

KUALA LUMPUR (July 20): IGB Real Estate Investment Trust (REIT), the owner of the Mid Valley Megamall and The Gardens Mall, has posted a steep decline in revenue and earnings for the second quarter ended June 30, 2020 (2QFY20).

Net property income (NPI) plunged 62% to RM37.36 million against RM98.52 million in 2QFY19, while gross revenue fell 54% to RM61.98 million from RM134.98 million.

For the cumulative six months ended June 30, 2020, the REIT's NPI fell 37.7% to RM125.75 million from RM201.99 million previously, while gross revenue dropped 32.3% to RM186.98 million from RM276.2 million.

In a bourse filing, IGB REIT said: "The lower gross revenue, net property income and profit after taxation are mainly due to the rental support provided to tenants and lower car park income arising from the Covid-19 pandemic and resultant MCOs

IGB REIT's 2Q net property income tumbles 62%, to distribute 0.62 sen per unit

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(Movement Control Orders)."

In a separate filing, the REIT announced an income distribution of 92.5% of some RM22.3 million for 2QFY20, or a distribution per unit (DPU) of 0.62 sen (0.59 sen taxable and 0.03 sen non-taxable), to be paid on Aug 28.

The DPU of 0.62 sen for 2QFY20 represents a fall of 72.5% compared with 2.26 sen in 2QFY19.

Commenting on its outlook, IGB REIT said it expects the current sluggish economic and business situations to have a material adverse impact on IGB REIT's financial results for FY20.

"This is mainly due to the rental support programme and potential increase in expected credit losses and possible impairment of fair value for investment properties arising from the Covid-19 pandemic and resultant MCOs.

"Despite the grim outlook and many challenges ahead, IGB REIT is determined to stay resilient throughout the Covid-19 pandemic," it added.

IGB REIT's share price closed two sen or 1.12% higher at RM1.80, giving a market capitalisation of RM6.39 billion. Year-to-date, the stock is down 4.76%.