



George Kent (Malaysia) Berhad

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MEDIA RELEASE

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GEORGE KENT'S PRE-TAX PROFIT +20.3% TO RM11.0m FOR HALF-YEAR ENDED 31 JULY 2010

- **Growth mainly driven by strong delivery of water meters**
- **Increasing orderbook in two core divisions improves growth prospects**
- **Declares interim gross dividend of 2.0 sen per share**

Puchong, 27 September 2010: George Kent (Malaysia) Berhad ("George Kent" or "The Group"), an engineering group specialising in manufacturing of engineering products, engineering works and construction activities, has today announced its first half results for the financial year ("FY") ending 31 January 2011.

For the six months period, revenue increased by 39.0% to RM71.4 million from RM51.3 million in the previous corresponding period. Pre-tax profit has also increased by 20.3% to RM11.0 million from RM9.2 million in the previous corresponding period. Net profit attributable to shareholders rose 25.6% to RM8.2 million, compared with RM6.5 million previously, translating to earnings per share of 3.6 sen.

Commenting on the results, George Kent's Chairman Tan Sri Dato' Tan Kay Hock attributed the better performance to stronger sales growth in the manufacturing and meters division, as well as sustained contribution from infrastructure investments and construction activities.

The Group's balance sheet remained healthy with a net cash position. In view of the improved financial performance, George Kent's Board of Directors is rewarding shareholders by declaring an interim gross dividend of 2.0 sen per share less tax of 25% for FY11.

"The efforts put in to strengthen our presence in existing markets and to enter new markets continue to show encouraging results. We recorded strong delivery of water meters to states in East Malaysia, new markets such as Vietnam, as well as to Original Equipment Manufacturer markets in Hong Kong and countries in South America and the United Arab Emirates," he added.

To further fuel growth, George Kent is currently upgrading and expanding its manufacturing capacity to meet growing demand for its water meters and brass fitting products, as it expands its reach in Asia and the Middle East. Production capacity is expected to hit 1.3 million meters per annum upon completion of phase 1 of the expansion plan by year-end, from 1.0 million pieces previously.

On its Infrastructure Investments, Water and Construction division, George Kent with its consortium partners had recently secured two water infrastructure projects totalling RM447 million in value this year, of which the Group's portion is more than 50%. This is expected to underpin the division's growth going forward.

"Our emphasis is to further accelerate the growth momentum of our two core divisions. Capacity expansion in our manufacturing division is timely to meet increasing demand for our products, both in the domestic and overseas markets. We are also confident that our construction orderbook will continue to grow through successful tenders of water, waste water and healthcare related infrastructure projects worth several billion Ringgit in contract value."

"The Group prospects remain exciting, and we are confident George Kent is on the right path to expand its earnings in both core divisions."

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ABOUT GEORGE KENT (MALAYSIA) BERHAD

George Kent specialises in the manufacturing of engineering products, engineering works and construction activities. Its core businesses are;

- Manufacturing, Meters and Industrial Product
 - Manufacturing of water meters and components, brass and industrial products
- Infrastructure Investments, Water and Construction
 - Investment in water infrastructure assets, engineering works and construction

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, Hong Kong, Singapore, Papua New Guinea, Fiji, Sri Lanka, South Africa, Kenya, Australia United Kingdom and Colombia.

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 June 2010, it was awarded the RM317.6 million Package Semantan Intake Pumping Station and Related Works of the Pahang-Selangor Raw Water Transfer project. A month later, it secured the RM129.8 million 160-million-liters-per-day Water Treatment Plant project in Kuantan, Pahang.

Issued on behalf of George Kent (Malaysia) Berhad by NRA Access Sdn Bhd.