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KLCCP 1Q net profit up on-year, pays 8.8 sen dividend



KUALA LUMPUR (May 7): KLCCP Stapled Group, comprising KLCC Property Holdings Bhd and KLCC Real Estate Investment Trust (KLCC REIT), reported today a 1.82% rise in first quarter net profit to RM183.96 million from RM180.67 million a year earlier, on higher revenue and profit before tax (PBT) from office and retail property investments.

In separate statements to Bursa Malaysia today, KLCC Property and KLCC REIT said higher revenue and PBT from facilities management services also supported group net profit growth. Total group revenue was higher at RM353.45 million in the first quarter ended March 31, 2019 (1QFY19) versus RM345.11 million.

"(For the office property investment segment,) 1QFY19 revenue and PBT remained relatively stable. PBT increased by 0.9% compared to 1QFY18 due to lower repair and maintenance expenses and higher recovery of utility charges. (For the retail property investment segment,) revenue and PBT increased by 5.1% and 4.7% respectively mainly as a result of higher rental rates and improved occupancy observed during the quarter.

"(For the facilities management services segment,) 1QFY19 revenue and PBT increased by 5.2% and 6.9% respectively, contributed by additional revenue from one-off projects under the facilities management operations," they said.

The group's hotel operations, however, reported weaker results despite higher occupancy. KLCC Property and KLCC REIT said hotel operations revenue dropped 3.4% due to intense competition in the banqueting market, which affected the performance of the food and beverage segment.

In addition, higher depreciation on the fully-refurbished rooms resulted in a loss before tax reported for the hotel segment, KLCC Property and KLCC REIT said. "Occupancy increased to 64% compared to 53% in 1QFY18 with the newly refurbished rooms," they said.

Looking ahead, the group said it expects overall performance for the year to remain stable primarily on the back of long-term office-tenancy agreements.

KLCC Property and KLCC REIT said the performance of the retail segment is expected to be slightly impacted in the following quarters as the group's mall is undertaking a reconfiguration exercise to refresh its offerings with more specialty shops and food outlets to improve its competitiveness. Such exercise is expected to augur well for the group in the long term, they said.

"Hotel is expected to continue to operate under challenging market condition," they said.

For 1QFY19, the group declared total dividends of 8.8 sen a share comprising KLCC REIT's taxable income distribution of 6.28 sen and KLCC Property's tax-exempt dividend of 2.52 sen.

The ex- and payment dates for the income distribution and dividend fall on May 23 and June 20, 2019 respectively, KLCC Property and KLCC REIT said.

(Source : <https://www.theedgemarkets.com/article/klccp-1q-net-profit-oneyear-pays-88-sen-dividend>)