

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 2022**

	Fourth quarter		Financial year	
	ended 31-Dec-22	ended 31-Dec-21	ended 31-Dec-22	ended 31-Dec-21
	RM'000	RM'000	RM'000	RM'000
Revenue	413,256	348,171	1,459,251	1,171,056
Operating expenses	(165,075)	(120,572)	(500,455)	(385,876)
Operating profit	248,181	227,599	958,796	785,180
Fair value adjustments to investment properties	128,676	(144,457)	128,676	(144,457)
Interest/profit income	10,743	5,608	27,068	18,487
Financing costs	(27,334)	(26,257)	(105,759)	(105,176)
Share of (loss)/profit of an associate	(670)	1,488	10,098	11,763
Profit before taxation	359,596	63,981	1,018,879	565,797
Taxation	(22,958)	14,094	(107,325)	(31,768)
Profit for the period, representing total comprehensive income	336,638	78,075	911,554	534,029
Profit attributable to:				
Equity holders of the Company	111,952	28,182	279,365	126,456
Non-controlling interests relating to KLCC Real Estate Investment Trust (KLCC REIT)	167,514	42,145	503,298	369,396
	279,466	70,327	782,663	495,852
Other non-controlling interests	57,172	7,748	128,891	38,177
	336,638	78,075	911,554	534,029
Profit for the period, excluding fair value adjustments	218,390	217,092	793,306	673,045
Dividend/income distribution to stapled security holders:				
<u>Quarter ended 31 December 2022/2021</u>				
Realised distributable income - KLCCP	75,591	72,436	243,005	170,710
Realised distributable income - KLCC REIT	126,473	125,797	505,265	467,655
Total realised distributable income	202,064	198,233	748,270	638,365
Unrealised distributable income - KLCCP	36,361	(44,254)	36,360	(44,254)
Unrealised distributable loss - KLCC REIT	41,041	(83,652)	(1,967)	(98,259)
	279,466	70,327	782,663	495,852
Distribution rate (%) ¹	125.08%	114.75%	91.68%	95.02%
Dividend/income distribution	252,747	227,472	686,027	606,594
Dividend/income distribution per stapled security (sen)	14.00	12.60	38.00	33.60
Earnings per stapled security (sen)				
– Basic / Diluted	15.48	3.90	43.35	27.47

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 2021 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	31-Dec-22	31-Dec-21
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	570,929	604,999
Investment properties	15,722,780	15,586,571
Right-of-use assets	3,913	5,623
Investment in an associate	265,023	271,425
Deferred tax assets	1,464	707
Other receivables	328,988	393,197
	<u>16,893,097</u>	<u>16,862,522</u>
Current assets		
Inventories	1,558	1,354
Trade and other receivables	102,018	89,343
Tax recoverable	7,813	24,357
Cash and bank balances	1,104,972	959,528
	<u>1,216,361</u>	<u>1,074,582</u>
TOTAL ASSETS	<u>18,109,458</u>	<u>17,937,104</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	1,823,386	1,823,386
Capital reserve	2,897,190	2,860,830
Retained profits	392,812	308,496
	<u>5,113,388</u>	<u>4,992,712</u>
Equity attributable to unit holders of the KLCC REIT	<u>8,018,361</u>	<u>8,017,126</u>
Total equity attributable to equity holders of KLCCP and KLCC REIT	<u>13,131,749</u>	<u>13,009,838</u>
Other non-controlling interests	<u>2,035,529</u>	<u>2,029,638</u>
Total equity	<u>15,167,278</u>	<u>15,039,476</u>
Non-current liabilities		
Deferred revenue	82,633	88,832
Other long term liabilities	126,928	144,475
Financings	2,355,887	2,348,486
Deferred tax liabilities	53,982	51,384
	<u>2,619,430</u>	<u>2,633,177</u>
Current liabilities		
Trade and other payables	281,308	236,946
Financings	22,586	27,426
Taxation	18,856	79
	<u>322,750</u>	<u>264,451</u>
Total liabilities	<u>2,942,180</u>	<u>2,897,628</u>
TOTAL EQUITY AND LIABILITIES	<u>18,109,458</u>	<u>17,937,104</u>
Net asset value per stapled security (RM)	7.27	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 2021 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	← 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 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	–	(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
As at 1 January 2022	1,823,386	308,496	2,860,830	4,992,712	8,017,126	2,029,638	15,039,476
Total comprehensive income for the year	–	279,365	–	279,365	503,298	128,891	911,554
Transfer of fair value surplus	–	(36,360)	36,360	–	–	–	–
Dividends paid	–	(158,689)	–	(158,689)	(502,063)	(123,000)	(783,752)
As at 31 December 2022	1,823,386	392,812	2,897,190	5,113,388	8,018,361	2,035,529	15,167,278

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 (RM373,980,000) and Retained Profit (RM425,485,000).

