

PRESS RELEASE

FOR IMMEDIATE RELEASE

GEORGE KENT 1ST QUARTER RESULTS REFLECT ROBUST BUSINESSES

PUCHONG, 24 AUGUST 2021 – George Kent (Malaysia) Berhad (“George Kent” or “the Group”) today announced the financial results for the 1st Quarter of its financial year ending 31 March 2022 (“FY2022”).

1st Quarter Financial Results (from April 2021 to June 2021):

- **Profit Before Tax of RM12.5 million (RM2.4 million), 421% higher than the three months ended 30 June 2020**
- **Profit After Tax of RM11.8 million (RM1.8 million), 556% higher than the three months ended 30 June 2020**

The Board had on 6 January 2021 approved the change in the Group’s financial year end from 31 January to 31 March. Although there is no regulatory requirement for comparison, nevertheless, the Group is providing a comparison with the corresponding three months of the preceding year for shareholders’ information.

The Group’s profit after tax for the quarter ended 30 June 2021, which was up by 556%, was attributable to strong sales of its water meters worldwide. The Group continued to receive water meter orders in spite of a slowdown in economic activities worldwide due to the COVID-19 pandemic. This demonstrates the strength and resilience 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 with strict compliance with government SOPs.

Water Meter Business

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

The Government had on 10 May 2021 announced that it will impose a nationwide lockdown until 7 June 2021. The order was extended to 28 June 2021. The Government has since announced on 15 August 2021 the lifting of restrictions for economic activities under the various phases of the National Recovery Plan with effect from 16 August 2021.

The Group’s production is now operating at 100% capacity.

Construction Business

The Group continued to adapt to prevailing SOPs in the quarter under review as it worked 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.

The Ampang LRT2 project is completed and is now awaiting the closing out and payment of the final account.

At an Extraordinary General Meeting held on 8 June 2021, the shareholders approved the design and build of a glove manufacturing plant (“Plant”) in Lumut Port Industrial Park, Perak, for a contract sum of approximately RM624.1 million. The Plant will be owned and operated by Dynacare Sdn Bhd (“Dynacare”), which is a 40% associate of the Group. The Plant is in an advanced stage of construction. Commercial production is expected to commence next month.

Chairman’s Statement

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

“I am delighted by the exponential increase in the PAT for the quarter ended 30 June 2021 of RM11.8 million, which is 556% higher than the corresponding three months of the preceding year. Our Metering Business continues to perform beyond expectations in spite of the people movement controls implemented globally, demonstrating the strength and robustness 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 is the market leader 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.”

-end-

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Your Trusted Engineering Partner

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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