

George Kent Q3 earnings double

Company says it is on track for another record year

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PETALING JAYA: George Kent (M) Bhd continues to see strong growth, with net profit doubling on higher revenue and contributions from the company's engineering and metering divisions.

The engineering specialist - with core businesses in infrastructure projects and the water industry - reported a net profit of RM23.7mil for the three months to October 2016, compared with RM12.1mil in the corresponding period last year.

During the quarter, George Kent saw revenue grow 26% to RM122.1mil from RM96.9mil in the previous corresponding period.

The company's earnings per share (EPS) rose to 6.3 sen from 3.2 sen previously.

George Kent proposed a second interim dividend of two sen per share.

According to George Kent chairman Tan Sri Tan Kay Hock, the company was confident that the financial year ending Jan 31, 2017, would see another record performance given its encouraging results thus far.

"The group has announced yet another record quarter with pre-tax profit of RM29.6mil on the back of a record third-quarter revenue of RM122.1mil.

"The cumulative nine months results was another record with pre-tax profit of RM76.2mil on the back of a record revenue of RM409.8mil," Tan said in a statement.

"The directors are optimistic that in view of the results for the nine months that we are on track for another record year," he added.

For the quarter in review, George Kent's pretax profit of RM29.6mil was 77% higher than the RM16.71mil recorded in the previous corresponding quarter, while its pretax profit for the nine months to October 2016 stood at RM76.2mil, which represented an increase of 78% from RM42.9mil in the previous corresponding period.

In its filings, George Kent said the group's higher pretax profit was in line with the higher revenue and profits contributed by both its engineering and metering divisions.

For the cumulative period in review, George Kent's net profit almost doubled to RM59.3mil, compared with RM30.4mil for the nine months to October 2015, and its EPS rose to 15.8 sen from 8.1 sen previously.

The group's nine-month revenue grew 51% to RM409.8mil from RM270.6mil previously.

Meanwhile, in a separate statement, George Kent said the company and its joint-venture partner China Communications Construction Co Ltd had signed the Articles of Agreement with Mass Rapid Transit Corp Sdn Bhd and MMC Gamuda KVMRT (PDP SSP) Sdn Bhd in relation to the System Works Package.

The contract, worth about RM1.01bil, would entail the engineering, procurement, construction, testing and commissioning of trackworks, maintenance vehicles and works trains for the Mass Rapid Transit Sungai Buloh-Serdang-Putrajaya Line.

The company's current order book stood at RM5.9bil. George Kent's shares closed four sen lower at RM2.80 yesterday.