

## INTERIM FINANCIAL STATEMENTS

Condensed consolidated statement of profit or loss and other comprehensive income  
for the third financial quarter ended 31 December 2023

	Note	Current quarter 3 months ended		Cumulative quarter 9 months ended	
		31 December 2023 Unaudited RM'000	31 December 2022 Unaudited RM'000	31 December 2023 Unaudited RM'000	31 December 2022 Unaudited RM'000
<b>Revenue</b>		34,080	56,727	103,793	204,824
Cost of sales		(25,025)	(45,931)	(77,333)	(160,616)
<b>Gross profit</b>		9,055	10,796	26,460	44,208
Interest income		2,137	1,852	5,988	4,168
Other (losses)/gains		(505)	(3,317)	7,961	6,934
Administrative expenses		(6,809)	(6,213)	(17,845)	(21,724)
Distribution costs		(475)	(445)	(1,136)	(1,172)
Other expenses		(672)	(562)	(1,825)	(1,647)
Finance costs		(2,737)	(2,672)	(8,045)	(7,722)
Share of results of associates		(1,286)	(2,391)	(7,600)	(6,365)
<b>(Loss)/Profit before tax</b>	7	(1,292)	(2,952)	3,958	16,680
Tax (expense)/income	8	(74)	289	(1,169)	(3,866)
<b>(Loss)/Profit for the period</b>		(1,366)	(2,663)	2,789	12,814
<b>Other comprehensive income/(loss)</b>					
Items that will not be reclassified subsequently to profit or loss:					
Fair value gain/(loss) on financial assets at FVTOCI		525	(838)	1,039	(4,099)
Share of property revaluation reserve of associate		-	-	(272)	-
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange translation		(902)	(643)	637	1,120
Fair value gain on financial assets at FVTOCI		1,284	1,601	660	838
<b>Other comprehensive income/(loss) for the period, net of tax</b>		907	120	2,064	(2,141)
<b>Total comprehensive (loss)/income for the period</b>		(459)	(2,543)	4,853	10,673
<b>(Loss)/Profit attributable to:</b>					
Owners of the Company		(1,340)	(2,663)	2,815	12,814
Non-controlling interests		(26)	-	(26)	-
		(1,366)	(2,663)	2,789	12,814
<b>Total comprehensive (loss)/income attributable to:</b>					
Owners of the Company		(433)	(2,543)	4,879	10,673
Non-controlling interests		(26)	-	(26)	-
		(459)	(2,543)	4,853	10,673
<b>(Loss)/Earnings per share attributable to the owners of the Company (sen):</b>					
Basic and diluted	9	(0.26)	(0.51)	0.54	2.45

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.

## INTERIM FINANCIAL STATEMENTS

Condensed consolidated statement of financial position  
for the third financial quarter ended 31 December 2023

		31 December 2023 Unaudited RM'000	31 March 2023 Audited RM'000
	Note		
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	129,728	128,764
Right-of-use assets	11	5,259	1,911
Goodwill	12	876	876
Other intangible assets	13	26,139	24,050
Financial assets at FVTOCI	15	14,486	11,732
Investment in associates		21,708	29,639
Deferred tax assets		780	782
		<u>198,976</u>	<u>197,754</u>
<b>Current assets</b>			
Inventories	14	84,017	106,033
Trade and other receivables		119,866	98,589
Contract assets		83,422	116,747
Financial assets at FVTPL	15	136	123
Financial assets at FVTOCI	15	35,227	32,308
Tax recoverable		5,638	5,604
Deposits, cash and bank balances	16	278,654	250,177
		<u>606,960</u>	<u>609,581</u>
<b>Total assets</b>		<u>805,936</u>	<u>807,335</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the owners of the Company</b>			
Share capital	17(a)	187,756	187,756
Treasury shares	17(a)	(38,539)	(38,450)
Foreign currency translation reserve		(9,409)	(10,046)
Property revaluation reserve		36,323	36,595
Fair value reserve		(1,309)	(3,008)
Retained earnings		348,051	354,367
		<u>522,873</u>	<u>527,214</u>
Non-controlling interests		1,048	-
<b>Total equity</b>		<u>523,921</u>	<u>527,214</u>
<b>Non-current liabilities</b>			
Loans and borrowings	18	136,411	132,609
Other payables		1,242	1,404
Deferred tax liabilities		6,764	6,764
		<u>144,417</u>	<u>140,777</u>
<b>Current liabilities</b>			
Loans and borrowings	18	76,788	66,980
Trade and other payables		60,483	71,771
Tax payable		327	593
		<u>137,598</u>	<u>139,344</u>
<b>Total liabilities</b>		<u>282,015</u>	<u>280,121</u>
<b>Total equity and liabilities</b>		<u>805,936</u>	<u>807,335</u>

