

GEORGE KENT (MALAYSIA) BERHAD

Registration No. 195101000005 (1945-X)

Minutes of the Seventy-Second Annual General Meeting of the Company conducted virtually on Wednesday, 13 September 2023 at 11:00 a.m. from the Broadcast Venue at Boardroom of Johan Holdings Berhad, 11th Floor, Wisma E&C, No. 2 Lorong Dungun Kiri, Damansara Heights, 50490 Kuala Lumpur and via our Share Registrar's online meeting platform at www.johanmanagement.com.my.

AT THE BROADCAST VENUE

Chairman of the Board:

Tan Sri Dato' Tan Kay Hock

Company Secretary:

Mr Teh Yong Fah

Poll Administrator – Propoll Solutions Sdn Bhd:

Mr Lai Chi Kang

Mr Danny Yap Kee Kong

Independent Scrutineer – Symphony Corporate Services Sdn Bhd:

Ms Yvonne Tan Ee Ching

VIA VIDEO CONFERENCE

Board of Directors:

Puan Sri Datin Tan Swee Bee

Dato' Paduka (Dr.) Ir. Hj. Keizrul bin Abdullah

Dato' Ahmad Khairummuzammil Bin Mohd Yusoff

Madam Teh Bee Tein

Mr Ooi Chin Khoon

Management Staff:

Mr Ong Kum Weng

Ms Tan Lai Peng

Ms Hing Sok Guak

Ms Juliet Choong Wai Gaik

Mr Loh Choon Fatt

Ms Catherine Kim Pei Wen

- General Manager, Finance & Control
- Assistant General Manager – Finance
- Senior Manager – Finance
- Senior Manager – Communications
- Manager – Finance
- Manager – Finance

Auditors - Grant Thornton Malaysia PLT:

Mr Kho Kim Eng

Mr Jeffrey Lim Wing Szeon

Ms Tang Jia Min

Mr Hooi Kok Mun

Joint Company Secretary:

Ms Gan Lee Mei

The attendance of shareholders, corporate representatives and proxies via the online meeting platform at www.johanmanagement.com.my using Remote Participation and Voting ("RPV") facilities was as per the attendance list.

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Minutes of 72nd AGM held on Wednesday, 13 September 2023 at 11.00 a.m. – Cont'd

1. CHAIRMAN

Tan Sri Dato' Tan Kay Hock presided as Chairman of the Seventy-Second Annual General Meeting ("72nd AGM") of George Kent (Malaysia) Berhad ("George Kent" or "the Company").

The Chairman, on behalf of the Board of Directors ("the Board"), welcomed the shareholders, corporate representative and proxies to the 72nd AGM of the Company ("Members") which was conducted virtually.

2. QUORUM AND NOTICE OF MEETING

As the requisite quorum being present, the Chairman called the meeting to order. The Chairman informed that the notice convening the 72nd AGM of the Company had been circulated to all shareholders and advertised in *The Star* newspaper on 31 July 2023. With the permission from the Members, the notice convening the 72nd AGM was taken as read.

3. INTRODUCTION

The Chairman informed that the 72nd AGM was conducted virtually and live-streamed from the Broadcast Venue. All the other Board members, namely Puan Sri Datin Tan Swee Bee, Dato' Ahmad Khairummuzammil Bin Mohd Yusoff, Dato' Paduka (Dr.) Ir. Hj. Keizrul bin Abdullah, Madam Teh Bee Tein, and Mr. Ooi Chin Khoon, as well as the External Auditors and our Management personnel are in attendance via video conference.

4. VOTING AND MEETING PROCEDURES

The Chairman reported that the Company had received 15 proxy forms from shareholders holding a total of 204,436,393 ordinary shares, representing 39.18% of the total issued shares of the Company (excluding treasury shares), appointed the Chairman as proxy to vote on their behalf, in favour of all the eight (8) Ordinary Resolutions.

The Chairman informed that Members could raise questions on the matters related to the Agenda of the 72nd AGM via the query box on the online meeting platform. The Board would endeavour to address all the relevant questions at the Meeting. For those questions which are not addressed at the Meeting, The Board will provide the respond either via e-mail or to post it on the Company's website after the Meeting. The Board had received some questions prior to the 72nd AGM and the responses would be presented during the Question-and-Answer session.

The Chairman informed the Members that all the Resolutions as set out in the Notice of 72nd AGM would be voted by poll in compliance with the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"). The polling would be conducted electronically via the Remote Participation and Voting ("RPV") facility provided by Propoll Solutions Sdn Bhd, the Poll Administrator. Symphony Corporate Services Sdn Bhd was the appointed Independent Scrutineers to verify the poll results.

A short video on how the Members can access the online voting platform to cast their votes was played at the Meeting.

