

INTERIM FINANCIAL STATEMENTS

Condensed consolidated statement of profit or loss and other comprehensive income
for the second financial quarter ended 30 September 2024

	Note	Current quarter 3 months ended		Cumulative quarter 6 months ended	
		30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000	30 September 2024 Unaudited RM'000	30 September 2023 Unaudited RM'000
Revenue		29,828	37,699	60,100	69,713
Cost of sales		(22,287)	(26,989)	(42,795)	(52,308)
Gross profit		7,541	10,710	17,305	17,405
Interest income		2,251	2,114	4,468	3,851
Other (losses)/gains		(22,167)	360	(22,265)	8,466
Administrative expenses		(7,484)	(4,015)	(13,302)	(11,036)
Distribution costs		(356)	(268)	(730)	(661)
Other expenses		(740)	(592)	(1,509)	(1,153)
Finance costs		(2,803)	(2,672)	(5,598)	(5,308)
Share of results of associates		(1,306)	(4,905)	(2,993)	(6,314)
(Loss)/Profit before tax	7	(25,064)	732	(24,624)	5,250
Tax income/(expense)	8	3,720	(627)	3,418	(1,095)
(Loss)/Profit for the period		(21,344)	105	(21,206)	4,155
Other comprehensive (loss)/income					
Items that will not be reclassified subsequently to profit or loss:					
Fair value (loss)/gain on financial assets at FVTOCI		(1,361)	(506)	(1,428)	514
Share of property revaluation reserve of associate		-	(272)	-	(272)
Items that may be reclassified subsequently to profit or loss:					
Foreign exchange translation		(4,559)	(2)	(4,933)	1,539
Fair value gain/(loss) on financial assets at FVTOCI		743	(575)	694	(624)
Other comprehensive (loss)/income for the period, net of tax		(5,177)	(1,355)	(5,667)	1,157
Total comprehensive (loss)/income for the period		(26,521)	(1,250)	(26,873)	5,312
(Loss)/Profit attributable to:					
Owners of the Company		(21,245)	105	(21,009)	4,155
Non-controlling interests		(99)	-	(197)	-
		(21,344)	105	(21,206)	4,155
Total comprehensive (loss)/income attributable to:					
Owners of the Company		(26,422)	(1,250)	(26,676)	5,312
Non-controlling interests		(99)	-	(197)	-
		(26,521)	(1,250)	(26,873)	5,312
(Loss)/Earnings per share attributable to the owners of the Company (sen):					
Basic and diluted	9	(4.07)	0.02	(4.03)	0.80

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 second financial quarter ended 30 September 2024

	30 September 2024	31 March 2024
	Unaudited	Audited
Note	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	10 132,712	134,486
Right-of-use assets	11 3,358	4,398
Goodwill	12 876	876
Other intangible assets	13 25,427	26,823
Financial assets at FVTOCI	15 15,692	16,791
Investment in associates	457	4,442
Deferred tax assets	1,400	949
	<u>179,922</u>	<u>188,765</u>
Current assets		
Inventories	14 82,130	82,915
Trade and other receivables	96,704	116,532
Contract assets	82,494	79,896
Financial assets at FVTPL	15 146	142
Financial assets at FVTOCI	15 34,094	36,716
Tax recoverable	6,199	6,690
Deposits, cash and bank balances	16 234,890	274,330
	<u>536,657</u>	<u>597,221</u>
Total assets	<u>716,579</u>	<u>785,986</u>
EQUITY AND LIABILITIES		
Equity attributable to the owners of the Company		
Share capital	17(a) 187,756	187,756
Treasury shares	17(a) (38,539)	(38,539)
Foreign currency translation reserve	(13,724)	(8,791)
Property revaluation reserve	39,206	39,206
Fair value reserve	592	1,326
Retained earnings	294,564	319,486
	<u>469,855</u>	<u>500,444</u>
Non-controlling interests	748	945
Total equity	<u>470,603</u>	<u>501,389</u>
Non-current liabilities		
Loans and borrowings	18 134,920	136,050
Other payables	1,079	1,188
Deferred tax liabilities	4,037	7,368
	<u>140,036</u>	<u>144,606</u>
Current liabilities		
Loans and borrowings	18 62,168	70,675
Trade and other payables	43,430	68,754
Tax payable	342	562
	<u>105,940</u>	<u>139,991</u>
Total liabilities	<u>245,976</u>	<u>284,597</u>
Total equity and liabilities	<u>716,579</u>	<u>785,986</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 second financial quarter ended 30 September 2024

