

PRESS RELEASE

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GEORGE KENT RESULTS FOR FINANCIAL YEAR ENDED 31 MARCH 2021 REFLECT ROBUST BUSINESSES

PUCHONG, 21 JUNE 2021 – George Kent (Malaysia) Berhad (“George Kent” or “the Group”) today announced its financial results for the financial year ended 31 March 2021.

The Board had on 6 January 2021 approved the change of the Group’s financial year end from 31 January to 31 March, making it a 14-month financial year. Having published the results for the three months ended 31 January 2021 on 22 March 2021, the Group is now announcing the results for the final two months of its financial year ended 31 March 2021 as follows:

2 Months’ Financial Results (from February 2021 to March 2021):

- **Profit Before Tax of RM10.61 million**
- **Profit After Tax of RM11.34 million**

For the 14 months of its financial year ended 31 March 2021, the Group achieved the following credible set of financial results:

14 Months’ Financial Results (from February 2020 to March 2021):

- **Profit Before Tax of RM59.32 million**
- **Profit After Tax of RM48.75 million**

With this change in financial year end, the Group’s performance in the 14 months of its financial year ended 31 March 2021 is not comparable with the 12 months of its previous financial year ended 31 January 2020.

The Group’s commendable results in FY2021 were primarily attributed to robust sales of the Group’s water meters worldwide. The Group continued to receive water meter orders in spite of continuing people movement controls in Malaysia and around the world since the beginning of last year. This demonstrates the resilience and growth of the Metering Business. The Group continued to adhere to prevailing SOPs in managing its production activities.

The Group also continued to work on the two hospital projects whilst complying with government SOPs.

Dividend

The Directors have declared a third dividend of 1.0 sen per share for FY2021, payable on 28 July 2021 to shareholders whose names appear in the Record of Depositors on 7 July 2021, being the Book Closure Date (“BCD”).

On the assumption that as announced to date, the Treasury Shares of 40,559,200 (which are not entitled to dividends), remained the same as at BCD, the dividend pay-out on 522,709,865 shares will amount to approximately RM5.23 million.

Two dividends have been paid for the financial year ended 31 March 2021. The first and second dividends of 1.0 sen per share on 527,256,265 shares and 1.5 sen per share on 523,409,865 shares respectively amounting to RM13.12 million were paid on 22 October 2020 and 28 April 2021 respectively.

In Ringgit term the three dividends will total RM18.35 million for the financial year ended 31 March 2021.

Water Meter Business

In spite of the production disruptions caused by the Movement Control Order (MCO), the Metering Business continued to perform well as global demand for the Group’s renowned water meters remained strong. The Group continued to adhere to the Malaysian Government’s SOPs as it optimised its capacity to meet orders in the period under review.

The Government announced on 10 May 2021 the imposition of a nationwide MCO until 7 June 2021, which has since been extended until 28 June 2021. Essential economic and service sectors, however, are allowed to operate, subject to strict compliance with the SOPs. The Group will continue to adapt to any changes to government guidelines in managing its production activities.

Construction Business

The Group continued to adapt to prevailing SOPs in the period under review as it accelerated progress on Hospital Tanjung Karang and Hospital Endokrin Putrajaya. The Group continues to liaise closely with JKR in managing the delivery timelines for the two hospitals.

Save for some minor variation orders, the LRT2 project is completed and now awaits the closing of the final account. Works on LRT3 are proceeding with strict adherence to the SOPs.

The Group had at its Extraordinary General Meeting on 8 June 2021 received shareholders’ approval to design and build a glove manufacturing plant (“Plant”) in Lumut Port Industrial Park, Perak, for a contract sum of approximately RM624.1 million plus or minus 10% (excluding sales and service tax). The Plant will be owned and operated by Dynacare Sdn Bhd (“Dynacare”). The Group had also received shareholders’ approval to take up a 40% equity stake in Dynacare, thereby enabling the Group to diversify its business activities to include the manufacture, sale and distribution of gloves.

This Design and Build Contract will bolster George Kent’s construction order book at a time when construction contracts are scarce. The contract is timely and will immediately contribute to the Group’s bottom line over the next two years. The Design and Build Contract will also create a new growth area for George Kent’s Construction arm. The Group expects to expand this glove manufacturing facility construction business locally and internationally to cater for strong demand from existing and new glove manufacturing players wishing to expand their production capacity in the coming years.

Chairman's Statement

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

"I am delighted by the Group's good results for FY2021, including the two months ended 31 March 2021. Our Metering Business continues to perform beyond expectations in spite of the people movement controls implemented globally, demonstrating the robustness and growth of our business. We continue to take measures to ensure our Production personnel comply with the SOPs as the procedures are updated.

"We also continue to work closely with JKR 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 the Group's strategy to continue to develop the markets for our existing water meters which are already the market leaders globally. To complement our existing range of water meters by increasing the product portfolio, our R&D team is collaborating with partners and specialists to commercialise a range of other water meters, including Smart Meters. The enlarged portfolio will accelerate the expansion of our global market footprint.
- The contract to design and build Dynacare's glove manufacturing plant is an exciting opportunity for the Group. The contract will boost our construction order book significantly. The contract also marks our entry into the glove manufacturing facility construction space. Demand for such facilities remains strong.
- The Group's investment into Dynacare through a 40% equity stake will provide an important new stream of sustainable and recurring long-term income for our shareholders.
- The Group continues to develop new opportunities in the Regional railway space, leveraging on our established network with international rail specialists and expertise as a rail systems specialist in domestic railway projects."

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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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