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KLCCP expects office segment to remain stable



KUALA LUMPUR (June 23): KLCC Property Holdings Bhd (KLCCP) expects the performance of its office segment to remain stable, backed by the triple net lease agreements and long-term leases, despite the anticipated challenging environment in 2020.

In a statement today, KLCCP said Covid-19 pandemic has substantially impacted the hotel industry and the group anticipates that its hotel segment would be adversely affected for the remaining quarters.

The retail segment will have the advantage of the latest offerings from the newly-opened stores under the anchor-to-specialty reconfiguration exercise but will remain cautious in light of the prevailing challenging environment, on potential changes in consumer behaviour and sentiments during the period.

“We are likely to feel the impact of Covid-19 for some time and consumer sentiment is expected to remain cautious across all business segments.

“Despite the uncertainties that lie ahead of us, the group endeavours to remain resilient and will strive to navigate the challenges to continue to deliver long-term value to our holders of Stapled Securities,” said chief executive officer Datuk Hashim Wahir.

He added that the group would continue to seek growth opportunities and explore innovative solutions to elevate the experience of its tenants, shoppers and hotel guests, whilst complying with the new normal.

KLCCP’s retail and hotel segments have opened and resumed business since May 4, 2020 when the conditional movement control order was announced.

With the recent enforcement of the recovery movement control order, Suria KLCC is now fully opened while the hotel is progressively opening its food and beverage outlets and other hotel services.

To ensure health and well-being of its tenants, KLCCP has put in place the necessary measures in ensuring a safe environment in terms of facility readiness, which reinforces social distancing with enhanced safety procedures.

At the office buildings, the group has also implemented the guidelines on safe work procedures throughout its buildings, as a precautionary measure to protect tenants and employees and to ensure compliance with the new normal as tenants return to their offices.

(Source: <https://www.theedgemarkets.com/article/klccp-expects-office-segment-remain-stable>)