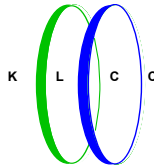


**PRESS RELEASE OF UNAUDITED RESULTS FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016.**

**KLCC PROPERTY HOLDINGS BERHAD (KLCCP) ANNOUNCES GROUP TOTAL COMPREHENSIVE INCOME OF RM392.8 MILLION FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2016.**

	<b>THREE MONTHS ENDED</b>	
	<b>31-Dec-16</b>	<b>31-Dec-15</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Revenue</b>	344,689	347,144
Operating Expenses	(90,619)	(93,835)
<b>Operating profit</b>	<b>254,070</b>	<b>253,309</b>
Fair value adjustment	171,143	611,039
Interest/Profit income	9,845	10,557
Finance costs	(30,019)	(30,285)
Share of profit of associated company	1,110	4,965
<b>Profit before taxation</b>	<b>406,149</b>	<b>849,585</b>
Taxation	(13,340)	(32,799)
<b>Profit for the period, representing total comprehensive income</b>	<b>392,809</b>	<b>816,786</b>
<b>Profit attributable to:</b>		
Equity holders of the Company	<b>141,233</b>	<b>380,325</b>
Non controlling interests (NCI) relating to KLCC Real Estate Investment Trust (KLCC REIT)	<b>205,895</b>	<b>243,024</b>
Other NCI	<b>45,681</b>	<b>193,437</b>
	<b>392,809</b>	<b>816,786</b>
<b>Dividend/Income distribution:</b>		
<b>Dividend/Income distribution to stapled security holders</b>		
<b>Quarter ended 31 December 2016/2015</b>		
Realised distributable income - KLCCP	65,392	70,610
Realised distributable income - KLCC REIT	102,616	102,792
Total realised distributable income	168,008	173,402
Distribution rate (%)	105.84%	102.24%
Dividend/Income distribution	<b>177,825</b>	<b>177,281</b>
<b>Dividend/Income distribution per stapled security (sen)</b>	<b>9.85</b>	<b>9.82</b>
<b>Earnings per stapled security (sen):</b>		
Basic	<b>19.23</b>	<b>34.53</b>



## **Basis of Preparation**

These condensed consolidated interim financial statements, for the year ended 31 December 2016 are unaudited and have been prepared in compliance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134: Interim Financial Reporting 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 2015 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.

## **Performance Review**

### **Variance Analysis by Segments – Quarter and Year Ended**

#### **Property Investment – Office**

The Office segment recorded a marginally higher revenue as compared to Q4 2015 and Year to Date ("YTD") Q4 2015 at the back of recognition of additional lease area in Menara Dayabumi. Quarter and YTD Profit Before Taxation ("PBT") continues to remain stable.

#### **Property Investment - Retail**

Q4 2016 retail segment shows an increase of PBT of 0.8% contributed by increase in revenue as a result of rent reviews and new tenancies, and the once off recognition of a rental award of RM3.5 million.

#### **Hotel Operations**

The hotel operations continue to trade in difficult market conditions. In addition, the hotel commenced refurbishment works in certain parts of the hotel. Consequently, hotel revenue and PBT Q4 2016 reported decreases of 3% and 14 % respectively as compared to Q4 2015.

YTD 2016 reported a loss before tax from hotel operations of RM3.2 million arising from the difficult trading conditions, refurbishment works, and write off of certain furniture and fittings of RM2.7 million.

#### **Management Services**

Q4 2016 management services PBT decreased by 13% as Q4 2015 recorded one off works on Petronas properties.

However, YTD 2016 management services continues to show a constant growth in revenue and PBT of 3% and 4%. The growth in the current year is contributed by the additional facilities management services provided for the properties in Kerteh.

## Prospects for Financial Year 2017

The Directors expect overall group performance in 2017 to be underpinned by, and continue to benefit from the long term lease arrangements of the office segment. However, on the basis of currently weaker consumer demand, the retail segment is not expected to show any significant growth. The hotel continues to trade in a difficult and challenging environment which, coupled with the ongoing refurbishment of the rooms, is not expected to report any significant improvement.

## Dividend/Income Distribution

The Board has declared the following dividend/income distribution for the quarter ended 31 December 2016:

	<b>Total stapled securities</b>	<b>Dividend/Income Distribution per stapled security (sen)</b>	<b>Total dividend payable (RM'000)</b>
KLCCP	1,805,333,083	4.17	75,282 <sup>1</sup>
KLCC REIT	1,805,333,083	5.68	102,543 <sup>2</sup>
<b>Total</b>		<b>9.85</b>	<b>177,825</b>

<sup>1</sup> Dividend declared under KLCCP is tax exempt under single tier system.

<sup>2</sup> Income distribution to unitholders will be subject to withholding tax at the following rates:

<b>Unitholders</b>	<b>Withholding tax rate</b>
Individuals & All Other Non-Corporate Investors such as institutional investors (resident and non-resident)	10%
Non-resident corporate investors	24%
Resident corporate investors	0%

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 28 February 2017. The book closure date in respect of both the aforesaid interim dividend and income distribution is 8 February 2017.