



NEWS

IGB REIT sees slight drop in 3Q net property income, to distribute 2.11 sen per unit



TAN SIEW MUNG / THEEDGEMARKETS.COM
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KUALA LUMPUR (Oct 26): IGB Real Estate Investment Trust (IGB REIT), the owner of the Mid Valley Megamall and The Gardens Mall, has reported a 2.85% dip in its third quarter net property income due to a lower rental income amid the Covid-19 pandemic.

In a bourse filing, the REIT said its net property income for the quarter ended Sept 30, 2020 fell to RM97.83 million, from RM100.7 million a year ago. Its distributable income for the quarter also slid 3.52% to RM83.31 million, from RM86.35 million.

Gross revenue for the quarter fell 4.08% to RM130.75 million, from RM136.31 million a year ago.

IGB REIT said the manager has approved a distribution of 90% of IGB REIT's quarterly distributable income amounting to RM74.9 million or 2.11 sen per unit, to be paid on Nov 27.

The REIT said the lower gross revenue and net property income for the quarter was mainly due to the lower rental income and lower car park income arising from the pandemic and resultant movement control orders (MCOs).

"The current sluggish economic and business conditions are expected to result in a material adverse impact on the financial performance for the financial year ending Dec 31, 2020," it said.

For the nine months ended Sept 30, the REIT's net property income dropped by 26.14% to RM223.58 million, from RM302.7 million in the same period last year.

Its distributable income in the period also decreased by 30.14% to RM181.77 million from RM260.19 million.

Meanwhile, its gross revenue for the period fell 22.98% to RM317.73 million, from RM412.52 million a year ago.

According to the REIT, the lower gross revenue and net property income for the nine months was also mainly due to the rental support provided to tenants and lower car park income arising from the Covid-19 pandemic and resultant MCOs, particularly during the immediate preceding quarter.

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

"Despite the grim outlook and the many challenges ahead, IGB REIT is determined to stay resilient throughout the Covid-19 pandemic. It remains committed to bringing about long-term value for its stakeholders," the REIT said.

Its share price rose 1 sen or 0.61% to RM1.65 today, valuing the company at RM5.87 billion.

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