

IGB 2Q net profit falls 17.1% to RM55.35m, pays five sen dividend

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KUALA LUMPUR: IGB Corp Bhd saw its net profit for the second quarter ended June 30, 2015 (2QFY15) fall 17.1% to RM55.35 million or 4.06 sen a share from RM66.76 million or 4.97 sen a share last year, dragged down by lower contributions from its property development and hotel divisions.

The recognition of an employees' benefit expense of about RM11 million arising from the granting of share options to eligible employees under an executives share option scheme also eroded its earnings, the group said in a filing with Bursa Malaysia yesterday. Revenue for 2QFY15 also declined 6.5% to RM271.91 million from RM290.84 million a year ago.

Despite lower earnings, IGB

declared an interim dividend of five sen per share for the financial year ending Dec 31, 2015 (FY15), amounting to RM66.75 million. The dividend is payable on Sept 18.

For the six months period ended June (1H FY15), IGB's net profit fell 4.3% to RM120.5 million or 8.83 sen per share from RM125.97 million or 9.37 sen per share due to the same reason. However, revenue for 1H FY15 was 3.64% higher at RM606.19 million compared with RM584.91 million in 1H FY14.

IGB expects FY15 to be a challenging year. "However, barring unforeseen circumstances, the board is cautiously optimistic that the performance for FY15 will be satisfactory," it added.

Shares in IGB closed down one sen or 0.38% at RM2.60 yesterday, for a market capitalisation of RM3.47 billion.