



George Kent (Malaysia) Berhad

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GEORGE KENT SEES BETTER PROSPECTS THIS YEAR

- **FY12 results affected by weak global economy**
- **Expects strong improvement in manufacturing division**
- **Higher contribution from infrastructure projects as construction works accelerate**

Puchong, 28 March 2012: George Kent (Malaysia) Berhad (“George Kent” or “The Group”), a leading engineering group specialising in manufacturing of engineering products, engineering works and construction activities, has today announced its results for the financial year ending 31 January 2012.

For the period under review:

- Revenue of RM152.3 million was 8% lower y-o-y (FY11: RM165.0 million);
- Pre-tax profit of RM26.2 million was 19% lower y-o-y (FY11: RM32.4 million);
- Profit attributable to owners of the parent of RM19.3 million was 22% lower y-o-y (FY11: RM24.8 million);
- Proposed final dividend of 3 sen per share less 25% tax (Including interim dividend, total dividend in FY12 is 5 sen per share less 25% tax)

George Kent's weaker FY12 results were mainly due to lower exports of OEM water meters brought about by global economic uncertainty and its current infrastructure projects at early construction stage.

George Kent's Chairman Tan Sri Dato' Tan Kay Hock commented, "We operated in a challenging environment in FY12, whereby we have to put in more effort to secure new contracts for our meters manufacturing division."

The strategy has enabled the Group to secure a strong order pipeline this year, whereby improvement is expected in all market segments of its meters manufacturing division, namely the domestic, OEM and non-OEM markets.

"We continue to enjoy steady growth in the local market, and OEM exports to markets such as Australia and South Africa have also risen. George Kent has been able to increase sales of non-OEM meters to Indo-China in FY12. The Group has been working on this market for the past few years and we are pleased to see meaningful results from our efforts," said Tan.

"With the upgrading of our manufacturing facility, we are now able to increase meters production capacity to 2 million water meters and meter housing per annum from 1.3 million units previously. The additional capacity will be geared towards higher demand from OEM and non-OEM markets," said Tan, adding that George Kent recently secured a sizable new OEM meters contract in Singapore with delivery starting in July 2012.

On George Kent's Infrastructure Investments, Water and Construction ("IWC") division, its Semantan Intake Pumping Station and 160-million-liters-per-day Water Treatment Plant projects in Kuantan, Pahang are expected to enter significant stage of construction in FY13.

On the IWC division, George Kent is currently tendering for high-valued infrastructure projects under the 10th Malaysia Plan and Economic Transformation Programme

"We remain optimistic on our success rate. We believe our M&E engineering capabilities and track record put us in a good place to secure some of these projects," said Tan.

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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 Products
 - Manufacturing of water meters and components, brass and industrial products.
- Infrastructure Investments, Water and Construction
 - Investments 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 the then Kuala Lumpur Stock Exchange 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, 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.

It was awarded the RM317.6 million Package Semantan Intake Pumping Station and Related Works of the Pahang-Selangor Raw Water Transfer project in June 2010. Subsequently, it also 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.