

ALL BUSINESS DAILY

# The Malaysian Reserve

Friday, January 24th, 2020

## KLCC REIT posts RM244.4m net profit, Pavilion REIT records RM74.7m in 4Q



KLCC Real Estate Investment Trust's (KLCC REIT) net profit in the fourth quarter ended Dec 31, 2019 (4Q19) rose 33.08% year-on-year (YoY) to RM244.41 million, from RM183.66 million a year ago, helped by higher fair value adjustments to investment properties.

The group registered RM118.47 million fair value adjustments to investment properties in 4Q19 compared to RM20.05 million in October to December 2018.

Its quarterly revenue, however, decreased slightly to RM364.96 million from RM366.35 million in 4Q18 due to lower revenue from its property investments.

KLCC REIT has declared a fourth interim income distribution of 6.25 sen per unit, to be paid on Feb 28, 2020.

For the full year (FY19), KLCC REIT's net profit increased 9% YoY to RM790.15 million, while revenue improved to RM1.42 billion.

KLCC REIT has also recognised a fair valuation gain amounted to RM1.09 million from a revaluation exercise of its investment properties including the Petronas Twin Towers, Menara ExxonMobil and Menara 3 Petronas.

The group expects to remain resilient amid the continued challenging market landscape, leveraging on the long-term profile of office leases. The full opening of the reconfigured space by mid-2020 is expected to further boost retail performance, while the hotel segment is expected to benefit from higher tourist arrivals in conjunction with Visit Malaysia 2020.

"In our quest to deliver long-term value and sustainable returns to holders of stapled securities, the group will continue to focus on creating value from the KLCC Precinct, progressing lifestyle towards a digitally smart, connected and sustainable city," KLCC Property Holdings Bhd CEO Datuk Hashim Wahir said in a statement.

Pavilion REIT's net profit in 4Q19 fell 25.49% YoY to RM74.72 million from RM100.28 million in the previous year due to a lower fair value of investment properties.

The group recorded a RM15.01 million of fair value of investment properties in 4Q19 compared to RM33.62 million in 4Q18.

Its quarterly revenue slightly decreased to RM145.96 million in October to December 2019, from RM147.06 million in 4Q18.

Pavilion REIT has declared a final income distribution of 4.1 sen per unit, to be paid on Feb 28, 2020.

For FY19, Pavilion REIT's net profit dipped 9.02% YoY to RM262.63 million, despite revenue rising 5.47% YoY to RM585.35 million.

The group has also recognised a revaluation surplus of RM15.01 million in 4Q19 on its investment properties including Pavilion Kuala Lumpur Mall, Intermark Mall, DA MEN Mall, Elite Pavilion Mall and Pavilion Tower.

"As consumers are being cautious and selective in their spending, Pavilion REIT malls intend to be prudent in its spending to create experience and differentiation to attract and retain shoppers' loyalty.

"Operating cost will continue to be monitored to optimise efficiency with prudent spending to ensure the needs, comfort and safety of its stakeholders are balanced and not compromised," the company said.

(Source: <https://themalaysianreserve.com/2020/01/24/klcc-reit-posts-rm244-4m-net-profit-pavilion-reit-records-rm74-7m-in-4q/>)