



## **PRESS RELEASE**

### **FULL TENANCY AT MENARA EXXONMOBIL STRENGTHENS OFFICE PORTFOLIO**

15 August 2017 –KLCC REIT successfully secured a long term lease with PETRONAS for the remaining 40% office space at Menara ExxonMobil in April 2017, for an initial term of 3 years with the option to renew for 5 successive terms of 3 years each. This contributed to the consistent stable performance of the Group's office segment in spite of the 2 months vacancy at Menara ExxonMobil, which was partially offset from the recognition of additional rental following the conversion of atrium spaces at Menara Dayabumi. With the leases at Menara ExxonMobil fully secured, KLCCP Stapled Group is on a strong footing with occupancy for the office portfolio back to 100%.

Overall, KLCCP Stapled Group maintained its stable performance for the second quarter ended 30 June 2017, with resilient top line and earnings growth from the office and retail segments, excluding the one-off write-off of furniture and fittings at the hotel and back charge rental from a tenant in the retail, in quarter 2 of 2016. With this, KLCCP Stapled Group's first half of 2017 performance has remained sustainable despite navigating the challenges in the industry segments.

For the second quarter ended 30 June 2017, KLCCP Stapled Group distributed 95% of its overall distributable income with a distribution per stapled security of 8.60 sen, consistent with the second quarter of financial year 2016. This brings the distribution per stapled security to 17.20 sen for the first half of 2017.

The retail segment comprising Suria KLCC and the retail podium of Menara 3 PETRONAS continued its focus on delivering value for retailers in its efforts to strengthen tenant sales and customer footfall. This is testament to its Moving Annual Turnover of tenant sales breaching the RM2.5 billion mark, backed by sustained customer footfalls exceeding 48 million annually, and continues to grow. Excluding the back charge rental from a tenant in quarter 2 of 2016, the retail segment saw a top-line growth of 2% and Profit Before Tax of 4% for the quarter ended 30 June 2017.

The hotel segment recorded a 6% revenue growth backed by higher occupancy compared to quarter 2 of 2016. This was contributed by growth in the leisure market and F&B segment. The increase in revenue was however dampened by the higher operating costs. The first phase of guestroom renovation comprising the Club rooms and Suites have been completed and successfully returned to inventory. With that, the second phase guestroom renovation is now underway and this will see the deluxe rooms and Park Suites undergoing the full refurbishment, expected to be fully completed by 2018.

KLCCP Stapled Group expects the overall performance of the Group for the year to remain stable, primarily backed by the long term tenancy agreements of the office segment. The retail and hotel segments are expected to continue trading in challenging market conditions with the refurbishment of the hotel guestrooms still ongoing.

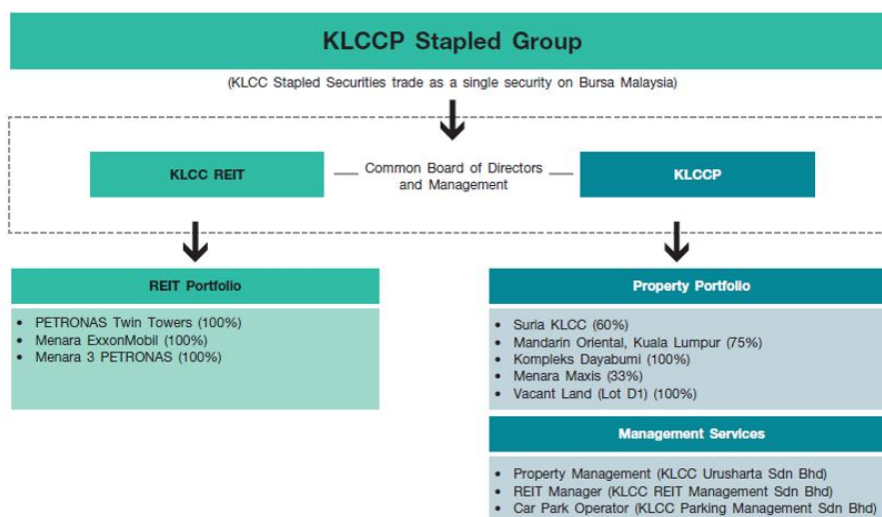
## About KLCCP Stapled Group

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 RM14.4 billion as at June 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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