

## Business News

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# KLCCP Stapled Group results buoyed largely by retail segment



The KLCCP Stapled Group, which focuses on assets in the Kuala Lumpur City Centre, performed better in Q1 2016 compared with a year earlier.

**KUALA LUMPUR:** The KLCC Property Holdings Bhd (KLCCP) Stapled Group's earnings rose 2.4% year-on-year to RM182.75mil for the first quarter (Q1) ended March 31.

KLCCP, the controlling entity of KLCCP Stapled Group, told Bursa Malaysia on Friday

that the group's revenue was up by the same percentage to RM334.75mil, thanks largely to the retail segment's performance.

(KLCCP, which owns properties such as Suria KLCC and Mandarin Oriental, completed a corporate restructuring exercise in 2013 whereby its shares being stapled together with the units of the newly-created KLCC Real Estate Investment Trust, whose portfolio comprises Petronas Twin Towers, Menara 3 Petronas and Menara ExxonMobil.)

KLCCP said revenue from office rental - the single biggest revenue contributor at RM147.8mil - remained almost unchanged while that of retail increased 2.3% to RM123.5mil due to higher rental rates effective in Q1.

Hotel operations, which dragged down KLCCP's financial performance in the same quarter last year due to the scheduled renovation works of the common areas and facilities at Mandarin Oriental Kuala Lumpur, recorded a 15.9% or RM5mil increase in revenue to RM36.6mil.

On prospects for this year, KLCCP said the directors expected that overall group performance would remain stable, primarily on the back of long-term office tenancy agreements.

"However, the retail and hotel segments will continue to trade in difficult market conditions given the current reduced levels of consumer demand," it added.

KLCCP Stapled Group has declared an interim dividend of 8.6 sen (KLCCP: 2.85 sen; KLCC REIT: 5.75 sen) compared with 8.34 sen a year earlier.