

PRESS RELEASE
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GEORGE KENT 3RD QUARTER RESULTS STAY CREDIBLE

PUCHONG, 19 DECEMBER 2018 – George Kent (Malaysia) Berhad (“George Kent” or “the Group”) today announced yet another credible set of 3rd Quarter financial results for its financial year ending 31 January 2019 (“FY2019”) as follows:

3rd Quarter Financial Results (from August to October 2018):

- **Profit Before Tax of RM34.7 million**, from RM36.7 million in the previous corresponding quarter
- **Profit After Tax of RM20.6 million**, from RM28.7 million in the previous corresponding quarter

First Nine Months’ Financial Results (from February to October 2018):

- **Profit Before Tax of RM90.3 million**, vs RM94.8 million in the previous corresponding period
- **Profit After Tax of RM66.7 million**, vs RM72.5 million in the previous corresponding period

Profit after tax for the first nine months was 8% lower, which is commendable with only a nominal contribution from LRT3 as the project is being renegotiated. As announced on 5 November 2018, Prasarana Malaysia Berhad issued a Letter of Appointment dated 2 November 2018 to MRCB George Kent Sdn Bhd for the award of the LRT3 project at a fixed Contract Sum of RM11.856 billion. Negotiations are ongoing to finalise the terms of the new contract, while the project is being redesigned based on the revised specifications. Construction is anticipated to resume in the second half of 2019.

Resilient Water Meter Business

Water meter orders continue to be strong. The Group recently won the Public Utilities Board of Singapore’s (PUB) tender to deliver 110,000 meters over six months beginning February 2019. This is the 4th consecutive win by George Kent to supply water meters to PUB since 2012. The Group continues to export its meters to over 40 countries around the world, with demand outstripping supply.

Dividend

The Directors have declared a second interim dividend of 1.5 sen per share for FY2019 (FY2018: 2.0 sen per share), payable on 29 January 2019 to shareholders whose names appear in the Record of Depositors on 8 January 2019, being the Book Closure Date (“BCD”).

On the assumption that the Treasury Shares of 18,940,300 (which are not entitled to dividends) as announced to date remained the same as at BCD, the dividend payout on 544,328,765 shares will amount to approximately RM8.17 million (FY2018: RM11.27 million on 563,269,065 shares).

The Directors declared a first interim dividend of 2.0 sen per share (FY2018: 2.5 sen per share) on 26 September 2018, paid on 1 November 2018 amounting to RM11.11 million on 555,498,165 shares (FY2018: RM14.08 million on 563,269,065 shares).

Going Forward

The Group's focus continues to be on its long-stated Strategic Plan to broaden its income base. This will be achieved by allocating substantial resources to further expand the Metering business in the country and the region. The Group's automated meter reading solution is undergoing pilot testing in several states with commercialisation set for 2019. The Group is also participating in tenders under the non-revenue water initiative of the national water meter replacement programme. This should further catalyse sales of the Group's water meters in the country.

The Group's strong order book will provide earnings visibility over the next few years. The Group is also on the lookout for opportunities in the Regional railway space, leveraging on its expertise as rail systems specialist in domestic railway projects. The Group's established network with international rail specialists bolsters its standing for projects requiring international collaborations through joint ventures or other forms of strategic alliances.

Chairman's Statement

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

"The results for the quarter under review continue to be credible, taking into account the nominal contribution from LRT3 as the project is being renegotiated. Construction is expected to resume in the latter part of 2019.

Against this backdrop, the Group is staying sure and steadfast on implementing its Strategic Plan to broaden its income base. This entails substantial investment of resources, both human and financial, into growing its Metering and other water-related businesses and investments. The Group is also actively pursuing Regional railway opportunities, whilst being committed to delivering on our existing order book."

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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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