

George Kent shares at record high

Group posts 100% increase in earnings to RM101mil for FY17

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PETALING JAYA: George Kent (M) Bhd saw its shares hit an all-time high of RM3.23 as the group reported record earnings for its financial year ended Jan 31, 2017 (FY17).

In a filing with Bursa Malaysia, the group reported a 100% year-on-year increase in net profit to RM101.41mil for FY17 from RM50.07mil the year before on the back of record contributions from the group's engineering and metering divisions.

The group's total revenue for the year rose 12% to RM598.97mil compared with RM536.2mil in FY16.

For the final quarter ended Jan 31 (Q4FY17), the group reported a higher net profit of RM42.15mil from RM19.66mil a year ago.

Its revenue for the quarter was RM189.14mil compared with RM265.58mil during 4QFY16.

In a statement, group chairman Tan Sri Tan Kay Hock commented on the all round improvement in its set of results.

"This sterling achievement is due to our ability to develop strong management teams in their respective business areas to successfully execute and deliver the many jobs in a professional and efficient manner. Going forward, we will build on these successes as we continue to strengthen our management team, processes and delivery of the projects," he said, adding that George Kent's current strong order book provided immense earnings visibility going forward.

According to George Kent, the engineering division contributed 79% of its topline to RM471mil and was the main growth driver for FY17. Meanwhile, the metering division also reported higher revenue of RM128mil to make up the remaining 21%. The group has declared a final dividend of five sen per share amounting to a total payout of RM18.78mil for the quarter. This brings the group's cumulative dividends to 10 sen for FY17 compared with seven sen a year ago.

In ringgit terms, the total dividend for FY17 will be RM37.56mil, or an increase of 79% from RM21.03mil in FY16.

In a separate announcement yesterday, George Kent has proposed to undertake a subdivision of every two existing shares into three George Kent shares, thereby increasing the number of shares in issue from 375.51 million to 563.27 million.

The lower adjusted ex-price of George Kent shares would make the shares more affordable and improve the liquidity of shares traded on the Main Board of Bursa, the group pointed out.

George Kent's shares rose six sen to close at RM3.23 yesterday. To date, the counter has gained 6.25%.