

GEORGE KENT DELIVERS CREDIBLE FULL-YEAR RESULTS

PUCHONG, 25 MARCH 2019 – George Kent (Malaysia) Berhad (“George Kent” or “the Group”) today announced a credible set of 4th Quarter financial results for the financial year ended 31 January 2019 (“FY2019”) as follows:

4th Quarter Financial Results (from November 2018 to January 2019):

- **Profit Before Tax of RM36.2 million**, from RM65.5 million in the previous corresponding quarter
- **Profit After Tax of RM18.2 million**, from RM51.9 million in the previous corresponding quarter

For the whole of FY2019, the Group achieved the following strong set of financial results:

Full-Year Financial Results (from February 2018 to January 2019):

- **Profit Before Tax of RM126.4 million**, from RM160.3 million in the previous year
- **Profit After Tax of RM84.9 million**, from RM124.4 million in the previous year

Dividend for the Full Year

- **RM38.07 million**, from RM53.51 million in the previous year.

FY2019's performance was credible in spite of the retiming of income recognition arising from the Government's remodelling of the LRT3 project to a fixed-price contract. Construction works were suspended since June 2018 and are expected to resume in the latter part of 2019. The commendable results reflected the robustness of GKM's other businesses.

Dividend

The Directors have declared a third interim dividend of 3.5 sen per share for FY2019 (FY2018: 5.0 sen per share), payable on 30 April 2019 to shareholders whose names appear in the Record of Depositors on 9 April 2019, being the Book Closure Date (“BCD”).

On the assumption that as announced to date, the Treasury Shares of 24,651,900 (which are not entitled to dividends), remained the same as at BCD, the dividend payout on 538,617,165 shares will amount to approximately RM18.85 million (FY2018: RM28.16 million on 563,269,065 shares).

Two interim dividends have been paid for the financial year ended 31 January 2019. The first and second interim dividends of 2.0 sen per share on 555,498,165 shares (FY2018: 2.5 sen per share on 563,269,065 shares) and 1.5 sen per share on 540,837,265 shares (FY2018: 2.0 sen per share on 563,269,065 shares) respectively amounting to RM19.22 million (FY2018: RM25.35 million) were paid on 1 November 2018 and 29 January 2019 respectively.

Resilient Water Meter Business

Water meter orders continue to be strong. The Group had in the year under review won the Public Utilities Board of Singapore's (PUB) tender to deliver 110,000 meters over six months beginning February 2019. This is the 4th consecutive win by George Kent to supply water meters to PUB since 2012. The Group is actively investing substantial resources to expand its strong base of over 40 countries around the world to broaden its income base.

Construction Business Fundamentals Intact

On 25 January 2019, MRCB George Kent Sdn Bhd ("JV Co") signed the biggest turnkey contract the new Government has issued at RM11.8 billion. The JV Co has the necessary experience to deliver the project as both JV partners have actively participated in past rail projects in the country.

Going Forward

The Group's focus continues to be on its long-stated Strategic Plan to broaden its income base. This will be achieved by allocating substantial resources to further expand the Metering business in the country and the region. The Group's automated meter reading solution is undergoing pilot testing in several states with commercialisation set for later in 2019. The Group is also participating in tenders under the non-revenue water initiative of the national water meter replacement programme. This should further catalyse sales of the Group's water meters in the country.

The Group's strong order book will provide earnings visibility over the next few years. The Group is also on the lookout for opportunities in the Regional railway space, leveraging on its expertise as rail systems specialist in domestic railway projects. The Group's established network with international rail specialists will assist it in tapping into Regional projects requiring international collaborations through joint ventures or other forms of strategic alliances.

Chairman's Statement

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

"The results for the financial year under review are credible, considering the suspension and deferment of LRT3 as the project is being renegotiated. Construction is expected to resume in the latter part of 2019.

Against this backdrop, the Group is committed to delivering on our existing order book and is staying sure and steadfast about implementing its Strategic Plan to broaden its income base. This entails substantial investment of resources, both human and financial, into growing its Metering and other water-related businesses and investments. As things stand, demand for water meters has and continues to outstrip supply. We are looking to expand our production capacity to cater for demand growth from both the organic and M&A fronts.

The Group's expertise and experience as a Rail Systems Integrator places us in a favourable position to compete for domestic rail projects. We are also actively pursuing railway opportunities in the Region.

Similarly, with over 30 water infrastructure projects completed in the last 26 years, the Group is well-positioned to explore opportunities arising from the Government's initiative to address the non-revenue water issue."

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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 industries. The Company 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 Company 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 Southeast 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.

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