

Condensed consolidated interim financial statements
For the twelve-month period ended 31 January 2021
Condensed consolidated statement of profit or loss and other comprehensive income

	Note	Current quarter 3 months ended		Cumulative quarter 12 months ended	
		31 January 2021 Unaudited RM'000	31 January 2020 Unaudited RM'000	31 January 2021 Unaudited RM'000	31 January 2020 Audited RM'000
Revenue		87,830	82,398	276,211	335,812
Cost of sales		(66,704)	(60,021)	(202,640)	(242,286)
Gross profit		21,126	22,377	73,571	93,526
Interest income		412	1,008	1,932	5,022
Other (losses)/gains		(1,605)	(2,222)	1,107	772
Administrative expenses		(581)	(1,194)	(2,294)	(2,699)
Distribution costs		(602)	(299)	(1,300)	(1,196)
Other expenses		(8,946)	(8,845)	(29,974)	(36,424)
Finance costs		(759)	(885)	(3,001)	(3,346)
Share of results of associate		42	74	97	735
Share of results of joint venture		7,888	335	8,574	274
Profit before tax	7	16,975	10,349	48,712	56,664
Income tax expense	8	(2,681)	(3,591)	(11,302)	(15,088)
Profit for the period, attributable to the owners of the Company		14,294	6,758	37,410	41,576
Other comprehensive income/(loss)					
Items that will not be reclassified subsequently to profit or loss:					
Gain on revaluation of properties		-	3,474	-	3,474
Fair value gain/(loss) on investments designated at FVTOCI		1,243	(235)	1,229	374
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange translation		(417)	(767)	(216)	(624)
Fair value gain on investments designated at FVTOCI		307	142	136	702
Other comprehensive income for the period, net of tax		1,133	2,614	1,149	3,926
Total comprehensive income for the period, attributable to the owners of the Company		15,427	9,372	38,559	45,502
Earnings per share attributable to the owners of the Company (sen):					
Basic and diluted	9	2.7	1.3	7.1	7.7

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 twelve-month period ended 31 January 2021
Condensed consolidated statement of financial position

		31 January 2021	31 January 2020
	Note	Unaudited RM'000	Audited RM'000
Assets			
Non-current assets			
Property, plant and equipment	10	129,120	124,798
Right-of-use assets	11	1,380	1,931
Goodwill	12	876	876
Other intangible assets	13	22,503	21,558
Financial assets at FVTOCI	15	2,005	1,968
Investment in associate		4,043	15,141
Investment in joint venture		45,451	36,877
Deferred tax assets		1,578	1,578
		<u>206,956</u>	<u>204,727</u>
Current assets			
Inventories	14	52,850	50,831
Trade and other receivables		209,144	197,618
Financial assets at FVTPL	15	129	137
Financial assets at FVTOCI	15	35,485	33,531
Tax recoverable		9,566	20,023
Deposits, cash and bank balances	16	201,116	241,914
		<u>508,290</u>	<u>544,054</u>
Total assets		<u>715,246</u>	<u>748,781</u>
Equity and liabilities			
Equity attributable to the owners of the Company			
Share capital	17	187,756	187,756
Treasury shares	17	(37,287)	(30,579)
Foreign currency translation reserve		(11,985)	(11,769)
Properties revaluation reserve		37,405	37,405
Investment revaluation reserve		1,442	(1,138)
Retained earnings		343,258	312,336
Total equity		<u>520,589</u>	<u>494,011</u>
Non-current liabilities			
Trade and other payables		1,488	1,620
Loans and borrowings	18	977	1,731
		<u>2,465</u>	<u>3,351</u>
Current liabilities			
Trade and other payables		110,377	187,311
Loans and borrowings	18	81,814	64,107
Tax liabilities		1	1
		<u>192,192</u>	<u>251,419</u>
Total liabilities		<u>194,657</u>	<u>254,770</u>
Total equity and liabilities		<u>715,246</u>	<u>748,781</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 twelve-month period ended 31 January 2021
Condensed consolidated statement of changes in equity

