



George Kent (Malaysia) Berhad (1945-X)

Sebuah Syarikat hakmilik dan pengurusan tempatan

MEDIA RELEASE

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GEORGE KENT delivers another strong quarter

- 3QFY10 PBT up 195% to RM8.0 million (3QFY09: RM2.7 million)
- Growth driven by higher water meter sales, increase in construction activities & better operating efficiencies
- Tender book of >RM1 billion to support future growth
- Strong net cash position of RM32.4 million

Puchong, December 15, 2009: George Kent (Malaysia) Berhad (“George Kent” or “The Group”), continues to deliver strong growth in its quarterly profits. The Group’s two core business divisions, Meters, Manufacturing and Industrial (“MMI”) and Infrastructure Investments, Water and Construction (“IWC”) contributed strongly to this growth.

For the third quarter ended October 31, 2009, net profit attributable to shareholders rose 348% year-on-year to RM6.1 million, from RM1.4 million in the same period a year earlier. Its profit margins also showed significant improvement, with operating profit margin expanding to 24% from 8% achieved in 3QFY09.

Group turnover in 3QFY10 rose to RM32.5 million from RM28.9 million in 3QFY09 as demand for MMI products increased during the quarter. For the nine months period of its financial year ending 31 January 2010, group revenue rose 5% to RM83.8 million from RM80.2 million whilst net profit attributable to shareholders enjoyed a more significant growth of 115% year-on-year to RM12.6 million, from RM5.9 million in the previous corresponding period.



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George Kent's Chairman Tan Sri Dato' Tan Kay Hock said the Group's stronger financial performance is attributed to the successful transformational initiatives introduced in 2007, which has resulted in better cost management, improved efficiencies as well as higher productivity within its core business operation.

"We are also encouraged by stronger OEM sales to overseas markets. Demand for our water meters continues to be robust in our traditional overseas markets, and we are proud to have added new markets such as Hong Kong, the Middle East, Puerto Rico and even Colombia in South America into our extensive market reach. In this respect, the Board of Directors has approved a RM50 million upgrading plan to increase the capacity of the Group's manufacturing facilities to cater for the growing demand. This is a positive step towards fulfilling our vision as one of the leading water meters manufacturer in the global marketplace."

George Kent's balance sheet continues to strengthen. With strong operating cash flows, total cash reserves rose to RM61.9 million as at October 31, 2009, as compared with RM27.5 million reported in January 31, 2009. As such, the Group's net cash position rose to RM32.4 million as at October 31, 2009 from RM5.8 million nine months earlier.

Leveraging on George Kent's expertise in M&E engineering, and growing civil and structural engineering capabilities, the Group is tapping into construction works under RMK 10 and MOH projects such as hospital upgrading and extension projects.

"Currently, we are pursuing more than RM1 billion worth of infrastructure projects in water and waste water related and healthcare industries. We are confident that some of these initiatives will translate into confirmed contracts and further boost the order book of our IWC division in the next financial year while the MMI division is expected to benefit from the global economic recovery as demand for its products grows."

In conclusion, Tan said "We are on track to deliver a year of strong growth in FY10, and will continue with efforts to expand our two core divisions to deliver sustainable longer term growth and generate improved returns for shareholders."

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ABOUT GEORGE KENT (MALAYSIA) BERHAD

George Kent (Malaysia) Berhad has two core divisions in Meters, Manufacturing and Industrial (“MMI”) and Infrastructure Investments, Water and Construction (“IWC”). It is the domestic market leader in the supply of water meters. Its Puchong hot brass stamping and water meter manufacturing plant is the largest in South-East Asia. Its history dates as far back as 1936 and the Group was listed on Bursa Malaysia Securities Berhad in 1974.

The GKM brand is a leading standard for water meters and brass fittings in Malaysia, and widely endorsed by water utility authorities and industrial users overseas, including the ASEAN region, and China, India, Papua New Guinea, Fiji, Sri Lanka, South Africa, Kenya, Australia and the United Kingdom.

The Group also possesses strong M&E engineering expertise in various industries, including water, building, power and process industries, with a strong track record in water supply infrastructure. The Group is also strengthening its capabilities in general civil and structural works.

In Papua New Guinea, George Kent has an associate company, PNG Water Ltd, which is the concessionaire to supply processed water to the capital city of Port Moresby. The Group’s subsidiary, George Kent (PNG) Ltd, provides Operations & Maintenance services for the water treatment plant.

Besides infrastructure services, George Kent also provides engineering products, including industrial process controls and instrumentation, SCADA and telemetry systems, building automation and security systems and thermal equipment. It is also a manufacturer and supplier of fibreglass reinforced polyester water tank system.

This press release is issued on behalf of George Kent (Malaysia) Berhad by NRA Access Sdn Bhd.