5. CHAIRMAN ADDRESS

The Chairman presented an overview of the Group's performance for financial year ended 31 March 2023 ("FY 2023"). The Chairman reported that it was a year of mixed fortunes and challenges as Malaysia and global economies reopened their borders at the end of the first quarter of 2022. The Group also faced headwinds, including rising inflationary pressures resulting from increasing raw material prices and a tight labour market. Moreover, ongoing geopolitical issues including the conflict in Ukraine and tensions arising from the US-China economic rivalry had further complicated demand and costs. The Group reported Revenue of RM247.04 million and Profit before Tax of RM7.75 million for FY 2023. The low profit was due to losses incurred by our associate, Dynacare Sdn Bhd and playing catch up after the Covid-19 pandemic. The Group maintained a strong Balance Sheet with total cash and cash equivalents of RM219.65 million at end of financial year 2023. The debt-to-equity ratio remained healthy at 0.4 times. Net assets per share stood at 101.0 sen.

The Chairman reported that Metering Division performed well, delivering Revenue of RM143.62 million and segment profit of RM 33.41 million, due to the robust demand for George Kent water meters worldwide. The Engineering Division recorded Revenue of RM103.42 million (excluding that of joint ventures & associates), with segment profit of RM8.87 million from the construction of two hospital projects and a glove manufacturing plant.

The Chairman reported that the Company continues to reward shareholders two dividends in spite of the uncertain economic environment. Total dividend paid out for the financial year 2023 amounted to RM10.437 million.

The Chairman reported that the Group continues to actively seek growth opportunities, both organic and external, to complement its current growth trajectory. The Board continues to develop the talent pool towards the various sources of innovative opportunities to capture new value. The Board recognises the importance of investing in technology and digital solutions to enhance the Group's operations and to maintain the Group's competitive advantage, while mitigating potential risks.

A slide presentation on the Group's performance for financial year 2023 was played at the AGM for Members' information.

The Chairman announced that the voting session was opened for Members to cast their votes through the online voting platform at any time during the meeting until the closure of the voting session which will be announced later and he proceeded to deal with the business of the Meeting.

6. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023 AND THE REPORTS OF THE DIRECTORS AND AUDITORS

The audited financial statements of the Company for the financial year ended 31 March 2023 and the Reports of the Directors and Auditors were tabled. No voting by Members is required for this Agenda item.

It was recorded that the audited financial statements of the Company for the financial year ended 31 March 2023 and the Report of Directors and Auditors had been duly tabled and received by the Shareholders.

The Chairman proceeded to deal with the next item on the Agenda.

7. RE-ELECTION OF DIRECTORS

- (i) Under Agenda 2 (a), the Chairman tabled Ordinary Resolution 1 to the vote by poll:

“That Madam Teh Bee Tein, who retires pursuant to Clause 97 of the Constitution of the Company and being eligible, be re-elected as Director of the Company.”

- (ii) Under Agenda 2 (b)(i), the Chairman tabled Ordinary Resolution 2 to the vote by poll:

“That Dato’ Paduka (Dr.) (Ir.) Hj. Keizrul Bin Abdullah, who retires by rotation pursuant to Clause 90 of the Constitution of the Company and being eligible, be re-elected as Director of the Company.”

- (iii) Under Agenda 2 (b)(ii), the Chairman tabled Ordinary Resolution 3 to the vote by poll:

“That Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff, who retires by rotation pursuant to Clause 90 of the Constitution of the Company and being eligible, be re-elected as Director of the Company.”

8. DIRECTORS’ FEES AND BENEFITS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2024

Under Agenda 3, the Chairman tabled Ordinary Resolution 4 to the vote by poll:

“That the payment of Directors' fees and benefits up to an amount of RM5,500,000 to Non-Executive Directors for the financial year ending 31 March 2024 be approved.”

9. RE-APPOINTMENT OF AUDITORS

under Agenda 4, the Chairman tabled Ordinary Resolution 5 to the vote by poll:

“That Grant Thornton Malaysia PLT, be re-appointed as the Company’s External Auditors and that the Directors be authorised to fix their remuneration.”

The Chairman reported that Grant Thornton Malaysia PLT, the retiring auditors, have expressed their willingness to continue in office.

10. RETENTION OF INDEPENDENT NON-EXECUTIVE DIRECTOR

Under Agenda 5, as Special Business, the Chairman tabled Ordinary Resolution 6, which is subject to the passing of Ordinary Resolution 3, to the vote by poll:-

“THAT approval be and is hereby given to Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff, who will reach his tenure of service as an Independent Non-Executive Director of the Company for a cumulative term of nine (9) years on 29 June 2024, to continue to act as Independent Non-Executive Director of the Company until the conclusion of the next AGM.”