Attributable to the owners of the Company							
		Non-Distributable			Distributable		
	Share capital	Foreign currency translation reserve	Properties revaluation reserve	Investment revaluation reserve	Treasury shares	Retained earnings	Total
Note	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 February 2019	187,756	(11,145)	33,931	(2,462)	(25,749)	303,300	485,631
Total comprehensive (loss)/income	-	(624)	3,474	1,076	-	41,576	45,502
Transfer upon disposal of investment	-	-	-	248	-	(248)	-
Dividends	20	-	-	-	-	(32,292)	(32,292)
Share buybacks	17	-	-	-	(4,830)	-	(4,830)
At 31 January 2020	187,756	(11,769)	37,405	(1,138)	(30,579)	312,336	494,011
At 1 February 2020	187,756	(11,769)	37,405	(1,138)	(30,579)	312,336	494,011
Total comprehensive (loss)/income	-	(216)	-	1,365	-	37,410	38,559
Transfer upon disposal of investment	-	-	-	1,215	-	(1,215)	-
Dividends	20	-	-	-	-	(5,273)	(5,273)
Share buybacks	17	-	-	-	(6,708)	-	(6,708)
At 31 January 2021	187,756	(11,985)	37,405	1,442	(37,287)	343,258	520,589

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 twelve-month period ended 31 January 2021
Condensed consolidated statement of cash flows

		12 months ended	
		31 January 2021	31 January 2020
	Note	Unaudited RM'000	Audited RM'000
<u>Operating activities</u>			
Profit before tax		48,712	56,664
Adjustments for:			
Interest income		(1,932)	(5,022)
Finance costs		3,001	3,346
Gain on disposal of property, plant and equipment	10	(137)	(283)
Impairment loss on property, plant and equipment		-	142
Property, plant and equipment written off		-	120
Depreciation of property, plant and equipment		4,649	4,758
Depreciation of right-of-use assets		615	611
Amortisation of other intangible assets	13	357	295
Inventories written down	14	-	557
Reversal on inventories written down	14	-	(388)
Trade receivables written off		-	150
Reversal of impairment loss on trade receivables		-	(234)
Fair value loss on financial assets at FVTPL		8	10
Unrealised loss on foreign exchange		892	1,206
Share of results of associate		(97)	(735)
Share of results of joint venture		(8,574)	(274)
Income derived from capital guaranteed fund		(177)	(117)
Dividend income from FVTOCI investment		(1,261)	(1,352)
Dividend income from FVTPL investment		(6)	(7)
Operating profit before working capital changes		<u>46,050</u>	<u>59,447</u>
Changes in working capital:			
(Increase)/Decrease in inventories		(2,019)	6,359
(Increase)/Decrease in trade and other receivables		(3,941)	34,030
Decrease in trade and other payables		(75,031)	(72,429)
Total changes in working capital		<u>(80,991)</u>	<u>(32,040)</u>
Income tax refunded		5,000	92
Income tax paid		(7,564)	(17,040)
Net cash (used in)/from operating activities		<u>(37,505)</u>	<u>10,459</u>
<u>Investing activities</u>			
Purchase of property, plant and equipment		(9,358)	(2,831)
Proceeds from disposal of property, plant and equipment		271	2,049
Acquisition of other intangible assets		(1,295)	(9,249)
Purchase of financial assets at FVTOCI		(6,857)	(3,179)
Proceeds from disposal of FVTOCI investment		5,974	3,357
Dividend income received from FVTPL investment		6	7
Dividend income received from FVTOCI investment		1,261	1,352
Interest income received		1,932	5,022
Income derived from capital guaranteed fund received		177	117
Dividend from an associate		3,353	6,793
Net cash (used in)/from investing activities		<u>(4,536)</u>	<u>3,438</u>
<u>Financing activities</u>			
Drawdown of other bank borrowings		80,370	63,499
Repayment of other bank borrowings		(63,499)	(58,508)
Repayment of lease liabilities		(1,059)	(1,263)
Interest paid		(3,576)	(5,338)
Dividends paid		(5,273)	(26,925)
Share buybacks		(6,708)	(4,830)
Net cash from/(used in) financing activities		<u>255</u>	<u>(33,365)</u>
Net change in cash and cash equivalents		(41,786)	(19,468)
Effect of foreign exchange rate changes		988	(2,098)
Cash and cash equivalents at 1 February		241,914	263,480
Cash and cash equivalents at 31 January*		<u>201,116</u>	<u>241,914</u>
* Cash and cash equivalents comprise the following:			
Deposits, cash and bank balances		201,116	241,914
Bank overdraft		-	-
Total cash and cash equivalents		<u>201,116</u>	<u>241,914</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 twelve-month period ended 31 January 2021

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 22 March 2021.

