



Kerjaya Prospek banks on construction segment

PETALING JAYA: Kerjaya Prospek Group Bhd expects the construction segment to be its main revenue driver, going forward.

For the first quarter ended March 31, 2023 (1Q23), the group's revenue declined by 1.1% year-on-year (y-o-y) to RM297.25mil from RM300.59mil in 1Q22, mainly due to the progress of construction work activities.

Net profits saw an increase of 1.9% y-o-y to RM29.41mil in 1Q23 from RM28.86mil in 1Q22 or an earnings per share of 2.33 sen.

In a statement, Kerjaya Prospek said the construction segment contributed 99.6% of 1Q23 revenue and this trend is expected to continue in the future.

Chief executive officer and executive director Tee Eng Tiong said the group man-

aged to secure construction jobs despite the hike in raw material costs and high interest-rate environment in 1Q23.

"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 RM533.4mil.

"With a strong outstanding order book of RM4.5bil (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," he said in a statement.

Tee expects 2023 to be a better year as compared with last year, as construction

activities are fully resumed.

The group's shortage of foreign labour workforce will likely be resolved by 3Q23.

Kerjaya Prospek will be launching its new development project, Yakin Land Development, by year-end.

In a filing with Bursa Malaysia, the group said it intends to maintain its manufacturing segment to complement its core business.

Kerjaya Prospek also cautioned against headwinds like the volatility of the ringgit, shortage of skilled manpower and rising labour costs to its operations.

As at March 31, 2023, the group's balance sheet has a net cash of RM260.2mil and a current ratio of 3.7 times.