

IWCity posts small profit in 2Q

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KUALA LUMPUR (Aug 24): After posting six consecutive quarters of losses, Iskandar Waterfront City Bhd (IWCity) returned to the black in its second quarter ended June 30, 2017 (2QFY17) thanks to its property development segment, despite a more than 40% drop in revenue.

IWCity registered a net profit of RM147,000 for 2QFY17, compared with a net loss of RM3.82 million in the corresponding quarter last year, while its quarterly revenue fell 41.6% year-on-year from RM21.41 million to RM12.51 million.

However, for the first six-month financial period ended June 30 (1HFY17), IWCity's revenue slid 11% to RM26.16 million from RM29.41 million. Its net loss widened substantially to RM56.31 million from RM8.61 million.

In its filing with Bursa Malaysia this evening, IWCity said that the group for the first half of its financial year 2017 registered a "significant loss" mainly due to the one-off expense arising from its Employees Share Option Scheme (ESOS).

For the quarter under review, IWCity posted mild profit owing to the performance of its property development segment, as there were more units of properties sold, and higher contribution from its ongoing project accounted for on completion basis.

Meanwhile, its construction segment registered lower revenue and was bleeding operationally for the quarter under review. However, losses for the segment narrowed with the group's concentration of projects with higher profit margin.

For the remainder of the financial year, IWCity said that it is "fairly optimistic of achieving satisfactory results" for FY17.

"With proper master planning currently being put in place, this increase of land banks is expected to greatly enhance the overall value of the group," it said in the filing.

IWCity shares closed four sen or 3.08% higher at RM1.34 with 12.11 million trades exchanged, for a market capitalisation of RM1.11 billion.