

Condensed consolidated interim financial statements

For the three-month period ended 30 April 2015

Condensed consolidated statement of profit or loss and other comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarter 3 months ended	
		30 April 2015 Unaudited RM'000	30 April 2014 Unaudited RM'000	30 April 2015 Unaudited RM'000	30 April 2014 Unaudited RM'000
Revenue		59,026	64,863	59,026	64,863
Cost of sales		(42,175)	(53,611)	(42,175)	(53,611)
Gross profit		16,851	11,252	16,851	11,252
Interest income		437	839	437	839
Dividend income		6	13	6	13
Other gains and losses		1,622	2,014	1,622	2,014
Administrative expenses		(325)	(371)	(325)	(371)
Distribution costs		(300)	(401)	(300)	(401)
Other expenses		(4,938)	(4,550)	(4,938)	(4,550)
Finance costs		(661)	(449)	(661)	(449)
Share of results of associate		476	358	476	358
Profit before tax	8	13,168	8,705	13,168	8,705
Income tax expense	9	(3,299)	(2,232)	(3,299)	(2,232)
Profit for the period, net of tax, attributable to the owners of the Company		9,869	6,473	9,869	6,473
Other comprehensive (loss)/income					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange translation		(2,324)	(5,055)	(2,324)	(5,055)
Net fair value gain on cash flow hedge		946	292	946	292
Other comprehensive loss for the period, net of tax		(1,378)	(4,763)	(1,378)	(4,763)
Total comprehensive income for the period, net of tax, attributable to the owners of the Company		8,491	1,710	8,491	1,710
Earnings per share attributable to the owners of the Company (sen):					
Basic and diluted	10	3.3	2.2	3.3	2.2

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 2015
Condensed consolidated statement of financial position

		30 April 2015	31 January 2015
	Note	Unaudited RM'000	Audited RM'000
Assets			
Non-current assets			
Property, plant and equipment	11	120,913	121,345
Goodwill	12	876	876
Other intangible assets	13	1,272	1,145
Investment in associate		26,469	27,194
Deferred tax assets		1,069	1,122
		<u>150,599</u>	<u>151,682</u>
Current assets			
Inventories	14	42,381	41,672
Trade and other receivables		199,406	246,159
Investment securities	15	226	2,380
Cash and bank balances	16	152,643	163,816
Other financial assets	15	-	6
Tax recoverable		-	702
		<u>394,656</u>	<u>454,735</u>
Total assets		<u>545,255</u>	<u>606,417</u>
Equity and liabilities			
Equity attributable to the owners of the Company			
Share capital	17	150,205	150,205
Foreign currency translation reserve		(8,610)	(6,286)
Revaluation reserve		28,170	28,170
Cash flow hedging reserve		(555)	(1,501)
Retained earnings		126,481	116,612
Total equity		<u>295,691</u>	<u>287,200</u>
Non-current liabilities			
Loans and borrowings	18	3,945	5,373
Deferred tax liabilities		3,209	3,212
		<u>7,154</u>	<u>8,585</u>
Current liabilities			
Trade and other payables		211,155	255,681
Loans and borrowings	18	29,223	52,981
Other financial liabilities	15	555	1,165
Tax payable		1,477	805
		<u>242,410</u>	<u>310,632</u>
Total liabilities		<u>249,564</u>	<u>319,217</u>
Total equity and liabilities		<u>545,255</u>	<u>606,417</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 2015
Condensed consolidated statement of changes in equity

	Attributable to the owners of the Company						Total RM'000
	Non-Distributable				Distributable		
	Share capital RM'000	Share premium RM'000	Foreign currency translation reserve RM'000	Revaluation reserve RM'000	Cash flow hedging reserve RM'000	Retained earnings RM'000	
At 1 February 2014	112,654	2,093	(8,450)	-	(1,709)	142,607	247,195
Total comprehensive income	-	-	(5,055)	-	292	6,473	1,710
At 30 April 2014	112,654	2,093	(13,505)	-	(1,417)	149,080	248,905
At 1 February 2015	150,205	-	(6,286)	28,170	(1,501)	116,612	287,200
Total comprehensive income	-	-	(2,324)	-	946	9,869	8,491
At 30 April 2015	150,205	-	(8,610)	28,170	(555)	126,481	295,691

