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KLCCP's 4Q profit falls 47% on lower fair value gain, declares 10.9 sen payout



KUALA LUMPUR (Jan 24): KLCCP Stapled Group, which comprises KLCC Property Holdings Bhd (KLCC) and KLCC Real Estate Investment Trust (KLCC REIT), announced a 47% drop in net profit to RM183.66 million in the fourth financial quarter ended Dec 31, 2018 (4QFY18) from RM345.52 million a year ago, mainly due a lower fair value gain on its investment properties.

The fair value gain for its properties as at 4QFY18 dropped to RM20.05 million, from RM182.48 million recorded in the year-ago quarter. Taxation expenses also more than doubled to RM48.87 million in 4QFY18 from RM22.64 million previously, further eroding its profit.

If the impact of the fair value gain was excluded, the group said in a statement that its profit before tax (PBT) grew to RM242.4 million, mainly contributed by a stronger retail segment which saw revenue and PBT growth of 6.1% and 7.7%, respectively.

Revenue for 4QFY18 grew 4% to RM366.35 million from RM352.07 million a year ago, thanks to additional revenue from special projects under the facilities management operations, as well as higher rental rates coupled with higher occupancy for its retail segment.

For the full financial year ended Dec 31, 2018 (FY18), the stapled group recorded a 17.4% decline in net profit to RM724.91 million from RM877.9 million a year ago. Annual revenue grew 3% to RM1.41 billion from RM1.37 billion.

The group declared a fourth interim dividend/income distribution per unit of 10.9 sen, consisting of a 4.63 sen dividend for KLCC and a distribution per unit of 6.27 sen for KLCC REIT, to be paid on Feb 28. The payout is 5% higher than the same period a year ago. This brings its full FY18 payout to 37 sen from 36.15 sen for FY17.

On prospects, the group said it will remain steadfast in focusing on its core competencies in key market segments. It said its hotel segment — namely the Mandarin Oriental Hotel in Kuala Lumpur — is expected to face increased competition from more key inventory coming into the market, despite fully refurbished guestrooms.

(Source : <http://www.theedgemarkets.com/article/klccps-4q-profit-falls-47-lower-fair-value-gain-declares-109-sen-payout>)

