

# IGB REIT posts RM76.84mil net profit for Q3

**PETALING JAYA:** The rising number of Covid-19 cases since Sept 20 has impacted the footfall and vehicle traffic volume to retail malls, said IGB Real Estate Investment Trust (REIT).

The REIT, which owns Mid Valley Megamall and The Gardens Mall, reiterated its stance that the current sluggish economic and business environment has had an adverse impact on its results for the financial year ending Dec 31, 2020.

It said this was mainly due to the rental support programme, the increase in expected credit losses and possible impairment of

fair value for its investment properties because of the pandemic and the movement control orders (MCOs).

IGB REIT posted a net profit of RM76.84mil for the third quarter ended Sept 30, which was a 3.7% reduction year-on-year (y-o-y) from RM79.8mil.

Its revenue came in 4.1% lower y-o-y from RM136.31mil to RM130.75mil while net property income was 2.8% lower at RM97.8mil.

"The lower gross revenue, net property income and profit after taxation are mainly due to the

reduced rental income and lower car park income due to the Covid-19 pandemic and MCOs," it said in a filing with Bursa Malaysia.

On a year-to-date (y-t-d) basis, IGB REIT's net profit was 31.55% lower y-o-y at RM164.7mil as compared to RM240.6mil in the same period last year.

Revenue for the period was also 22.98% lower y-o-y, from RM412.52mil to RM317.73mil.

Notwithstanding initial recovery indicators, IGB REIT said the directors of the manager IGB REIT Management Sdn Bhd were monitoring the current economic and

business situations closely and would take appropriate and timely action to mitigate the impact on its operations and financial performance.

"The increasing number of Covid-19 cases arising from the emergence of new clusters, the resumption of loan servicing, rising unemployment and salary cuts as well as retail shop closures dampened both the consumer sentiment and business confidence.

"Despite the grim outlook and the many challenges ahead, IGB REIT is determined to stay resilient throughout the pandemic," it said.