

[Home](#) / [Business](#) / [Corporate Malaysia](#) / [IGB REIT sees 8% growth from Mid Valley Megamall, The Gardens Mall](#)

# IGB REIT sees 8% growth from Mid Valley Megamall, The Gardens Mall

Friday, March 31st, 2017 at [Business](#) | [Corporate Malaysia](#)

CONSERVATIVE GROWTH: IGB REIT Management Sdn Bhd, a unit of property developer IGB Corp Bhd, is looking 'conservatively' at a year-on-year growth of between 5% and 8% of the group's revenue and bottom line from its 2 major retail malls, Mid Valley Megamall and The Gardens Mall. (From left) Hong Leong Investment Bank managing director/chief executive officer Lee Jim Leng, IGB Corp group MD Robert Tan and CIMB Investment Bank deputy CEO Kong Sooi Lin at the launch of IGB REIT prospectus in Kuala Lumpur (pic: Ismail Che Rus)

IGB REIT Management Sdn Bhd, a unit of property developer IGB Corp Bhd, is looking "conservatively" at a year-on-year growth of between 5% and 8% of the group's revenue and bottom line from its two major retail malls, Mid Valley Megamall and The Gardens Mall.

"Both malls still have a long way to go when it comes to bottom line. We have to make sure that these two properties are well managed and hopefully the investors will see the YoY growth and after that we will consider acquisitions," its managing director (MD) Robert Tan told reporters after the launch of IGB REIT prospectus in Kuala Lumpur, yesterday.

IGB Corp recorded a net profit of RM113.42 million in its six months ended June 30, 2012. Revenue increased by 34% to RM1.3 billion due to contributions from all divisions compared to the first six months of 2011 which stood at RM361.04 million.

In the property investment division, Mid Valley Megamall and The Gardens Mall registered turnover growth of 6% and 5% respectively in the six months period while total rental income from the group's office buildings increased by 9% compared to the same period in 2011.

"Of course, we face a lot of competition from other malls but we are still seeing increase in the turnover (from our retail properties). We have to make sure that our shoppers here have a different experience," he said. Tan said the company was looking at acquiring properties in Europe and the US due to low replacement cost of properties in those areas.

"At the moment, you can look at Europe and the US where we can get good deals there. We can get some properties at a low replacement cost. That will be the area that we can pursue for acquisitions.

"What we prefer is to construct the mall on our own and manage it ourselves and later on we can inject into the REIT," he said. The listing of IGB REIT on Bursa Malaysia is scheduled for Sept 21. The initial public offering (IPO) will be 201 million units at an initial retail price of RM1.25 apiece.

Following the IPO, IGB REIT will have a total of 3.4 billion units in issue. Of these, 469 million units will be offered to institutional investors and selected investors while the remaining 201 million units will be offered to the Malaysian public.

The opening date for the retail offering started yesterday and will continue until Sept 4 while opening of the institutional offering starts today and will continue until Sept 6. The portfolio of IGB REIT comprises Mid Valley Megamall and The Gardens Mall with a total net lettable area of over 2.5 million sq ft.