2 Basis of preparation

These condensed consolidated interim financial statements are unaudited and had been prepared in compliance with the requirements of Malaysian Financial Reporting Standard ("MFRS") 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 January 2020.

Adoption of New and Revised Malaysian Financial Reporting Standards

During the current financial year, the Group has adopted all the new and revised Standards and Interpretation issued by the Malaysian Accounting Standards Board ("MASB") that are relevant to their operations and effective for annual periods beginning on or after 1 January 2020 as follows:

- Amendments to MFRS 3: Definition of a Business
- Amendments to MFRS 9, MFRS 139, MFRS 7: Interest Rate Benchmark Reform
- Amendments to MFRS 101, MFRS 108: Definition of Material
- Amendments to References to the Conceptual Framework in MFRS Standards

The adoption of the above Standards and Amendments did not result in significant changes in the accounting policies and have no significant effect on the financial position, results and disclosures in the financial statements of the Group in the period of initial application.

3 Changes in estimates

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

4 Changes in composition of the Group

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

Explanatory notes pursuant to MFRS 134

For the twelve-month period ended 31 January 2021

5 Segment information

Segment information is presented in respect of the Group's operating segments. The activities within each of these segments are explained below:

(a) Engineering

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

(b) Metering

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

There has been no material change in total assets and no differences in the basis of segmentation or in the basis of measurement of segment profit or loss as compared to the last annual financial statements.

	Construct- ion RM'000	Infrastruct- ure RM'000	Engineer- ing RM'000	Metering RM'000	Others RM'000	Adjust- ments and elimina- tions RM'000	Per condensed consoli- dated financial statements RM'000
Current quarter							
3 months period ended							
31 January 2021							
Revenue:							
External customers	50,627	-	50,627	37,203	-	-	87,830
Results:							
Interest income	-	9	9	6	105	292	412
Depreciation and amortisation	14	21	35	1,109	-	250	1,394
Share of results of associate	-	42	42	-	-	-	42
Share of results of joint venture	7,888	-	7,888	-	-	-	7,888
Segment profit (Note A)	13,655	(178)	13,477	10,311	(2,766)	(4,047)	16,975
3 months period ended							
31 January 2020							
Revenue:							
External customers	50,881	1,218	52,099	30,299	-	-	82,398
Results:							
Interest income	1	(14)	(13)	54	136	831	1,008
Depreciation and amortisation	48	17	65	1,485	-	280	1,830
Share of results of associate	-	74	74	-	-	-	74
Share of results of joint venture	335	-	335	-	-	-	335
Segment profit (Note A)	12,179	396	12,575	5,866	(2,164)	(5,928)	10,349

Explanatory notes pursuant to MFRS 134
For the twelve-month period ended 31 January 2021
5 Segment information (continued)

	Construct- ion RM'000	Infrastruct- ure RM'000	Engineer- ing RM'000	Metering RM'000	Others RM'000	Adjust- ments and elimina- tions RM'000	Per condensed consoli- dated financial statements RM'000
Cumulative quarter							
12 months period ended							
31 January 2021							
Revenue:							
External customers	140,062	-	140,062	136,149	-	-	276,211
Results:							
Interest income	-	81	81	70	242	1,539	1,932
Depreciation and amortisation	58	88	146	4,456	-	1,019	5,621
Share of results of associate	-	97	97	-	-	-	97
Share of results of joint venture	8,574	-	8,574	-	-	-	8,574
Segment profit (Note A)	34,128	(965)	33,163	32,532	(3,069)	(13,914)	48,712
12 months period ended							
31 January 2020							
Revenue:							
External customers	202,807	9,511	212,318	123,494	-	-	335,812
Results:							
Interest income	8	110	118	249	677	3,978	5,022
Depreciation and amortisation	229	153	382	4,155	-	1,127	5,664
Share of results of associate	-	735	735	-	-	-	735
Share of results of joint venture	274	-	274	-	-	-	274
Segment profit (Note A)	52,392	2,463	54,855	21,159	(1,345)	(18,005)	56,664

