

## KLCC Stapled's distributable income rises 3.8%, pays 8.6 sen distribution

*By Ahmad Naqib Idris | August 3, 2016 12:18 PM MYT*

KUALA LUMPUR (Aug 3): KLCC Stapled Group, comprising KLCC Property Holdings Bhd (KLCCP) and KLCC Real Estate Investment Trust (KLCC REIT), recorded a total realised distributable income of RM167.11 million for the second quarter ended June 30, 2016 (2QFY16), up 3.8% from the RM160.97 million it recorded in the same period a year ago.

Its dividend/income distribution for the period stood at RM155.26 million, up 3.11% from the RM150.57 million it announced a year ago, which brings its dividend/income distribution per unit to 8.6 sen, compared with 8.34 sen previously; distribution rate was 92.91%, versus 93.54% in the same period last year.

The 8.6 sen distribution comprises a 2.91 sen dividend per share for KLCCP and a 5.69% income distribution per unit for KLCC REIT. The distribution will be paid on Sept 13, its bourse filing yesterday showed.

Revenue came in 1.7% higher at RM334.57 million compared with RM329.01 million previously, mainly on improved revenue from its retail segment on the recognition of a back charge in rental and service charge for a tenant for 21 months upon winning a court case.

Stronger revenue from management services, due to the provision of facilities management to additional properties, also contributed to the rise in quarterly revenue, which pushed pre-tax profit up 14% to RM20.23 million. These improvements, however, were offset by a 9.3% rise in operating expenses during the quarter to RM87.95 million from RM80.45 million previously.

While revenue from office rental has remained stable, its hotel operations, despite higher revenue, continued to suffer losses due to overall weaker market conditions, which resulted in its pre-tax loss widening to RM4.93 million from RM1.55 million a year earlier.

For the cumulative six-month period, net profit was marginally higher at RM360.62 million, compared with RM358.37 million a year earlier, while revenue increased 2% to RM669.32 million, from RM655.90 million.

Going forward, it expects the office segment to remain stable for the remainder of the year.

“However, the retail and hotel segments continue to experience reduced levels of consumer demand and occupancy. These trading conditions are likely to remain for the rest of the year,” it noted.