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KLCCP Stapled Group achieves stable Q1 performance

KUALA LUMPUR: KLCC Property Holdings Bhd (KLCCP) and KLCC Real Estate Investment Trust (REIT), collectively known as KLCCP Stapled Group, delivered a stable performance for the first quarter ended March 31, 2017, with a marginal increase in revenue and a 2.8% fall in profit.

In a statement on Tuesday, the group said this was mainly due to the lease transition in Menara ExxonMobil and ongoing tenant re-mixing at the retail segment.

It said the group distributed 94% of its overall distributable income with a distribution per stapled security of 8.60 sen, consistent with the first quarter of financial year 2016.

KLCCP's pre-tax profit decreased to RM229.38 million in the first quarter from RM236.10 million a year earlier while revenue increased to RM336.65 million from RM334.75 million previously. As for KLCC REIT, its pre-tax profit fell to RM229.38 million in the first quarter from RM236.10 million previously. Revenue however rose to RM336.65 million from RM334.75 million before.

The group said the office segment, comprising PETRONAS Twin Towers, Menara 3 PETRONAS, Menara ExxonMobil and Menara Dayabumi, recorded a marginal decrease in both revenue and pre-tax profit, due to the 40% release of leased area in Menara ExxonMobil by ExxonMobil Exploration and Production Malaysia Inc in January 2017.

"It was partially offset by additional rental generated from the conversion of atrium spaces in Menara Dayabumi.

"We are in the final stages of concluding the lease agreement with a potential tenant to occupy the remaining 40% of Menara ExxonMobil by the second quarter of 2017," it said.

The group expected the office segment to remain stable with the long-term lease secured for the remaining 40% leased area in Menara ExxonMobil. It also said the retail and the hotel segments would continue to trade in challenging market conditions with ongoing tenant re-mixing and guest room renovation, respectively.

KLCCP Stapled Group is the largest self-managed stapled security that invests, develops, owns and manages a stable of iconic and quality assets. - Bernama

(Source: <http://www.thestar.com.my/business/business-news/2017/05/23/klccp-stapled-group-achieves-stable-q1-performance/#gLGaeOFX8V1ZAa1C.99>)