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 3 months ended		Cumulative quarter 12 months ended	
	31 January 2021 RM'000	31 January 2020 RM'000	31 January 2021 RM'000	31 January 2020 RM'000
Interest income	292	831	1,539	3,978
Finance costs	(759)	(885)	(3,001)	(3,346)
Other unallocated corporate expenses	(3,580)	(5,874)	(12,452)	(18,637)
	<u>(4,047)</u>	<u>(5,928)</u>	<u>(13,914)</u>	<u>(18,005)</u>

Explanatory notes pursuant to MFRS 134

For the twelve-month period ended 31 January 2021

5 Segment information (continued)

Engineering

Revenue of RM50.63 million for the current quarter ended 31 January 2021 was 3% lower as compared to RM52.10 million for the corresponding quarter in 2020 mainly attributed to the lower revenue contribution towards the end of a project. Segment profit of RM13.48 million for the current quarter ended 31 January 2021 was 7% higher as compared to RM12.58 million for the corresponding quarter in 2020. The higher segment profit was mainly contributed by the higher share of results of joint venture.

Revenue of RM140.06 million for the current period ended 31 January 2021 was 34% lower as compared to RM212.32 million for the corresponding period in 2020 mainly attributed to the lower revenue contribution towards the end of a project. The two hospital projects' revenue was also affected by the suspension of construction activities upon the implementation of MCO on 18 March 2020 until the progressive resumption of works on 9 June 2020 and 11 June 2020. Segment profit of RM33.16 million for the period ended 31 January 2021 was 40% lower as compared to RM54.86 million for the period ended 31 January 2020 mainly due to the lower revenue and gross profit margin. Gross profit margin is lower mainly due to reduction in gross profit margin for the hospital projects attributed to revision in contract value and gross profit margin.

Metering

Revenue of RM37.20 million for the current quarter ended 31 January 2021 was 23% higher compared to RM30.30 million for the corresponding quarter in 2020. The higher revenue mainly derived from local private and authorities sales. Segment profit of RM10.31 million for the current quarter ended 31 January 2021 was 76% higher as compared to RM5.87 million for the corresponding quarter in 2020 mainly due to the higher sales and gross profit margin in the current quarter. Gross profit margin is higher mainly due to higher pricing, sales mix and lower cost of material.

Revenue of RM136.15 million for the period ended 31 January 2021 was 10% higher compared to RM123.49 million for the corresponding period in 2020. The higher revenue mainly derived from both local sales to certain local authorities and local private sales. Segment profit of RM32.53 million for the period ended 31 January 2021 was 54% higher as compared to RM21.16 million for the corresponding period in 2020 mainly due to the higher sales and gross profit margin. Gross profit margin is higher mainly due to higher pricing, sales mix, lower cost of material and overhead expenses.

Metering activities was also disrupted with the implementation of MCO on 18 March 2020. The Company was allowed to reactivate its production line on 20 April 2020, albeit on a limited scale. Subsequently, the Company joined other companies in the approved economic sectors in operating with full workforce capacity and without limitation in operating time effective 4 May 2020, again under strict labour movement conditions. The Company is now undertaking production in three shifts, taking care to continue adhering strictly to social distancing and hygiene measures at our production site and workers' quarters.

Consolidated revenue

The Group mainly derives its revenue from Malaysia and other ASEAN countries. Its core businesses are centred in the water industry and engineering works. The main factors which have affected the Group's revenue have been stated above.

Consolidated profit before tax

The Group's current quarter profit before tax of RM16.98 million (31 January 2020: RM10.35 million) was 64% higher. The higher profit before tax reported was mainly attributed to higher contribution from the Metering division and higher share of results of joint venture. Other losses mainly arose from unrealised loss on foreign exchange of RM0.88 million (31 January 2020: RM1.94 million) on foreign currencies held.

