

PRESS RELEASE

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GEORGE KENT 3RD QUARTER RESULTS REFLECT ROBUST BUSINESSES

PUCHONG, 15 DECEMBER 2020 – George Kent (Malaysia) Berhad (“George Kent” or “the Group”) today announced the financial results for the 3rd Quarter of its financial year ending 31 January 2021 (“FY2021”).

3rd Quarter Financial Results (from August 2020 to October 2020):

- **Profit Before Tax of RM16.1 million**, 27% higher than RM12.6 million in the previous corresponding quarter
- **Profit After Tax of RM10.6 million**, 4% higher than RM10.3 million in the previous corresponding quarter

The Group’s commendable Q3FY2021 results were primarily due to strong water meter sales in the Group’s local and export markets. In spite of the people movement controls implemented domestically since 18 March 2020 and in many countries abroad since early in the year, water meter orders continued unabated. This demonstrates the robustness of the Metering Business. However, production was affected in the earlier stages of the Movement Control Order (MCO), resulting in an order backlog. The Group in Q3FY2021 continued to adhere to prevailing SOPs whilst gradually restoring its manufacturing capacity to clear the backlog and cater for new orders from local and regional water authorities. The Metering division will continue to do well in the remaining quarter of the financial year and beyond. There are plans to increase the capacity further.

Construction activities ceased completely during the MCO but were restarted mid-June 2020 following the completion of mandatory foreign worker health screenings. In Q3FY2021, the Group continued to accelerate its progress on the two hospital projects with its increased adaptation to the SOPs.

Water Meter Business

Local and overseas demand for the Group’s renowned water meters continues to outstrip supply. In Q3FY2021, the Group continued to adhere to the Malaysian Government’s SOPs in gradually restoring its manufacturing capacity to clear its backlog of orders and cater for new orders. The Group will continue to comply with any changes to government guidelines in managing its production activities.

Construction Business

The Group continued to adapt to prevailing SOPs in Q3FY2021 as it accelerated progress on Hospital Tanjung Karang and Hospital Endokrin Putrajaya.

Jabatan Kerja Raya has approved one of the Group's Extension of Time applications in the quarter under review, in acknowledgement of the disruptions caused by the MCO. The Group will continue to work closely with the Department in managing the delivery timelines for the two hospitals.

Chairman's Statement

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

"I am delighted by the Group's Q3FY2021 results. The 27% year-on-year improvement in profit before tax is admirable, more so when we are still in the Conditional MCO (CMCO). Production is in full swing, but having to follow the SOPs under the CMCO is challenging. Demand for our water meters continues to outstrip supply. We are already planning to expand our capacity to produce precision parts for our water meters, so soon after purchasing the license from Honeywell last year. This is very encouraging.

"We are also working to ensure the timely delivery of our construction projects.

"We are optimistic of our prospects, given our ongoing operating and long-term plans:

- It is our strategy to become a one-stop purveyor of water meters. We are actively growing our product portfolio through partnerships with other manufacturers. The expanded range will accelerate our penetration into more markets around the world.
- Our long-term license agreement with Honeywell enhances our control over component supply and production costs. It also gives us the right to sell water meters to 15 new territories in Asia.
- Our home-grown Smart Metering technology is undergoing real-world tests through POCs and pilot projects with state water authorities. We are pursuing other such opportunities, both locally and in the Region.
- We have a dedicated team that develops new opportunities in the Regional railway space, leveraging on our expertise as rail systems specialist in domestic railway projects. The Group's established network with international rail specialists will assist us in tapping into Regional projects requiring international collaborations through joint ventures or strategic alliances."

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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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