

KLCC PROPERTY HOLDINGS BERHAD
Registration No. 200401003073 (641576-U)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Fourth quarter ended		Financial year ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-21 RM'000	31-Dec-20 RM'000
Revenue	348,171	304,707	1,171,056	1,239,150
Operating expenses	(120,572)	(187,703)	(385,876)	(474,676)
Operating profit	227,599	117,004	785,180	764,474
Fair value adjustments to investment properties	(144,457)	(142,535)	(144,457)	(142,535)
Interest/profit income	5,608	6,035	18,487	23,004
Financing costs	(26,257)	(27,455)	(105,176)	(110,662)
Share of profit of an associate	1,488	2,236	11,763	12,554
Profit/(Loss) before taxation	63,981	(44,715)	565,797	546,835
Taxation	14,094	(8,878)	(31,768)	(72,120)
Profit/(Loss) for the year, representing total comprehensive income	78,075	(53,593)	534,029	474,715
Profit/(Loss) attributable to:				
Equity holders of the Company	28,182	(144,385)	126,456	(7,505)
Non-controlling interests relating to KLCC Real Estate Investment Trust (KLCC REIT)	42,145	102,548	369,396	439,671
	70,327	(41,837)	495,852	432,166
Other non-controlling interests	7,748	(11,756)	38,177	42,549
	78,075	(53,593)	534,029	474,715
Dividend/income distribution to stapled security holders:				
<u>Quarter ended 31 December 2021/2020</u>				
Realised distributable income - KLCCP	72,436	(34,072)	170,710	102,808
Realised distributable income - KLCC REIT	125,797	113,318	467,655	447,372
Total realised distributable income	198,233	79,246	638,365	550,180
Unrealised distributable (loss)/income - KLCC REIT	(83,652)	(10,770)	(98,259)	(7,701)
	70,327	(41,837)	495,852	432,166
Distribution rate (%) ¹	114.75%	152.64%	95.02%	98.44%
Dividend/income distribution	227,472	120,957	606,594	541,599
Dividend/income distribution per stapled security (sen)	12.60	6.70	33.60	30.00
Earnings per stapled security (sen)				
– Basic	3.90	(2.32)	27.47	23.94

¹ Rounded to two decimal points.

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD
Registration No. 200401003073 (641576-U)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	31-Dec-21 RM'000	31-Dec-20 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	604,999	638,267
Investment properties	15,586,571	15,693,205
Right-of-use assets	5,623	9,472
Investment in an associate	271,425	266,262
Deferred tax assets	707	415
Other receivables	393,197	427,863
	<u>16,862,522</u>	<u>17,035,484</u>
Current assets		
Inventories	1,354	1,411
Trade and other receivables	89,343	81,548
Tax recoverable	24,357	5,370
Cash and bank balances	959,528	871,658
	<u>1,074,582</u>	<u>959,987</u>
TOTAL ASSETS	<u>17,937,104</u>	<u>17,995,471</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	1,823,386	1,823,386
Capital reserve	2,860,830	2,905,084
Retained profits	308,496	206,750
	<u>4,992,712</u>	<u>4,935,220</u>
Equity attributable to unit holders of the KLCC REIT	<u>8,017,126</u>	<u>8,078,845</u>
Total equity attributable to equity holders of KLCCP and KLCC REIT	<u>13,009,838</u>	<u>13,014,065</u>
Other non-controlling interests	<u>2,029,638</u>	<u>2,063,894</u>
Total equity	<u>15,039,476</u>	<u>15,077,959</u>
Non-current liabilities		
Deferred revenue	88,832	89,543
Other long term liabilities	144,475	138,494
Financings	2,348,486	1,919,273
Deferred tax liabilities	51,384	65,224
	<u>2,633,177</u>	<u>2,212,534</u>
Current liabilities		
Trade and other payables	236,946	257,725
Financings	27,426	430,171
Taxation	79	17,082
	<u>264,451</u>	<u>704,978</u>
Total liabilities	<u>2,897,628</u>	<u>2,917,512</u>
TOTAL EQUITY AND LIABILITIES	<u>17,937,104</u>	<u>17,995,471</u>
Net asset value per stapled security (RM)	7.21	7.21