The Group's profit before tax for the period ended 31 January 2021 of RM48.71 million (31 January 2020: RM56.66 million) was 14% lower. The lower profit before tax reported was mainly attributed to lower contribution from the Engineering division.

Explanatory notes pursuant to MFRS 134

For the twelve-month period ended 31 January 2021

6 Seasonality of operations

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

7 Profit before tax

Included in the profit before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 January 2021 RM'000	31 January 2020 RM'000	31 January 2021 RM'000	31 January 2020 RM'000
Interest income	(412)	(1,008)	(1,932)	(5,022)
Dividend income from:				
- FVTPL investment	(1)	(1)	(6)	(7)
- FVTOCI investment	(263)	(308)	(1,261)	(1,352)
Other income	(104)	99	(423)	(374)
Finance costs	759	885	3,001	3,346
(Gain)/loss on disposal of property, plant and equipment	(7)	59	(137)	(283)
Depreciation of property, plant and equipment	1,130	1,527	4,649	4,758
Depreciation of right-of-use assets	153	230	615	611
Impairment loss on property, plant and equipment	-	142	-	142
Property, plant and equipment written off	-	120	-	120
Amortisation of other intangible assets	111	73	357	295
Inventories written down	-	309	-	557
Reversal on inventories written down	-	(1)	-	(388)
Trade receivables written off	-	-	-	150
Reversal of impairment loss on trade receivables	-	-	-	(234)
Net fair value (gain)/loss on FVTPL investment	(21)	3	8	10
Loss arising on financial liabilities designated at FVTPL:				
- realised	-	-	1	43
- unrealised	-	-	-	-
Loss/(Gain) on foreign exchange:				
- realised	1,124	583	(181)	219
- unrealised	877	1,937	892	1,206

Explanatory notes pursuant to MFRS 134

For the twelve-month period ended 31 January 2021

8 Income tax expense

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 January 2021 RM'000	31 January 2020 RM'000	31 January 2021 RM'000	31 January 2020 RM'000
Current Tax:				
Malaysian tax	2,747	(5,311)	9,863	4,513
Foreign tax	(66)	66	1,371	1,739
	<u>2,681</u>	<u>(5,245)</u>	<u>11,234</u>	<u>6,252</u>
Underprovision in prior years:				
Malaysian tax	-	(1,514)	68	(1,514)
	<u>2,681</u>	<u>(6,759)</u>	<u>11,302</u>	<u>4,738</u>
Deferred tax	-	10,350	-	10,350
	<u>2,681</u>	<u>3,591</u>	<u>11,302</u>	<u>15,088</u>

Domestic income tax is calculated at the Malaysian statutory rate of 24% of the estimated assessable profit. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The effective tax rate (excluding the results of associate and joint venture which is equity accounted net of tax) was higher than the statutory tax rate mainly due to withholding tax paid for dividend declared by a foreign associate.

9 Earnings Per Share

Basic earnings per share amounts are calculated by dividing profit for the period, net of tax attributable to owners by the number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing profit for the period, net of tax attributable to owners by the weighted average number of ordinary shares outstanding during the period, plus the weighted average number of ordinary shares that would be issued on the conversion of the dilutive potential ordinary shares into ordinary shares.

The following reflect the profit and share data used in the computation of basic earnings per share:

	Current quarter 3 months ended		Cumulative quarter 12 months ended	
	31 January 2021	31 January 2020	31 January 2021	31 January 2020
Profit net of tax attributable to owners used in computation of earnings per share (RM'000)	<u>14,294</u>	<u>6,758</u>	<u>37,410</u>	<u>41,576</u>
Weighted average number of ordinary shares (excluding Treasury Shares) for earnings per share computation ('000)	<u>525,813</u>	<u>537,208</u>	<u>528,413</u>	<u>538,249</u>
Basic/Diluted earnings per share (sen)	<u>2.7</u>	<u>1.3</u>	<u>7.1</u>	<u>7.7</u>

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

Explanatory notes pursuant to MFRS 134

For the twelve-month period ended 31 January 2021

10 Property, plant and equipment

Acquisitions and disposals

During the period ended 31 January 2021, the Group acquired assets at a cost of RM9.36 million (31 January 2020: RM2.83 million).