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

**INTERIM FINANCIAL STATEMENTS**

Condensed consolidated statement of changes in equity  
for the third financial quarter ended 31 December 2023

	Note	Attributable to the owners of the Company						Non-controlling interests RM'000	Total RM'000
		Non-Distributable				Distributable			
		Share capital RM'000	Foreign currency translation reserve RM'000	Property revaluation reserve RM'000	Fair value reserve RM'000	Treasury shares RM'000	Retained earnings RM'000		
<b>At 1 April 2022</b>		187,756	(11,268)	35,541	(3,197)	(38,300)	367,548	-	538,080
Total comprehensive income/(loss)		-	1,120	-	(3,261)	-	12,814	-	10,673
Dividends	20	-	-	-	-	-	(13,053)	-	(13,053)
Share buy-backs	17(a)	-	-	-	-	(150)	-	-	(150)
<b>At 31 December 2022</b>		<b>187,756</b>	<b>(10,148)</b>	<b>35,541</b>	<b>(6,458)</b>	<b>(38,450)</b>	<b>367,309</b>	<b>-</b>	<b>535,550</b>
<b>At 1 April 2023</b>		187,756	(10,046)	36,595	(3,008)	(38,450)	354,367	-	527,214
Total comprehensive income/(loss)		-	637	(272)	1,699	-	2,815	(26)	4,853
Dividends	20	-	-	-	-	-	(9,131)	-	(9,131)
Share buy-backs	17(a)	-	-	-	-	(89)	-	-	(89)
Investment in a subsidiary	4	-	-	-	-	-	-	1,074	1,074
<b>At 31 December 2023</b>		<b>187,756</b>	<b>(9,409)</b>	<b>36,323</b>	<b>(1,309)</b>	<b>(38,539)</b>	<b>348,051</b>	<b>1,048</b>	<b>523,921</b>