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	← Attributable to equity holders of the Company →			Total equity attributable to equity holders of KLCCP RM'000	Equity attributable to unit holders of KLCC REIT ² RM'000	Other non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Retained profits RM'000	Capital reserve ¹ RM'000				
As at 1 January 2020	1,823,386	299,821	3,015,397	5,138,604	8,073,356	2,081,478	15,293,438
Total comprehensive income for the year	–	(7,505)	–	(7,505)	439,671	42,549	474,715
Transfer of fair value surplus	–	110,313	(110,313)	–	–	–	–
Dividends paid/declared	–	(195,879)	–	(195,879)	(434,182)	(60,133)	(690,194)
As at 31 December 2020	1,823,386	206,750	2,905,084	4,935,220	8,078,845	2,063,894	15,077,959
As at 1 January 2021	1,823,386	206,750	2,905,084	4,935,220	8,078,845	2,063,894	15,077,959
Total comprehensive income for the year	–	126,456	–	126,456	369,396	38,177	534,029
Transfer of fair value surplus	–	44,254	(44,254)	–	–	–	–
Dividends paid/declared	–	(68,964)	–	(68,964)	(431,115)	(72,433)	(572,512)
As at 31 December 2021	1,823,386	308,496	2,860,830	4,992,712	8,017,126	2,029,638	15,039,476

¹ Capital reserve arises from the surplus of revaluation of investment properties that will be distributed upon the sale of investment properties.

² Equity attributable to unit holders of KLCC REIT consists of Unitholders' Fund (RM7,212,684,000), Merger Reserve (RM6,212,000), Capital Reserve (RM318,509,000) and Retained Profit (RM479,721,000).

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD
Registration No. 200401003073 (641576-U)
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Financial year ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000
Cash flows from operating activities		
Profit before tax	565,797	546,835
Adjustments for:		
Interest/profit income	(18,487)	(23,004)
Financing costs	105,176	110,662
Accrued rental income	28,469	(4,044)
Net gain on fair value adjustments on investment properties	144,457	142,535
Depreciation	46,668	50,316
Allowance for impairment losses on trade receivables	6,104	3,127
Write off of receivables	2	-
(Gain)/Loss on disposal of property, plant and equipment	(6)	34
Investment property written off	358	-
Impairment of investment property under construction	252	81,362
Share of profit of an associate	(11,763)	(12,554)
	<u>301,230</u>	<u>348,434</u>
Operating profit before changes in working capital	867,027	895,269
Changes in working capital:		
Trade and other receivables	(2,683)	(17,010)
Amount due from/to ultimate holding company	4,599	11,587
Amount due from/to immediate holding company	(4,612)	(23,684)
Amount due from/to related companies	(6,557)	1,774
Trade and other payables	(19,704)	4,535
Inventories	57	399
	(28,900)	(22,400)
Interest/profit income received	18,536	23,504
Tax paid	(81,887)	(87,921)
Net cash generated from operating activities	<u>774,776</u>	<u>808,452</u>
Cash flows from investing activities		
Dividends received	6,600	11,880
Purchase of property, plant and equipment	(9,221)	(12,594)
Subsequent expenditure on investment properties	(37,754)	(27,520)
Proceeds from disposal of property, plant and equipment	15	34
Net cash used in investing activities	<u>(40,360)</u>	<u>(28,200)</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	Financial year ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000
Cash flows from financing activities		
Drawdown of borrowing	442,449	17,028
Repayment of borrowings	(410,000)	(10,000)
Dividends paid to shareholders	(68,964)	(195,879)
Dividends paid to non-controlling interests relating to KLCC REIT	(430,620)	(434,463)
Dividends paid to other non-controlling interests	(72,433)	(60,133)
Interest/profit expense paid	(102,040)	(104,378)
Payment of principal portion of lease liabilities	(4,938)	(4,677)
(Decrease)/Increase in deposits restricted	(1,110)	429
Net cash used in financing activities	<u>(647,656)</u>	<u>(792,073)</u>
Net decrease in cash and cash equivalents	86,760	(11,821)
Cash and cash equivalents at the beginning of the year	869,765	881,586
Cash and cash equivalents at the end of period	<u>956,525</u>	<u>869,765</u>
Cash and cash equivalents at the end of period comprises:		
Cash and bank balances	666,607	538,920
Deposits	292,921	332,738
	<u>959,528</u>	<u>871,658</u>
Less: Deposits restricted ¹	<u>(3,003)</u>	<u>(1,893)</u>
	<u>956,525</u>	<u>869,765</u>

¹ Deposits restricted relate to monies held on behalf of clients in designated accounts which represent cash calls less payments in the course of rendering management services on behalf of clients.