	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		
At 1 April 2023		187,756	(10,046)	36,595	(3,008)	(38,450)	354,367	-	527,214
Total comprehensive income/(loss)		-	1,539	(272)	(110)	-	4,155	-	5,312
Dividends	20	-	-	-	-	-	(5,218)	-	(5,218)
Share buy-backs	17(a)	-	-	-	-	(89)	-	-	(89)
At 30 September 2023		187,756	(8,507)	36,323	(3,118)	(38,539)	353,304	-	527,219
At 1 April 2024		187,756	(8,791)	39,206	1,326	(38,539)	319,486	945	501,389
Total comprehensive loss		-	(4,933)	-	(734)	-	(21,009)	(197)	(26,873)
Dividends	20	-	-	-	-	-	(3,913)	-	(3,913)
At 30 September 2024		187,756	(13,724)	39,206	592	(38,539)	294,564	748	470,603

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 second financial quarter ended 30 September 2024

	Note	6 months ended	
		30 September 2024	30 September 2023
		Unaudited RM'000	Unaudited RM'000
<u>Operating activities</u>			
(Loss)/Profit before tax		(24,624)	5,250
Adjustments for:			
Interest income		(4,468)	(3,851)
Finance costs		5,598	5,308
Gain on disposal of property, plant and equipment	10	(355)	(90)
Depreciation of property, plant and equipment		2,301	2,167
Depreciation of right-of-use assets		606	301
Amortisation of other intangible assets	13	1,753	898
Inventories written down	14	93	69
Reversal on inventories written down	14	(410)	(336)
Fair value gain on financial assets at FVTPL		(4)	(9)
Unrealised loss/(gain) on foreign exchange		24,517	(6,301)
Share of results of associates		2,993	6,314
Income derived from short-term investments		(130)	(209)
Dividend income from financial assets at FVTOCI		(349)	(303)
Dividend income from financial assets at FVTPL		(4)	(4)
Operating profit before working capital changes		<u>7,517</u>	<u>9,204</u>
Changes in working capital:			
Inventories		1,102	15,834
Trade and other receivables		10,385	(25,396)
Contract assets/liabilities		(2,598)	29,771
Trade and other payables		(18,589)	(11,680)
Cash (used in)/from operations		(2,183)	17,733
Tax paid		(223)	(1,344)
Tax refunded		5	-
Net cash (used in)/from operating activities		<u>(2,401)</u>	<u>16,389</u>
<u>Investing activities</u>			
Purchase of property, plant and equipment		(1,132)	(1,088)
Proceeds from disposal of property, plant and equipment		355	128
Acquisition of other intangible assets		(364)	(725)
Purchase of financial assets at FVTOCI		(1,642)	(2,646)
Dividend received from financial assets at FVTPL		4	4
Dividend received from financial assets at FVTOCI		349	303
Interest received		4,468	3,851
Income derived from short-term investments		130	209
Change in time deposits		6,650	3,353
Net cash from investing activities		<u>8,818</u>	<u>3,389</u>
<u>Financing activities</u>			
Drawdown of other bank borrowings		60,676	60,777
Repayments of other bank borrowings		(69,035)	(59,083)
Repayments of lease liabilities		(664)	(343)
Interest paid		(5,637)	(5,308)
Dividends paid		(3,913)	(5,218)
Share buy-backs		-	(89)
Net cash used in financing activities		<u>(18,573)</u>	<u>(9,264)</u>
Net change in cash and cash equivalents		(12,156)	10,514
Effect of foreign exchange rate changes		(20,221)	4,791
Cash and cash equivalents at beginning of financial period		250,032	219,654
Cash and cash equivalents at end of financial period	16	<u>217,655</u>	<u>234,959</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 second financial quarter ended 30 September 2024

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").

