

Headline	George Kent Q3 Net Profit Up 67.02%
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sunbiz@thesundaily.com

PETALING JAYA: George Kent (Malaysia) Bhd's net profit for the third quarter ended Oct 31, 2015 rose 67.02% to RM12.07 million from RM7.23 million a year ago due to a higher profit contribution from its metering division.

In a filing with Bursa Malaysia yesterday, the company said that its metering division posted a profit of RM6.52 million for the quarter, 30% higher than RM5 million achieved a year ago.

The company also attributed its results to spillover effects from the weakened ringgit, as the majority of its metering export sales are denominated in US dollars. The company posted a net gain on foreign exchange of RM11.72 million during the quarter, of which RM3.16 million is realised gain.

Meanwhile, its engineering division's profit was 4% lower at RM8.42 million compared with RM8.81 million a year ago.

Revenue for the quarter rose marginally to RM96.94 million from RM96.03 million a year ago due to higher revenue from the engineering division at RM73.97 million compared with RM73 million a year ago.

The metering division revenue of RM22.96 million for the quarter was slightly lower than RM23.03 million a year ago.

The company declared a second interim single-tier dividend of 1.5 sen per share amounting to RM4.506 million for the financial year ending Jan 31, 2016 (FY16), to be paid on Jan 26, 2016.

Including the first interim single-tier dividend of 2 sen per share paid on Nov 12, 2015, the total interim dividend paid/payable amount to RM10.51 million is 9% higher compared with the RM9.61 million paid in the same period last year.

For the nine months ended Oct 31, 2015, net profit rose 53.62% to RM30.41 million from RM19.80 million a year ago due to higher profit contribution from both divisions.

The metering division's profit was 24% higher at RM18.10 million compared with RM14.64 million a year ago mainly due to higher revenue and gross profit margin in the current quarter. Gross profit margin was higher mainly due to the effect of foreign exchange rate on export sales.

The engineering division also posted higher profits at RM27.86 million, 34% higher than RM20.86 million a year ago due to the higher revenue and gross profit margin. Gross profit margin was higher due to higher weightage on revenue from certain projects with relatively higher profit margin.

Revenue for the nine-months period rose 14.70% to RM270.62 million from RM235.93 million a year ago.

Revenue for the metering division was 4% higher at RM74.46 million compared with RM71.89 million a year ago while the engineering division revenue was 20% higher at RM196.16 million compared with RM164.05 million, due to steady progress in engineering projects.

The company, with an order book of RM5.5 billion, said it is optimistic of another good year for FY16. Although the Light Rail Transit Line 3 project is not expected to have any significant effect on its FY16 earnings, it is expected to contribute positively to its future earnings.