



PRESS RELEASE

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IMPROVED PERFORMANCE IN APRIL BUOYS KLCCP STAPLED GROUP'S HIGHER QUARTERLY EARNINGS

17 August 2021 – KLCCP Stapled Group today announced its financial results, showing encouraging momentum for the second quarter ended 30 June 2021. The Group recorded a revenue of RM280.2 million, up 4.8% while Profit Before Tax (PBT) increased 5.0% to RM172.1 million against 163.8 million compared to second quarter, 2020.

Despite the difficult time, the Group declared a dividend of 7.00 sen per stapled security for the quarter, bringing the total to 14.00 sen for the first half of 2021, testament to our continued commitment in delivering sustainable returns to our holders of Stapled Securities.

The second quarter performance saw an increase from last year's corresponding quarter, mainly from the retail segment and improved performance of hotel in the month of April prior to the resurgence of Covid-19 cases in May and the subsequent Full Movement Control Order (FMCO) which commenced on 1 June 2021.

The office segment helmed by the PETRONAS Twin Towers, Menara 3 PETRONAS, Menara ExxonMobil and Menara Dayabumi remained stable and saw minimal impact backed by its locked-in long-term tenancies and the Triple Net Lease (TNL) of the PETRONAS Twin Towers and Menara 3 PETRONAS. However, the revenue and PBT decreased slightly by 2.7% and 2.9% respectively, as compared to the second quarter, 2020, mainly due to the accounting adjustments to reflect the extension of TNL agreements for PETRONAS Twin Towers and Menara 3 PETRONAS for another 15 years upon the expiry of the current term.

Suria KLCC and the retail podium of Menara 3 PETRONAS which represents the retail segment, saw revenue and PBT increased by 14.2% and 19.0% respectively, attributable to lower provision of tenant assistance and higher take up rate for promotion and internal advertising space compared to the corresponding quarter last year. Despite being impacted by the Movement Control Order 3.0 which was effective from 7 May 2021, Suria KLCC's footfall increased by 22%, driven by attractive sales campaigns during the Hari Raya festive season and shopper reward-driven campaigns mostly in the month of April and the additional flow of traffic from the ongoing vaccination programmes at the Twin Tower Medical Centre, Menara 3 PETRONAS and Kuala Lumpur Convention Centre. The increase in tenant sales by 32% was contributed mainly by Food and Beverage (F&B), jewellery, fashion, and cinema.

Suria KLCC continued to revitalise its offerings by bringing in 8 new tenants which included Sandro, a modern and sophisticated fashion store, Maje, an ultra-stylish and

effortlessly chic fabric, Dubuyo, the urban Korean food and Empire Sushi, to capture demand in fashion and F&B.

The hotel segment which benefited from the relaxation of restrictions for social gatherings meanwhile reported a higher revenue of RM8.5 million from RM3.5 million in second quarter last year. The improved occupancy picked up in March and peaked in April to a high of 26% contributed by the enhanced locally tailored staycation promotions. Higher revenue in F&B was also recorded with the successful Ramadhan Stay and Dine package and the Grand *Buka Puasa* Buffet covers. However, the segment reported a loss of RM18.2 million compared to the quarter two, 2020 as demand recovery remained weak given the resurgence of the Covid-19 cases and uncertainty in borders re-opening.

In the management services segment, which comprises facility management and car parking management services, the quarter recorded an increase of 3.6% in revenue to RM59.0 million and 11.0% in PBT to RM17.6 million, mainly from additional facilities management services coupled with increased parking income from transient parkers coming for their vaccination at the Twin Tower Medical Centre and Kuala Lumpur Convention Centre.

In the effort to improve delivery of quality services, the Group has also embarked on two major security enhancement initiatives namely the establishment of the Integrated Security Operation Center (ISOC) to improve the overall security surveillance coverage empowered with digital technology and the New Security Operating Model (NSOM) which transformed the security modus operandi from static zone-based to risk-based intelligent patrolling and rapid response by auxiliary police.