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2020 and the accompanying explanatory notes attached to this interim financial report.)

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NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2021

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Corporate information

KLCC Property Holdings Berhad (“KLCCP”) is a public limited liability company incorporated and domiciled in Malaysia. One ordinary share of KLCCP is stapled with one unit of KLCC Real Estate Investment Trust (“KLCC REIT”) to create the stapled securities. These stapled securities are listed on Bursa Malaysia Securities Berhad.

By virtue of KLCCP and KLCC REIT agreeing to combine their business by contract (i.e. Stapling Deed between KLCCP and KLCC REIT even though KLCCP owns no units in KLCC REIT and vice versa), KLCCP is deemed to be the controlling entity (i.e. parent) for accounting purposes as it is identified to be the party with power to govern the financial and operating policies of KLCC REIT. Therefore, the consolidated accounts of KLCCP will reflect 100% non-controlling interest relating to KLCC REIT.

These condensed consolidated interim financial statements were approved by the Board of Directors on 28 January 2022.

A2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 December 2021, are unaudited and have been prepared in compliance with the requirements of paragraph 9.22 and 9.44 of the *Main Market Listing Requirements* of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* issued by Malaysian Accounting Standards Board (“MASB”) and with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The consolidated financial statements of the Group for the year ended 31 December 2020 are available upon request from the Company’s registered office at Level 54, Tower 2, PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

A3 Accounting policies

The new and revised MFRSs, Amendments to MFRS and IC Interpretations which are mandatory for companies with financial periods beginning on or after 1 January 2021 did not give rise to any significant effects on the financial statements of the Group and the Company.

A4 Audit Report

The auditors’ report on the financial statements for the year ended 31 December 2020 was not qualified.

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NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2021

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information

	Fourth quarter ended			Financial year ended		
	31-Dec-21			31-Dec-21		
	KLCCP	KLCC REIT	Group	KLCCP	KLCC REIT	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Property investment:						
Office	10,324	135,066	145,390	40,820	539,606	580,426
Retail	111,680	8,306	119,986	333,874	30,122	363,996
Hotel operations	22,989	-	22,989	46,527	-	46,527
Management services	80,464	-	80,464	252,927	-	252,927
	<u>225,457</u>	<u>143,372</u>	<u>368,829</u>	<u>674,148</u>	<u>569,728</u>	<u>1,243,876</u>
Eliminations			<u>(20,658)</u>			<u>(72,820)</u>
			<u>348,171</u>			<u>1,171,056</u>
Operating profit						
Property investment:						
Office	8,072	120,971	129,043	32,704	479,106	511,810
Retail	89,871	4,831	94,702	255,136	17,032	272,168
Hotel operations	(7,934)	-	(7,934)	(51,897)	-	(51,897)
Management services	16,241	-	16,241	65,102	-	65,102
	<u>106,250</u>	<u>125,802</u>	<u>232,052</u>	<u>301,045</u>	<u>496,138</u>	<u>797,183</u>
Eliminations			<u>(4,453)</u>			<u>(12,003)</u>
			<u>227,599</u>			<u>785,180</u>
Other expenses	-	-	-	-	-	-
Fair value adjustment on investment properties	(67,478)	(76,979)	(144,457)	(67,478)	(76,979)	(144,457)
Interest/profit income	4,976	632	5,608	16,172	2,315	18,487
Finance cost	(11,249)	(15,008)	(26,257)	(45,400)	(59,776)	(105,176)
Share of profit of an associate company	1,488	-	1,488	11,763	-	11,763
Taxation	14,094	-	14,094	(31,768)	-	(31,768)
Profit for the period / Total comprehensive income for the period			<u>78,075</u>			<u>534,029</u>

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information (Contd.)