Explanatory Note 4 of the Notice of the 72nd AGM set out the justification to retain Dato’ Ahmad Khairummuzammil Bin Mohd Yusoff as an Independent Non-Executive Director of the Company.

11. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY TO THE COMPANY TO PURCHASE ITS OWN SHARES OF UP TO TEN PER CENT (10%) OF ITS TOTAL NUMBER OF ISSUED SHARES

As there was no objections by Members, the Chairman tabled Ordinary Resolution 7, the full text of which is as set out in the Notice of 72nd AGM, under Agenda 6 of Special Business, to the vote by poll.

This Resolution was to seek renewal of Share Buy-Back Authority to the Company to purchase its own shares of up to 10% of its total number of issued shares. The details and rationale for the Proposed Renewal of Share Buy-Back Authority were set out in the Share Buy Back Statement dated 31 July 2023.

The Company commenced share buy-back on 20 June 2018. Up to 12 September 2023, a total of 41.51 million George Kent shares were purchased for a total consideration of RM38.54 million i.e at an average cost per share of RM0.93. Currently all these George Kent shares are held as Treasury Shares.

12. AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

As there was no objections by Members, the Chairman tabled Ordinary Resolution 8, the full text of which is as set out in the Notice of 72nd AGM, under Agenda 7 of Special Business, to the vote by poll.

This Resolution was to authorise Directors to allot and issue up to 10% of the total issued shares of the Company in general pursuant to Sections 75 and 76 of the Companies Act, 2016.

The Company has not issued any new shares under this general authority which will lapse at the conclusion of the 72nd AGM. A renewal of this general authority is being sought at the 72nd AGM. The renewed mandate is to provide flexibility to the Company for any possible future fund raising activities including but not limited to placement of shares for purposes of funding future investments, working capital and/or acquisition.

GEORGE KENT (MALAYSIA) BERHAD*Registration No. 195101000005 (1945-X)**Minutes of 72nd AGM held on Wednesday, 13 September 2023 at 11.00 a.m. – Cont'd***13. OTHER ORDINARY BUSINESS**

The Chairman informed the Members that the Company Secretary has confirmed that no notice of resolution has been received to transact any other ordinary business of the Company.

14. QUESTIONS AND ANSWERS (“Q&A”)

The Chairman proceeded to Q & A session. The Chairman informed the Members that the Board had received some questions prior to the Meeting. The questions and the replies, presented via slides presentation at the Meeting, were as set out in the annexure I attached.

The Chairman reported that a few questions were received from the Members during the Meeting and the Board and Management will provide appropriate replies via email after the Meeting.

15. POLL VOTING

The Chairman proceeded with the voting session. The Members who have not casted their votes, were allocated another five (5) minutes time to submit their votes.

The Chairman announced the closure of the voting session and declared that the AGM be immediately adjourned to enable the poll administrator and independent scrutineers to count the votes and verify the poll results.

16. DECLARATION OF POLL RESULTS

The Chairman called the Meeting to order for the declaration of results.

The Chairman informed the Members that the poll result had been validated by the independent scrutineers. The poll result were as follows:

	FOR			AGAINST		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
<u>Ordinary Resolution 1</u> Re-election of Madam Teh Bee Tein as a Director	42	242,575,489	99.9762	7	57,725	0.0238
<u>Ordinary Resolution 2</u> Re-election of Dato' Paduka (Dr.) Ir. Hj. Keizrul Bin Abdullah as a Director	41	241,935,587	99.7125	9	697,627	0.2875
<u>Ordinary Resolution 3</u> Re-election of Dato' Ahmad Khairummuzammil Bin Mohd Yusoff as a Director	41	242,551,487	99.9663	9	81,727	0.0337

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	FOR			AGAINST		
	No. of shareholders	No. of shares	%	No. of shareholders	No. of shares	%
<u>Ordinary Resolution 4</u> Approval of payment of Directors' fees and benefits to Non-Executive Directors for the financial year ending 31 March 2024.	34	242,504,478	99.9469	15	128,736	0.0531
<u>Ordinary Resolution 5</u> Re-appointment of Grant Thornton Malaysia PLT as the Company's External Auditors and to authorise the Directors to fix their remuneration	46	242,617,914	99.9937	3	15,300	0.0063
<u>Ordinary Resolution 6</u> Retention of Dato' Ahmad Khairummuzammil Bin Mohd Yusoff as Independent Non-Executive Director	40	242,575,387	99.9679	10	77,827	0.0321
<u>Ordinary Resolution 7</u> Approval of the proposed renewal of share buy-back authority	45	242,650,737	99.9990	5	2,477	0.0010
<u>Ordinary Resolution 8</u> Approval of the proposed authority to allot and issue shares pursuant to the Companies Act 2016	38	242,571,620	99.9678	11	78,194	0.0322

The Chairman declared that all the eight (8) Ordinary Resolutions as tabled and voted at this AGM as duly carried.