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 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 2022

	Financial year ended	
	31-Dec-22 RM'000	31-Dec-21 RM'000
Cash flows from operating activities		
Profit before tax	1,018,879	565,797
Adjustments for:		
Interest/profit income	(27,068)	(18,487)
Financing costs	105,763	105,176
Accrued rental income	58,135	28,469
(Gain)/loss on fair value adjustments on investment properties	(128,676)	144,457
Depreciation	44,978	46,668
(Reversal)/allowance for impairment losses on receivables	(1,496)	6,104
Write off of receivables	-	2
Loss/(gain) on disposal of property, plant and equipment	30	(6)
Derecognition of leases	(9)	-
Remeasurement of leases	(44)	-
Investment property written off	13	358
Impairment of investment property under construction	115	252
Share of profit of an associate	(10,098)	(11,763)
	<u>41,643</u>	<u>301,230</u>
Operating profit before changes in working capital	<u>1,060,522</u>	<u>867,027</u>
Changes in working capital:		
Trade and other receivables	15,509	(2,615)
Amount due from/to ultimate holding company	(599)	4,940
Amount due from/to immediate holding company	(27,813)	(4,632)
Amount due from/to related companies	(5,262)	(6,790)
Trade and other payables	28,125	(19,043)
Inventories	(204)	57
	<u>9,756</u>	<u>(28,083)</u>
Interest/profit income received	26,297	18,536
Tax paid	(70,176)	(81,887)
Tax refund received	12	-
Net cash generated from operating activities	<u>1,026,411</u>	<u>775,593</u>
Cash flows from investing activities		
Dividends received	16,500	6,600
Purchase of property, plant and equipment	(6,512)	(9,322)
Subsequent expenditure on investment properties	(6,004)	(38,470)
Proceeds from disposal of property, plant and equipment	3	15
Net cash used in investing activities	<u>3,987</u>	<u>(41,177)</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Financial year ended	
	31-Dec-22 RM'000	31-Dec-21 RM'000
Cash flows from financing activities		
Drawdown of borrowing	16,540	442,449
Repayment of borrowings	(10,000)	(410,000)
Dividends paid to shareholders	(158,689)	(68,964)
Dividends paid to non-controlling interests relating to KLCC REIT	(501,840)	(430,620)
Dividends paid to other non-controlling interests	(123,000)	(72,433)
Interest/profit expense paid	(103,085)	(102,040)
Payment of principal portion of lease liabilities	(4,880)	(4,938)
Increase/(decrease) in deposits restricted	841	(1,110)
Net cash used in financing activities	<u>(884,113)</u>	<u>(647,656)</u>
Net decrease in cash and cash equivalents	146,285	86,760
Cash and cash equivalents at the beginning of the year	956,525	869,765
Cash and cash equivalents at the end of period	<u>1,102,810</u>	<u>956,525</u>
Cash and cash equivalents at the end of period comprises:		
Cash and bank balances	796,786	666,607
Deposits	308,186	292,921
	<u>1,104,972</u>	<u>959,528</u>
Less: Deposits restricted ¹	<u>(2,162)</u>	<u>(3,003)</u>
	<u>1,102,810</u>	<u>956,525</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 2021 and the accompanying explanatory notes attached to this interim financial report.)

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NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2022

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 31 January 2023.

A2 Basis of preparation

These condensed consolidated interim financial statements, for the year ended 31 December 2022, 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 2021 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 2022 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 2021 was not qualified.

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NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2022

