

Record quarterly profit for AKN MTECH

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AKN Messaging Technologies Bhd (AKN MTECH) has reported a record quarterly net profit of RM4.8mil in its third quarter (Q3) ended March 31.

This net profit, which works out to earnings per share (EPS) of 2.9 sen, is an increase of 26% over Q3 last year.

It is also an improvement of 37% over the preceding quarter this year. At the same time, the company announced a special tax-exempt interim dividend of 1 sen a share, after an earlier interim of 1 sen paid earlier.

The latest Q3 brings AKN MTECH back on its path of high growth after two earlier quarters of flattish earnings.

Fund managers believe AKN MTECH to be a growth stock. The company reported a net profit of RM14.5mil last year, a growth of 154% over the previous year.

The flat earnings of the first half had, however, led to a sell-down of the stock. The pause in the group's earnings momentum is understood to be due to its expansion into overseas markets, which led to start-up losses.

The company said the improved Q3 results were due to its' persistent and aggressive domestic operations and maturing regional expansion.

Its pre-tax profit from domestic operations improved by 11.6%. There are lower losses from overseas operations that are expected to turn around by the fourth quarter.

Hong Kong and Indonesia are already profitable, the company said.

The group also has operations in Thailand, China, Singapore and Pakistan.