

Condensed consolidated interim financial statements

For the three-month period ended 30 April 2013

Condensed consolidated statement of profit or loss and other comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		30 April 2013 Unaudited RM'000	30 April 2012 Unaudited RM'000	30 April 2013 Unaudited RM'000	30 April 2012 Unaudited RM'000
Revenue		84,688	39,735	84,688	39,735
Cost of sales		(70,119)	(29,182)	(70,119)	(29,182)
Gross profit		14,569	10,553	14,569	10,553
Other operating income		779	650	779	650
Administrative expenses		(896)	(723)	(896)	(723)
Selling and distribution costs		(627)	(444)	(627)	(444)
Other operating expenses		(6,175)	(4,480)	(6,175)	(4,480)
Operating profit		7,650	5,556	7,650	5,556
Finance costs		(488)	(592)	(488)	(592)
Share of results of an associate		766	1,540	766	1,540
Profit before tax	8	7,928	6,504	7,928	6,504
Income tax expense	9	(2,391)	(1,773)	(2,391)	(1,773)
Profit for the period, net of tax, attributable to the owners of the Company		5,537	4,731	5,537	4,731
Other comprehensive (loss)/income					
Net (loss)/gain from translation of foreign operations		(4,338)	715	(4,338)	715
Total comprehensive income for the period, net of tax, attributable to the owners of the Company		1,199	5,446	1,199	5,446
Earnings per share attributable to the owners of the Company (sen):					
Basic	10	2.5	2.1	2.5	2.1
Diluted	10	2.5	2.1	2.5	2.1

The condensed consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

Condensed consolidated interim financial statements
For the three-month period ended 30 April 2013
Condensed consolidated statement of financial position

		30 April 2013	31 January 2013
	Note	Unaudited RM'000	Audited RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	94,635	95,281
Intangible assets	12	359	379
Investments in associates		25,955	27,241
Deferred tax asset		2,031	2,056
		<u>122,980</u>	<u>124,957</u>
Current assets			
Inventories	13	36,254	40,293
Trade and other receivables		83,398	75,589
Tax recoverable		1,248	81
Investment securities	15	2,457	2,243
Cash and bank balances	14	90,534	121,033
		<u>213,891</u>	<u>239,239</u>
Total assets		<u>336,871</u>	<u>364,196</u>
Equity and liabilities			
Equity attributable to the owners of the Company			
Share capital	16	112,651	112,651
Share premium	16	2,092	2,092
Retained earnings		126,299	120,762
Foreign currency translation reserve		(6,446)	(2,108)
Total equity		<u>234,596</u>	<u>233,397</u>
Non-current liabilities			
Loans and borrowings	17	10,844	11,607
Deferred tax liabilities		2,429	2,433
		<u>13,273</u>	<u>14,040</u>
Current liabilities			
Trade and other payables		80,435	96,646
Loans and borrowings	17	8,567	20,098
Tax payables		-	15
		<u>89,002</u>	<u>116,759</u>
Total liabilities		<u>102,275</u>	<u>130,799</u>
Total equity and liabilities		<u>336,871</u>	<u>364,196</u>

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

Condensed consolidated interim financial statements
For the three-month period ended 30 April 2013
Condensed consolidated statements of changes in equity

	Attributable to the owners of the Company				
	Non-Distributable			Distributable	
	Share Capital RM'000	Share Premium RM'000	Foreign Currency Translation Reserves RM'000	Retained Earnings RM'000	Total RM'000
At 1 February 2012	112,651	2,092	(3,611)	103,653	214,785
Total comprehensive income	-	-	715	4,731	5,446
At 30 April 2012	112,651	2,092	(2,896)	108,384	220,231
At 1 February 2013	112,651	2,092	(2,108)	120,762	233,397
Total comprehensive income	-	-	(4,338)	5,537	1,199
At 30 April 2013	112,651	2,092	(6,446)	126,299	234,596

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

Condensed consolidated interim financial statements
For the three-month period ended 30 April 2013
Condensed consolidated statement of cash flows