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 2024.

Adoption of New and Revised Malaysian Financial Reporting Standards

During the current financial 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 2024 as follows:

- Amendments to MFRS 101: Presentation of Financial Statements – Non-current Liabilities with Covenants
- Amendments to MFRS 101: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current

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 financial 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 second financial quarter ended 30 September 2024**
5 Segment information (continued)

	Engineering RM'000	Metering RM'000	Others RM'000	Adjustments eliminations RM'000	Per condensed consolidated and financial statements RM'000
Current quarter					
3 months period ended 30 September 2024					
Revenue:					
External customers	1,802	28,026	-	-	29,828
Results:					
Interest income	9	403	893	946	2,251
Depreciation and amortisation	25	2,005	-	284	2,314
Share of results of associates	9	-	(1,315)	-	(1,306)
Segment (loss)/profit (Note A)	(632)	4,501	(9,772)	(19,161)	(25,064)
3 months period ended 30 September 2023					
Revenue:					
External customers	2,733	34,966	-	-	37,699
Results:					
Interest income	6	247	820	1,041	2,114
Depreciation and amortisation	28	1,430	-	250	1,708
Share of results of associates	14	-	(4,919)	-	(4,905)
Segment profit/(loss) (Note A)	443	7,359	(2,474)	(4,596)	732
Cumulative quarter					
6 months period ended 30 September 2024					
Revenue:					
External customers	2,966	57,134	-	-	60,100
Results:					
Interest income	15	764	1,732	1,957	4,468
Depreciation and amortisation	51	4,049	-	560	4,660
Share of results of associates	28	-	(3,021)	-	(2,993)
Segment (loss)/profit (Note A)	(812)	11,264	(10,625)	(24,451)	(24,624)
6 months period ended 30 September 2023					
Revenue:					
External customers	6,197	63,516	-	-	69,713
Results:					
Interest income	12	339	1,527	1,973	3,851
Depreciation and amortisation	55	2,836	-	475	3,366
Share of results of associates	35	-	(6,349)	-	(6,314)
Segment (loss)/profit (Note A)	(278)	11,362	20	(5,854)	5,250

Explanatory notes pursuant to MFRS 134 for the second financial quarter ended 30 September 2024

5 Segment information (continued)

Note A

The following items are deducted from segment (loss)/profit 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		6 months ended	
	30	30	30	30
	September	September	September	September
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Interest income	946	1,041	1,957	1,973
Other (losses)/gains	(13,016)	(218)	(13,375)	4,183
Finance costs	(2,803)	(2,672)	(5,598)	(5,308)
Employees benefits expenses	(3,118)	(2,287)	(5,376)	(4,968)
Other unallocated corporate expenses	(1,170)	(460)	(2,059)	(1,734)
	<u>(19,161)</u>	<u>(4,596)</u>	<u>(24,451)</u>	<u>(5,854)</u>

Engineering division

Revenue of RM1.81 million for the quarter ended 30 September 2024 was 34% lower as compared to RM2.73 million for the corresponding quarter in 2023 mainly attributed to the lower revenue contribution towards the end of the project. Segment loss was RM0.63 million for the quarter ended 30 September 2024 as compared to segment profit of RM0.44 million for the quarter ended 30 September 2023.

Revenue of RM2.97 million for the financial period ended 30 September 2024 was 52% lower as compared to RM6.20 million for the corresponding period in 2023. Segment loss was RM0.81 million for the financial period ended 30 September 2024 as compared to RM0.28 million for the financial period ended 30 September 2023.

Metering division

Revenue of RM28.03 million for the quarter ended 30 September 2024 was 20% lower as compared to RM34.97 million for the corresponding quarter in 2023. Profit of RM4.50 million for the current quarter ended 30 September 2024 was 39% lower as compared to RM7.36 million for the corresponding quarter in 2023.