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

## INTERIM FINANCIAL STATEMENTS

### Condensed consolidated statement of cash flows for the third financial quarter ended 31 December 2023

	Note	9 months ended	
		31 December 2023 Unaudited RM'000	31 December 2022 Unaudited RM'000
<u>Operating activities</u>			
<b>Profit before tax</b>		3,958	16,680
Adjustments for:			
Interest income		(5,988)	(4,168)
Finance costs		8,045	7,722
Gain on disposal of property, plant and equipment	10	(161)	(214)
Depreciation of property, plant and equipment		3,279	2,723
Depreciation of right-of-use assets		527	413
Amortisation of other intangible assets	13	1,349	1,349
Inventories written down	14	104	170
Reversal on inventories written down	14	(336)	(789)
Fair value gain on financial assets at FVTPL		(13)	(4)
Unrealised gain on foreign exchange		(5,347)	(4,188)
Share of results of associates		7,600	6,365
Income derived from short-term investments		(252)	(733)
Dividend income from financial assets at FVTOCI		(449)	(411)
Dividend income from financial assets at FVTPL		(7)	(3)
<b>Operating profit before working capital changes</b>		<u>12,309</u>	<u>24,912</u>
Changes in working capital:			
Inventories		22,248	(40,417)
Trade and other receivables		(18,822)	43,337
Contract assets/liabilities		33,325	21,122
Trade and other payables		(16,734)	(15,277)
Cash generated from operations		<u>32,326</u>	<u>33,677</u>
Tax paid		(1,530)	(5,997)
Tax refunded		-	1,000
<b>Net cash from operating activities</b>		<u>30,796</u>	<u>28,680</u>
<u>Investing activities</u>			
Purchase of property, plant and equipment		(3,242)	(702)
Proceeds from disposal of property, plant and equipment		199	349
Acquisition of other intangible assets		(3,440)	(1,094)
Acquisition of an associate		(800)	(18,000)
Purchase of financial assets at FVTOCI		(2,792)	(8,371)
Dividend received from financial assets at FVTPL		7	3
Dividend received from financial assets at FVTOCI		449	411
Interest received		5,988	4,168
Income derived from short-term investments		252	733
Change in time deposits		3,194	30
<b>Net cash used in investing activities</b>		<u>(185)</u>	<u>(22,473)</u>
<u>Financing activities</u>			
Drawdown of other bank borrowings		69,223	61,417
Repayments of other bank borrowings		(58,962)	(67,839)
Repayments of lease liabilities		(457)	(519)
Interest paid		(6,235)	(5,777)
Dividends paid		(5,218)	(13,053)
Share buy-backs		(89)	(150)
Subscription of shares by non-controlling interest in a subsidiary		1,074	-
<b>Net cash used in financing activities</b>		<u>(664)</u>	<u>(25,921)</u>
<b>Net change in cash and cash equivalents</b>		29,947	(19,714)
Effect of foreign exchange rate changes		4,963	4,603
<b>Cash and cash equivalents at beginning of financial period</b>		<u>219,654</u>	<u>257,484</u>
<b>Cash and cash equivalents at end of financial period</b>	16	<u>254,564</u>	<u>242,373</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 third financial quarter ended 31 December 2023**

### **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 27 February 2024.

### **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 March 2023.

#### **Adoption of New and Revised Malaysian Financial Reporting Standards**

During the current period, 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 2023 as follows:

- Amendments to MFRS 101: Presentation of Financial Statements – Disclosure of Accounting Policies
- Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates
- Amendments to MFRS 112: Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112: International Tax Reform: Pillar Two Model Rules

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**

During the current period, the Group has invested up to USD532,000.00 (equivalent to RM2.46 million) being its share of 70% contributed capital in George Kent (Vietnam) Company Limited ("GK Vietnam"). The principal activity of GK Vietnam is assembly and sale of water meters and related products.

Save for the above, there were no other changes in the composition of the Group during the current period.

### **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.

#### **(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.

**Explanatory notes pursuant to MFRS 134  
 for the third financial quarter ended 31 December 2023**
**5 Segment information (continued)**

	Engineering RM'000	Metering RM'000	Others RM'000	Adjustments and eliminations RM'000	Per condensed consolidated and financial statements RM'000
<b>Current quarter</b>					
<b>3 months period ended 31 December 2023</b>					
<b>Revenue:</b>					
External customers	554	33,526	-	-	34,080
<b>Results:</b>					
Interest income	6	288	778	1,065	2,137
Depreciation and amortisation	25	1,496	-	268	1,789
Share of results of associates	10	-	(1,296)	-	(1,286)
Segment (loss)/profit (Note A)	(1,086)	7,531	(1,588)	(6,149)	(1,292)
<b>3 months period ended 31 December 2022</b>					
<b>Revenue:</b>					
External customers	26,686	30,041	-	-	56,727
<b>Results:</b>					
Interest income	7	18	571	1,256	1,852
Depreciation and amortisation	23	1,258	-	230	1,511
Share of results of associates	15	-	(2,406)	-	(2,391)
Segment profit/(loss) (Note A)	1,931	5,850	(5,745)	(4,988)	(2,952)
<b>Cumulative quarter</b>					
<b>9 months period ended 31 December 2023</b>					
<b>Revenue:</b>					
External customers	6,751	97,042	-	-	103,793
<b>Results:</b>					
Interest income	18	627	2,305	3,038	5,988
Depreciation and amortisation	80	4,332	-	743	5,155
Share of results of associates	45	-	(7,645)	-	(7,600)
Segment (loss)/profit (Note A)	(1,364)	18,893	(1,568)	(12,003)	3,958
<b>9 months period ended 31 December 2022</b>					
<b>Revenue:</b>					
External customers	100,909	103,915	-	-	204,824
<b>Results:</b>					
Interest income	19	31	1,264	2,854	4,168
Depreciation and amortisation	70	3,739	-	676	4,485
Share of results of associates	41	-	(6,406)	-	(6,365)
Segment profit/(loss) (Note A)	7,516	26,173	(3,779)	(13,230)	16,680

