

Tuesday, 27 April 2021

KLCCP hopeful for a better year with vaccine roll-out



KLCCP Stapled Group has a diverse property portfolio largely located within the KL city centre comprising prime Grade A office buildings, Suria KLCC, and Mandarin Oriental, Kuala Lumpur hotel. Bernama/Photo

KLCCP Stapled Group, which comprises KLCC Property Holdings Bhd and KLCC Real Estate Investment Trust (KLCC REIT), remained hopeful that 2021 would be better than last year given the effective roll-out of the Covid-19 vaccines that will bolster market confidence.

Its chief executive officer Datuk Hashim Wahir said the roll-out of vaccines would help boost consumer and business sentiment despite the challenges and uncertainties.

Hashim said in a statement yesterday that KLCCP will continue to explore opportunities and flexibilities to strengthen its resilience and long-term sustainability in response to changes in its operational and business landscape.

However, he said the retail and hotel segment of KLCCP will continue to operate in a challenging environment due to the prolonged Covid-19 pandemic, whilst the office segment is expected to remain stable backed by its long-term, locked-in leases.

Despite all the uncertainties, KLCCP remained committed to positioning KLCC (Kuala Lumpur City Centre) as The Place, progressively adapting to the new norm while embracing digital in meeting the future needs, he said.

Hashim said the group would continue to ensure long-term sustainability as it continued to streamline its operations, embracing digitalisation through its four-year digital roadmap.

KLCCP has a diverse property portfolio largely located within the KL city centre comprising prime Grade A office buildings, a premier retail mall, and a luxury hotel.

The stabilised and wholly-owned assets under KLCC REIT are PETRONAS Twin Towers, Menara ExxonMobil, and Menara 3 PETRONAS and the non-wholly-owned assets and assets with development and redevelopment potential under KLCCP are Suria KLCC, Mandarin Oriental, Kuala Lumpur hotel (MOKL) and a vacant land (Lot D1).

KLCCP has a 33 per cent stake in Menara Maxis and the group's assets also include Menara Dayabumi.

The year 2020 was a reset of the whole business ecosystem for KLCCP as the group managed risk holistically and embedded controls into its business operations in pivoting to the new normal.

Despite the tumultuous year marred by the pandemic, KLCCP sustained a stable performance for the financial year ended December 31, 2020.

For the financial year ended December 31, 2020, KLCCP posted a pre-tax profit excluding fair value adjustment and impairment of RM722 million, down 19.1 per cent from RM943.5 million in the preceding year.

The group's revenue fell 12.9 per cent year-on-year to RM1.24 billion on the back of a resilient office segment.

Driven by its solid occupancy with long-term tenancies, the office segment comprising PETRONAS Twin Towers, Menara 3 PETRONAS, Menara ExxonMobil, and Menara Dayabumi remained the major revenue driver, contributing 48 per cent of the group's total revenue, and recording a pre-tax profit of RM396.5 million.

According to KLCCP, the office segment retained its full occupancy and continued to drive strength and provide strong asset stability against the backdrop of soft market conditions.

Meanwhile, Suria KLCC and the retail podium of Menara 3 PETRONAS, which represent the retail segment, saw revenue contracting 19.6 per cent to RM413.8 million while pre-tax profit fell 26 per

cent to RM290.4 million attributable to the RM90 million in assistance packages to its affected tenants from quarter two, 2020.

Despite the challenging retail landscape, Suria KLCC maintained its resilient occupancy at 97 per cent, the group said.

MOKL's performance was severely affected by the mandatory closure and prolonged pandemic restrictions between March and December 2020, resulting in a 70.2 per cent decline in revenue compared to the previous year. There was lower occupancy and reduced F&B and event sales.

"I hope that 2021 will be a better year and as the vaccine rollout will offer great hope to turn the tide of the pandemic and get us back to some level of normalcy in our daily lives," Hashim said.

(Source: <https://www.nst.com.my/property/2021/04/685802/klccp-hopeful-better-year-vaccine-roll-out>)