	Note	3 months ended	
		30 April 2013 Unaudited RM'000	30 April 2012 Unaudited RM'000
Operating activities			
Profit before tax		7,928	6,504
<u>Adjustments for:</u>			
Interest income		(275)	(457)
Interest expenses		488	592
(Gain)/loss on disposal of property, plant and equipment	11	(89)	4
Gain on disposal of investment securities		(87)	(19)
Net fair value (gain)/loss on held for trading investment securities		(149)	169
Amortisation of intangible assets	12	20	21
Depreciation of property, plant and equipment		776	683
Loss on foreign exchange - unrealised		(89)	(427)
Share of results of an associate		(766)	(1,540)
Other non-cash adjustments		(168)	269
Total adjustments		<u>(339)</u>	<u>(705)</u>
Operating cash flows before changes in working capital		7,589	5,799
<u>Changes in working capital</u>			
Decrease in inventories		3,952	4,654
Increase in trade and other receivables		(8,643)	(3,543)
Decrease in trade and other payables		<u>(15,242)</u>	<u>(4,199)</u>
Total changes in working capital		<u>(19,933)</u>	<u>(3,088)</u>
Interest received		275	457
Interest paid		(985)	(592)
Income tax paid		<u>(3,627)</u>	<u>(2,034)</u>
		<u>(4,337)</u>	<u>(2,169)</u>
Cash flows from operations		(16,681)	542
<u>Investing activities</u>			
Purchase of property, plant and equipment		(68)	(4,106)
Proceed from disposal of property, plant and equipment		89	63
Purchase of intangible assets		-	(13)
Purchase of investment securities		(591)	(305)
Proceed from disposal of investment securities		475	1,360
Others		168	15
Net cash generated from/(used in) investing activities		73	(2,986)
<u>Financing activities</u>			
(Repayment)/drawdown of bank borrowings		(10,521)	2,801
Others		-	169
Net cash (used in)/generated from financing activities		(10,521)	2,970
Net change in cash and cash equivalents		(27,129)	526
Effect of exchange rate changes on cash and cash equivalents		(1,401)	(78)
Cash and cash equivalents at 1 February		117,835	54,896
Cash and cash equivalents at 30 April*		89,305	55,344
* Cash and cash equivalents comprise the following at 30 April:			
Cash and bank balances	14	90,534	59,233
Bank overdrafts		(1,229)	(3,889)
Total cash and cash equivalents		<u>89,305</u>	<u>55,344</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 three-month period ended 30 April 2013

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 25 June 2013.

2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 April 2013, have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") 134 Interim Financial Reporting and Paragraph 9.22 of the Listing Requirements of Bursa. These condensed consolidated interim financial statements also comply with IAS 34 Interim Financial Reporting issued by the International Accounting Standard Board and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 January 2013.

The consolidated financial statements of the Group for the financial year ended 31 January 2013 are available upon request from the Company's registered office at Lot 1115, Batu 15, Jalan Dengkil, 47100 Puchong, Selangor Darul Ehsan.

The explanatory notes attached to these condensed consolidated 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 financial year ended 31 January 2013.

3 Significant accounting policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the financial year ended 31 January 2013, except for the adoption of the following MFRSs, Amendments and IC Interpretations:

(a) Effective for financial periods beginning on or after 1 July 2012

- Amendments to MFRS 101: Presentation of Items of Other Comprehensive Income

(b) Effective for financial periods beginning on or after 1 January 2013

- MFRS 10: Consolidated Financial Statements
- MFRS 11: Joint Arrangements
- MFRS 12: Disclosure of Interests in Other Entities
- MFRS 13: Fair Value Measurement
- MFRS 119: Employee Benefits
- MFRS 127: Consolidated and Separate Financial Statements
- MFRS 128: Investments in Associates and Joint Ventures
- Amendments to MFRS 1: Government Loans
- Amendments to MFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to MFRS 10: Consolidated Financial Statements : Transition Guidance
- Amendments to MFRS 11: Joint Arrangements: Transition Guidance
- Amendments to MFRS 12: Disclosure of Interests in Other Entities : Transition Guidance
- IC Interpretation 20: Stripping Costs in the Production Phase of a Surface Mine
- Annual Improvements to IC Interpretations and MFRSs 2009 – 2011 Cycle

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2013

3 Significant accounting policies (continued)

The Directors expect that the adoption of the above MFRSs, Amendments and IC Interpretations will not result in any significant changes in the accounting policies and will not have any significant effect on the financial position, results and disclosures in the financial statements of the Group and the Company in the period of initial application.