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information

	Fourth quarter ended			Financial year ended		
	31-Dec-22			31-Dec-22		
	KLCCP	KLCC	Group	KLCCP	KLCC	Group
	REIT	REIT		REIT	REIT	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Property investment:						
Office	11,093	134,941	146,034	42,118	539,903	582,021
Retail	115,460	9,912	125,372	456,019	38,940	494,959
Hotel operations	49,063	-	49,063	146,910	-	146,910
Management services	112,125	-	112,125	310,912	-	310,912
	<u>287,741</u>	<u>144,853</u>	<u>432,594</u>	<u>955,959</u>	<u>578,843</u>	<u>1,534,802</u>
Eliminations			(19,338)			(75,551)
			<u>413,256</u>			<u>1,459,251</u>
Operating profit						
Property investment:						
Office	3,989	119,428	123,417	26,033	478,336	504,369
Retail	97,169	6,419	103,588	383,953	24,577	408,530
Hotel operations	4,544	-	4,544	(7,435)	-	(7,435)
Management services	20,851	-	20,851	70,344	-	70,344
	<u>126,553</u>	<u>125,847</u>	<u>252,400</u>	<u>472,895</u>	<u>502,913</u>	<u>975,808</u>
Eliminations			(4,219)			(17,012)
			<u>248,181</u>			<u>958,796</u>
Other expenses	-	-	-	-	-	-
Fair value adjustment on investment properties	67,040	61,636	128,676	67,040	61,636	128,676
Interest/profit income	9,492	1,251	10,743	23,036	4,032	27,068
Finance cost	(12,278)	(15,056)	(27,334)	(46,640)	(59,119)	(105,759)
Share of profit of an associate company	(670)	-	(670)	10,098	-	10,098
Taxation	(22,958)	-	(22,958)	(107,325)	-	(107,325)
Profit for the period / Total comprehensive income for the period			<u>336,638</u>			<u>911,554</u>

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NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2022

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information (contd.)

	As at 31-Dec-22		Group
	KLCCP	KLCC REIT	
	RM'000	RM'000	RM'000
Total assets			
Property investment — Office	1,072,554	9,113,166	10,185,720
Property investment — Retail	5,784,069	495,198	6,279,267
Hotel operations	573,314	—	573,314
Management services	273,400	—	273,400
	<u>7,703,337</u>	<u>9,608,364</u>	<u>17,311,701</u>
Eliminations and adjustments			<u>797,757</u>
			<u>18,109,458</u>
Total liabilities			
Property investment — Office	17,931	1,577,502	1,595,433
Property investment — Retail	790,838	12,521	803,359
Hotel operations	450,657	—	450,657
Management services	112,080	—	112,080
	<u>1,371,506</u>	<u>1,590,023</u>	<u>2,961,529</u>
Eliminations and adjustments			<u>(19,349)</u>
			<u>2,942,180</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

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. During the quarter, the Group was impacted by Cukai Makmur; in which, company with chargeable income above RM100 million were taxed at 33%. As a result, the effective tax rate for the Group was 10% compared to 8% last year.

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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NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2022

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A10 Dividends paid

The Board of Directors declared interim dividends comprising 1.04 sen and 6.96 sen relating to KLCCP and KLCC REIT respectively in respect of the three month period ended 30 September 2022 totaling 8.00 sen per stapled security.

The KLCCP dividend of 1.04 sen per share (tax exempt under the single-tier tax system) amounting to RM18.8 million and the KLCC REIT income distribution of 6.96 sen per unit amounting to RM125.6 million were paid on 23 December 2022.

A11 Debt and equity securities

There is no issuance, repurchases and repayments of debt and equity securities for the current quarter ended 31 December 2022, except as disclosed in Note B9.

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 2022 is as follows:

	RM'000
Approved and contracted for	5,965
Approved but not contracted for	53,025
	<u>58,990</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.

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NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2022

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A18 Fair Value Information

The Group's financial instruments consists of cash and bank balances, trade and other receivables, financings, and trade and other payables.

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and short term financings approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of other long term liabilities approximate its fair value amount.

The analysis assumes that all other variables remain constant.

The fair value hierarchy in the valuation technique are as follows:

- Level 1 Quoted market prices in an active market for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
At 31 December 2022				
<u>Financial liabilities</u>				
Sukuk Murabahah	-	1,920,950	-	1,920,950
At 31 December 2021				
<u>Financial liabilities</u>				
Sukuk Murabahah	-	1,923,603	-	1,923,603

There has been no transfer between Level 1, 2 and 3 fair values during the financial year.

The Group does not have any financial liabilities that are measured at fair value for the period under review.

A19 Valuations of Property, Plant and Equipment and Investment Properties

The property, plant and equipment were stated at cost less accumulated depreciation and accumulated impairment losses as at 31 December 2022, if any.

The investment properties are being valued annually by independent professional valuers. The carrying value as at the end of the quarter were based on independent valuation as at 31 December 2022. The fair value gain arising from the valuation amounting RM128.7 million was recognised during the quarter/year.

