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Worst is over for Kerjaya Prospek with ease of lockdown restrictions, says chairman

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KUALA LUMPUR (Aug 26): The worst is over for Kerjaya Prospek Group Bhd, which achieved a 59% net profit growth, as the government loosens restrictions for the construction sector, according to its non-executive chairman Datuk Tee Eng Ho.

Against the backdrop of a recovery in construction activities going forward, Tee expects growth momentum to pick up in the fourth quarter of this year (4Q21).

Tee said the group is tendering for some RM1.5 billion jobs, mainly for high-rise projects.

Speaking at a virtual press and analyst briefing, Tee said Kerjaya Prospek is targeting to have more than 80% of its workforce completing their two doses of vaccination by September this year, in a bid to enable the group to resume full operations,

To date, Tee shared that more than 60% of its workers had completed their two-dose vaccination, therefore the group is able to operate with 80% capacity.

He also indicated that more than 90% of its workers had at least received one vaccine dose.

The construction outfit saw its net profit jump 59% to RM16 million for the second quarter ended June 30, 2021 (2QFY21) from RM10.06 million a year ago. Revenue increased by 48.2% to RM189.89 million from RM128.1 million a year before.

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Tee attributed the better financial performance to lesser impact on the progress of construction projects from the implementation of the full movement control

order (FMCO) in June this year, compared to the first movement control order (MCO 1.0) introduced in March last year.

In contrast, the group's net profit fell on a quarterly basis as construction projects were halted for four weeks to comply with the implementation of the FMCO. Net profit dropped 39.35% quarter-on-quarter (q-o-q) from RM26.39 million, while revenue shrank 29.32% compared with RM268.67 million previously.

For the cumulative six-month period (1HFY21), net profit grew by 30.87% to RM42.39 million from RM32.39 million a year, while revenue expanded 34.9% to RM458.56 million from RM339.94 million.

The group also declared an interim dividend of 1.5 sen per share, payable on Oct 8, 2021.

Moving forward, Kerjaya Prospek sees pent-up demand for properties and expects more new development projects to be launched in the next few years.

The group also said there are opportunities in infrastructure contracts from the Seri Tanjung Pinang Phase 2 (STP2) project in Penang due to RM2 billion worth of projects targeted to be completed in the next five to seven years.

Kerjaya Prospek closed two sen or 1.64% higher at RM1.24 today, bringing it a market capitalisation of RM1.53 billion.