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 2015
Condensed consolidated statement of cash flows

	3 months ended	
	30 April 2015	30 April 2014
Note	Unaudited RM'000	Unaudited RM'000
<u>Operating activities</u>		
Profit before tax	13,168	8,705
Adjustments for:		
Interest income	(437)	(839)
Finance costs	661	449
Gain on disposal of property, plant and equipment	11 (82)	-
(Gain)/loss on disposal of investment securities	(48)	49
Net fair value gain on held for trading investment securities	(29)	(261)
Amortisation of other intangible assets	13 37	20
Depreciation of property, plant and equipment	907	856
Inventories written down	14 20	-
Reversal on inventories written down	14 (503)	-
Unrealised gain on foreign exchange	(1,031)	(1,916)
Share of results of associate	(476)	(358)
Unrealised loss/(gain) arising on financial liabilities designated as at fair value through profit or loss	6	(633)
Dividend income	(6)	(13)
Operating cash flows before changes in working capital	<u>12,187</u>	<u>6,059</u>
Changes in working capital:		
Increase in inventories	(288)	(3,131)
Decrease in trade and other receivables	46,065	26,239
Decrease in trade and other payables	(43,523)	(65,774)
Total changes in working capital	<u>2,254</u>	<u>(42,666)</u>
Interest paid	(682)	(462)
Income tax paid	(1,947)	(3,205)
Net cash generated from/(used in) operating activities	<u>11,812</u>	<u>(40,274)</u>
<u>Investing activities</u>		
Purchase of property, plant and equipment	(423)	(795)
Proceeds from disposal of property, plant and equipment	95	-
Acquisition of other intangible assets	(164)	(105)
Acquisition of investment securities	(80)	(1,238)
Proceeds from disposal of investment securities	2,181	630
Interest income received	437	839
Dividend income received	6	13
Net cash generated from/(used in) investing activities	<u>2,052</u>	<u>(656)</u>
<u>Financing activities</u>		
Repayment of term loans	(763)	(762)
Drawdown of other bank borrowings	-	12,388
Repayment of other bank borrowings	(6,526)	-
Repayment of hire-purchase	(285)	(201)
Net cash (used in)/generated from financing activities	<u>(7,574)</u>	<u>11,425</u>
Net change in cash and cash equivalents	6,290	(29,505)
Effect of foreign exchange rate changes	553	288
Cash and cash equivalents at 1 February	<u>145,268</u>	<u>209,880</u>
Cash and cash equivalents at 30 April*	<u>152,111</u>	<u>180,663</u>
* Cash and cash equivalents comprise the following at 30 April:		
Cash and bank balances	152,643	182,031
Bank overdrafts	(532)	(1,368)
Total cash and cash equivalents	<u>152,111</u>	<u>180,663</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 2015

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 30 June 2015.

2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 April 2015, 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 2015.

The consolidated financial statements of the Group for the financial year ended 31 January 2015 are available upon request from the Company's registered office at 1115, Jalan Puchong, Taman Meranti Jaya, 47120 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 2015.

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 2015, except for the adoption of the following amendments to MFRSs:

Effective for financial periods beginning on or after 1 July 2014

- Amendments to MFRS 119: Defined Benefit Plans: Employee Contributions
- Amendments to MFRSs: Annual Improvements to MFRSs 2010-2012 Cycle
- Amendments to MFRSs: Annual Improvements to MFRSs 2011-2013 Cycle

The Directors expect that the adoption of the above Amendments to MFRSs 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.

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2015

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) Metering

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

(b) Engineering

Engineering comprises mainly revenue derived from the execution of construction contracts and 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.