## Explanatory notes pursuant to MFRS 134 for the third financial quarter ended 31 December 2023

### 5 Segment information (continued)

#### Note A

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

	Current quarter		Cumulative quarter	
	3 months ended		9 months ended	
	31	31	31	31
	December	December	December	December
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income	1,065	1,256	3,038	2,854
Other (losses)/gains	(349)	64	3,834	2,337
Finance costs	(2,737)	(2,672)	(8,045)	(7,722)
Employees benefits expenses	(2,827)	(2,590)	(7,795)	(7,737)
Other unallocated corporate expenses	(1,301)	(1,046)	(3,035)	(2,962)
	<u>(6,149)</u>	<u>(4,988)</u>	<u>(12,003)</u>	<u>(13,230)</u>

#### Engineering

Revenue of RM0.55 million for the quarter ended 31 December 2023 was 98% lower as compared to RM26.69 million for the corresponding quarter in 2022. Segment loss was RM1.09 million for the current quarter ended 31 December 2023 as compared to RM1.93 million for the corresponding quarter in 2022.

Revenue of RM6.75 million for the period ended 31 December 2023 was 93% lower as compared to RM100.91 million for the corresponding period in 2022. Segment loss was RM1.36 million for the period ended 31 December 2023 as compared to profit of RM7.52 million for the period ended 31 December 2022.

The lower revenue and gross profit for the quarter and the period is mainly attributed to the completion of the hospital projects.

#### Metering

Revenue of RM33.53 million for the quarter ended 31 December 2023 was 12% higher as compared to RM30.04 million for the corresponding quarter in 2022. Segment profit of RM7.53 million for the current quarter ended 31 December 2023 was 29% higher as compared to RM5.85 million for the corresponding quarter in 2022.

Revenue of RM97.04 million for the period ended 31 December 2023 was 7% lower as compared to RM103.92 million for the corresponding period in 2022 mainly attributed to deferment of certain export sales. Segment profit of RM18.89 million for the period ended 31 December 2023 was 28% lower as compared to RM26.17 million for the period ended 31 December 2022 mainly due to the lower revenue and gross profit.

#### 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.

**Explanatory notes pursuant to MFRS 134  
 for the third financial quarter ended 31 December 2023**
**5 Segment information (continued)**
**Consolidated (loss)/profit before tax**

The Group reported loss before tax of RM1.29 million in the current quarter (31 December 2022: RM2.95 million) mainly attributed to lower contribution from Engineering division. In the corresponding quarter, other losses mainly arose from unrealised loss on foreign exchange of RM4.57 million (31 December 2023: RM0.95 million) on foreign currencies held.

The Group's profit before tax for the current period of RM3.96 million (31 December 2022: RM16.68 million) was 76% lower mainly attributed to lower contribution from both the Engineering and Metering

**6 Seasonality of operations**

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

**7 (Loss)/Profit before tax**

Included in the (loss)/profit before tax are the following items:

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Interest income from:				
- deposits with licensed banks	(1,982)	(1,227)	(5,472)	(2,336)
- financial assets at FVTOCI	(155)	(133)	(516)	(645)
- associate	-	(492)	-	(1,187)
(Gain)/Loss on foreign exchange:				
- realised	(56)	(544)	(1,303)	(892)
- unrealised	954	4,569	(5,347)	(4,188)

