

PROPERTY

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PETALING JAYA: KLCCP Stapled Group remains optimistic about the growth prospects for all its business segments on the back of heightened demand for meetings, incentives, conferences and exhibitions as well as the number of tourist arrivals.

Nevertheless, KLCC Property Holdings Bhd (KLCCP) and KLCC Real Estate Investment Trust (KLCC-REIT) chief executive officer Datuk Md Shah Mahmood said the group would remain cautious of certain economics and industry challenges that might persist.

"We will remain cautious as we actively pursue opportunities to expand the business that meets our business criteria," he told a press conference after the AGMs of KLCCP and KLCC-REIT.

KLCCP and KLCC-REIT are collectively known as KLCCP Stapled Group.

Md Shah said the group is seeking for mature assets with a "good yield".

"We have yet to determine where the location is, but we are actively pursuing and exploring to have equity in some of the assets.

"Whereas for the REIT, we have to be very stringent in terms of the requirements and criteria of the asset that we want to invest in," he added.

On the group's retail segment, he said Suria KLCC, which was fully acquired by the group earlier this year, has reached its occupancy peak of 98% last December.

The mall had also seen a 30% rise in footfall, with 80% of its shoppers being locals, while the remaining being foreign tourists.

"The higher sales were particularly driven by fashion, food and beverage and general retail, plus Suria KLCC also onboarded 35 new tenants.

KLCCP upbeat about its growth prospects

Group to continue pursuing expansion opportunities

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Datuk Md Shah Mahmood

"We think we have a vibrant tenant mix and are responding to the evolving choices and preference of the customers," he added.

In terms of competition within the retail industry, Md Shah said Suria KLCC has yet to be impacted as seen in its performance.

As the Exchange TRX was operational last November, he said the group would need to wait and see how this quarter's performance would play out before determining if it has any effect on Suria KLCC's results.

Suria KLCC will remain one of the iconic malls in Kuala Lumpur driven by its offerings and "uniqueness".

As for its office segment, he said its performance was stable on the back of sustained occupancy of 100% for all its office assets, namely the PETRONAS Twin Towers, Menara 3 PETRONAS, Menara ExxonMobil and Menara Dayabumi.

Speaking to *StarBiz*, Md Shah said the office segment's contribution to the group's revenue of 36% would continue to remain as such, as the stability is supported by the long-term leases and triple net lease arrangements with its tenants.

Meanwhile, for its hotel segment, Md Shah said Mandarin Oriental recorded its highest average room rates and revenue per available room in December 2023.

"This substantial recovery underscores the positive trajectory of the group in the hospitality segment.

"The encouraging pickup in international travellers to the country had also helped increase the hotel guests' composition to 66% as compared to 34% domestic guests, reaching almost the same level as pre-Covid," he said.

The visa-free scheme for tourists from China and India contributed to the groups' performance.

Mandarin Oriental will continue to leverage on the resurgence of the tourism industry with the increase of tourist arrivals as well as encouraging demand from events and banqueting.

"We expect the momentum for Mandarin Oriental to continue and with the refurbishment and upgrading works that we are doing for the hotel, we will provide a better experience for our guests," he added.

As for its management services segment, Md Shah said its performance was highly supported by the completion of the Workplace for Tomorrow office transformation for tenants and other several on-off works by the group's facilities management team.

The group closed the year with a revenue growth of 6.67% from RM1.5bil to RM1.6bil.

It declared a dividend of 40.50 sen per stapled security for 2023.

The dividend is one of the highest since its listing as a stapled security 10 years ago.

When asked if another dividend payout could be expected for 2024, Md Shah said the group would ensure that it continues to do well and perform better.

"Aligned with our strategic framework, the group will remain focused on strengthening our commercial and operational excellence to improve our financial performance and elevate customer experience," he said.