

Kerjaya Prospek Group reports higher net profit of RM29.4m in 1QFY2023; declares two sen dividend



KUALA LUMPUR (May 23): Kerjaya Prospek Group Bhd reported RM29.41 million net profit for the first quarter ended March 31, 2023 (1QFY2023), a slight increase from RM28.86 million a year earlier.

The rise in net profit was due to higher interest income of RM1.71 million during the quarter under review compared with RM872,000 in the prior year.

This was despite revenue decreasing by 1.11% to RM297.25 million from RM300.59 million, mainly due to the progress of construction work activities, as well as absence of the property development contribution.

The group has proposed to declare an interim dividend of two sen per share, to be payable on July 6.

"On [the] property development segment, the group plans to make an official launch for The Vue @ Montere project [in Shah Alam] in the second half of 2023. As of the date of this report, the property development segment has yet to contribute to the group's results," said the property developer in a bourse filing on Tuesday (May 23).

In a statement, Kerjaya Prospek CEO Tee Eng Tiong said the group managed to secure construction jobs despite the hike in raw material costs and the high interest rate business environment.

He noted that the group recently secured two new contracts from BBCC Development Sdn Bhd and Tanjung Pinang Development Sdn Bhd, bringing the year-to-date contract wins to RM533.4 million.

"With a strong outstanding order book of RM4.5 billion (as at March 31, 2023), we believe it will provide us with financial visibility over the next three years while we tender for more construction contracts to further enhance our profitability.

"Barring any unforeseen circumstances, we expect 2023 to be a better year compared to 2022 with the full resumption of construction activities. The shortage of foreign labour workforce is expected to be resolved by the third quarter of this year," he elaborated.

In addition, he said that Kerjaya Prospek will be launching a new development project, Yakin Land Development, by the end of this year.

As at end-March, Kerjaya Prospek's balance sheet remained strong with a net cash of RM260.2 million

Shares of Kerjaya Prospek slipped one sen or 0.89% to close at RM1.11 on Tuesday, giving it a market value of RM1.41 billion.