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George Kent posts record earnings

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George Kent earnings hit record

Engineering division main driver, company proposes 3.5 sen dividend

PETALING JAYA: In line with its transformation to a full-fledged engineering company that has resulted in a diversification of its revenue, George Kent (M) Bhd's net profit more than doubled to RM19.88mil in its fourth quarter (Q4) ended Jan 31, 2016, from RM8.29mil in the corresponding quarter last year.

The company, used to be known predominantly for its prowess in the water meter business, said in its statement that the significant increase in the group's revenue and earnings were mainly attributable to record contributions from its engineering business.

Four years ago, George Kent landed the systems work for the Ampang Light Rail Transit (LRT) extension project, a job that marked its first major foray into rail engineering works.

Following that, in September last year, George Kent landed the job as a Project Delivery Partner (PDP) for the construction and completion of the 36-kilometre LRT 3 from Bandar Utama to Joha Setia in Klang.

During the quarter in review, George Kent's revenue had also more than doubled to RM267.47mil from RM117.23mil in the previous corresponding quarter, while its earnings per share (EPS) increased to 6.6 sen from 2.8 sen previously.

The group had proposed a final single tier dividend of 3.5 sen per share which is subject to shareholders approval.

If approved, it would bring the total payout to seven sen per share for its financial year ended Jan 31, 2016 (FY2016).

The company said the total dividend for the FY2016 will be RM21.03mil, which will be 32% higher when compared to the total divi-



dend of RM15.92mil paid in 2015.

George Kent's shares gained five sen yesterday to close at RM1.80.

"This has indeed been an eventful year for George Kent.

"We achieved record results for the financial year as pre-tax profit is up by an impressive 76%, backed by a staggering top line growth of 52%," George Kent chairman Tan Sri Tan Kay Hock (*pic*) said.

Tan highlighted George Kent's appointment as a PDP in relation to the construction and completion of the LRT 3 as well as the winning of the US\$7.17mil (RM31.19mil)

water meter contract – the largest for the group to date – from the Water Supplies Department in Hong Kong as among the successes that would continue to drive the company's growth through FY2017.

"The board is optimistic of our prospects going forward as the securing of several projects awards such as the PDP for the LRT3 and the Hong Kong water meters tender will expand the group's earnings base and improve profitability," Tan explained.

For the financial year ended January 31, 2016 (FY2016), George Kent's net profit rose 79% to RM50.29mil from RM28.09mil in the preceding year, consequently raising its full-year EPS to 16.70 sen from 9.3 sen previously.

During the year in review, George Kent's revenue increased 52.4% to RM538.09mil from RM353.16mil in FY2015, driven by growth in the group's engineering and metering divisions.

George Kent noted that the engineering division was the main growth driver for its FY2016 results, as it contributed 80% of revenue, or about RM432.7mil.

Growth in the engineering division, it said, was mainly attributable to the work progress in the healthcare, water and rail construction projects.

The metering division, on the other hand, saw an increase in contributions amounting to RM105.4mil, which accounted for about 20% of the group's revenue for FY2016.

George Kent attributed the growth in its metering division to the contract it won from the Hong Kong's Water Supplies Department as well as the impact of stronger foreign currencies against the ringgit on its export sales.