

## **GEORGE KENT DELIVERS ANOTHER STRONG 1<sup>ST</sup> QUARTER**

### **METERING AND WATER-RELATED INVESTMENTS TO LEAD FUTURE GROWTH**

**PUCHONG, 12 JUNE 2018** - George Kent (Malaysia) Berhad (“George Kent” or “the Group”) today announced a strong set of 1<sup>st</sup> Quarter results for the financial year ending 31 January 2019.

#### **1<sup>st</sup> Quarter vs Corresponding Quarter Last Year:**

- **Profit After Tax of RM21.5 million, up 16.2% from RM18.5 million**

For the quarter ended 30 April 2018 (“Q1FY2019”), the Group’s Engineering and Metering divisions continued to perform well. Construction projects were executed well and on time. The Metering business contributed significantly.

The Group’s balance sheet remained strong with a net cash position of RM343.5 million with a healthy order book. Its outstanding order book of RM5.3 billion will continue to provide earnings visibility in the medium term.

#### **Metering and Water-Related Investments to Lead Growth Going Forward**

In line with the Group’s long-stated Strategic Plan to broaden its income base, the Group has successfully expanded the contribution of its Metering business over the last three years at a compounded annual growth rate (“CAGR”) of 24%. The quarter ended 30 April 2018 saw water meter demand outstrip supply in both local and export markets. Besides Hong Kong and Singapore, the Group exports its water meters to over 40 countries worldwide.

George Kent has positioned itself in the Internet of Things (IoT) development and is ready to tap on the growth opportunities in Smart Metering. The Group has developed and is in the midst of commercialising its proprietary Automated Meter Reading (AMR) or Smart Metering solution to provide value add to its customers. The Smart Metering solution enables its utility customers to read meters remotely and have real-time access to water consumption data. Besides for billing purposes, the data collected can be analysed to monitor water consumption patterns and detect leakages in the distribution system for addressing Non-Revenue Water. The potential growth for the Group from Smart Metering is significant considering it being the first mover and a market leader in the Region.

In addition, the Group is looking to further grow its recurring income investments in water utilities or concessions. The Group currently owns a stake in a water concession and is also the operation and maintenance operator of the water treatment plant in Port Moresby, Papua New Guinea.

Moving forward, George Kent will further accelerate growth by substantially increasing its investments in metering and other water-related businesses as well as concessions through M&As and strategic partnerships. It is the Group’s plan to increase its income from metering and other water-related businesses to more than 50% in the short to medium term.

## **Corporate Exercise**

Due to the recent volatility in the Group's share price, shareholders at an Extraordinary General Meeting held on 4 June 2018 approved a mandate to buy back up to 10% of the total number of issued shares. This will help stabilise the Group's share price and thus benefit all shareholders.

## **Chairman's Statement**

Commenting on the Group's performance, Chairman Tan Sri Dato' Tan Kay Hock said:

"The Group has achieved yet another record set of first-quarter results. Notably, profit after tax registered at RM21.5 million, up 16.2% from RM18.5 million in the previous corresponding period. Construction projects were executed well and on time. The Group is heartened to see a compounded growth of 24% from its Metering business over the last three years.

"Going forward, with a strong balance sheet, the Group will increase its resources substantially, in terms of manpower and financial resources, to accelerate the growth in its Metering and other water-related businesses and investments through M&As and strategic partnerships. This is in line with the Group's long-stated Strategic Plan to broaden its income base by substantially increasing its income from the Metering and other water-related businesses and investments."

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## **About George Kent (Malaysia) Berhad**

George Kent is an established engineering and metering company in the water infrastructure, rail transportation and hospital construction industry. The Group specialises in the turnkey construction of water infrastructure and hospital projects, system works for rail transportation, and operation and maintenance of water treatment facilities. Known for proven engineering excellence, George Kent has a strong track record of successfully completing high-value and technology-critical projects. The Group also manufactures and supplies water metering products and solutions for household, industrial and plant use. It operates one of the largest hot brass forging plants in South East Asia for the production of internationally certified water meters and supplies to water authorities in Malaysia and in the ASEAN region.

For more information, please visit [www.georgekent.net](http://www.georgekent.net)

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