Revenue of RM57.13 million for the financial period ended 30 September 2024 was 10% lower as compared to RM63.52 million for the corresponding period in 2023 mainly attributed to lower local authorities and export sales. Segment profit of RM11.26 million for the financial period ended 30 September 2024 was 1% lower as compared to RM11.36 million for the financial period ended 30 September 2023 mainly due to the lower revenue.

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 (loss)/profit before tax

The Group reported loss before tax of RM25.06 million in the current quarter (30 September 2023: profit of RM0.73 million). The loss is mainly attributed to unrealised loss on foreign exchange of RM22.72 million (30 September 2024: RM1.05 million) on foreign currencies held.

The Group reported loss before tax of RM24.62 million in the current financial period (30 September 2023: profit of RM5.25 million). The loss is mainly attributed to unrealised loss on foreign exchange of RM24.52 million (30 September 2024: gain of RM6.30 million) on foreign currencies held.

Explanatory notes pursuant to MFRS 134 for the second financial quarter ended 30 September 2024

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 6 months ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Interest income from:				
- deposits with licensed banks	(2,000)	(1,884)	(4,000)	(3,490)
- financial assets at FVTOCI	(251)	(230)	(468)	(361)
Loss/(Gain) on foreign exchange:				
- realised	95	(1,010)	(1,243)	(1,247)
- unrealised	22,718	1,052	24,517	(6,301)

8 Tax income/(expense)

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 September 2024 RM'000	30 September 2023 RM'000	30 September 2024 RM'000	30 September 2023 RM'000
Current Tax:				
Malaysian tax	(61)	700	305	1,073
Foreign tax	(3)	32	59	158
	(64)	732	364	1,231
Overprovision in prior years:				
Malaysian tax	-	(140)	-	(140)
	(64)	592	364	1,091
Deferred tax	(3,656)	35	(3,782)	4
	(3,720)	627	(3,418)	1,095

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 current financial period ended with a loss before tax of RM24.62 million. Tax credit is RM3.42 million. The significant variance as compared to the statutory tax rate of 24% is mainly due to non-tax deductibility of certain expenses.

The effective tax rate (excluding the results of associates which are equity accounted net of tax) for the corresponding period is lower than the statutory tax rate mainly due to certain income deemed not taxable for income tax purposes.

Explanatory notes pursuant to MFRS 134 for the second financial quarter ended 30 September 2024

9 (Loss)/Earnings Per Share

Basic (loss)/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 (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 profit and share data used in the computation of (loss)/earnings per share:

	Current quarter 3 months ended		Cumulative quarter 6 months ended	
	30 September 2024	30 September 2023	30 September 2024	30 September 2023
(Loss)/Profit attributable to the owners used in computation of (loss)/earnings per share (RM'000)	(21,245)	105	(21,009)	4,155
Weighted average number of ordinary shares (excluding treasury shares) for (loss)/earnings per share computation ('000)	521,759	521,922	521,759	521,922
Basic/Diluted (loss)/earnings per share (sen)	(4.07)	0.02	(4.03)	0.80

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 financial period ended 30 September 2024, the Group acquired assets at a cost of RM1.13 million (30 September 2023: RM2.00 million).

Assets with carrying amount of Nil (30 September 2023: RM38,000) were disposed of by the Group during the financial period ended 30 September 2024, resulting in a gain on disposal of RM355,000 (30 September 2023: RM90,000), recognised in profit or loss.