**8 Tax expense/(income)**

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31 December 2023 RM'000	31 December 2022 RM'000	31 December 2023 RM'000	31 December 2022 RM'000
Current Tax:				
Malaysian tax	(45)	717	1,028	4,852
Foreign tax	195	114	353	373
	150	831	1,381	5,225
Overprovision in prior years:				
Malaysian tax	-	(994)	(140)	(994)
Foreign tax	(74)	-	(74)	-
	76	(163)	1,167	4,231
Deferred tax	(2)	(126)	2	(365)
	74	(289)	1,169	3,866

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 associates which is equity accounted net of tax) was lower than the statutory tax rate mainly due to the tax effect of certain income not being taxable for tax purposes.



## Explanatory notes pursuant to MFRS 134 for the third financial quarter ended 31 December 2023

### 9 (Loss)/Earnings Per Share

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

Diluted (loss)/earnings per share amounts are calculated by dividing (loss)/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 (loss)/profit and share data used in the computation of (loss)/earnings per share:

	Current quarter 3 months ended		Cumulative quarter 9 months ended	
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
(Loss)/Profit attributable to the owners used in computation of (loss)/earnings per share (RM'000)	(1,340)	(2,663)	2,815	12,814
Weighted average number of ordinary shares (excluding treasury shares) for (loss)/earnings per share computation ('000)	521,759	521,959	521,813	522,038
Basic/Diluted (loss)/earnings per share (sen)	(0.26)	(0.51)	0.54	2.45

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

### 10 Property, plant and equipment Acquisitions and disposals

During the period ended 31 December 2023, the Group acquired assets at a cost of RM4.33 million (31 December 2022: RM0.70 million).

Assets with carrying amount of RM38,000 (31 December 2022: RM135,000) were disposed of by the Group during the period ended 31 December 2023, resulting in a gain on disposal of RM161,000 (31 December 2022: RM214,000), recognised in profit or loss.

### 11 Right-of-use assets

#### Additions and termination

During the period ended 31 December 2023, assets at a cost of RM3.82 million (31 December 2022: RM0.11 million) were recorded by the Group.

There were no termination of lease contracts during the current 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.

**Explanatory notes pursuant to MFRS 134  
 for the third financial quarter ended 31 December 2023**
**13 Other intangible assets**

	Computer software RM'000	License RM'000	Product developmen t costs RM'000	Total RM'000
<b>Cost:</b>				
At 1 April 2023	977	12,061	16,587	29,625
Additions	31	-	3,409	3,440
Exchange differences	2	-	-	2
At 31 December 2023	1,010	12,061	19,996	33,067
<b>Accumulated amortisation:</b>				
At 1 April 2023	787	3,169	1,619	5,575
Amortisation	57	920	372	1,349
Exchange differences	4	-	-	4
At 31 December 2023	848	4,089	1,991	6,928
<b>Carrying amount:</b>				
At 1 April 2023	190	8,892	14,968	24,050
At 31 December 2023	162	7,972	18,005	26,139

**Computer software**

Computer software is 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**

The license, considered to have a 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 the related machinery and equipment are ready for their intended use over the period of its expected benefit not exceeding 10 years.

**Product development costs**

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

**14 Inventories**

During the period ended 31 December 2023, the Group recognised the inventories written down of RM104,000 (31 December 2022: RM170,000) and reversal of inventories written down of RM336,000 (31 December 2022: RM789,000) in profit or loss.

**Explanatory notes pursuant to MFRS 134  
 for the third financial quarter ended 31 December 2023**
**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:

	<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>At 31 December 2023</b>				
Financial assets at FVTPL:				
- Quoted equity securities	136	136	-	-
Financial assets at FVTOCI:				
- Quoted bonds	17,779	17,779	-	-
- Quoted equity securities	17,448	17,448	-	-
- Unquoted equity securities	14,486	-	-	14,486
Non-financial assets:				
- Freehold land	91,350	-	-	91,350
- Buildings on freehold land	15,489	-	-	15,489
- Long-term leasehold land	1,150	-	-	1,150
- Building on long-term leasehold land	878	-	-	878
- Leased buildings	4,820	-	-	4,820

