



## *Kenanga raises Kelington target price to 68 sen*

**KENANGA** Research said Kelington Group Bhd's financial year 2013 results were below expectation as its net profit contracted 73 per cent to RM1.6 million, well below its RM2.2 million estimate.

Nevertheless, Kenanga noted that financial year 2014 could be a turnaround story supported by a strong order book.

"While we are cognisant of the slower job recognition and attainment, as well as the razor thin margins in financial year 2013, we believe that the current outstanding order book of RM201 million as well as the favourable tech upcycle could turn around the group's fortune," said the research house.

Looking at the year-to-date order book of RM201 million as of end-February 2014, this is already three times higher than the previous order book of RM63.7 million during the first quarter of financial year 2013.

"The 25 per cent portion of recurring contracts was mainly awarded by the world's two largest semiconductor manufacturers that engaged Kelington as turnkey subcontractor for facility management," said Kenanga.

It maintains the stock as "trading buy" with a higher target price of 68 sen.