



PRESS RELEASE

KLCCP STAPLED GROUP RECORDED STABLE PERFORMANCE IN QUARTER 1 2017

22 May 2017 -- KLCCP Stapled Group delivered a stable performance for the first quarter ended 31 March 2017 with a marginal increase in revenue and a 2.8% reduction in profit for the period mainly due to the lease transition in Menara ExxonMobil and on-going tenant remixing at retail.

KLCCP Stapled Group distributed 94% of its overall distributable income with a distribution per stapled security of 8.60sen, consistent with first quarter of financial year 2016.

The office segment comprising PETRONAS Twin Towers, Menara 3 PETRONAS, Menara ExxonMobil and Menara Dayabumi recorded a marginal decrease in revenue and Profit Before Tax (PBT) respectively as a result of the release of approximately 40% of the leased area in Menara ExxonMobil by ExxonMobil Exploration and Production Malaysia Inc. in January 2017. This was partially offset by the additional rental generated from the conversion of atrium spaces in Menara Dayabumi. We are in the final stages of concluding the lease agreement with a potential tenant to occupy the remaining 40% of Menara ExxonMobil by second quarter of 2017.

Under the retail segment, Suria KLCC and the retail podium of Menara 3 PETRONAS are currently undergoing tenant re-mixing to better reflect current shopping trends and enhancing customer experience. The higher rental rates from new tenants and lease renewals were impacted by the reduced occupancy in transition for retail mixing which resulted in the marginal decrease in revenue and PBT for the retail segment.

The hotel segment which saw growth from the leisure and group segments registered a 6.9% increase in revenue from the shift in declining corporate oil and gas sector to alternative markets. Despite the increase in revenue, PBT recorded a decline as a result of the impact of minimum wage implementation and the rising costs of imported goods.

KLCCP Stapled Group expects the office segment to remain stable with the long term lease secured for the remaining 40% leased area in Menara ExxonMobil. The retail and the hotel segments will continue to trade in challenging market conditions with ongoing tenant remixing and guestroom renovation respectively.

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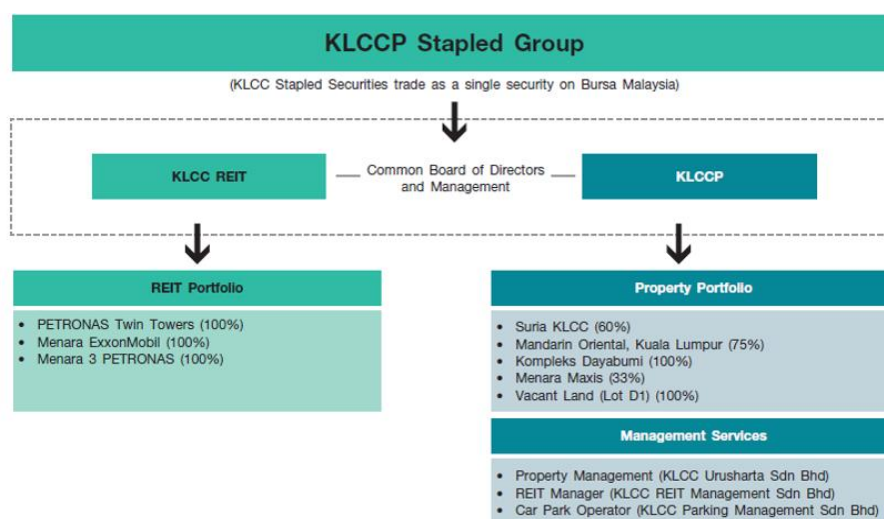
About KLCCP Stapled Group

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. As a constituent of the FBM KLCI Index, KLCCSS trades under the REIT sector of the Index as a single price quotation.

With a market capitalisation of RM14.3 billion as at March 2017, KLCCP Stapled Group constitutes 34% of the market capitalisation of the Malaysian REIT segment.

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 and has been included as a constituent of the FTSE4Good Bursa Malaysia Index and the FTSE4Good Emerging Index for demonstrating strong environmental, social and governance practices.

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