Assets with carrying amount of RM134,000 (31 January 2020: RM1,766,000) were disposed of by the Group during the period ended 31 January 2021, resulting in a gain on disposal of RM137,000 (31 January 2020: RM283,000), recognised in profit or loss.

11 Right-of-use assets

Acquisitions and disposals

There were no acquisition and disposal during the current interim period.

12 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any. Impairment is assessed annually and whenever there is an indication that the goodwill may be impaired.

13 Other intangible assets

	Computer software RM'000	License RM'000	Product develop- ment costs RM'000	Total RM'000
Cost:				
At 1 February 2020	720	12,061	9,849	22,630
Additions	164	-	1,138	1,302
At 31 January 2021	884	12,061	10,987	23,932
Accumulated amortisation:				
At 1 February 2020	605	-	467	1,072
Amortisation	43	-	314	357
At 31 January 2021	648	-	781	1,429
Carrying amount:				
At 1 February 2020	115	12,061	9,382	21,558
At 31 January 2021	236	12,061	10,206	22,503

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.

License

License considered to have finite useful lives, is stated at cost less any accumulated impairment losses and is amortised using the straight-line basis from the later of commencement of the contract to which it relates or when all the related machinery and equipment are ready for their intended use over the period of their expected benefit not exceeding 10 years.

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.

Explanatory notes pursuant to MFRS 134

For the twelve-month period ended 31 January 2021

14 Inventories

There were no inventories write down and reversal of inventories write down (31 January 2020: inventories write down of RM557,000 and reversal of inventories write down of RM388,000) recognised in profit or loss during the current interim period.

15 Fair value hierarchy

The Group used the following hierarchy for determining the fair value of all instruments carried at fair value:

- Level 1 - Quoted price (unadjusted) in active markets for identical assets or liabilities
- Level 2 - Input that are based on observable market data
- Level 3 - Input that are not based on observable market data

As at the reporting date, the Group held the following assets that are measured at fair value:

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
At 31 January 2021				
Financial assets at FVTPL:				
- Quoted equity securities	129	129	-	-
Financial assets at FVTOCI:				
- Quoted bonds	17,389	17,389	-	-
- Quoted equity securities	18,096	18,096	-	-
- Unquoted equity securities	2,005	-	2,005	-
Non-financial assets:				
- Freehold land	91,350	-	-	91,350
- Building on freehold land	15,893	-	-	15,893
- Long-term leasehold land	1,121	-	-	1,121
- Building on long-term leasehold land	942	-	-	942
At 31 January 2020				
Financial assets at FVTPL:				
- Quoted equity securities	137	137	-	-
Financial assets at FVTOCI:				
- Quoted bonds	16,415	16,415	-	-
- Quoted equity securities	17,116	17,116	-	-
- Unquoted equity securities	1,968	-	1,968	-
Non-financial assets:				
- Freehold land	91,350	-	-	91,350
- Building on freehold land	16,360	-	-	16,360
- Long-term leasehold land	1,171	-	-	1,171
- Building on long-term leasehold land	1,030	-	-	1,030

Explanatory notes pursuant to MFRS 134

For the twelve-month period ended 31 January 2021

16 Deposits, cash and bank balances

Cash and cash equivalents comprised the following amounts:

	31 January 2021 RM'000	31 January 2020 RM'000
Short-term deposits with licensed banks	70,693	104,180
Cash and bank balances	130,423	137,734
	<u>201,116</u>	<u>241,914</u>

17 Share capital and treasury shares

At the 69th AGM of the Company held on 29 July 2020, shareholders' approval was obtained for the Share Buy-Back scheme to be renewed from 29 July 2020 until the conclusion of the next AGM of the Company to be convened in 2021.