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NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2022

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

The Group's performance was better during the quarter attributed to the heightened retail activities and increased sales in the hotel businesses during the festive seasons and school holidays. In addition, numerous projects and one-off works were completed during the quarter, adding up to the higher revenue of RM413.3 million. Furthermore, the fair value gain recognised in investment properties has also contributed to improved PBT of RM359.6 million.

FY2022 recorded a higher revenue of RM1,459.3 million and PBT of RM1,018.9 million, a healthy recovery from last year.

B1 Performance review - Quarterly Results (Q4 2022 vs Q4 2021)

	Fourth quarter ended			Financial year ended		
	31-Dec-22 RM'000	31-Dec-21 RM'000	Change %	31-Dec-22 RM'000	31-Dec-21 RM'000	Change %
Revenue:						
Property investment:						
Office	146,034	145,390	0.44	582,021	580,426	0.27
Retail	125,372	119,986	4.49	494,959	363,996	35.98
Hotel operations	49,063	22,989	>100	146,910	46,527	>100
Management services	112,125	80,464	39.35	310,912	252,927	22.93
Eliminations/Adjustments	(19,338)	(20,658)		(75,551)	(72,820)	
	<u>413,256</u>	<u>348,171</u>	18.69	<u>1,459,251</u>	<u>1,171,056</u>	24.61
Profit before tax ("PBT"):						
Property investment:						
Office *	110,530	117,378	(5.83)	464,378	470,454	(1.29)
Retail	96,853	87,227	11.04	379,927	241,900	57.06
Hotel operations	(95)	(11,604)	99.18	(23,569)	(65,978)	64.28
Management services	21,494	16,597	29.51	71,903	66,244	8.54
Eliminations/Adjustments	2,138	(1,160)		(2,436)	(2,366)	
	<u>230,920</u>	<u>208,438</u>	10.79	<u>890,203</u>	<u>710,254</u>	25.34
Fair value adjustments on investment properties	128,676	(144,457)	(1.89)	128,676	(144,457)	(189.08)
	<u>359,596</u>	<u>63,981</u>	>100	<u>1,018,879</u>	<u>565,797</u>	80.08

* 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 - Quarterly Results (Q4 2022 vs Q4 2021) (contd.)

Variance analysis by segment

Property investment — Office

Comparing to Q4 last year, PBT decreased by 5.8% due to a preservation cost incurred for Kompleks Dayabumi and the lower share of profit of an associate.

For year to-date, PBT of RM464.4 million was recorded as the segment remained stable backed by Triple Net Lease (TNL) and long-term leases.

Property investment — Retail

Higher retail revenue and PBT of RM125.4 million and RM96.9 million respectively during the quarter were attributed to the lower rental assistance, higher revenue rents and advertising income. The provision of expected credit loss (ECL) was lower as a result of improvement in tenants' sales.

Similarly, for the year to-date, the revenue and PBT increased by 36.0% and 57.1% respectively.

Hotel operations

Mandarin Oriental KL (MOKL) recorded a robust performance during the quarter with its strong marketing initiatives to secure the premium rooms and capture dining businesses. High occupancy recorded (Q4 2022: 56%; Q4 2021: 29%) coupled with improved F&B performance during the quarter has translated to revenue of RM49.1 million and marginal loss of RM0.1 million.

YTD revenue increased significantly from RM46.5 million to RM146.9 million during the year with a lower loss of RM23.6 million compared to RM66.0 million last year, reflecting the consumers' pent-up demand upon easing of restriction and opening of international borders. This was supported by the strong staycation take ups and other offerings marketed by the hotel

Management services

Revenue and PBT during Q4 FY2022 increased by 39.4% and 29.5% accordingly mainly due to the completion of one-off works from facilities management.

For YTD, the revenue & PBT recorded an increase of 22.9% and 8.5% respectively as carpark income improved during the year, in line with the increased customer count in the malls as well as returning of office staff.

Fair value adjustment on Investment Properties

Fair value adjustments of RM128.7 million was recognised, mainly on the improvements in value of retail properties during the year.

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B2 Variation of results against preceding quarter

	Quarter ended		Change %
	31-Dec-22 RM'000	30-Sep-22 RM'000	
Revenue:			
Property investment:			
Office	146,034	145,230	0.55
Retail	125,372	133,572	(6.14)
Hotel operations	49,063	45,763	7.21
Management services	112,125	68,400	63.93
Eliminations/Adjustments	(19,338)	(18,988)	
	413,256	373,977	10.50
Profit before tax:			
Property investment:			
Office *	110,530	116,678	(5.27)
Retail	96,853	107,797	(10.15)
Hotel operations	(95)	(2,363)	95.98
Management services	21,494	17,438	23.26
Eliminations/Adjustments	2,138	(1,988)	
	230,920	237,562	(2.80)
Fair value adjustments on investment properties	128,676	—	
	359,596	237,562	51.37

* Includes share of profit of an associate.

