

IGB Corp Q2 earnings up 9% to RM66.55mil

KUALA LUMPUR: IGB Corporation Bhd reported a firm set of earnings in the second quarter ended June 30, 2014, underpinned by contributions from all its operating divisions.

The property company announced on Wednesday its earnings rose 9% to RM66.55mil from RM61.03mil. Its revenue increased by 16.4% to RM293.05mil from RM261.79mil. Earnings per share were 4.95 sen compared with 4.33 sen. Its net asset per share was RM3.32.

"Group pre-tax profit increased by 2% to RM113.03mil when compared to pre-tax profit of RM110.36mil achieved in the corresponding period in 2013 due to better performance from most of the operating divisions," it said.

Trade and other receivables had jumped to RM602.88mil as at June 30, 2014 from RM221.35mil on Dec 31, 2013.

In the first half, its earnings rose 14.5% to RM124.91mil from RM109.09mil in the previous corresponding period. Its revenue increased by 19.05% to RM589.13mil from RM494.84mil.

IGB said turnover from the property development division increased by more than 100% to RM97.3mil (2013: RM45.3mi), property investment division increased by 8% to RM287.9mil (2013: RM265.3mil), hotel division increased by 4% to RM180.6mil (2013:RM173.7mil) and investment division increased by more than 100% to RM20.3mil (2013: RM6.3mil).

"In the Property Development division, about 97% of the available 474 units of service apartments at G Residence have been sold with total sales value of about RM369mil," it said.

The group's new service apartment development, known as Three28 Tun Razak, which was launched in October 2013, has up till to-date achieved sales of over 85% with total sales value of RM145.0mil. At Sierramas, the group will soon be launching 41 units of strata bungalows called Park Manor.

IGB said as for the property investment division, total rental income received from the group's office buildings for the six months to June 30, 2014 was RM65.6mil compared to RM62.2mil in 2013, an increase of about 5%.

All five office towers in Mid Valley City are closed to 100% occupied whilst Menara Tan & Tan and Plaza Permata are 85% and 79% occupied respectively.

"The group's retail division, represented by IGB REIT, the owner of Mid Valley Megamall and The Gardens Mall reported total revenue and net property income of RM229.6mil (2013: RM208.4mil) and RM156.1mil (2013: RM139.7mil) respectively, an increase of about 10% and 12% respectively when compared to 2013," it said.

IGB said the hotel division recorded total turnover of RM180.6mil, up 4% from the RM173.7mil in 2012. All hotels in the group achieved higher average room rates when compared to 2013. In addition, with the exception of MiCasa Apartments Kuala Lumpur and Cititel Express Kuala Lumpur, all other local hotels recorded higher average occupancy rates when compared to 2013.