As at 31 January 2021, the Company repurchased a total of 39,664,200 of its shares from the open market for a total consideration of RM37,286,788. Subsequent to 31 January 2021 and up to date of this announcement, a total of 195,000 shares were repurchased from the open market for a total consideration of RM146,109. All these repurchased shares are being held as Treasury Shares in accordance with Section 127 of the Companies Act, 2016 and no Treasury Shares have been cancelled or resold to date. The repurchase of these shares were financed by internally generated funds.

Save for the above, there were no other issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the current interim period.

18 Loans and borrowings

	31 January 2021 RM'000	31 January 2020 RM'000
Short-term borrowings		
Secured:		
Revolving credits	47,877	48,657
Bankers' acceptance	33,117	14,481
Lease liabilities	820	969
	<u>81,814</u>	<u>64,107</u>
Long-term borrowings		
Secured:		
Lease liabilities	977	1,731
	<u>82,791</u>	<u>65,838</u>

19 Provisions for costs of restructuring

Not applicable.

Explanatory notes pursuant to MFRS 134

For the twelve-month period ended 31 January 2021

20 Dividend

The Directors have declared a second dividend of 1.5 sen per share for FY2021 (FY2020: 1.0 sen per share), payable on 28 April 2021 to shareholders whose names appear in the Record of Depositors on 7 April 2021, being the Book Closure Date ("BCD").

On the assumption that as announced to date, the Treasury Shares of 39,859,200 (which are not entitled to dividends), remained the same as at BCD, the dividend pay-out on 523,409,865 shares will amount to approximately RM7.85 million (FY2020: RM5.37 million on 536,741,165 shares).

The Directors declared a first dividend of 1.0 sen per share (FY2020: 1.5 sen per share) on 14 September 2020 paid on 22 October 2020 which amounted to RM5.27 million on 527,256,265 shares (FY2020: RM8.07 million on 538,211,165 shares).

In Ringgit term the two interim dividends will total RM13.12 million (FYE 31.1.2020: RM13.44 million) for the financial year ending 31 March 2021.

21 Commitments

Capital expenditure as at the reporting date is as follows:

	31 January 2021 RM'000	31 January 2020 RM'000
Approved and contracted for:		
Property, plant and equipment	3,222	6,224
Approved but not contracted for:		
Property, plant and equipment	1,390	235

22 Contingencies

Apart from what was reported in our announcement for the third quarter of the financial year, dated 15 December 2020, nothing has changed except that:

- (i) the Custom's appeal to the High Court has been adjourned to 21 April 2021.
- (ii) In respect of Customs bill of demand for RM28.8 million, the application for judicial review application is fixed for case management on 26 April 2021; and
- (iii) in respect of the other bill of demand for RM33.3 million against the Company, the Company has filed an application for leave to file judicial review against Custom's decision to issue the said bill of demand. On 16 February 2021, the Court granted leave to the Company to commence judicial review proceedings against Customs. The Court has fixed 13 April 2021 to hear our prayer for a stay of the bill of demand.

Save for the above, there were no other material contingent liabilities or contingent assets.

Explanatory notes pursuant to MFRS 134 For the twelve-month period ended 31 January 2021

23 Provision of Financial Assistance

Pursuant to paragraph 8.23(1)(ii) of Bursa Malaysia Securities Berhad's Listing Requirements, the financial assistance provided by the Company is as follows:

The Company and its joint venture partner, each ultimately holding 50% of the total issued and paid up share capital of MRCB George Kent Sdn Bhd (the "Contractor") have on 22 March 2019 issued their respective parent company guarantee to Prasarana Malaysia Berhad, to guarantee the due performance and all obligations, duties and undertakings of the Contractor for the construction and completion of the Project known as Light Rail Transit Line 3 (LRT3) from Bandar Utama to Johan Setia.

As at reporting date, the aforementioned parent company guarantee has not been called as the Contractor is fulfilling its performance and obligations under the Project.

The Directors are of the opinion that the issue of the parent company guarantee by the Company is in its ordinary course of business.

