

KLCC Stapled Group's 1Q net profit down 3% on-year

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KUALA LUMPUR (May 5): The KLCC Stapled Group, consisting KLCC Property Holdings Bhd (KLCCP) ([Financial Dashboard](#)) and KLCC Real Estate Investment Trust (KLCC REIT), saw a marginal 3% decline in its net profit to RM178.51 million for the first quarter ended March 31, 2015 (1QFY15), from RM183.96 million a year earlier.

The lower quarterly profit was in line with a 4% fall in revenue to RM326.89 million, from RM340.88 million in the previous year.

The stapled group declared a total dividend payout of RM150.57 million or 8.34 sen per stapled security for the quarter (1QFY14: 8.65 sen): comprising a dividend of 3.02 sen for KLCCP and an income distribution per unit of 5.32 sen for KLCC REIT, payable on June 12, 2015.

In a filing with the exchange, the group said its property investment–office segment saw marginally lower rental revenue for the quarter, due to the closure of City Point Kompleks Dayabumi for new development.

Meanwhile, its property investment–retail segment saw a marginal year-on-year increase in revenue, after excluding a one-off back charging of percentage rental by Suria KLCC.

On the other hand, its hotel operations division saw a decline in revenue, due to overall weaker market demand and the commencement of renovation works during the quarter, while its management services segment saw higher revenue as a result of additional services.

Looking ahead, KLCC Stapled expects its office and retail segments to remain stable for the year ending Dec 31, 2015, while maintaining a challenging outlook on its hotel segment “as a result of the overall weak market and the scheduled renovation works”.

KLCC Stapled (fundamental: 1.6; valuation: 2.1) gained 8 sen or 1.1% to RM7.14 today, for a market capitalisation of RM12.75 billion.