



# IJM Corp 3Q net profit drops 46% due to absence of one-off gain

By Ahmad Naqib Idris | February 23, 2017 7:27 PM MYT

KUALA LUMPUR (Feb 23): IJM Corp Bhd's net profit dropped 46% to RM138.36 million or 3.84 sen per share for the third quarter ended Dec 31, 2016 (3QFY2017), from RM256.1 million or 7.17 sen per share a year earlier.

Revenue rose 11% to RM1.6 billion, from RM1.44 billion in 3QFY2015.

In a stock exchange filing, IJM attributed the decline in profit to the absence of a one-off gain of RM133.3 million from the disposal of a 70% equity interest in Swarna Tollway Private Ltd, which was included in its results last year.

However, the lower performance was also due to lower contributions from the plantation and port concession divisions.

Meanwhile, the higher revenue for the quarter was due to better revenue contribution by its construction, property development, manufacturing & quarrying and plantation divisions.

For the cumulative nine-month period, IJM said net profit sank 44% to RM417.77 million from RM749.35 million for the similar period a year earlier, due to the recognition of the gain on disposal of its stake in Swarna and its 74% stake in Jaipur Mahua Tollway Private Ltd for RM168.7 million.

Going forward, IJM managing director and CEO Datuk Soam Heng Choon said the group's construction and industry segment is expected to perform satisfactorily, supported by its high orderbook.

"The group's prospects under the construction and industry divisions are supported by strong current outstanding order book levels and will continue to benefit from the ongoing infrastructure spending identified by the 11th Malaysia Plan.

"The group is well-positioned to expand the capacity of its concessions assets while its existing portfolio provides stable and predictable cash flow streams.

"The group also has a fast maturing plantation land bank profile to provide FFB production growth in the next few years.

"Despite the challenging property market outlook, the Group's Property division expects to sustain its performance on the back of unbilled sales in excess of RM1.7 billion," said Soam.

In a separate filing, IJM Corp said it had accepted the letter of award from MFBBCC Retail Mall Sdn Bhd for the design and build for retail mall substructure and superstructure works, as well as landscaping works for the first phase of Bukit Bintang City Centre Development.

It said the contract is worth RM1.16 billion, for a construction period of 40 months.

IJM's share price gained three sen or 0.88% to close at RM3.42, giving it a market capitalisation of RM12.3 billion. — [theedgemarkets.com](http://theedgemarkets.com)