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IJM Corp targets RM10b order book by end-FY18

BY WONG EE LIN

KUALA LUMPUR: IJM Corp Bhd is hopeful of achieving a new all-time-high total order book of RM10 billion by the end of the financial year ending March 31, 2018 (FY18).

Currently, the group's order book stands at RM9.3 billion.

"We hope we are able to surpass our previous year's order book replenishment; we are targeting anything from RM2.5 billion to RM3 billion [for FY18].

"In FY18, we have already secured RM2.7 billion worth of work," the chief executive officer and managing director of IJM Corp, Datuk Soam Heng Choon, told the media after the corporate briefing at the Invest Malaysia 2018 conference yesterday.

According to Soam, the order book is well distributed with about 30% in

civil works, 30% in road jobs and another 30% in building works.

For FY18, IJM Corp has secured a few sizeable building jobs, namely the HSBC Bank Malaysia Bhd office block in Tun Razak Exchange, UOB Tower 2 and Uptown 8 Corporate Office Tower and Bukit Bintang City Centre shopping mall.

Commenting on prospects for the construction industry, Soam said the outlook remains robust.

"HSR (High-Speed Rail), ECRL (East Coast Rail Link), Pan Borneo Sabah balance, still yet to be dished out ... [this means there are] still a lot of rail works. The only concern is the [lack of] human resources. These are very visible growth drivers, especially with the rail works already on the table," he added.

Besides infrastructure works to drive the growth, Soam pointed out

that the property sector is another driver as some developers would be outsourcing construction works. However, he stressed that IJM Corp is very selective in doing private jobs.

On the property development division, IJM Corp has a sales target of RM1.6 billion for FY18. The group achieved about RM1.2 billion in the first three quarters of this financial year, while its unbilled sales stood at about RM1.9 billion as of Sept 30, 2017.

While the property market is seen to be facing headwinds, Soam noted that the market is "returning" as he explained that there is still good demand for property located in good locations with the right pricing.

"This story about [an] 'overhang' in the market — is if your properties are overpriced or in the wrong location, then you will have this problem," he added.