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IJM posts higher net profit at RM793.6mil

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PETALING JAYA: IJM Corp Bhd saw a 65% increase in net profit to RM793.6mil for the financial-year ended March 31, although revenue fell 5.9% to RM5.13bil for the period.

The infrastructure-property company said the higher earnings were mainly due to one-off gains from the disposal of equity interests in subsidiaries, and fair value gains on remeasurements of its equity interests in Jaipur-Mahua Tollway Pte Ltd and Swarna Tollway Pte Ltd totalling RM301.9mil in the current year.

The lower revenue, it said, was mainly due to lower contribution from the property development and plantation divisions.

For its fourth quarter, however, the group posted a 54.9% fall in earnings to RM44.24mil due to lower contributions from its construction, property development as well as manufacturing and quarrying divisions.

Earnings for the quarter, it said, were further dampened by net unrealised foreign-exchange losses of RM65.4mil compared with RM1.1mil a year ago.

Revenue was also down 19.1% to RM1.17bil from a year ago, due to lower contribution from its property development, manufacturing and quarrying, and plantation and infrastructure divisions.

Moving forward, the group expected its construction division to perform satisfactorily on its strong order book position, underpinned by strong private-sector demand in the domestic market, ongoing development activities from inhouse property projects, as well as the Government's emphasis on infrastructure spending.

"The property market is expected to remain challenging, as weak consumer sentiment persists due to the weaker economic prospects, volatility of the ringgit, stringent mortgage approval policy and incoming supply of completed properties.

"Nonetheless, with unbilled sales of about RM1.7bil, the group's property division is expected to sustain its performance in the coming financial year," it said in its filing with Bursa Malaysia yesterday.

It added that the industry division was expected to benefit from its sizeable construction order book as well as an expected increase in infrastructure spending under the Economic Transformation Programme.

"Increasing volatility in the global capital markets and the resultant uncertainties due to foreign-exchange fluctuations may continue to impact the group's results," it said.

The group also declared a special dividend of three sen per share in addition to a single-tier second interim dividend of four sen per share.

It said the special dividend was declared following the one-off gains of RM301.9mil from the sale of its stake in the two Indian tollway assets.

Combined with a single-tier first interim dividend of three sen declared in November 2015, total dividends declared for the financial year amount to 10 sen per share.

"The special dividend was a means for our shareholders to directly participate in the