have recommended a final gross dividend of RM0.03 less tax 25% per share for the financial year ended 31 January 2012 (FY2011 : RM0.03 less tax). If approved at the AGM, the total gross dividend (interim and final) declared for the financial year ended 31 January 2012 will be RM0.05 less tax 25% per share. In Ringgit Malaysia term, the total net dividend will be RM8.450 million (FY2011 : RM8.448 million).



28. Earnings per Share

Basic earnings per share amount is calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

a) Basic.

| | 3 months ended | | 12 months ended | |
|---|-----------------------|-------------------|------------------------|-------------------|
| | 31.01.2012 | 31.01.2011 | 31.01.2012 | 31.01.2011 |
| | | Restated | | Restated |
| Profit attributable to ordinary equity holders of the Company (RM'000) | 7,034 | 8,725 | 19,338 | 24,775 |
| Number of ordinary shares in issue ('000) | 225,302 | 225,293 | 225,300 | 225,219 |
| Weighted average number of ordinary shares issued pursuant to conversion of Employee Share Option Scheme ('000) | - | 3 | 2 | 45 |
| Weighted average number of ordinary shares in issue and issuable ('000) | 225,302 | 225,296 | 225,302 | 225,264 |
| Earnings per share attributable to equity holders of the Company (sen): | | | | |
| Basic, for profit for the period | 3.1 | 3.9 | 8.6 | 11.0 |

b) Diluted

| | 3 months ended | | 12 months ended | |
|--|-----------------------|-------------------|------------------------|-------------------|
| | 31.01.2012 | 31.01.2011 | 31.01.2012 | 31.01.2011 |
| | | Restated | | Restated |
| Profit attributable to ordinary equity holders of the Company (RM'000) | 7,034 | 8,725 | 19,338 | 24,775 |
| Weighted average number of ordinary shares in issue and issuable ('000) | 225,302 | 225,296 | 225,302 | 225,264 |
| Effects of dilution ('000) | | | | |
| - share options | 59 | 90 | 81 | 95 |
| Weighted average number of ordinary shares for diluted earnings per share computation ('000) | 225,361 | 225,386 | 225,383 | 225,359 |
| Earnings per share attributable to equity holders of the Company (sen): | | | | |
| Diluted, for profit for the period | 3.1 | 3.9 | 8.6 | 11.0 |

By Order of the Board
Teh Yong Fah
Company Secretary
28 March 2012