	Metering RM'000	Engineering 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 2015					
Revenue:					
External customers	23,851	35,175	-	-	59,026
Results:					
Interest income	-	2	92	343	437
Depreciation and amortisation	591	117	-	236	944
Share of results of associate	-	476	-	-	476
Segment profit (Note A)	4,967	10,116	914	(2,829)	13,168
3 months period ended 30 April 2014					
Revenue:					
External customers	22,251	42,612	-	-	64,863
Results:					
Interest income	-	-	100	739	839
Depreciation and amortisation	449	212	-	215	876
Share of results of associate	-	358	-	-	358
Segment profit (Note A)	4,055	5,350	1,395	(2,095)	8,705

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2015

6 Segment information (continued)

Note A

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

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30 April	30 April	30 April	30 April
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Finance costs	(661)	(449)	(661)	(449)
Net gain on foreign exchange	1,329	1,277	1,329	1,277
Net (loss)/gain arising on financial liabilities designated as at FVTPL	(1)	368	(1)	368
Unallocated corporate expenses	(3,496)	(3,291)	(3,496)	(3,291)
	<u>(2,829)</u>	<u>(2,095)</u>	<u>(2,829)</u>	<u>(2,095)</u>

Metering

Revenue of RM23.85 million for the current quarter ended 30 April 2015 is 7% higher compared to RM22.25 million for the corresponding quarter in 2014. Segment profit of RM4.97 million for the current quarter ended 30 April 2015 is 22% higher as compared to RM4.06 million for the corresponding quarter in 2014 mainly due to higher revenue and lower operating expenses in current quarter.

Engineering

Revenue of RM35.18 million for the current quarter ended 30 April 2015 is 17% lower as compared to RM42.61 million for the corresponding quarter in 2014. This lower revenue is mainly due to the completion of the Pahang Selangor Raw Water Transfer project in the quarter ended 31 July 2014. However, segment profit of RM10.12 million for the current quarter ended 30 April 2015 is 89% higher as compared to RM5.35 million for the corresponding quarter in 2014 due to higher gross profit margin. Gross profit margin is higher due to higher weightage on revenue from certain projects with relatively higher profit margin.

Consolidated revenue

The operations for the Group are mainly based 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. The main factors which have affected the Group's revenue have been stated above.

Consolidated profit before tax

The Group's current quarter profit before tax of RM13.17 million (30 April 2014: RM8.71 million) is 51% higher. The main factors which have affected the Group's profit before tax have been stated above.

7 Seasonality of operations

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

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2015

8 Profit before tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30 April 2015 RM'000	30 April 2014 RM'000	30 April 2015 RM'000	30 April 2014 RM'000
Interest income	(437)	(839)	(437)	(839)
Other income (including investment income)	(141)	(121)	(141)	(121)
Finance costs	661	449	661	449
Depreciation of property, plant and equipment	907	856	907	856
Amortisation of other intangible assets	37	20	37	20
(Gain)/loss on disposal of investment securities	(48)	49	(48)	49
Gain on disposal of property, plant and equipment	(82)	-	(82)	-
Net fair value gain on investment securities	(29)	(261)	(29)	(261)
(Gain)/loss arising on financial liabilities designated as at FVTPL				
- realised	(5)	265	(5)	265
- unrealised	6	(633)	6	(633)
(Gain)/loss on foreign exchange:				
- realised	(298)	639	(298)	639
- unrealised	(1,031)	(1,916)	(1,031)	(1,916)

9 Income tax expenses

	Current quarter 3 months ended		Cumulative quarter 3 months ended	
	30 April 2015 RM'000	30 April 2014 RM'000	30 April 2015 RM'000	30 April 2014 RM'000
Current Tax:				
Malaysian tax	2,394	1,489	2,394	1,489
Foreign tax	905	743	905	743
	<u>3,299</u>	<u>2,232</u>	<u>3,299</u>	<u>2,232</u>

Domestic income tax is calculated at the Malaysian statutory rate of 24% (30 April 2014: 25%) of the estimated assessable profit. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate for the current period is slightly higher than the statutory tax rate mainly due to withholding tax paid for dividend declared by a foreign subsidiary.

