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## Business News

# KLCC Property stapled group's earnings fall on City Point write-off



Among the properties under KLCC REIT (part of the KLCCP Stapled Group) are the Petronas Twin Towers, Menara ExxonMobil and Menara 3 Petronas. - Bernama pic

KUALA LUMPUR: KLCC Property Holdings Bhd (KLCCP) Stapled Group reported 12.5% lower earnings of RM149.8mil for the third quarter (Q3) ended Sept 30, 2015 compared with a year earlier mainly due to the RM32.2mil write-off of City Point, Dayabumi Complex.

KLCCP told Bursa Malaysia that revenue for the stapled group (KLCCP and its unit KLCC Real Estate Investment Trust) rose 1.3% to RM337.18mil from the same quarter last year.

Office property investment segment was the only segment to see a decline in adjusted pre-tax profit -- a 27.3% year-on-year drop to RM86.05mil. Retail property investment's pre-tax profit overtook that of the office property segment during the quarter, rising 5.2% to RM92.4mil.

"Revenue from office rental decreased marginally due to closure of City Point, Dayabumi Complex, for redevelopment. Decrease in profit before tax for the quarter ended is as a result of the RM32.2mil write-off of City Point," it said.

The hotel operations (Mandarin Oriental Kuala Lumpur) recorded an 18.5% jump in profit to RM5.27mil in the quarter under review, but for the nine-month period posted a 97.1% plunge in profit to RM525,000.

On prospects for the year, KLCCP said the board expected the performance of the office and retail segments to remain stable for the remainder of 2015.

"The hotel segment, however, will continue to trade in a challenging environment although some improvement in performance can be expected as a result of the completion of the renovation works on common facilities," the company said.

KLCCP has declared a dividend of 2.8 sen per KLCCP share and income distribution of 5.35 sen per KLCC REIT unit for Q3, to be paid on Dec 21. (KLCCP is deemed to be the controlling entity of KLCC REIT as it governs the latter's financial and operating policies.)