11 Right-of-use assets

Additions and termination

There were no additions and termination of lease contracts during the current financial 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 second financial quarter ended 30 September 2024**
13 Other intangible assets

	Computer software RM'000	License RM'000	Product development costs RM'000	Total RM'000
Cost:				
At 1 April 2024	1,017	12,061	22,832	35,910
Additions	3	-	361	364
Exchange differences	(9)	-	-	(9)
At 30 September 2024	<u>1,011</u>	<u>12,061</u>	<u>23,193</u>	<u>36,265</u>
Accumulated amortisation:				
At 1 April 2024	863	4,395	3,829	9,087
Amortisation	36	613	1,104	1,753
Exchange differences	(2)	-	-	(2)
At 30 September 2024	<u>897</u>	<u>5,008</u>	<u>4,933</u>	<u>10,838</u>
Carrying amount:				
At 1 April 2024	154	7,666	19,003	26,823
At 30 September 2024	<u>114</u>	<u>7,053</u>	<u>18,260</u>	<u>25,427</u>

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 financial period ended 30 September 2024, the Group recognised the inventories written down of RM93,000 (30 September 2023: RM69,000) and reversal of inventories written down of RM410,000 (30 September 2023: RM336,000) in profit or loss.

**Explanatory notes pursuant to MFRS 134
 for the second financial quarter ended 30 September 2024**
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	Level 1	Level 2	Level 3
	RM'000	RM'000	RM'000	RM'000
At 30 September 2024				
Financial assets at FVTPL:				
- Quoted equity securities	146	146	-	-
Financial assets at FVTOCI:				
- Quoted bonds	17,672	17,672	-	-
- Quoted equity securities	16,422	16,422	-	-
- Unquoted equity securities	15,692	-	-	15,692
Non-financial assets:				
- Freehold land	91,350	-	-	91,350
- Buildings on freehold land	18,615	-	-	18,615
- Long-term leasehold land	970	-	-	970
- Building on long-term leasehold land	705	-	-	705
- Leased buildings	2,999	-	-	2,999
At 31 March 2024				
Financial assets at FVTPL:				
- Quoted equity securities	142	142	-	-
Financial assets at FVTOCI:				
- Quoted bonds	17,703	17,703	-	-
- Quoted equity securities	19,013	19,013	-	-
- Unquoted equity securities	16,791	-	-	16,791
Non-financial assets:				
- Freehold land	91,350	-	-	91,350
- Building on freehold land	19,050	-	-	19,050
- Long-term leasehold land	1,168	-	-	1,168
- Building on long-term leasehold land	882	-	-	882
- Leased buildings	3,984	-	-	3,984

16 Deposits, cash and bank balances

	30	31 March
	September	2024
	2024	2024
	RM'000	RM'000
Deposits with licensed banks	173,799	180,844
Cash and bank balances	44,317	71,242
Short-term investment	16,774	22,244
Deposits, cash and bank balances	234,890	274,330
Less: time deposits	(17,235)	(24,148)
Less: bank overdraft	-	(150)
Cash and cash equivalents	217,655	250,032

Explanatory notes pursuant to MFRS 134 for the second financial quarter ended 30 September 2024

17 Debt and Equity Securities

(a) Share capital and treasury shares

At the 73rd AGM of the Company held on 24 September 2024, shareholders' approval was obtained for the Share Buy-Back scheme to be renewed from 24 September 2024 until the conclusion of the next AGM of the Company to be convened in 2025.

As at 30 September 2024, 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 30 September 2024 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 outstanding 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 financial period.

18 Loans and borrowings

	30 September 2024 RM'000	31 March 2024 RM'000
Short-term borrowings		
Secured:		
Revolving credits	43,468	55,763
Bankers' acceptances	17,088	13,253
Lease liabilities	292	284
	<u>60,848</u>	<u>69,300</u>
Unsecured:		
Bank overdraft	-	150
Bond	60	99
Lease liabilities	1,260	1,126
	<u>62,168</u>	<u>70,675</u>
Long-term borrowings		
Secured:		
Lease liabilities	1,010	1,159
Unsecured:		
Bond	131,616	131,488
Lease liabilities	2,294	3,403
	<u>134,920</u>	<u>136,050</u>
	<u>197,088</u>	<u>206,725</u>

Explanatory notes pursuant to MFRS 134 for the second financial quarter ended 30 September 2024

19 Provisions for costs of restructuring

Not applicable.

20 Dividend

The Board of Directors has declared an interim dividend of 0.75 sen per share for FY2025 (FY2024: 0.75 sen per share), payable on 24 December 2024 to shareholders whose names appear in the Record of Depositors on 13 December 2024, being the Book Closure Date ("BCD").