24 Related party transactions

The Group had the following transactions with related parties during the period ended 31 January:

	Cumulative quarter 12 months ended	
	31 January 2021 RM'000	31 January 2020 RM'000
Related companies: *		
Rental expenses for land	-	440
Purchase of air tickets	20	641
Share registration charges and secretarial fees	124	157
	<hr/>	<hr/>

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

25 Events after the reporting period

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

26 Change of financial year end

On 6 January 2021, the Board approved the change of financial year end of the Group from 31 January to 31 March. Therefore, these unaudited condensed consolidated financial statements is for the 12 months from 1 February 2020 to 31 January 2021 being the 12 months of the financial year ending 31 March 2021.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
 Chapter 9, Appendix 9B, Part A
 For the twelve-month period ended 31 January 2021**

27 Performance review

	Current quarter 3 months ended			Cumulative quarter 12 months ended		
	31 January 2021	31 January 2020	Changes %	31 January 2021	31 January 2020	Changes %
	RM'000	RM'000		RM'000	RM'000	
Revenue	87,830	82,398	+ 7	276,211	335,812	- 18
Profit before tax	16,975	10,349	+ 64	48,712	56,664	- 14
Profit after tax	14,294	6,758	+ 112	37,410	41,576	- 10

Explanatory comment on the performance of each of the Group's business activities is provided in Note 5.

28 Comment on material change in profit before taxation

	Current quarter 3 months ended 31 January 2021	Preceding quarter 3 months ended 31 October 2020	Changes %
	RM'000	RM'000	
Revenue	87,830	78,910	+ 11
Profit before tax	16,975	16,089	+ 6
Profit after tax	14,294	10,649	+ 34

The profit before taxation for the current quarter ended 31 January 2021 is 6% higher than the preceding quarter due to higher profit contributed by higher share of results of joint venture.

29 Commentary on prospects

The Group's strong results were primarily due to robust water meter sales in the Group's global markets. The Group continued to receive water meter orders in spite of continuing people movement controls in Malaysia and around the world since the beginning of last year. This demonstrates the resilience of the Metering Business. The Group continued to adhere to prevailing SOPs in managing its production activities.

The Group continued to take the necessary measures to ensure work on the two hospital projects proceeded as planned.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A
For the twelve-month period ended 31 January 2021**

29 Commentary on prospects (continued)

Metering

Global demand for the Group's renowned water meters continues to outpace production capacity. In the period under review, the Group continued to adhere to the Malaysian Government's SOPs as it optimised its capacity to meet orders. The Group will continue to comply with any changes to government guidelines in managing its production activities.

It is the Group's strategy to continue to develop our water meters which are already the market leaders globally. To complement our existing range of water meters by increasing the product portfolio, our R&D team is collaborating with partners and specialists to commercialise a range of other water meters, including Smart Meters. The enlarged portfolio will accelerate the expansion of our global market footprint.

Engineering

The Group continued to adapt to prevailing SOPs in the period under review as it accelerated progress on Hospital Tanjung Karang and Hospital Endokrin Putrajaya.

The Group will continue to work with JKR in managing the delivery timelines for the two hospitals.

The Group is dedicated to developing new opportunities in the Regional railway space, leveraging on our expertise as rail systems specialist in domestic railway projects. Our established network with international rail specialists will assist us in tapping into Regional projects requiring international collaborations through joint ventures or strategic alliances.

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

Not applicable.

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

Not applicable.

32 Profit forecast or profit guarantee

Not applicable.

33 Corporate proposals

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

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A
For the twelve-month period ended 31 January 2021**

34 Changes in material litigation

Apart from what was reported in our announcement for the second quarter of the financial year dated 14 September 2020, the hearing for the arbitration is complete and the decision is pending.

Save for the above, there was no outstanding material litigation as at the date of this report.

35 Dividend payable

Please refer to Note 20 for details.

36 Derivative financial instruments

There were no derivative financial instruments outstanding as at 31 January 2021 and 31 January 2020.

The Group enter into foreign currency contracts which were 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.

37 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 31 January 2021 and 31 January 2020.

38 Auditors' report on preceding annual financial statements

The auditors' report on the financial statements for the financial year ended 31 January 2020 was not qualified.

BY ORDER OF THE BOARD

TEH YONG FAH (MACS00400)
GAN LEE MEI (MAICSA7057081)
Company Secretaries

22 March 2021