	As at 31-Dec-21		
	KLCCP RM'000	KLCC REIT RM'000	Group RM'000
Total assets			
Property investment — Office	1,050,669	9,111,430	10,162,099
Property investment — Retail	5,762,015	493,545	6,255,560
Hotel operations	580,036	—	580,036
Management services	246,054	—	246,054
	<u>7,638,774</u>	<u>9,604,975</u>	<u>17,243,749</u>
Eliminations and adjustments			<u>693,355</u>
			<u>17,937,104</u>
Total liabilities			
Property investment — Office	17,705	1,574,448	1,592,153
Property investment — Retail	796,161	13,422	809,583
Hotel operations	437,145	—	437,145
Management services	80,042	—	80,042
	<u>1,331,053</u>	<u>1,587,870</u>	<u>2,918,923</u>
Eliminations and adjustments			<u>(21,295)</u>
			<u>2,897,628</u>

A6 Unusual items

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A7 Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the quarter under review.

A8 Changes in statutory tax rate

There were no changes to the corporate tax rate during the quarter under review. However, Section 61A of the Malaysian Income Tax Act 1967 exempts KLCC REIT from the normal corporate tax in a year of assessment ("YA") if KLCC REIT distributes at least 90% of its total taxable income in the same YA.

A9 Seasonal or cyclical factors

The Group's hotel operations were impacted by the seasonal or cyclical factors affecting the occupancy rate and food and beverage business of the hotel.

The other segments are not affected by seasonal or cyclical factors.

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A10 Dividends paid

The Board of Directors declared interim dividends comprising 0.84 sen and 6.16 sen relating to KLCCP and KLCC REIT respectively in respect of the three month period ended 30 September 2021 totaling 7.00 sen per stapled security.

The KLCCP dividend of 0.84 sen per share (tax exempt under the single-tier tax system) amounting to RM15.2 million and the KLCC REIT income distribution of 6.16 sen per unit amounting to RM111.2 million were paid on 16 December 2021.

A11 Debt and equity securities

There were no other material events subsequent to the end of the quarter under review that have not been reflected in the interim financial statements.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A13 Discontinued operations

There were no discontinued operations in the Group during the quarter under review.

A14 Capital commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 December 2021 is as follows:

	RM'000
Approved and contracted for	14,025
Approved but not contracted for	105,335
	<u>119,360</u>

A15 Changes in contingent liabilities and contingent assets

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter under review.

A16 Property development activities

KLCC REIT did not undertake any property development activities during the quarter under review.

A17 Material and subsequent events

There was no other material event subsequent to the end of the quarter under review that has not been reflected in the interim financial statements.

KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

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NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2021**B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

The revised standard operating procedures (SOPs) and resumption of economic activities under the Phase 4 of the National Recovery Plan (NRP) during the quarter allows the retail and hotel segments to execute multiple marketing promotions and events to capture sales riding on the festive season and school holidays at the back of the increasing in customers confidence.

Footfall in Suria KLCC doubled as compared to the previous quarter and Mandarin Oriental experienced the highest occupancy since beginning of the pandemic in March 2020.

B1 Performance review - Quarterly Results (Q4 2021 vs Q4 2020)

	Fourth quarter ended			Financial year ended		
	31-Dec-21 RM'000	31-Dec-20 RM'000	Change %	31-Dec-21 RM'000	31-Dec-20 RM'000	Change %
Revenue:						
Property investment:						
Office	145,390	142,773	1.83	580,426	591,572	(1.88)
Retail	119,986	98,616	21.67	363,996	413,777	(12.03)
Hotel operations	22,989	9,652	>100	46,527	52,858	(11.98)
Management services	80,464	68,619	17.26	252,927	250,361	1.02
Eliminations/Adjustments	(20,658)	(14,953)		(72,820)	(69,418)	
	348,171	304,707	14.26	1,171,056	1,239,150	(5.50)
Profit before tax ("PBT"):						
Property investment:						
Office *	117,378	32,701	>100	470,454	396,448	18.67
Retail	87,227	64,910	34.38	241,900	290,394	(16.70)
Hotel operations	(11,604)	(18,040)	35.68	(65,978)	(63,618)	(3.71)
Management services	16,597	17,535	(5.35)	66,244	67,372	(1.67)
Eliminations/Adjustments	(1,160)	714		(2,366)	(1,226)	
	208,438	97,820	>100	710,254	689,370	3.03
Fair value adjustment on investment properties	(144,457)	(142,535)	0.01	(144,457)	(142,535)	1.35
	63,981	(44,715)	(243.09)	565,797	546,835	3.47

* Includes share of profit of an associate.

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B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

B1 Performance review (contd.)

