

PRESS RELEASE

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GEORGE KENT 1ST QUARTER RESULTS REFLECT ROBUST BUSINESSES

PUCHONG, 23 JUNE 2020 – George Kent (Malaysia) Berhad (“George Kent” or “the Group”) today announced the financial results for the 1st Quarter of its financial year ending 31 January 2021 (“FY2021”).

1st Quarter Financial Results (from February 2020 to April 2020):

- **Profit Before Tax of RM4.0 million**, from RM17.9 million in the previous corresponding quarter
- **Profit After Tax of RM3.7 million**, from RM13.5 million in the previous corresponding quarter

The Group’s profits were affected by the Movement Control Order (MCO), which was instituted on 18 March 2020. However, the Metering Business continued to be robust, with orders largely uninterrupted by the lockdowns implemented domestically and abroad.

Water Meter Business

The Group’s factory was fully closed during the MCO. Although orders for its water meters continued to come in, the Group was unable to meet demand due to the production shutdown. It only resumed operations with full workforce capacity and without limitation in operating time from 4 May 2020.

The Group is now increasing its manufacturing capacity to clear the backlog of orders, and cater for new orders from Contract extensions and new tenders from local and regional water authorities.

Construction Business

Construction activities ceased completely during the MCO. Work only recommenced early-June 2020 after the completion of the mandatory foreign worker health screenings for COVID-19. The Group intends to accelerate progress as it adapts to the Government’s Standard Operating Procedures (SOPs).

Chairman’s Statement

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

“Not unlike other local companies, the MCO has affected our performance in the quarter under review. However, I am delighted by the robustness of our Metering Business, which continued to register orders in spite of the lockdowns locally and abroad.

“In the medium term, our performance will continue to be affected by disruptions including supply-chain issues, government SOPs and social distancing requirements. The Group will take active steps to mitigate these disruptions. We have and will continue to drastically reduce costs as one of our major objectives.

“We continue to be cautiously optimistic of our prospects. This is premised on the following:

- It is our strategy to become a one-stop purveyor of water meters. We are actively expanding our product portfolio through partnerships with other manufacturers. The enlarged range will give us a stronger footing to penetrate more markets globally.
- Our long-term license agreement with Honeywell enhances our control over component supply and production costs. It also gives us the right to sell water meters to 15 new territories in Asia.
- Our proprietary Smart Metering technology is undergoing real-world tests through POCs and pilot projects with state water authorities. We are pursuing other such opportunities both in Malaysia and the region.
- We have a team dedicated to developing new opportunities in the Regional railway space, leveraging on our expertise as rail systems specialist in domestic railway projects. The Group’s established network with international rail specialists will assist us in tapping into Regional projects requiring international collaborations through joint ventures or strategic alliances.”

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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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MEDIA QUERY

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