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2015

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 earnings per share:

	Current quarter		Cumulative quarter	
	3 months ended		3 months ended	
	30 April	30 April	30 April	30 April
	2015	2014	2015	2014
Profit net of tax attributable to owners used in computation of earnings per share (RM'000)	9,869	6,473	9,869	6,473
Weighted average number of ordinary shares in issue ('000)	300,410	300,410	300,410	300,410
Basic earnings per share (sen)	3.3	2.2	3.3	2.2

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

11 Property, plant and equipment

Acquisitions and disposals

During the three months ended 30 April 2015, the Group acquired assets at a cost of RM0.83 million (30 April 2014: RM1.08 million).

Assets with carrying amount of RM13,000 (30 April 2014: Nil) were disposed of by the Group during the three months period ended 30 April 2015, resulting in a gain on disposal of RM82,000 (30 April 2014: RM189), recognised in profit or loss.

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 whenever there is an indication that the intangible asset may be impaired.

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2015

13 Other intangible assets

	Computer software RM'000	Product develop- ment costs RM'000	Other develop- ment costs RM'000	Total RM'000
Cost:				
At 1 February 2015	471	764	980	2,215
Addition	32	132	-	164
At 30 April 2015	503	896	980	2,379
Accumulated amortisation:				
At 1 February 2015	286	-	784	1,070
Amortisation	18	7	12	37
At 30 April 2015	304	7	796	1,107
Carrying amount:				
At 1 February 2015	185	764	196	1,145
At 30 April 2015	199	889	184	1,272

Computer software

Computer software are 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.

Product development costs

Product development costs relate to costs incurred in the development of new products, considered to 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 straight-line basis. The amortisation of product development costs is recognised in profit or loss.

Other development costs

Other 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 other development costs is recognised in profit or loss.

14 Inventories

During the three months ended 30 April 2015, the Group recognised a inventories written down of RM20,000 (30 April 2014: Nil) and reversal of inventories written down of RM503,000 (30 April 2014: Nil). The inventories written down and reversal of inventories written down are recognised in profit or loss.

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2015

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/(liabilities) that are measured at fair value:

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
At 30 April 2015				
Financial assets held for trading:				
- Quoted shares	226	226	-	-
Derivatives that are designated and effective as hedging instrument carried at fair value:				
- Foreign currency forward contracts	(555)	-	(555)	-
Non-financial assets:				
- Freehold land	80,365	-	-	80,365
- Building on freehold land	19,607	-	-	19,607
- Long-term leasehold land	922	-	-	922
- Long-term leasehold building	1,909	-	-	1,909
<hr/>				
At 31 January 2015				
Financial assets held for trading				
- Quoted shares	2,380	2,380	-	-
Financial assets carried at FVTPL:				
- Foreign exchange option contracts	6	-	6	-
Derivatives that are designated and effective as hedging instrument carried at fair value:				
- Foreign currency forward contracts	(1,165)	-	(1,165)	-
Non-financial assets:				
- Freehold land	80,365	-	-	80,365
- Building on freehold land	19,697	-	-	19,697
- Long-term leasehold land	968	-	-	968
- Long-term leasehold building	2,031	-	-	2,031
<hr/>				

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2015

16 Cash and bank balances

Cash and cash equivalents comprised the following amounts:

	30 April 2015	31 January 2015
	RM'000	RM'000
Short-term deposits	40,635	70,279
Cash on hand and at banks	112,008	93,537
	<u>152,643</u>	<u>163,816</u>

17 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.

18 Interest-bearing loans and borrowings

	30 April 2015	31 January 2015
	RM'000	RM'000
Short-term borrowings		
Secured:		
Bank overdrafts	532	18,548
Revolving credits	17,000	21,000
Bankers' acceptance	6,910	9,436
Term loans	3,050	3,050
Hire-purchase payables	895	947
	<u>28,387</u>	<u>52,981</u>
Long-term borrowings		
Secured:		
Term loans	3,050	3,813
Hire-purchase payables	1,731	1,560
	<u>4,781</u>	<u>5,373</u>
	<u>33,168</u>	<u>58,354</u>

19 Provisions for costs of restructuring

Not applicable.

