

## **GEORGE KENT 2<sup>ND</sup> QUARTER RESULTS REFLECT ROBUST BUSINESSES**

**PUCHONG, 14 SEPTEMBER 2020** – George Kent (Malaysia) Berhad (“George Kent” or “the Group”) today announced the financial results for the 2<sup>nd</sup> Quarter of its financial year ending 31 January 2021 (“FY2021”).

### **2<sup>nd</sup> Quarter Financial Results (from May 2020 to July 2020):**

- **Profit Before Tax of RM11.6 million**, 190% higher than RM4.0 million in the preceding quarter
- **Profit After Tax of RM8.7 million**, 135% higher than RM3.7 million in the preceding quarter

The Group’s Q2FY2021 results improved in tandem with the gradual resumption of business activities, as Malaysia progressively relaxed its people movement controls.

The commendable results reflect the robustness of the Metering Business. In spite of the lockdowns implemented domestically since 18 March 2020 and in many countries abroad since early in the year, orders for the Group’s water meters were largely uninterrupted. The Group in Q2FY2021 took steps to gradually restore its manufacturing capacity to clear the backlog of orders, and cater for new orders from local and regional water authorities.

Likewise, construction activities ceased completely during the Movement Control Order (MCO) but were restarted mid-June 2020 after the completion of mandatory foreign worker health screenings. As expected, this cessation of activity has affected the Group’s performance, not unlike other construction companies.

### **Dividend**

To reward shareholders, the Directors have declared an interim dividend of 1.0 sen per share for FY2021 (FY2020: 1.5 sen per share), payable on 22 October 2020 to shareholders whose names appear in the Record of Depositors on 1 October 2020, being the Book Closure Date (“BCD”).

On the assumption that as announced to date, the Treasury Shares of 36,012,800 (which are not entitled to dividends), remained the same as at BCD, the dividend pay-out on 527,256,265 shares will amount to approximately RM5.27 million (FY2020: RM8.07 million on 538,211,685 shares).

The Group’s performance has shown a marked improvement over the preceding quarter. However, a year-on-year comparison shows that the Group’s Q2FY2021 profit after tax fell 20.9% from the previous corresponding quarter, although this is not a meaningful comparison given that Q2FY2020 was pre-COVID-19.

### **Water Meter Business**

The MCO, which took effect on 18 March 2020, caused the cessation of all non-essential activities in the country. The Group’s factory was fully closed during this period. However, orders for its water meters continued to be registered. The Group began to fulfil these orders when it resumed operations with full workforce capacity and without limitation in operating time from 4 May 2020.

Concerted efforts continue to be channelled to gradually restore the Group’s manufacturing capacity, in order to address the backlog of orders as well as cater for new orders from local and regional water authorities.

### **Construction Business**

Construction activities ceased completely during the MCO. Work on Hospital Tanjung Karang and Hospital Endokrin Putrajaya, having recommenced mid-June 2020 after the completion of mandatory foreign worker health screenings for COVID-19, is being accelerated with our increased adaptation to the SOPs.

The Public Works Department has in the quarter under review approved the Group's Extension of Time applications, in acknowledgement of the disruptions caused by the MCO.

### **Chairman's Statement**

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

"I am delighted by the marked improvement in the Group's results over Q1FY2021. This is commendable, given the partial resumption of business in the quarter under review.

"We continue to take out costs as one of our major objectives. We are optimistic of our prospects, given our ongoing operating and long-term plans:

- It is our strategy to become a one-stop purveyor of water meters. We are actively growing our product portfolio through partnerships with other manufacturers. The expanded range will accelerate our penetration into more markets around the world.
- 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 home-grown Smart Metering technology is undergoing real-world tests through POCs and pilot projects with state water authorities. We are pursuing other such opportunities, both locally and in the Region.
- We have a dedicated team that develops 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](http://www.georgekent.net).

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#### **MEDIA QUERY**

Jason Chiew

Tel: 03 7803 1299 / 1318 M: 017 980 4293 E-mail: [jason@imejjiwa.com](mailto:jason@imejjiwa.com)