**At 31 March 2023**

Financial assets at FVTPL:				
- Quoted equity securities	123	123	-	-
Financial assets at FVTOCI:				
- Quoted bonds	13,903	13,903	-	-
- Quoted equity securities	18,405	18,405	-	-
- Unquoted equity securities	11,732	-	-	11,732
Non-financial assets:				
- Freehold land	91,350	-	-	91,350
- Building on freehold land	14,913	-	-	14,913
- Long-term leasehold land	1,206	-	-	1,206
- Building on long-term leasehold land	947	-	-	947
- Leased buildings	1,502	-	-	1,502

**16 Deposits, cash and bank balances**

	<b>31</b>	<b>31 March</b>
	<b>December</b>	<b>2023</b>
	<b>2023</b>	<b>2023</b>
	<b>RM'000</b>	<b>RM'000</b>
Deposits with licensed banks	178,804	152,763
Cash and bank balances	81,304	76,586
Short-term investment	18,546	20,828
Deposits, cash and bank balances	278,654	250,177
Less: time deposits	(24,090)	(27,341)
Less: bank overdraft	-	(3,182)
Cash and cash equivalents	254,564	219,654

## Explanatory notes pursuant to MFRS 134 for the third financial quarter ended 31 December 2023

### 17 Debt and Equity Securities

#### (a) Share capital and treasury shares

At the 72<sup>nd</sup> AGM of the Company held on 13 September 2023, shareholders' approval was obtained for the Share Buy-Back scheme to be renewed from 13 September 2023 until the conclusion of the next AGM of the Company to be convened in 2024.

As at 31 December 2023, the Company repurchased a total of 41,510,000 of its shares from the open market for a total consideration of RM38,539,127. Subsequent to 31 December 2023 and up to the date of this report, no shares were repurchased from the open market. All these repurchased shares are 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 repurchases of these shares were financed by internally generated funds.

#### (b) Bond payables

##### Status of Sukuk Wakalah Programme

On 26 March 2021, the Company announced that it has completed its inaugural issuance of the Islamic Medium Term Notes (iMTN) of RM132.00 million in nominal value under the iMTN Programme with the periodic distribution rate of 5.5% p.a.. The tenure of the iMTN is 5 years. It is rated A+/S (stable) by Malaysian Rating Corporation Berhad.

The cumulative drawdown of the facility at the end of the reporting period are as follows:

Date of drawdown	Amount of drawdown RM'000	Repayment RM'000	Amount outstandin RM'000
26 March 2021	132,000	-	132,000

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

### 18 Loans and borrowings

	31 December 2023 RM'000	31 March 2023 RM'000
<b>Short-term borrowings</b>		
Secured:		
Bank overdraft	-	3,182
Revolving credits	56,222	43,878
Bankers' acceptances	17,223	19,275
Lease liabilities	211	-
	<u>73,656</u>	<u>66,335</u>
Unsecured:		
Bond	1,909	99
Lease liabilities	1,223	546
	<u>76,788</u>	<u>66,980</u>
<b>Long-term borrowings</b>		
Secured:		
Lease liabilities	836	-
Unsecured:		
Bond	131,424	131,233
Lease liabilities	4,151	1,376
	<u>136,411</u>	<u>132,609</u>
	<u>213,199</u>	<u>199,589</u>

## Explanatory notes pursuant to MFRS 134 for the third financial quarter ended 31 December 2023

### 19 Provisions for costs of restructuring

Not applicable.

### 20 Dividend

The Company has paid a dividend totalling RM3.91 million (FY2023: RM5.22 million) for the period under review. The Board of Directors does not propose paying a further dividend for the period under review.

