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KIP REIT posts RM8.66m net profit for Q2

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KIPMall Bangi, one of the assets in KIP Reit's portfolio. KIP Reit says it will remain vigilant of the uncertainties surrounding the recovery, while adopting measures for greater cost efficiency. – KIP Reit website pix

PETALING JAYA: KIP Real Estate Investment Trust's (REIT) net profit fell 6.2% to RM8.66 million for its second quarter ended Dec 31, 2020, from RM9.23 million reported in the same quarter of the previous year mainly due to the amortisation of rental rebates.

Revenue for the period stood at RM18.62 million, a 5.7% decline from RM19.73 million previously.

For Q2'21, KIP REIT has declared a second interim distribution per unit of 1.59 sen amounting to RM8.03 million, which will be paid on Feb 19, 2021.

For the six months period, the group reported a net profit of RM17.51 million, a 36.9% drop from RM27.77 million recorded for the corresponding period of the previous year. Revenue for the period fell 3.6% to RM36.85 million from RM38.22 million.

In its Bursa filing, the group outlined that the Covid-19 pandemic has lead to weak consumer sentiment and Malaysia's retail industry is projected to contract further to 15.8% from 9.3% initially.

Moving forward, following the government's support through the 2021 Budget allocation, real gross domestic product is projected to rebound by 7% this year supported by both domestic and external demand driven by exports, accelerated by the vaccination programme.

Against this backdrop, KIP REIT said, it will remain vigilant of the uncertainties surrounding the recovery, while adopting measures for greater cost efficiency.

KIP REIT managing director Datuk Chew Lak Seong said its performance for the quarter is commendable and within the management's expectation, amid the current Covid-19 pandemic.

"We are cautiously optimistic of the economic situation and consumers' sentiment, following the current MCO imposed by the government, commencing from Jan 13, 2021," he said in a press release.

Chew anticipated that it would take some time before the situation returns to normal and people could resume their daily activity. "Going forward, we will continue to take a prudent approach and observe the situation, which may cause the softening of the retail market."

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