



George Kent (Malaysia) Berhad

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MEDIA RELEASE

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GEORGE KENT DELIVERED STERLING PERFORMANCE IN FY2014

- **Achieved Record High Group Revenue**
- **Achieved Record High Group Profits**
- **Significant Contribution From Construction**
- **Total dividend payout of RM15.772 million, Up By 44%**
- **Strong Platform To Sustain Growth In Core Divisions**
- **Strong Balance Sheet**

Puchong, 27 March 2014: George Kent (Malaysia) Berhad (“George Kent” or “The Group”), a leading engineering group specialising in manufacturing of engineering products, engineering works and construction activities, announced a strong set of results for its financial year ended 31 January 2014 (“FY2014”).

Highlights of FY2014 financial results are as follows:

- Revenue of RM506.3 million, up 83% (FY2013: RM276.8 million);
- Profit before tax of RM51.1 million, up 44% (FY2013: RM35.6 million);
- Profit attributable to shareholders of RM36.0 million, up 41% (FY2013: RM25.6 million);
- Earnings per share of 16.0 sen, up 42% (FY2013: 11.3 sen);

- Proposed final single tier dividend of 4.0 sen
(Total FY2014 single tier dividend of 5.5 sen and 2.0 sen less 25% tax; FY2013 dividend of 6.5 sen less 25% tax).

For the fourth quarter of FY2014, group revenue rose 118% to RM266.8 million compared to RM122.6 million achieved in the fourth quarter of FY2013. Correspondingly, profit before tax in the quarter rose 67% to RM24.4 million, and net profit attributable to shareholders increased 75% to RM18.3 million.

George Kent's Chairman Tan Sri Dato' Tan Kay Hock said, "The Group delivered a stellar performance in FY2014, boosted by growth in both our core divisions of Water and Construction ("IWC") and Manufacturing, Meters and Industrial Products ("MMI"). This marks another record year for George Kent, where our Group revenue and profits reached all time highs."

"Our profit before tax has grown at a compounded rate of 20% over the last 10 years. The sterling results are due to the successful execution of the strategies put in place by the Board," Tan added.

In line with the robust results, George Kent is proposing a final single tier dividend of 4.0 sen, bringing total dividends declared and proposed in FY2014 to RM15.772 million, which represents a 44% increase as compared to the previous year, and the highest payout ever for the Group. Our dividend payout has grown from RM2.317 million to RM15.772 million over the 5 years, a compounded growth of 46%. Dividend yield is 6.3% based on its current share price of RM1.20.

Construction is a significant driver for the Group's growth. The existing order book will keep the present Construction team busy for many years. The Group's high progress billings will provide good earnings growth visibility in its IWC division going forward. Meanwhile, George Kent is actively pursuing new construction projects to further expand its orderbook, with focus in the water and healthcare sectors, as well as rail, where there are potential opportunities to compete and secure contracts from new phases of the MRT and LRT lines.

"George Kent has successfully extended its core competencies to encompass both M&E engineering expertise and general civil and structural engineering capabilities. A team managing the LRT rail project was built comprising both foreign and local experts. We have also built a strong track record in undertaking infrastructure-related works in various industries. This will place us in a strong position to capitalize on the private initiatives within the Government's Economic Transformation Programme for us to pursue new contracts and projects in our IWC division," Tan said.

The Group's MMI division is also enjoying thriving sales. George Kent water meters and housings are now exported to 40 countries worldwide. Growth in the domestic market is steady, where George Kent is dominant in supplying water meters to most states. Overseas demand from its existing OEM and non-OEM markets remains buoyant. Notably, George Kent's meter sales to Public Utilities Board ("PUB") in Singapore has continued to grow with the recent orders secured. The Group has also successfully expanded into the Vietnam market, and expects meter sales to accelerate with its plans to extend its reach beyond Ho Chi Minh City.

Tan concluded, "The strong results underscore the capabilities of our people and the strengths of our products in driving growth. Our balance sheet is strong and we are in a net cash position. We will continue to focus on achieving manufacturing efficiencies and productivity. We will also intensify efforts to grow our order book. Overall, we remain confident that we have the ready platform to further pursue our growth strategy in both our IWC and MMI divisions, and to sustain this momentum going forward.

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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 and capabilities in general civil and structural works in various industries, including water, building, power and process industries, with a strong track record in water supply infrastructure.

In July 2012, George Kent was awarded the RM1.084 billion LRT Ampang Line Extension System Works by Syarikat Prasarana Negara Berhad. The contract entails the engineering,

procurement, construction, testing and commissioning of system works for the Ampang LRT Line to be extended by another 17.7km

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