On the assumption that as announced to date, the treasury shares of 41,510,000 (which are not entitled to dividends), remained the same as at BCD, the dividend pay-out on 521,759,065 shares will amount to approximately RM3.91 million (FY2024: RM3.91 million on 521,759,065 shares).

21 Commitments

Capital expenditure as at the reporting date is as follows:

	30 September 2024 RM'000	31 March 2024 RM'000
Approved and contracted for:		
Property, plant and equipment	586	791
Approved but not contracted for:		
Property, plant and equipment	231	231

22 Contingencies

There were no material contingent liabilities or contingent assets as at the date of this report.

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 financial period ended 30 September:

	Cumulative quarter 6 months ended	
	30 September 2024 RM'000	30 September 2023 RM'000
Related companies: *		
Construction of a manufacturing plant	2,966	5,963

* 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 financial period.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
 Chapter 9, Appendix 9B, Part A
 for the second financial quarter ended 30 September 2024**

26 Performance review

	Current quarter 3 months ended			Cumulative quarter 6 months ended		
	30	30	Changes %	30	30	Changes %
	September 2024 RM'000	September 2023 RM'000		September 2024 RM'000	September 2023 RM'000	
Revenue	29,828	37,699	- 21	60,100	69,713	- 14
(Loss)/Profit before tax	(25,064)	732	- 3524	(24,624)	5,250	- 569
(Loss)/Profit after tax	(21,344)	105	- 20428	(21,206)	4,155	- 610

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 30 September 2024 RM'000	Preceding quarter 3 months ended 30 June 2024 RM'000	Changes %
Revenue	29,828	30,272	- 1
(Loss)/Profit before tax	(25,064)	440	- 5796
(Loss)/Profit after tax	(21,344)	138	- 15567

The change in the (loss)/profit before tax of -5796% mainly arose from unrealised loss on foreign exchange of RM22.72 million (30 June 2024: RM1.80 million) on foreign currencies held.

28 Commentary on prospects

For the quarter ending 30 September 2024, the Group delivered a revenue of RM29.83 million, reflecting stable performance as we remain focused on strengthening our core businesses and improving efficiencies.

Our Metering Division has continued to perform steadily, underscoring its role as a key contributor to George Kent's resilience. Demand for our metering solutions remains robust in Malaysia, where we continue to strengthen our position as a leading supplier. As part of our growth strategy, we are also placing a key focus on the export market, aiming to extend our reach and diversify our revenue streams across international markets. We are confident that this approach will enhance our performance in the latter half of the year, as we anticipate an improvement in results driven by both domestic and export momentum.

Aligned with our commitment to innovation, our Automated Meter Reading (AMR) solutions form a vital part of our smart metering technology, driving our growth strategy forward. By leveraging cutting-edge technologies such as Artificial Intelligence (AI) and Internet of Things (IoT), we aim to enhance the efficiency and reliability of our metering systems, ensuring we are well-positioned to meet the evolving needs of both local and international markets.

The Engineering Division is actively pursuing opportunities in sectors including rail, hospital and water infrastructure projects. Our longstanding expertise and track record in these areas position us well, and we are committed to leveraging our strengths as we pursue new project opportunities.

Looking ahead to third financial quarter and beyond, we are focused on identifying business opportunities that align with emerging sectors, including renewable energy, high technology, and data center innovations. While we continue to explore these areas, we remain dedicated to delivering value to our shareholders and stakeholders through consistent operational excellence and forward-thinking strategies.

**Explanatory notes pursuant to Bursa Malaysia Listing Requirements:
Chapter 9, Appendix 9B, Part A
for the second financial quarter ended 30 September 2024**

- 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 financial 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 30 September 2024 and 31 March 2024.
- 37 Auditors' report on preceding annual financial statements**
The auditors' report on the financial statements for the financial year ended 31 March 2024 was not qualified.
- 38 Authorised for issue**
These condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 28 November 2024.