

IGB reports Q1 net profit of RM17.7m

Results for this year dependent on duration of Covid-19 crisis

CORPORATE

PETALING JAYA: While IGB Bhd concedes it will not be spared from the negative impact of the Covid-19 pandemic, it remains early now to quantify the financial effects on the group's performance for 2020.

In its filings, the property and construction group said its results for the financial year ending Dec 31, 2020 would to a large extent be dependent on the duration of the Covid-19 crisis and the continued negative impact on economic activity.

"With the global outbreak of the Covid-19 pandemic beginning from late last year and early 2020 and the imposition by the Government of the Movement Control Order from March 18, the outlook for the local economy remains uncertain at best and challenging in the near term," IGB said.

"However, the group has taken steps to mitigate the impact by taking measures to reduce operating expenses as well as assessing the various government assistance measures which may be applicable to the group," it added.

It noted it would continue to monitor the situation closely and take appropriate actions

when necessary.

For the first quarter ended March 31, 2020, IGB posted lower net profit of RM17.7mil, compared with RM49.4mil, due mainly to lower contributions from its property development, property investment-retail and hotel divisions.

Consequently, its earnings per share slid to 2.33 sen from 7.25 sen previously.

During the quarter in review, IGB's revenue fell 12.7% to RM291.4mil from RM333.8mil in the previous corresponding quarter.

It attributed the decline in revenue to lower contributions from the property development and hotel divisions.

IGB revealed revenue contributed by the hotel division for the period in review decreased 40% year-on-year (y-o-y) to RM40.1mil as a result of lower average occupancy rates across all hotels in the group.

Revenue from the property development division during the quarter in review, which was derived mainly from sales of completed condominium units at "Stonor 3", decreased 58% y-o-y to RM20.1mil.

The group currently did not have any developments under construction.

IGB's shares fell 15 sen yesterday to close at RM2.70.