

Construction Projects

Kerjaya Prospek's 2Q earnings leap 59% on building section, 1.5 sen dividend declared

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KUALA LUMPUR (August 26): The net profit of Kerjaya Prospek Group Bhd for the second quarter ended June 30, 2021 (2nd quarter of fiscal year 21) increased by 59.04% to 16 million construction segment.

Earnings per share (EPS) rose to Sen 1.29 compared to Sen 0.82 in the previous year.

Quarterly sales rose 48.23% year-on-year to RM 189.89 million from RM 128.1 million previously as the group completed its construction projects, with the exception of the Full Movement Control (FMCO) contract, from June 1st to June 28th Fully resumed in 2021.

Kerjaya Prospek has also approved an interim dividend of Sen 1.5 per common share for the fiscal year ended December 31, 2021 (FY21). The cut-off date and the payment date for the dividend fall on September 20, 2021 and October 8, 2021, respectively.

The construction company said the FMCO had minimal impact on the group's performance for the quarter, as per its filing with Bursa Malaysia.

"The construction segment achieved total sales of 503.95 million in the current financial year.

"For the real estate development segment, the Vista Residences project in Genting Permai was completed in 2019 and there were no projects in development for [the] Financial quarter at a glance. As a result, the real estate development segment made only a minimal contribution to the group's earnings," said Kerjaya Prospek.

For the quarter under review, the group stated that the main source of income for the investment segment was interest income.

"The investment segment showed a segment profit of RM3.81 million for the current financial period compared to the corresponding financial period of RM710,000. The increase of RM 3.1 million compared to the corresponding previous fiscal year was mainly due to a gain from the sale of foreign listed shares of RM 1.16 million and a write-up of RM 2 million, "it said .

On a quarterly basis, net profit fell by 39.35% from RM 26.39 million to RM 16 million, while sales in Q1 21 fell by 29.32% from RM 268.67 million to RM 189.89 million sank.

In the six months ended June 30, 2021 (6MFY21), net profit increased by 30.87% from 32.39 million RM to 42.39 million RM. Meanwhile, the half-year turnover rose by 34.9% to 458.56 million RM, compared to 339.94 million RM in the previous year.

Speaking of the prospect, Kerjaya Prospek said it will continue to timely monitor and implement appropriate business strategies to manage the risk of the Covid-19 pandemic to the group's operations and financial performance.

Nonetheless, the group relies on an open backlog of RM 3.3 billion for construction contracts as of June 30, 2021.

"In the future, the group wants to concentrate on the construction segment in order to be the main source of sales for the group. Regardless of the Group's goal of expanding its core business in the construction sector, it will continue to maintain the manufacturing segment to complement its core business. In the real estate development area, the group plans to start two new development projects in the second half of 2021 (2H21), "he added.

Kerjaya Prospek's shares were down one sen, or 0.82%, at RM1.21 at the time of writing, giving the company a market cap of RM1.5 billion. The stock had gained 15% year-to-date (YTD) year-to-date.