17. CLOSURE OF MEETING

There being no other business to transact, the Chairman thanked the Members for their participation at the AGM and declared the meeting closed at 11.49 a.m.

Confirmed as the correct record
of proceedings thereat,

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CHAIRMAN

Dated : 13 September 2023

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- Annexure I of the Minutes of the Seventy-Second Annual General Meeting: Questions and Answers

1. For the engineering division, i) how much is the current outstanding order book; ii) How much is the current tender book and what are the major projects that the Group is bidding for? And iii) What is the targeted amount of job win for FY2024.

Reply:

- i) We are an Engineering company and civil construction is not our core business. Pending procurement of new jobs, our construction order book are at the tail end of our existing jobs which currently stood at RM 17.3 million.
 - ii) We have submitted tenders for several water infrastructure and rail-related projects such as packages for Mass Rapid Transit Laluan 3 (MRT3) and the Kuching Urban Transportation System (KUTS). These tenders are currently at the evaluation stages, as such, the contract values are deemed confidential.
 - iii) The Group aims to secure at least one contract, however, this may vary depending on the competitiveness of the bidding process and market conditions.
2. George Kent has developed proprietary innovative solutions such as the Automated Meter Reading (“AMR”) and Advance Metering Infrastructure (“AMI”) which have been implemented throughout Malaysia and the South East Asia region through proof-of-concepts and pilot projects with State Water Authorities and operators of large commercial retail spaces including private institutions during FY2023. Please elaborate on the features and advantages of AMR and AMI.

Reply:

AMR and AMI solutions enable our customers to automatically obtain water meter readings for e-billing and billing purposes, allowing them to gain insights into water usage trends and quickly detect any anomalies. These solutions resolve issues associated with manual meter reading, such as inaccessible meters, labor-intensive processes, human reading errors, and low customer satisfaction due to slow response to customer complaints.

3. The Group, operating one of Southeast Asia’s largest hot brass-forging plants on a sprawling 17-acre manufacturing facility, has a current capacity of three million water meters annually, along with valves, waterworks fittings and other brass products under the brand names of “GKM” and “gKent”. What was the capacity utilisation rate for the plants for FY2023, and does the Board expect the utilisation rate to improve in FY2024?

Reply:

The plant manufacturing facility is able to produce three million water meters annually. FY2023 was at the tail end of the Covid-19 pandemic and production was scaled down to operate at about 70% capacity to meet with the demand for FY2023. Heading into FY2024, the Metering business remains robust and we expect the utilisation rate to rebound.

4. “In the previous year, the Company acquired 20,000,000 shares in Dynacare Sdn Bhd (Dynacare), representing 40% of the equity interest for a total cash consideration of RM20m. During the financial year, the Company further acquired 29,600,000 shares in Dynacare, representing 40% of the equity interest of Dynacare for a total consideration of RM29.6m.” (Note 21b to financial statements, Page 152 of Annual Report 2023)
 - i. Page 151 of annual report 2023 states the group owns 40% stake in Dynacare. This contradicts note 21b to the financial statements for FY2023. Please clarify the actual percentage of holding in Dynacare.

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Reply:

There is no contradiction in Note 21b to the financial statement for FY2023 pertaining to the Company's equity interest which remained at 40% in Dynacare. The increased investment by the Company in additional shares in Dynacare was due to staged call up capital by Dynacare.

- ii. Dynacare has commissioned two dipping lines of the Phase 1 project in the financial year under review with the other four dipping lines expected to be completed in FY2024.
- a) What is the capacity for the six dipping lines under Phase 1 project.
- b) What is the current utilisation rate for the two dipping lines that have been commissioned.

Reply:

- a) The 6 dipping lines under Phase 1 has a capacity of around 1.5 billion pieces of glove per annum.
- b) The utilization rate is not fixed as it is dependent on customers' orders as and when received.
- iii. What types of gloves is Dynacare producing?

Reply:

Dynacare produces high quality Nitrile Examination Gloves.

- iv. What competitive advantages does Dynacare have over local key glove players and those in China?

Reply:

We believe that Dynacare's gloves are of better quality to that of other gloves manufacturers.

- v. What is the outlook for the segment of glove industry that Dynacare is a part of?

Reply:

The market consolidation is expected to take some time. Market recovery is expected in second half of Year 2024.

- vi. What was Dynacare's profit or loss in FY2023?

Reply:

For FY2023, the Company's share of results from its 40% equity interest in Dynacare was loss of RM18.478 million, which comprised share of loss of RM8.343 million and share of impairment of PPE of RM10.135 million.