

# IGB Reit Q4 net profit 4% lower on higher impairment allowance

**PETALING JAYA:** IGB Real Estate Investment Trust (Reit) saw a 4.2% decline in its net profit for the fourth quarter ended Dec 31 to RM72.1 million, from RM75.26 million a year before, mainly due to the higher allowance for impairment of trade receivables in the quarter.

Revenue for the quarter was RM147.5 million, increased 5.7% against the corresponding quarter in

2019 of RM139.6 million due to the reversal of over-provision for rental support.

The distributable income for the current quarter amounted to RM78.1 million, consisting of realised profit of RM72.1 million and the non-cash adjustments arising mainly from manager fee payable in units of RM5.6 million.

For the full year, IGB Reit saw a net

profit and revenue of RM236.79 million and RM465.24 million respectively, from RM315.86 million and RM552.13 million in FY19.

“The lower gross revenue, net property income and profit after taxation are mainly due to the rental support provided to tenants, lower car park income and higher allowance for impairment of trade receivables arising from the Covid-19

pandemic and resultant MCOs,” it said in a Bursa filing.

Looking ahead, the impact of MCO 2.0, including lower shoppers’ footfall, lesser car traffic volume and higher temporary closure of retail shops, will adversely affect the financial performance of retail centres, especially shopping malls.

“Retail sales in 1Q’21, despite the Chinese New Year festivities being

the peak season for shopping, are not expected to perform well. Still, IGB Reit is determined to stay resilient throughout the Covid-19 pandemic,” it said.

It added that its key objective is to provide the unitholders with regular and stable distributions and achieve long term growth in net asset value per unit, while maintaining an appropriate capital structure.