Excluding fair value adjustments, the Group ended the quarter with revenue surpassing Q3 by 10.5% with slight decrease of PBT by 2.8%.

Retail segment recorded a marginal decrease in both revenue and PBT by 6.1% and 10.2% respectively due to a reversal of rental assistance in the preceding quarter. Without the reversal, the performance of retail will depict an upward trajectory in revenue and PBT. The Group continues to support the sustainability of our retail partners, ensuring achievement of common goals.

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B3 Prospects for financial year 2023

Signs of the economy gradually improving have been observed since the recovery of businesses in early 2022. This trend is anticipated to continue into the year 2023. However, headwinds such as inflationary pressures, raising labour cost and the lingering Covid-19 cases will remain as part of the backdrop.

Suria KLCC will leverage on its presence within the iconic PETRONAS Twin Towers. It will focus on its strength in customer centricity and innovative marketing programs to bring in the footfalls and drive sales. The mall will continue to target strategic tenants mix to further strengthen its position.

Mandarin Oriental is expected to continue its positive trajectory from 2022 through its focus on delivering world class hospitality, underpinned by strong brand value and innovative marketing campaigns.

The Directors are cautiously optimistic in delivering another positive performance in 2023, underpinned by the stability of the office segment which is backed by long-term leases and triple net lease arrangements.

B4 Profit forecast

No profit forecast was issued for the financial period.

B5 Tax expense/(benefit)

Taxation comprises the following:

	Fourth quarter ended		Financial year ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Malaysian income tax	21,142	36	105,484	45,900
Deferred tax	1,816	(14,130)	1,841	(14,132)
	<u>22,958</u>	<u>(14,094)</u>	<u>107,325</u>	<u>31,768</u>

Overall effective tax rate of 9.76% is lower as income from KLCC REIT is not subject to tax in accordance with Section 61A of the Malaysian Income Tax Act 1967.

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

B9 Financings

	As at 31-Dec-22		
	KLCCP RM'000	KLCC REIT RM'000	Group RM'000
Short term:			
<u>Secured</u>			
Term loans	12,508	–	12,508
Sukuk Murabahah	–	8,874	8,874
Lease liabilities	1,204	–	1,204
	<u>13,712</u>	<u>8,874</u>	<u>22,586</u>
Long term:			
<u>Secured</u>			
Term loans	398,182	–	398,182
Sukuk Murabahah	600,000	1,355,000	1,955,000
Lease liabilities	2,705	–	2,705
	<u>1,000,887</u>	<u>1,355,000</u>	<u>2,355,887</u>
	<u>1,014,599</u>	<u>1,363,874</u>	<u>2,378,473</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	12,508	10,000	388,182	–	410,690
Sukuk Murabahah	–	–	600,000	–	600,000
Lease liabilities	1,204	2,705	–	–	3,909
	<u>13,712</u>	<u>12,705</u>	<u>988,182</u>	<u>–</u>	<u>1,014,599</u>
<u>KLCC REIT</u>					
Sukuk Murabahah	8,874	455,000	500,000	400,000	1,363,874
	<u>22,586</u>	<u>467,705</u>	<u>1,488,182</u>	<u>400,000</u>	<u>2,378,473</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 2022:

	Total stapled securities	Dividend/income distribution per stapled securities Sen	Total dividend/income distribution payable RM'000
KLCCP ¹	1,805,333,083	7.69	138,830
KLCC REIT ^{2,3}	1,805,333,083	6.31	113,917
Group		<u>14.00</u>	<u>252,747</u>

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 28 February 2023. The book closure date in respect of both the aforesaid interim dividend and income distribution is 16 February 2023.

