

PRESS RELEASE

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GEORGE KENT DEMONSTRATES RESILIENCE, REPORTING PROFITABILITY FOR THE 9 MONTHS ENDED 31 DECEMBER 2022 DESPITE Q3FY2023 FINANCIAL RESULTS

Market & Financial Highlights:

- George Kent reports revenue of RM204.82 million for the 9 months ended 31 December 2022.
- Achieves Profit Before Tax of RM16.68 million for 9 months ended 31 December 2022, despite incurring a pre-tax loss of RM2.95 million for the 3rd quarter of its financial year ending 31 March 2023.
- Water metering business continues to report healthy revenue of RM103.92 million with segmental profit amounting to RM26.32 million for the 9 months ended 31 December 2022.

PUCHONG, 21 FEBRUARY 2023 – George Kent (Malaysia) Berhad (“George Kent” or “the Group”) today announced its financial results for the third quarter of its financial year ending 31 March 2023 (“3QFY2023”).

3rd Quarter Financial Results (from October 2022 to December 2022):

- **Revenue of RM56.73 million recorded**
- **Loss Before Tax of RM2.95 million reported**

Our results for the quarter under review was affected by the challenging business environment amid inflationary pressures, supply chain delays, labour shortages and elevated oil prices coupled with a volatile ringgit.

George Kent registered revenue of RM56.73 million, due to the contributions from its water metering business and engineering division. At the operating level, our business divisions remain profitable. The Group’s Loss before Tax of RM2.95 million for the quarter under review was attributed mainly to foreign exchange losses and share of results of an associate.

Water Meter Business

For 3QFY2023, the Metering Division recorded revenue of RM30.04 million and segment profit of RM5.93 million, while for the 9 months ended 31 December 2022, it managed to post segment profit of RM26.32 million on the back of revenue amounting to RM103.92 million. Demand for George Kent's water meters remains healthy, underpinned by sustained demand with several successful tenders secured both locally and internationally. In spite of rising costs, the Division is able to stay profitable during the 9 months ended 31 December 2022, having in place an efficient cost management strategy and with the implementation of automated processes.

The Division has increased its order book and going forward, the Group is optimistic on maintaining the current momentum as it actively pursues plans to expand its water metering market in the region with new product offerings.

Engineering Business

The Engineering Division reported revenue and segment profit of RM26.69 million and RM1.93 million respectively for 3QFY23. For the 9 months ended 31 December 2022, the division performed creditably, generating revenue of RM100.91 million and segment profit of RM7.52 million.

George Kent's Engineering Division had participated in several major local infrastructure project tenders, and is re-doubling efforts to build up its construction order book locally and also seeking opportunities overseas. In addition, the Division is pursuing other business opportunities including acquisition of companies that are in the business of rail and water infrastructure projects. The Group is optimistic of the outlook for the Engineering Division in the coming years.

Chairman's Statement

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

"Despite the challenges of operating under a difficult economic environment, the Group continued to record commendable results for the cumulative nine months ended 31 December 2022. In particular, George Kent's water metering division continues to be its mainstay, supporting the Group with robust results.

Notwithstanding the loss incurred for 3QFY2023, we are confident of the Group's continued resilience and ability to navigate the challenges posed by the ongoing economic uncertainties, as well as our commitment to enhance shareholder value.

During the quarter, George Kent continued to invest in new initiatives and capabilities, with a focus on strengthening our position as a leading producer of water metering products and solutions as well as a specialist in rail transportation systems and track works.

We remain focused on executing our strategy and investing in areas that will enable us to continue to grow and deliver value to our shareholders. Our long-term growth prospects remain strong and we look forward to continuing to build on our success in the months and years ahead.”

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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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