

KLCCP Stapled Group second-quarter profit up



Popular venue: Shoppers throng Suria KLCC. Despite being impacted by MCO 3.0, which was effective since May 7, Suria KLCC's footfall increased by 22% in its second- quarter period to end-June.

PETALING JAYA: KLCC Property Holdings Bhd and KLCC REIT, collectively known as KLCCP Stapled Group, saw its net profit in the second quarter (Q2) ended June 30, 2021 rising to RM144.01mil from RM140.46mil in the previous corresponding period.

In a filing with Bursa Malaysia, KLCCP said the higher earnings were due to the better performance in the management services segment, mainly from additional services in facilities management.

“Revenue and pre-tax profit (for management services) during the quarter increased by 3.6% and 11% respectively, mainly from additional services for facilities management,” it said.

KLCCP, which is Malaysia’s largest self-managed stapled security, saw its revenue in Q2 increasing to RM280.17mil from RM267.25mil a year earlier.

“The Q2 performance saw an increase from last year’s corresponding quarter, mainly from the retail segment and improved hotel performance in the month of April prior to the resurgence of Covid-19 cases in May and the subsequent full movement control order (MCO) which commenced on June 1, 2021,” it said.

KLCCP’s office segment, helmed by the Petronas Twin Towers, Menara 3 Petronas, Menara ExxonMobil and Menara Dayabumi, remained stable and saw minimal impact during the quarter.

The group said this segment was backed by its locked-in long-term tenancies and the triple net lease of the Petronas Twin Towers and Menara 3 Petronas.

“However, the revenue and pre-tax profit decreased slightly by 2.7% and 2.9% respectively, as compared to Q2 of 2020, mainly due to the accounting adjustments to reflect the extension of triple net lease agreements for Petronas Twin Towers and Menara 3 Petronas for another 15 years upon the expiry of the current term.”

Additionally, KLCCP said Suria KLCC and the retail podium of Menara 3 Petronas, which represented the retail segment, saw revenue and pre-tax profit increasing by 14.2% and 19% respectively.

The group said this was attributable to the lower provision of tenant assistance and higher take-up rate for promotion and internal advertising space, as compared to the previous corresponding period.

“Despite being impacted by MCO 3.0, which was effective from May 7, 2021, Suria KLCC’s footfall increased by 22%, driven by attractive sales campaigns during the Hari Raya festive season and shopper reward-driven campaigns.”

KLCCP said this was mostly reflected in the month of April, adding that the additional flow of traffic was from the ongoing vaccination programmes at the Twin Tower Medical Centre, Menara 3 Petronas and Kuala Lumpur Convention Centre.

For the six-month period ended June 30, KLCCP's net profit dropped to RM290.14mil from RM317.34mil in the previous corresponding period, while revenue was lower at RM562.54mil from RM621.84mil a year earlier.

Commenting on its prospects, KLCCP said the remaining period of the year will continue to be challenging due to the Covid-19 pandemic.

“However, with the good progress on the National Covid-19 Immunisation Programme, the group believes that it will prevent the situation from deteriorating further.

“The recovery of the hotel and retail segments will be influenced by the ease of movement restrictions.”

(Source: [KLCCP Stapled Group second-quarter profit up | The Star](#))