Variance analysis by segment

Property investment — Office

	Fourth quarter ended			Financial year ended		
	31-Dec-21 RM'000	31-Dec-20 RM'000	Change %	31-Dec-21 RM'000	31-Dec-20 RM'000	Change %
PBT Property Investment:						
Office	117,378	32,701	>100	470,454	396,448	18.67
Add: Impairment of IPUC	252	81,362	(99.69)	252	81,362	(99.69)
	<u>117,630</u>	<u>114,063</u>	3.13	<u>470,706</u>	<u>477,810</u>	(1.49)

In Q4 2021, the Group recognised minimal impairment in the on-going development of Kompleks Dayabumi Phase 3 amounting to RM0.3 million. Excluding the impairment, office segment remained stable backed by the Triple Net Lease (TNL) agreements and long-term leases.

Property investment — Retail

For the current quarter, retail revenue was RM120.0 million, an increase by 21.7% against the Q4 2020. The better footfall and retailers' turnover allowed for lower rental assistance being provided. Coupled with higher advertising income and lower allowance for impairment on trade receivables, consequently, PBT improved by 34.4% to RM87.2 million during the quarter.

For the year, revenue and PBT declined by 12.0% and 16.7% respectively. FY2021 performance depicted retail segment operating in a pandemic environment and a full year impact of rental assistance to sustain tenant's businesses.

Hotel operations

Encouraging improvement in the hotel segment with higher revenue of RM23.0 million was recorded during the quarter compared to RM9.7 million in Q4 2020. This resulted from the higher occupancy of 29.0% (2020: 14.8%) and better performance in Food & Beverage as compared to corresponding quarter last year.

Revenue for the year was lower by RM6.4 million, or 12.0% at RM46.5 million attributed to the performance of the hotel in pandemic and Movement Control Order (MCO) conditions. Despite that, loss before tax was contained at RM66.0 million (FY2020: -RM63.6 million) with proper cost controls especially in operation and maintenance.

Management services

Revenue during the quarter increased by 17.2% mainly due to the higher revenue from one off work in facilities management coupled with higher car park income in line with the ease of SOPs. However, PBT decreased marginally by 5.3% due to the one-off adjustment made in a facility contract to reflect changes in scope of services during the quarter.

As for the year, revenue recorded a marginal increase by 1.0% mainly due to the higher one-off work in facilities management. PBT of RM66.2 million was slightly lower as compared to last year mainly due to the completion of a better margin project during the year.

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B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

B2 Variation of results against preceding quarter

	Quarter ended		
	31-Dec-21	30-Sep-21	Change
	RM'000	RM'000	%
Revenue:			
Property investment:			
Office	145,390	144,942	0.31
Retail	119,986	68,123	76.13
Hotel operations	22,989	5,897	>100
Management services	80,464	58,052	38.61
Eliminations/Adjustments	<u>(20,658)</u>	<u>(16,669)</u>	
	<u>348,171</u>	<u>260,345</u>	33.73
Profit before tax:			
Property investment:			
Office *	117,378	117,971	(0.50)
Retail	87,227	39,673	>100
Hotel operations	(11,604)	(20,047)	42.12
Management services	16,597	16,270	2.01
Eliminations/Adjustments	<u>(1,160)</u>	<u>191</u>	
	<u>208,438</u>	<u>154,058</u>	35.30
Fair value adjustments on investment properties	<u>(144,457)</u>	<u>—</u>	
	<u>63,981</u>	<u>154,058</u>	(58.47)

* Includes share of profit of an associate.

Excluding fair value adjustments on investment properties, the Group reported higher revenue of RM348.2 million and PBT of RM208.4 million, increased by 33.7% and 35.3% respectively. The retail and hotel segments achieved better performance due to execution of multiple marketing strategies to drive sales riding on the revision in SOPs and lifting of travel restriction.

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B3 Prospects for financial year 2022

Recoverability of Malaysia's overall economy in 2022 is anticipated, riding on the positive momentum of the country's high vaccination coverage and the on-going effort in booster shot rollout. Whilst the Directors foresee that the consumer market will still be influenced by the Covid-19 development, the Directors opine that the Group's effort in maintaining the business performance and tenants' sustainability as well as swift response to the SOPs has gained the consumers' confidence in our offices, malls and hotel.