Prospects

The remaining period of the year will continue to be challenging due to the Covid-19 pandemic. However, with the good progress on the National Covid-19 Immunisation Programme, the Group believe that it will prevent the situation from deteriorating further. The recovery of hotel and retail segments will be influenced by the ease of movement restrictions.

The office segment is expected to remain resilient with the extended leases under the TNL arrangement for PETRONAS Twin Towers and Menara 3 PETRONAS for a further 15-year tenure. The retail landscape is likely to continue to be challenging and the recovery outlook will depend on the restrictions imposed to control the pandemic. The well-being of customers and the sustainability of its tenants will continue to be the priorities of Suria KLCC. Meanwhile, Mandarin Oriental Kuala Lumpur will continue to focus on domestic market until the border for international arrivals reopens.

"We will remain focused in prioritising the overall health and safety of our people and working towards reinforcing our Standard Operating Procedures and making our spaces within the KLCC Precinct covid-safe to enable our tenants, shoppers, hotel guests and the surrounding community to feel safe and secure in returning to our office buildings, retail and hotel."

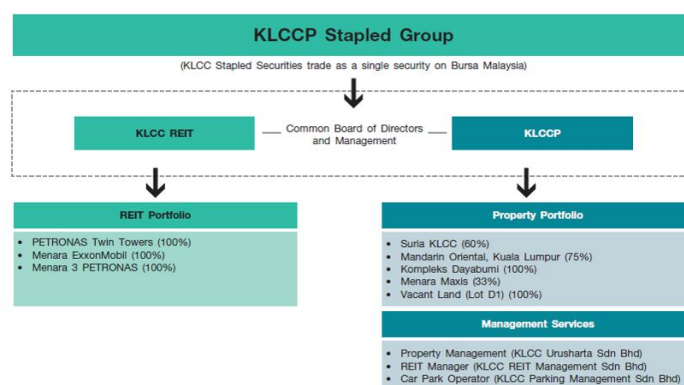
Md. Shah Mahmood, Chief Executive Officer

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About KLCCP Stapled Group

KLCC Property Holdings Berhad (KLCCP) and KLCC REIT, collectively known as KLCCP Stapled Group is Malaysia's largest self-managed stapled security that invests, develops, owns and manages a stable of iconic and quality assets. KLCCP Stapled Group became the first ever Shariah compliant stapled structure in Malaysia upon the listing of KLCC Stapled Securities (KLCCSS) on 9 May 2013 and trades under the REIT sector of the Index as a single price quotation.

With KLCCP Stapled Group's core business in property investment and development, the Group has a diverse property portfolio largely located within the Kuala Lumpur City Centre comprising prime Grade A office buildings, a premier retail mall and a luxury hotel. The stabilised and wholly owned assets namely PETRONAS Twin Towers, Menara ExxonMobil and Menara 3 PETRONAS are under KLCC REIT and the non-wholly owned assets and assets with development and redevelopment potential, Suria KLCC, Mandarin Oriental, Kuala Lumpur hotel and a vacant land (Lot D1) are in KLCCP. KLCCP also has a 33% stake in Menara Maxis.



Two of KLCCP's wholly owned subsidiaries, namely KLCC Urusharta Sdn. Bhd. and KLCC Parking Management Sdn. Bhd., are engaged in providing facility management services and car parking management services respectively. The REIT Manager who is engaged to manage and administer KLCC REIT is internal and resides within KLCCP as a 100% owned subsidiary.

KLCC Stapled Group is continuously recognised for its excellence in the industry for demonstrating strong environmental, social and governance practices. In pursuing its sustainability journey, the Group aligns its reporting to the United Nation's 2030 Agenda across five critical dimensions - Prosperity, Planet, People, Partnership and Peace, in line with its commitment to contribute towards the five prioritised United Nation's Sustainable Development Goals. For a better insight into the Group's ESG Profile and Disclosures, please visit ESG World at <https://www.klcc.com.my/sustainability.php>.

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Corporate Communications

Investor Relations and Business Development Department

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