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KLCCP Stapled Group reports flat profit in Q3



The Petronas Twin Towers is one of the KLCC REIT's three prime commercial assets. - AFP pic

PETALING JAYA: KLCCP Stapled Group's net profit for the third quarter ended Sept 30 was down by 0.3% to RM177.7mil year on year.

KLCCP Stapled Group, comprising KLCC Property Holdings Bhd and KLCC Real Estate Investment Trust, reported that the group's revenue for the period, meanwhile, was up by 3.3% to RM340.5mil.

In its filing with the stock exchange, the group said its property investment in the office segment saw lower revenue during the quarter, mainly from lower utility income from Menara ExxonMobil, while profit before tax for the segment increased slightly on the back of savings in finance costs from repayment of the sukuk murabahah in the preceding quarter.

The property investment-retail segment, meanwhile, saw revenue for the quarter rise 3.2% as higher rental renewals and reviews became effective.

In the hotel operation segment, revenue rose due to stronger occupancy, contributed by the SEA Games held in August.

The group's management services segment also saw higher revenue during the quarter on the back of an increase in car park rates and one-off facility management projects this year.

Despite the higher revenue, profit before tax decreased as a result of higher manpower costs and lower interest income, it said.

The group expected its performance to be stable for the remainder of the year.

It said the office segment, which accounts for about 44% of the group's revenue and 57% of the group's profit before tax, was expected to remain stable on the back of long-term tenancies.

"The hotel and retail segments continue to be impacted by challenging market conditions.

"However, barring any unforeseen circumstances, their performance for the remainder of the year is not expected to have any material impact on the group's results," it said in the filing.

The board has declared income distribution of 4.96 sen per KLCC REIT unit and dividend of 3.64 sen per KLCC Property Holdings share for the quarter ended Sept 30, 2017.

(Source: <http://www.thestar.com.my/business/business-news/2017/11/13/klccp-stapled-group-reports-flat-profit-in-q3/#SIV8mXxdOXBrJsdh.99>)