4 Changes in estimates

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

5 Changes in composition of the Group

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

6 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) Manufacturing and Trading

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

(b) Construction

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

(c) Infrastructure Investment

Infrastructure Investment comprises mainly income derived from investments in infrastructure.

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 except for Infrastructure Investment being reported separately.

	Manufacturing and Trading RM'000	Construction RM'000	Infrastructure Investment RM'000	Others RM'000	Adjustments and eliminations RM'000	Per condensed consolidated financial statements RM'000
Current quarter						
3 months period ended 30 April 2013						
Revenue:						
External customers	28,693	51,558	4,437	-	-	84,688
Results:						
Interest income	-	-	31	94	150	275
Depreciation and amortisation	510	45	33	-	208	796
Share of results of associate	-	-	766	-	-	766
Segment profit (Note A)	2,624	4,643	6,528	436	(6,303)	7,928

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2013

6 Segment information (continued)

	Manufac- turing and Trading RM'000	Construc- tion RM'000	Infrastruc- ture Investment RM'000	Others RM'000	Adjustments and eliminations RM'000	Per condensed consolidate d financial statements RM'000
Current quarter						
3 months period ended						
30 April 2012						
Revenue:						
External customers	26,836	8,787	4,112	-	-	39,735
Results:						
Interest income	-	-	25	430	2	457
Depreciation and amortisation	503	-	-	-	201	704
Share of results of associate	-	-	1,540	-	-	1,540
Segment profit (Note A)	2,454	1,670	6,460	276	(4,356)	6,504

Note A

The following items are deducted from segment profit to arrive at "Profit before tax" presented in the consolidated statement of comprehensive income:

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30 April	30 April	30 April	30 April
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Finance costs	(488)	(592)	(488)	(592)
Unallocated corporate expenses	(2,346)	(846)	(2,346)	(846)
Inter-segment dividend	(3,469)	(2,918)	(3,469)	(2,918)
	<u>(6,303)</u>	<u>(4,356)</u>	<u>(6,303)</u>	<u>(4,356)</u>

Manufacturing and Trading

Revenue of RM28.69 million for the current quarter ended 30 April 2013 increased by 7% compared to RM26.84 million for the corresponding quarter in 2012. Profit before tax of RM2.62 million for the current quarter ended 30 April 2013 increased by 7% compared to RM2.45 million for the corresponding quarter in 2012 due to increase in sales.

Construction

Revenue of RM51.56 million for the current quarter ended 30 April 2013 increased by 487% compared to RM8.79 million for the corresponding quarter in 2012. Profit before tax of RM4.64 million for the current quarter ended 30 April 2013 increased by 178% compared to RM1.67 million for the corresponding quarter in 2012 in line with higher contract revenue from projects.

Explanatory notes pursuant to MFRS 134 For the three-month period ended 30 April 2013

6 Segment information (continued)

Infrastructure Investment

Profit before tax of RM6.53 million for the current quarter ended 30 April 2013 is at par with profit before tax of RM6.46 million for the corresponding quarter in 2012.

Consolidated revenue

The operations for the Group are mainly concentrated in Malaysia, with the regional activities in the ASEAN countries and Papua New Guinea. Its core businesses are centred in the water industry and engineering works. Despite the sovereign debt crisis in Europe, the economies in the region showed resilience. The growing demand for water meters and manufactured products and the steady progress of project works led to higher revenue for the current quarter ended 30 April 2013.

Consolidated profit before tax

The Group's current quarter profit before tax of RM7.93 million (30 April 2012: RM6.50 million) has increased by 22%. The main factors which have affected the Group's profit before tax have been discussed above.

7 Seasonality of operations

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

8 Profit before tax

Included in the profit before tax are the following items:

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30 April	30 April	30 April	30 April
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Interest income	(275)	(457)	(275)	(457)
Other income (including investment income)	(22)	(16)	(22)	(16)
Interest expenses	488	592	488	592
Depreciation of property, plant and equipment	776	683	776	683
Amortisation of intangible assets	20	21	20	21
Gain on disposal of quoted and unquoted investments	(87)	(19)	(87)	(19)
(Gain)/loss on disposal of property, plant and equipment	(89)	4	(89)	4
Net fair value (gain)/loss on held for trading investment securities	(149)	169	(149)	169
Loss/(gain) on foreign exchange				
- realised	222	432	222	432
- unrealised	(89)	(427)	(89)	(427)

Explanatory notes pursuant to MFRS 134 For the three-month period ended 30 April 2013

9 Income tax expenses

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30 April	30 April	30 April	30 April
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Current Tax:				
Malaysian income tax	1,114	678	1,114	678
Foreign tax	1,277	1,095	1,277	1,095
	<u>2,391</u>	<u>1,773</u>	<u>2,391</u>	<u>1,773</u>

Domestic income tax is calculated at the Malaysian statutory rate of 25% of the estimated assessable profit. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

10 Earnings Per Share

Basic 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.