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-22 RM'000	31-Dec-21 RM'000	31-Dec-22 RM'000	31-Dec-21 RM'000
Revenue				
Property investment - Office	134,941	135,066	539,903	539,606
Property investment - Retail	9,912	8,306	38,940	30,122
	144,853	143,372	578,843	569,728
Profit income	1,251	632	4,032	2,315
Fair value adjustments on investment properties	61,636	(76,979)	61,636	(76,979)
	207,740	67,025	644,511	495,064
Less: Expenses	(34,062)	(32,578)	(135,049)	(133,366)
Taxation	(6,164)	7,698	(6,164)	7,698
Profit for the period	167,514	42,145	503,298	369,396
Less: Adjustments	(41,041)	83,652	1,967	98,259
Total realised income available for the period	126,473	125,797	505,265	467,655
Add: Brought forward undistributed realised income available for distribution	80,761	78,235	80,728	64,588
Total realised income available for distribution *	207,234	204,032	585,993	532,243
Less: Total income distributed for the period	—	—	(378,759)	(328,211)
Less: Income to be distributed for the quarter	(113,917)	(123,304)	(113,917)	(123,304)
Balance undistributed realised income available for distribution	93,317	80,728	93,317	80,728
Distribution per unit (sen)	6.31	6.83	27.29	25.01

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

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	No. of units listed	NAV RM'000	NAV per unit	
			before distribution RM	after distribution RM
KLCC REIT ¹	1,805,333,083	8,018,361	4.44	4.38
KLCCP Stapled Group	1,805,333,083	13,131,749	7.27	7.13

¹ An analysis of KLCC REIT's performance based on changes in NAV and NAV per unit, after distribution, since 30 September 2022 is as follows:

	As at 31-Dec-22	As at 30-Sep-22	Changes
NAV (after distribution) (RM'000)	7,904,444	7,850,846	53,598
NAV per unit (after distribution) (RM)	4.38	4.35	0.03

B13 Profit for the period

	Fourth quarter ended		Financial year ended	
	31-Dec-22 RM'000	31-Dec-21 RM'000	31-Dec-22 RM'000	31-Dec-21 RM'000
Profit for the period is arrived after charging:				
Depreciation of property, plant and equipment ¹ (Reversal)/allowance for impairment losses on receivables	10,815	11,904	44,978	46,668
Write off of receivables	(1,862)	376	(1,496)	6,104
Loss/(gain) on disposal of property, plant and equipment	31	–	30	(6)
Impairment of investment property under construction	115	252	115	252
Write off of investment properties	–	358	13	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-22	31-Dec-21	31-Dec-22	31-Dec-21
Profit attributable to ordinary equity holders of the Company (RM'000)	111,952	28,182	279,365	126,456
Profit attributable to unitholders of KLCC REIT (RM'000)	167,514	42,145	503,298	369,396
	<u>279,466</u>	<u>70,327</u>	<u>782,663</u>	<u>495,852</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>15.48</u>	<u>3.90</u>	<u>43.35</u>	<u>27.47</u>
Without fair value adjustments				
Profit attributable to ordinary equity holders of the Company (RM'000)	111,952	28,182	279,365	126,456
Profit attributable to unitholders of KLCC REIT (RM'000)	167,514	42,145	503,298	369,396
Less: Fair value adjustments	(97,996)	121,233	(97,996)	121,233
	<u>181,470</u>	<u>191,560</u>	<u>684,667</u>	<u>617,085</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>10.05</u>	<u>10.61</u>	<u>37.92</u>	<u>34.18</u>

B15 Trade receivables

	As at 31-Dec-22 RM'000	As at 31-Dec-21 RM'000
Property investment		
- Office	361	114
- Retail	11,835	32,261
Hotel operations	3,594	1,850
Management services	534	233
	<u>16,324</u>	<u>34,458</u>
Less: Allowance for impairment losses	(7,574)	(9,076)
	<u>8,750</u>	<u>25,382</u>

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B15 Trade receivables (contd.)

The ageing of trade receivables as at the reporting date was:

	As at 31-Dec-22 RM'000	As at 31-Dec-21 RM'000
Not past due	3,316	1,670
Past due 1 to 30 days	2,155	6,389
Past due 31 to 60 days	887	4,359
Past due 61 to 90 days	1,041	3,406
Past due more than 90 days	8,925	18,634
	<u>13,008</u>	<u>32,788</u>
Allowance for impairment losses	(7,574)	(9,076)
	<u>8,750</u>	<u>25,382</u>

The movement in the allowance account is as follows:

	As at 31-Dec-22 RM'000	As at 31-Dec-21 RM'000
At 1 January	9,076	3,362
(Reversal)/allowance for impairment	(1,502)	6,104
Allowance written off	-	(390)
At 31 December	<u>7,574</u>	<u>9,076</u>

B16 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

Lim Siew Mei (SSM PC No. 201908001632) (MAICSA 7020355)
Yeap Kok Leong (SSM PC No. 202008001750) (MAICSA 0862549)
Company Secretaries
Kuala Lumpur