

IGB REIT net profit up 5.3% on higher rental income

PETALING JAYA: IGB Real Estate Investment Trust's (REIT) net profit rose 5.3% to RM79.8mil for the third quarter ended Sept 30 from RM75.8mil in the previous corresponding period due to higher rental income.

The REIT said its revenue jumped 1.9% to RM136.3mil for the quarter in review from RM133.7mil previously, mainly due to higher rental income.

It would make an income distribution of 2.31 sen per unit for the quarter in review.

"Net property income was RM100.7mil, up 4.3% compared with the corresponding quarter in 2018 of RM96.6mil due to higher rental income and lower property operating expenses in the current quarter.

"The distributable income for the current

quarter amounted to RM86.4mil, consisting of a realised profit of RM79.8mil and the non-cash adjustments arising mainly from manager fee payable in units of RM5.8mil," it said in a filing with Bursa Malaysia.

Year-to-date, IGB REIT's net profit grew 5.4% to RM240.6mil from RM228.2mil for the nine months ended September 2018, while its revenue was up 3.52% to RM412.5mil from RM398.5mil previously. Total income distribution for unit-holders stood at 6.97 share per unit.

Based on the retail industry report by Retail Group Malaysia (RGM), retail sales in Malaysia rose 4.5% year-on-year in the second quarter of 2019, which was 18% below the 5.5% projected by the Malaysian Retail Association.

"For the current quarter, RGM expects the retail industry's performance to continue to be adversely affected by slower domestic growth and limited measures to stimulate consumer spending in the face of a weakening ringgit," it added.

Given the challenging environment, IGB REIT said it continued to move forward with its asset-enhancement initiatives and bring on creative activities and exclusive events by working with tenants as well as corporate partners, to raise on-ground promotional activities for shoppers and visitors.

"IGB REIT remains committed to creating long-term value for stakeholders and looks forward to bringing new real-life retail experiences that excite the market," it said.