

# IGB posts flat 2Q profit dragged by higher taxation

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KUALA LUMPUR (Aug 26): IGB Bhd's (KL:[IGBB](#) [ASK](#) [EDGE](#)) net profit for the second quarter was little changed from a year earlier despite higher revenue, weighed down by higher taxation.

Net profit for the three months ended June 30, 2025 (2QFY2025) stood at RM75.33 million, up a marginal 0.2% from RM75.18 million previously, according to the group in a bourse filing on Tuesday.

Quarterly revenue, meanwhile, rose 14.2% year-on-year to RM452.41 million from RM396.78 million, on the back of improved contributions across all business segments.

The retail segment, under IGB Real Estate Investment Trust (KL:[IGBREIT](#) [ASK](#) [EDGE](#)), saw revenue rise 7% on higher rental income, while the commercial segment via IGB Commercial REIT (KL:[IGBCR](#) [ASK](#) [EDGE](#)) logged a 14.1% increase in revenue on higher occupancy and average rental rates.

As for IGB's hotel segment, it saw a 5% year-on-year increase in revenue supported by higher occupancy rates and improved average room rates. The property development segment's top line more than tripled on sales of completed units at Southpoint Residences in Mid Valley City.

Despite the higher top line across segments, the bottom line was flat due to a higher tax bill of RM40.37 million versus RM27.37 million in 2QFY2024.

No dividend was declared for the quarter.

For the six months ended June 30, 2025, IGB's net profit fell 36.9% to RM164.4 million from RM260.52 million in the previous corresponding period, mainly due to the absence of a one-off land sale contribution from a joint venture recognised in the period a year ago.

Cumulative revenue rose 17% to RM951.79 million from RM813.23 million.

Looking ahead, IGB expects the operating environment for its segments to be mixed.

The group said the retail property market anticipates a softer environment on rising electricity tariffs, increased wage costs, mandatory Employees Provident Fund contributions for foreign workers, fuel subsidy rationalisation, and sales and service tax expansion.

The commercial property market remains challenged by an oversupply of space and evolving tenant preference for newer and flexible environments, it added.

Meanwhile, the hotel sector's outlook is optimistic underpinned by tourism, and the property development sector is poised for growth, riding on the momentum of Bank Negara Malaysia's recent overnight policy rate cut.

Shares in IGB were untraded on Tuesday. They closed at RM3.15 on Monday, valuing the group at RM4.28 billion.

Edited By S Kanagaraju