The increased footfall at Suria KLCC towards the end of the year has translated to a positive performance as Suria KLCC prepares to continue the recovery momentum in 2022 leveraging on its strategic location and the carefully curated tenant mix.

Mandarin Oriental focuses on the local leisure market with various promotional packages tailoring to its guests' profile. Whilst the hotel prepares to welcome tourist once international borders reopen, the Director do not expect immediate surge in globetrotting activities amidst the pandemic. Hence, the hotel segment is anticipated to recover at a slower pace.

The office segment, secured by the Triple Net Lease Agreements and long-term tenancy structure will continue to reinforce and lend stability to the Group.

B4 Profit forecast

No profit forecast was issued for the financial period.

B5 Taxation

Taxation comprises the following:

	Fourth quarter ended		Financial year ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Malaysian income tax	36	14,720	45,900	77,975
Deferred tax	(14,130)	(5,842)	(14,132)	(5,855)
	(14,094)	8,878	31,768	72,120

Overall effective tax rate of 8.1% is lower as income from KLCC REIT is not subject to tax in accordance with Section 61A of the Malaysian Income Tax Act 1967. The lower taxation during the quarter and year includes estimated special deduction on the rental rebate for YA2021.

B6 Sales of unquoted investments and/or properties

There was no disposal of unquoted investments or properties during the quarter under review.

B7 Quoted and marketable securities

There was no purchase or disposal of quoted and marketable securities during the quarter under review.

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B8 Status of corporate proposal announced

There was no corporate proposal announced but not completed as at the date of this report.

B9 Financings

	As at 31-Dec-21		
	KLCCP RM'000	KLCC REIT RM'000	Group RM'000
Short term:			
<u>Secured</u>			
Term loans	12,106	–	12,106
Sukuk Murabahah	–	11,310	11,310
Lease liabilities	4,010	–	4,010
	<u>16,116</u>	<u>11,310</u>	<u>27,426</u>
Long term:			
<u>Secured</u>			
Term loans	391,644	–	391,644
Sukuk Murabahah	600,000	1,355,000	1,955,000
Lease liabilities	1,842	–	1,842
	<u>993,486</u>	<u>1,355,000</u>	<u>2,348,486</u>
	<u>1,009,602</u>	<u>1,366,310</u>	<u>2,375,912</u>

Repayment schedule:

	Within 1 year RM'000	1–2 years RM'000	2–5 years RM'000	More than 5 years RM'000	Group total RM'000
<u>KLCCP</u>					
Term loans	12,106	10,000	381,644	–	403,750
Sukuk Murabahah	–	–	600,000	–	600,000
Lease liabilities	4,010	1,842	–	–	5,852
	<u>16,116</u>	<u>11,842</u>	<u>981,644</u>	<u>–</u>	<u>1,009,602</u>
<u>KLCC REIT</u>					
Sukuk Murabahah	11,310	–	955,000	400,000	1,366,310
	<u>27,426</u>	<u>11,842</u>	<u>1,936,644</u>	<u>400,000</u>	<u>2,375,912</u>

B10 Material litigation

The Group has no outstanding material litigation as at the date of this report.

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B11 Dividend/income distribution

The Board of Directors has declared the following dividend/income distribution for the quarter ended 31 December 2021:

	Total stapled securities	Dividend/ income distribution per stapled securities Sen	Total dividend/ income distribution payable RM'000
KLCCP ¹	1,805,333,083	5.77	104,168
KLCC REIT ^{2,3}	1,805,333,083	6.83	123,304
Group		12.60	227,472

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 28 February 2022. The book closure date in respect of both the aforesaid interim dividend and income distribution is 16 February 2022.

¹ Dividend declared under KLCCP is tax exempt under the single-tier system.

² Income distribution to unitholders will be subjected to withholding tax at the following rates:

<u>Unitholders</u>	Withholding tax rate
Individuals and all other non-corporate investors such as institutional investors (resident and non-resident)	10%
Non-resident corporate investors	24%
Resident corporate investors	0%

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B11 Dividend/income distribution (contd.)