Explanatory notes pursuant to MFRS 134

For the three-month period ended 30 April 2015

20 Dividends

No interim ordinary dividend has been declared for the financial period ended 30 April 2015 (30 April 2014: Nil).

Subject to shareholders' approval at the forthcoming Annual General Meeting, the Directors have recommended a final single-tier dividend of 2.1 sen per share based on the enlarged share capital of 300.410 million shares (FY2014: 4.0 sen per share based on share capital of 225.308 million shares) amounting to RM6.309 million (FY2014: RM9.012 million) for the financial year ended 31 January 2015. In Ringgit term, the total dividend paid/payable for the financial year ended 31 January 2015 amounting to RM15.922 million is marginally higher than the previous year.

21 Commitments

Capital expenditure as at the reporting date is as follows:

	30 April 2015 RM'000	31 January 2015 RM'000
Approved and contracted for:		
Property, plant and equipment	142	58
Approved but not contracted for:		
Property, plant and equipment	19	184

22 Contingencies

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

23 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 2015 RM'000	30 April 2014 RM'000
Related companies: *		
Rental of motor vehicle	3	3
Purchase of air tickets	127	56
Professional and share registration charges	22	42

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

24 Events after the reporting period

There were no material event subsequent to the end of current interim period.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A
For the three-month period ended 30 April 2015**

25 Performance review

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

26 Comment on material change in profit before taxation

The profit before taxation for the current quarter ended 30 April 2015 is 4% higher than the preceding quarter due to lower operating expenses.

27 Commentary on prospects

The Group will continue to implement the strategies set by the Board, one of which is to grow our order book. We will also continue to enhance the capability, efficiency and productivity of the manufacturing facilities.

With the good results achieved for the first quarter, the Board is optimistic of the Group's prospects for the financial year ending 31 January 2016.

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

Not applicable.

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

Not applicable.

30 Profit forecast or profit guarantee

Not applicable.

31 Corporate proposals

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

32 Changes in material litigation

In relation to the copyright infringement case reported previously, we have received settlement of RM126,000 being the total court awarded cost for all stages of the proceedings. We are awaiting a response from the appellant regarding compliance with the other terms of the high court order.

33 Dividend payable

Please refer to Note 20 for details.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
 Chapter 9, Appendix 9B, Part A
 For the three-month period ended 30 April 2015**

34 Derivative financial instruments

Details of derivative financial instruments outstanding as at 30 April 2015 measured at their fair values together with their corresponding contract/notional amounts classified by the remaining period of maturity are as follows:

Types of derivatives	Contract/notional values	Net fair value assets/(liabilities)	Maturity
	RM'000	RM'000	
At 30 April 2015			
Foreign currency forward contracts	24,341	(555)	Less than 1 year
At 31 January 2015			
Foreign exchange option contracts	3,784	6	Less than 1 year
Foreign currency forward contracts	24,341	(1,165)	Less than 1 year

Forward exchange contracts are used to manage the foreign currency exposures arising from the Company's payables denominated in currencies other than the functional currencies of the Company. Most of the forward exchange contracts have maturities of less than one year after the end of the reporting period.

35 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 April 2015 and 31 January 2015.

36 Breakdown of realised and unrealised profits or losses

The breakdown of the retained earnings of the Group as at 30 April 2015 and 31 January 2015 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 2015 RM'000	Previous financial year ended 31 January 2015 RM'000
Total (accumulated losses)/retained earnings of the Company and its subsidiaries		
- Realised	(69,943)	(78,315)
- Unrealised	41,694	40,673
	(28,249)	(37,642)
Total share of profits from associate		
- Realised	32,487	32,011
- Unrealised	-	-
	4,238	(5,631)
Add: Consolidation adjustments	122,243	122,243
Retained earnings as per financial statements	126,481	116,612

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A
For the three-month period ended 30 April 2015**

37 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 January 2015 was not qualified.

BY ORDER OF THE BOARD

TEH YONG FAH
(MACS00400)

Company Secretary
30 June 2015