### 21 Commitments

Capital expenditure as at the reporting date is as follows:

	31 December 2023 RM'000	31 March 2023 RM'000
<b>Approved and contracted for:</b>		
Property, plant and equipment	1,616	4,280
<b>Approved but not contracted for:</b>		
Property, plant and equipment	692	5

### 22 Contingencies

With reference to our Annual Report for the financial year ended 31 March 2023, at the hearing of Royal Malaysian Customs Department's ("Customs") appeal against the decision of the High Court on 14 November 2023, the Court of Appeal has decided in favour of the Company and dismissed the Customs appeal. The Court of Appeal affirmed the decision of the High Court that the contract is zero rated under the transitional provisions of the Goods and Services Tax Act, 2014 ("GST Act"). This is the final appeal for this case.

In respect of the Customs Bill of Demand for RM28.8 million, the application for judicial review is scheduled for further case management on 4 March 2024, pending Customs withdrawal of the bill of demand in view of the decision of the Court of Appeal.

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

### 23 Provision of Financial Assistance

There were no material provision of financial assistance as at the date of this report.

### 24 Related party transactions

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

	Cumulative quarter 9 months ended	
	31 December 2023 RM'000	31 December 2022 RM'000
Related companies: *		
Construction of a manufacturing plant	6,518	38,639

\* 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 period.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:  
 Chapter 9, Appendix 9B, Part A  
 for the third financial quarter ended 31 December 2023**

**26 Performance review**

	Current quarter 3 months ended			Cumulative quarter 9 months ended		
	31	31	Changes	31	31	Changes
	December 2023	December 2022		December 2023	December 2022	
	RM'000	RM'000	%	RM'000	RM'000	%
Revenue	34,080	56,727	- 40	103,793	204,824	- 49
(Loss)/Profit before tax	(1,292)	(2,952)	- 56	3,958	16,680	- 76
(Loss)/Profit after tax	(1,366)	(2,663)	- 49	2,789	12,814	- 78

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

**27 Comment on material change in (loss)/profit before tax**

	Current quarter 3 months ended 31 December 2023	Preceding quarter 3 months ended 30 September 2023	Changes
	RM'000	RM'000	%
Revenue	34,080	37,699	- 10
(Loss)/Profit before tax	(1,292)	732	- 277
(Loss)/Profit after tax	(1,366)	105	- 1401

The change in the (loss)/profit before tax of -277% mainly attributed to lower contribution from Engineering division.

**28 Commentary on prospects**

The Metering business remains robust. The business continues to penetrate new markets with our range of meters. Notably, during the quarter under review, the Division continued to secure tenders from local water authorities for our established Class C water meters.

Looking ahead, we will maintain the current momentum as we actively pursue plans to expand our presence in the water metering market in the region with the establishment of our new assembly plant in Vietnam.

Additionally, the Group continues to actively participate in tenders for local infrastructure projects in the rail and water sectors. Leveraging our proven track record and enhancing our capabilities through strategic collaborations, we remain focused on securing new contracts and exploring additional business opportunities.

In the face of persistent geopolitical and global economic uncertainties, the Group adopts a cautious stance by implementing various strategies to increase efficiency, ensuring a resilient response to any potential challenges in our business operations.

The Group's operating businesses will continue to perform creditably.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:  
Chapter 9, Appendix 9B, Part A  
for the third financial quarter ended 31 December 2023**

- 29 Commentary on progress to achieve revenue or profit estimate, forecast, projection or internal targets**  
Not applicable.
- 30 Statement by directors on achievability of revenue or profit estimate, forecast, projection or internal targets**  
Not applicable.
- 31 Profit forecast or profit guarantee**  
Not applicable.
- 32 Corporate proposals**  
There were no corporate proposals announced but not completed as at the date of this report.
- 33 Changes in material litigation**  
There was no outstanding material litigation as at the date of this report.
- 34 Dividend payable**  
Please refer to Note 20 for details.
- 35 Derivative financial instruments**  
The Group did not enter into any derivatives during the current period.
- 36 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 December 2023 and 31 March 2023.
- 37 Auditors' report on preceding annual financial statements**  
The auditors' report on the financial statements for the financial year ended 31 March 2023 was not qualified.

BY ORDER OF THE BOARD

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

27 February 2024