

KUALA LUMPUR: KNM Group Bhd's third quarter net profit surged 115% to RM61 million boosted by the sharp increase in projects secured, with bulk of the earnings from local operations, and the company expects the financial results for this year to exceed that of 2006.

Announcing the impressive set of results yesterday, KNM said revenue rose 53.4% to RM386.3 million for the third quarter ended Sept 30, 2007. Earnings per share rose to 5.89 sen from 2.78 sen.

KNM said the higher revenue was due to additional manufacturing capacity and contracts secured. Higher net profits were due to higher revenue recognised for this period.

For the nine months, revenue rose 38% to RM911.35 million from RM660.97 million a year ago, while net profit increased 26.9% to RM136.39 million from RM107.48 million.

Of the RM911.35 million in revenue, Malaysian operations accounted for RM482.97 million and overseas RM428.37 million. Of the operating profit of RM157.73 million, Malaysia accounted for RM97.76 million and overseas RM59.97 million.

"The board is confident that the group's results for the financial year ending Dec 31, 2007 will exceed the financial performance of the group for financial year ended Dec 31, 2006," it said.

The company had total borrowings of RM241.76 million of which short-term loans are RM194.71 million and the rest long-term.

**by Sharon Tan**