



PRESS RELEASE

KLCCP STAPLED GROUP SUSTAINS MOMENTUM IN THE FIRST HALF OF 2018

15 August 2018 – KLCCP Stapled Group saw positive top-line growth across its business segments, for the first half of 2018 despite the challenging markets. Revenue rose to RM690.1 million, a year-on-year (y-o-y) growth of 2.4% whilst Profit Before Tax (PBT) grew 1.6% y-o-y to RM466.6 million. For the second quarter ended 30 June 2018, KLCCP Stapled Group delivered a stable performance, with top-line growth contributed mainly from the additional contracts in the management services segment and stronger revenue from the hotel segment. Overall, revenue and PBT improved by 2.2% and 1.2% respectively as compared to quarter two of 2017.

KLCCP Stapled Group distributed 93% of its overall distributable income with a distribution per stapled security of 8.70 sen, a 1.2% increase y-o-y. This brings the distribution per stapled security to 17.40 sen for the first half of 2018, testament to our commitment of delivering value and growth.

In the office segment, revenue and PBT remained relatively stable, recording a marginal growth, reflecting the 100% occupancy in Menara ExxonMobil since April 2017. Our office portfolio continues to maintain its full occupancy, cementing stability of the office segment.

The retail segment comprising Suria KLCC and the retail podium of Menara 3 PETRONAS recorded an increase in revenue and PBT by 1.2% and 1.5% respectively arising from higher rental rates becoming effective during the period, backed by sustained occupancy rate. Suria KLCC continued its focus on delivering value for retailers in its efforts to strengthen tenant sales and customer footfall through its tenant remixing and reinvention of stores to enhance customers' shopping experience. Nine new tenants have come on board in the first half of 2018 with Tom Ford making its presence with its first in Asia stand-alone boutique at Suria KLCC.

The hotel segment represented by Mandarin Oriental, Kuala Lumpur (MOKL) Hotel recorded a 7.2% y-o-y revenue growth backed by higher average room rate which resulted from higher demand for the newly renovated guestrooms. However, PBT recorded a loss due to the higher depreciation expenses arising from the newly renovated rooms. MOKL Hotel has to-date completed the renovation for 561 rooms and its second phase refurbishment of the guestrooms is expected to be fully completed by third quarter of 2018.

Significant growth in revenue and PBT were recorded by management services at 5.5% and 6.8% respectively, contributed by the new contracts and one-off works under facilities management.

In the face of intense challenges, KLCCP Stapled Group remains focused on sustaining growth and we expect the overall performance of the Group to remain stable, primarily anchored by the long term leases of the office segment. The retail segment is expected to remain resilient amidst the challenging market environment. The hotel segment is expected to continue to benefit from the newly renovated guestrooms.

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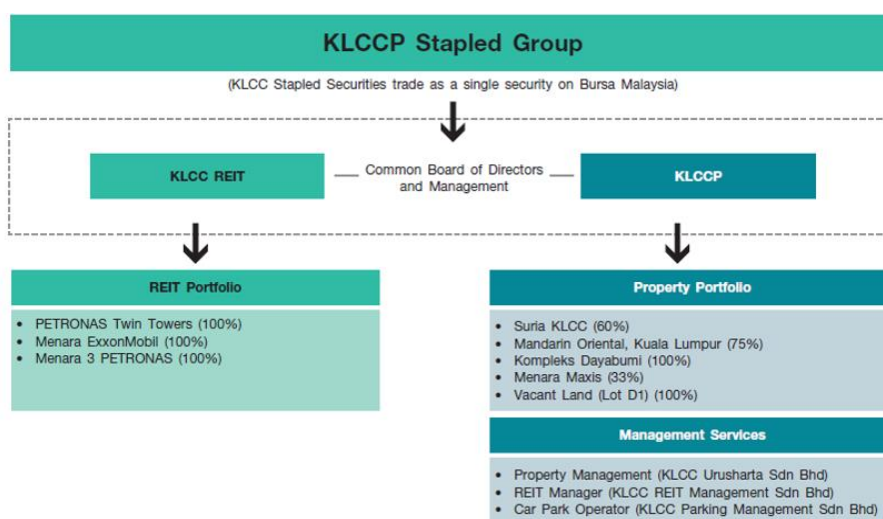
About KLCCP Stapled Group

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 RM14.4 billion as at June 2018, 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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