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 basic and diluted earnings per share:

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30 April	30 April	30 April	30 April
	2013	2012	2013	2012
Profit net of tax attributable to owners used in computation of earnings per share (RM'000)	<u>5,537</u>	<u>4,731</u>	<u>5,537</u>	<u>4,731</u>
Weighted average number of ordinary shares in issue ('000)	225,303	225,303	225,303	225,303
Effects of dilution				
- Share options ('000)	<u>17</u>	<u>34</u>	<u>17</u>	<u>34</u>
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	<u>225,320</u>	<u>225,337</u>	<u>225,320</u>	<u>225,337</u>
Basic earnings per share (sen)	<u>2.5</u>	<u>2.1</u>	<u>2.5</u>	<u>2.1</u>
Diluted earnings per share (sen)	<u>2.5</u>	<u>2.1</u>	<u>2.5</u>	<u>2.1</u>

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2013

11 Property, plant and equipment

Acquisitions and disposals

During the three months ended 30 April 2013, the Group acquired assets at a cost of RM0.26 million (30 April 2012: RM4.11 million).

Assets with carrying amount of Nil (30 April 2012: RM67,000) were disposed of by the Group during the three months period ended 30 April 2013, resulting in a gain on disposal of RM89,000 (30 April 2012: loss of RM4,000), recognised and included in other operating income in the statement of comprehensive income.

12 Intangible assets

	Computer software RM'000	Develop- ment RM'000	Total RM'000
Cost:			
At 1 February 2013	303	980	1,283
Addition	-	-	-
At 30 April 2013	303	980	1,283
Accumulated amortisation:			
At 1 February 2013	218	686	904
Amortisation	8	12	20
At 30 April 2013	226	698	924
Carrying amount:			
At 1 February 2013	85	294	379
At 30 April 2013	77	282	359

Computer software

Computer software is stated at cost less any accumulated impairment losses and amortised on a straight-line basis over the estimated economic useful lives at the annual rate of 20%. Impairment is assessed whenever there is an indication that the intangible asset may be impaired. The amortisation of computer software is included in administrative expenses in the statement of comprehensive income.

Development costs

Development costs, considered to have finite useful lives, are stated at cost less any accumulated impairment losses and are amortised using the straight-line basis from the commencement of the contract to which they relate over the period of their expected benefit not exceeding 20 years. The amortisation of development costs is included in administrative expenses in the statement of comprehensive income.

13 Inventories

During the three months ended 30 April 2013, there was no inventory write-down (30 April 2012: Nil).

Explanatory notes pursuant to MFRS 134 For the three-month period ended 30 April 2013

14 Cash and bank balances

Cash and cash equivalents comprised the following amounts:

	30 April 2013 RM'000	31 January 2013 RM'000
Cash at bank and in hand	45,482	67,138
Short term deposits	45,052	53,892
	<u>90,534</u>	<u>121,030</u>

15 Fair value hierarchy

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

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
At 30 April 2013				
Financial assets held for trading:				
- Quoted shares	2,457	2,457	-	-
At 31 January 2013				
Financial assets held for trading:				
- Quoted shares	2,243	2,243	-	-

16 Share capital, share premium and treasury shares

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current interim period.

17 Interest-bearing loans and borrowings

	30 April 2013 RM'000	31 January 2013 RM'000
Secured		
Short term borrowings	8,567	20,098
Long term borrowings	10,844	11,607
	<u>19,411</u>	<u>31,705</u>

18 Provisions for costs of restructuring

Not applicable.

Explanatory notes pursuant to MFRS 134 For the three-month period ended 30 April 2013

19 Dividends

No interim ordinary dividend has been declared for the financial period ended 30 April 2013 (30 April 2012: Nil).

