

Kerjaya Prospek revenue, net profit lifted by higher progress billings

Gloria Harry Beatty

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Kerjaya Prospek CEO and executive director Tee Eng Tiong.

KUALA LUMPUR: Kerjaya Prospek Group Bhd recorded a net profit increase of 10.65% to RM 31.57 million for the second quarter ended June 30, 2023 (Q2'23) compared with RM28.54 million in its corresponding quarter in the previous year, due to higher progress billings underpinned by improved construction works.

Revenue rose 11.69% to RM309.28 million compared with RM276.92 million in the same quarter last year.

For its six-month period, net profit increased 6.25% to RM60.98 million from RM57.40 million. Revenue jumped 5.02% to RM606.52 million from RM 577.51 million, mainly due to the higher progress billings as a result of the improvement in progress of construction works activities.

For the same period, the group's construction segment continues to be the main revenue contributor at 99.8% and the trend is expected to continue in the future.

It declared a second interim single-tier dividend of 2 sen per share in respect of the financial year ending Dec 31, 2023, payable on Oct 6, 2023. This brings the total dividend declared to date for the current financial year to 4 sen per share.

CEO and executive director Tee Eng Tiong said that following the full resumption of construction site activities and the increased in workforce given the inflow of foreign workers, the group's financial performance is slowly returning back to pre-pandemic level with continuous revenue recognition from its construction segment.

He added that year to date, the group has secured a total of RM983.8 million worth of contracts, which included a RM404.4 million contract from BCM Holdings Sdn Bhd for construction works in relation to a proposed residential development project in Kuala Lumpur.

"We are now very close to achieving our target win of RM1.2 billion worth of contract for this financial year and will continue our effort to reach our goal. We are also gradually expanding towards infrastructure projects with our two recent contracts received from Eastern & Oriental Express Sdn Bhd and Persada Mentari Sdn Bhd with accumulative contract sum of RM46.0 million.

"These contract wins essentially showcase the industry's confidence in Kerjaya's execution strength, expertise and track record. With this, the group's outstanding order book stood at RM4.5 billion as of June 30, 2023," he said.

He added that with the conclusion of the recent state elections, the group is positive that Malaysia will achieve political stability and attract more foreign direct investments (FDI).

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"The increase in FDI may therefore, translate into more construction job opportunities for Kerjaya Prospek in the near future," he remarked.

Kerjaya Prospek will launch its new development project, Yakinland Development in the second half of 2023.

As at June 30, 2023, the group's balance sheet remained healthy with a net cash of RM203.7 million and a current ratio of four times.