³ Distribution by KLCC REIT to unitholders are from the following sources:

	Fourth quarter ended		Financial year ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-21 RM'000	31-Dec-20 RM'000
Revenue				
Property investment - Office	135,066	132,586	539,606	550,650
Property investment - Retail	8,306	8,228	30,122	30,574
	143,372	140,814	569,728	581,224
Profit income	632	420	2,315	2,127
Fair value adjustment on investment properties	(76,979)	(5,085)	(76,979)	(5,085)
	67,025	136,149	495,064	578,266
Less: Expenses	(32,578)	(34,110)	(133,366)	(139,104)
Taxation	7,698	509	7,698	509
Profit for the period	42,145	102,548	369,396	439,671
Less: Non-cash items	83,652	8,982	98,259	7,701
Total realised income available for the period	125,797	111,530	467,655	447,372
Add: Brought forward undistributed realised income available for distribution	70,249	48,535	64,588	41,469
Total realised income available for distribution *	196,046	160,065	532,243	488,841
Less: Total income distributed for the period	—	—	(328,211)	(321,349)
Less: Income to be distributed for the quarter	(123,304)	(102,904)	(123,304)	(102,904)
Balance undistributed realised income available for distribution	72,742	57,161	80,728	64,588
Distribution per unit (sen)	6.83	5.70	25.01	23.50

* There are no unrealised losses arising during the period or brought forward from previous year.

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B12 Summary of Net Asset Value ("NAV")

	No. of units listed	NAV RM'000	NAV per unit	
			before distribution RM	after distribution RM
KLCC REIT ¹	1,805,333,083	8,017,126	4.44	4.37
KLCCP Stapled Group	1,805,333,083	13,009,838	7.21	7.08

¹ An analysis of KLCC REIT's performance based on changes in NAV and NAV per unit, after distribution, since 30 September 2021 is as follows:

	As at 31-Dec-21	As at 30-Sep-21	Changes
NAV (after distribution) (RM'000)	7,893,822	7,977,687	(83,865)
NAV per unit (after distribution) (RM)	4.37	4.42	(0.05)

B13 Profit for the period

	Fourth quarter ended		Financial year ended	
	31-Dec-21 RM'000	31-Dec-20 RM'000	31-Dec-21 RM'000	31-Dec-20 RM'000
Profit for the period is arrived after charging:				
Depreciation of property, plant and equipment ¹	11,904	12,287	46,668	50,316
Allowance for impairment losses on trade receivables	376	2,860	6,104	3,127
Write off of receivables	–	–	2	–
(Gain)/Loss on disposal of property, plant and equipment	–	(1)	(6)	34
Impairment of investment property under construction	252	81,362	252	81,362
Write off of investment properties	358	–	358	–

¹ Depreciation of property, plant and equipment is inclusive of depreciation resulting from MFRS 16: Leases.

Other than the above, the items listed under Appendix 9B Note 16 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

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B14 Earnings per stapled securities ("EPSS")

	Fourth quarter ended		Financial year ended	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Profit attributable to ordinary equity holders of the Company (RM'000)	28,182	(144,385)	126,456	(7,505)
Profit attributable to unitholders of KLCC REIT (RM'000)	42,145	102,548	369,396	439,671
	<u>70,327</u>	<u>(41,837)</u>	<u>495,852</u>	<u>432,166</u>
Weighted average number of stapled securities in issue ('000 units)	1,805,333	1,805,333	1,805,333	1,805,333
Basic EPSS (Sen)	<u>3.90</u>	<u>(2.32)</u>	<u>27.47</u>	<u>23.94</u>

Without fair value adjustments

Profit attributable to ordinary equity holders of the Company (RM'000)	28,182	(144,385)	126,456	(7,505)
Profit attributable to unitholders of KLCC REIT (RM'000)	42,145	102,548	369,396	439,671
Less: Fair value adjustments	121,233	114,889	121,233	114,889
	<u>191,560</u>	<u>73,052</u>	<u>617,085</u>	<u>547,055</u>
Weighted average number of stapled securities in issue ('000 units)	1,805,333	1,805,333	1,805,333	1,805,333
Basic EPSS (Sen)	<u>10.61</u>	<u>4.05</u>	<u>34.18</u>	<u>30.30</u>

B15 Limits or restrictions imposed under the Guidelines on Listed REITs issued by Securities Commission Malaysia ("the Guidelines")

The Group is in compliance with the limits or restrictions imposed under the Guidelines.

BY ORDER OF THE BOARD

Abd Aziz Bin Abd Kadir (LS0001718)
Yeap Kok Leong (MAICSA0862549)
Company Secretaries
Kuala Lumpur