

## **PRESS RELEASE**

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# **GEORGE KENT REPORTS POSITIVE EARNINGS FOR Q3FY2022**

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### **Market & Financial Highlights:**

- **George Kent’s water metering business continues to report robust earnings, registers healthy profit margin from automation of processes and effective resource management.**
- **George Kent is making steady progress in its gloves venture, with 6 commercial lines expected to be up and running by first quarter of FY2023.**
- **Expansion of digital footprint is on track with plans on strengthening our workforce with the relevant expertise in digital technology to venture into new areas of growth opportunities in the digital space.**
- **Revenue for 9 months cumulative quarter at RM235.62 million.**
- **Profit Before Tax for 9 months cumulative quarter at RM21.17 million.**

**PUCHONG, 24 FEBRUARY 2022** – George Kent (Malaysia) Berhad (“George Kent” or “the Group”) yesterday announced the financial results for the third quarter of its financial year ending 31 March 2022 (“FY2022”).

### **3<sup>rd</sup> Quarter Financial Results (from October 2021 to December 2021):**

- **Revenue of RM94.66 million**
- **Profit Before Tax of RM6.49 million**
- **Profit After Tax of RM4.64 million**

The Group continues to show better performance in the quarter under review after normalizing its business operations with strict compliance to the Covid-19 protocols amid the ongoing risks posed by the progression of the Covid-19 pandemic. Profit after tax of RM4.64 million for the quarter ended 31 December 2021 was attributable mainly to the robustness of the Group’s Metering business. There is no comparative financial information for the same quarter last year as the Group changed its financial year end from 31 January to 31 March.

## **Water Meter Business**

The Metering Division recorded a revenue of RM38.31 million, a 45% increase from the immediate preceding quarter. The Division's order book for its water meters remains healthy, underpinned by sustained demand with several successful tenders secured both locally and internationally. George Kent's water metering production is now at 100% capacity. In spite of the rising cost of raw materials coupled with the shortage of workers and the global supply chain disruptions, the Group had managed to clear most of its backlogged orders and improve its profit margin as it embarked on more automation and outsourcing to be more cost efficient.

The Division will continue to broaden its customer base and develop new markets as well as increase its product portfolio. The Group has commenced the introduction of its new Class 'D' Volumetric water meter, which has a higher measuring accuracy, in both the domestic and regional markets.

## **Engineering Business**

Notably, the Group's construction work for Hospital Tanjung Karang and Hospital Endokrin Putrajaya projects is at its tail-end after many disruptions due to Covid-19. The Hospital Endokrin Putrajaya has been substantially completed and expected to be handed over by end-March 2022 while the Hospital Tanjung Karang will be completed for delivery in the next financial year.

The construction of the Dynacare glove manufacturing plant is progressing as planned with the first dipping line commencing commercial glove production on 27 November 2021 and another five dipping lines to be completed by middle of the year.

The Engineering Division is focusing its efforts to increase its construction order book locally and is seeking for opportunities overseas. In addition, the Division is exploring other business opportunities including acquisition of companies that are in the business of rail and water infrastructure projects. The Group is optimistic of its outlook for the Engineering Division in the coming years.

## **Glove Business**

On 27 November 2021, Dynacare (a 40%-owned subsidiary) began commercial glove production through its first high-capacity double-former dipping line. The Group expects to roll-out another 3 dipping lines by end of FY2022 with 6 dipping lines operational by the first quarter of FY2023. The installation and commissioning of the remaining lines will be carried out in stages in FY2023.

'ESGloves', Dynacare's flagship house-brand of nitrile gloves, has been launched in Malaysia and selected countries within the ASEAN region. The name 'ESGloves' symbolises George Kent's commitment towards producing gloves in the most ethical, responsible and environmentally sustainable manner.

## **Progress on Digital Technology**

The Group has resumed its Automated Meter Reading (AMR) and Advance Metering Infrastructure (AMI) POC (Proof of Concept) pilot projects with water authorities and private companies since the reopening of all business activities under Phase 4 of the National Recovery Plan (NRP). The Group is prepared to meet the requirements of these group of clients.

In December 2021, the Group has set up an investment arm providing the necessary funding and resources including financial, expertise, mentorship and market access opportunities for local and regional tech companies. The aim is to facilitate tech start-ups and smaller companies with financial support and the necessary leadership as well as market access to commercialize their businesses and upsize.

## **Chairman's Statement**

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

“The Group has recorded commendable results for the three months ended 31 December 2021 despite being on a rollercoaster ride for the whole of 2021 due to Covid-19. George Kent has been performing well over the months as demand for our water meters remains intact.

Global economies have entered 2022 held back by a supply chain crunch and the rapid spread of the Omicron coronavirus variant. With the growing concern over rising inflation caused by the snarled-up global supply chain which has pushed up input costs, the Board will continue to prioritise on building the Group's business resilience with a disciplined approach to capital management and pursue investment and growth opportunities that will deliver sustainable results.

Moving forward, the Group shall continue to develop its major business segments in line with the Group's sustainability policy focusing on automation of its processes. The Group has huge plans to automate more of its processes which has proven to increase better efficiency and greater consistency of product quality.

With the world moving towards digitalisation, George Kent's effort to become an investment arm bodes well to drive growth of the tech ecosystem in the country. The Group is also on track to expand its digital footprint and will look into strengthening its workforce with the relevant expertise in digital technology as part of its plan to venture into new areas of growth opportunities in the digital space. We are on the lookout for strategic acquisitions and have identified various opportunistic ventures for our consideration. Relevant announcements will be made when plans are more concrete.

Premised on these on-going strategies, the Board is optimistic that the Group will continue to generate positive returns.”

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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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