

Headline	George Kent aims to boost order book by RM3b
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George Kent aims to boost order book by RM3b

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PETALING JAYA: George Kent (Malaysia) Bhd aims to grow its order book by between RM2 billion and RM3 billion in the financial year ending Jan 31, 2016 (FY16).

George Kent (fundamental: 1.4; valuation: 1.4) chairman Tan Sri Tan Kay Hock said the group's order book currently stands at slightly over RM1 billion, which could last the company for two years from now.

"This year, our target is to add another RM2 billion or RM3 billion, from our tender book of about RM10 billion," he told reporters after the company's annual general meeting yesterday.

Tan explained that George Kent is bidding for water and healthcare infrastructure projects, and also railway jobs. He added that the group is bidding for some of the packages for the Mass Rapid Transit 2 (MRT2) project.

On reports that the joint venture between Malaysian Resources Corp Bhd (MRCB) and George Kent has been shortlisted as the project delivery partner (PDP) for the Light Rail Transit 3 (LRT3) project, Tan said Syarikat Prasarana Negara Bhd is still evaluating the submitted proposals.

"Seven parties submitted their proposals to Prasarana about three to four weeks ago, which was the final submission for the request for proposal (RFP). This is where we are now," said Tan.

Meanwhile, on its RM1.1 billion Ampang LRT line systems installation, Tan said there will be some delay in the completion of the project, which was initially slated to be completed in March next year. Consequently, there might be extra costs incurred due to the delay.

"There will be some delay, but we will try to catch up. It could be



Tan says the outlook for George Kent's performance this year is 'excellent'. Photo by Sam Fong

delayed by a year. This is mainly due to issues that are beyond the control of Prasarana," Tan explained.

The group has completed about RM500 million worth of works out of a total contract value of RM1.1 billion.

Looking ahead, Tan said the outlook for George Kent's performance this year is "excellent", supported by better performance in both its metering and engineering divisions.

The group aims to do better in FY16 and expects to maintain the positive momentum of its performance for the first quarter ended April 30, 2015 (1QFY16).

For 1QFY16, the group reported a net profit of RM9.87 million, a 52% jump from RM6.47 million in 1QFY15, although revenue dipped 9% to RM59.03 million from RM64.9 million on higher bottom lines at its water meter and construction divisions amid lower costs.

George Kent's share price gained three sen or 2.4% to close at RM1.28 yesterday, with a market capitalisation of RM375.51 million.