Subject to shareholders' approval at the forthcoming Annual General Meeting, the Directors have recommended a final dividend of 4.5 sen less 25% tax per share for the financial year ended 31 January 2013 (FY2012: 3.0 sen less 25% tax). If approved at the AGM, the total dividend (interim and final) declared for the financial year ended 31 January 2013 will be 6.5 sen less 25% tax per share, an increase of 30% when compared to 5.0 sen less 25% tax per share in FY2012. In Ringgit Malaysia term, the total net dividend will be RM10.984 million (FY2012: RM8.448 million).

20 Commitments

Capital expenditure as at the reporting date is as follows:

	30 April 2013 RM'000	31 January 2013 RM'000
Approved and contracted for:		
Property, plant and equipment	283	429
Approved but not contracted for:		
Property, plant and equipment	233	490

21 Contingencies

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

22 Related party transactions

The Group had the following transactions with related parties during the three months period ended 30 April:

	Cumulative quarter 3 months ended	
	30 April 2013 RM'000	30 April 2012 RM'000
Related companies: *		
Purchase of tiles	3	-
Purchase of air tickets	15	167
Professional and share registration charges	22	23
Sale of products	1,445	-

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

23 Events after the reporting period

Further to the announcement made on 26 March 2013, the Board of Directors wishes to inform that Eda Ranu had, vide their letter dated 16 May 2013, informed PNG Water Limited, a 19% associate company of GKM, that they had withdrawn the Notice of Termination dated 21 March 2013.

Consequently, the Concession Agreement and all other related agreements, contracts, amendments and engagements will continue to be in effect. The events above are not expected to materially affect the financial performance of the Group for the financial year ending 31 January 2014.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A
For the three-month period ended 30 April 2013**

24 Performance review

Explanatory comment on the performance of each of the Group's business activities is provided in Note 6.

25 Comment on material change in profit before taxation

The profit before taxation for the current quarter ended 30 April 2013 is 46% lower than the preceding quarter due to lower revenue and profit which was attributed to lower sale of meters and project related works.

26 Commentary on prospects

The Group improved on its financial performance although the global economic uncertainties prevailed across the regions. Overall margin is lower due principally to higher construction revenue which carries a lower margin. We will continue to focus on the improvement of our manufacturing capabilities to enhance our efficiency and productivity to meet the growing demand for our meter and non-meter products.

The Ampang LRT Extension Project is expected to contribute positively to the earnings of the Group.

The Board is optimistic of the Group's prospects for the current financial year ending 31 January 2014.

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

Not applicable.

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

Not applicable.

29 Profit forecast or profit guarantee

Not applicable.

30 Corporate proposals

There were no corporate proposals announced but not completed as at the date of issue of these interim financial statements.

31 Changes in material litigation

There are no changes to the status of the material litigations since the last quarterly results announced by the Company on 28 March 2013.

32 Dividend payable

Please refer to Note 19 for details.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A
For the three-month period ended 30 April 2013**

33 Disclosure of nature of outstanding derivatives

Not applicable.

34 Rationale for entering into derivatives

The Group did not enter into any derivatives during the period ended 30 April 2013 or the previous financial year ended 31 January 2013.

35 Risks and policies of derivatives

The Group did not enter into any derivatives during the period ended 30 April 2013 or the previous financial year ended 31 January 2013.

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

The Group did not have any gains/losses arising from fair value changes of financial liabilities as at 30 April 2013 and 31 January 2013.

37 Breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group as at 30 April 2013 and 31 January 2013 into realised and unrealised profits is presented in accordance with the directives issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and 20 December 2010, prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirement, as issued by the Malaysian Institute of Accountants.

	Current quarter ended 30 April 2013 RM'000	Previous financial year ended 31 January 2013 RM'000
Total (accumulated losses)/retained earnings of the Company and its subsidiaries		
- Realised	(58,685)	(63,190)
- Unrealised	40,517	40,249
	<u>(18,168)</u>	<u>(22,941)</u>
Total share of retained earnings from an associate		
- Realised	24,705	25,429
- Unrealised	(1,147)	(584)
	<u>5,390</u>	<u>1,904</u>
Less: Consolidation adjustments	120,909	118,858
Total retained earnings as per financial statements	<u>126,299</u>	<u>120,762</u>



**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A**

For the three-month period ended 30 April 2013

38 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 January 2013 was not qualified.

BY ORDER OF THE BOARD

TEH YONG FAH
(MACS00400)

Company Secretary
25 June 2013