



## **PRESS RELEASE**

### **MANDARIN ORIENTAL BOOSTS KLCCP STAPLED GROUP'S PROFITS**

13 November 2017 – The newly re-launched guestrooms at Mandarin Oriental, Kuala Lumpur (MOKL) drove a rebound in the hotel's performance in the third quarter ended 30 September 2017, registering its best performance for the year thus far. The hotel segment contributed RM2.4 million in Profit Before Tax (PBT) to KLCCP Stapled Group's third quarter earnings.

In the quarter ended 30 September 2017, KLCCP Stapled Group recorded a top-line growth of 3.3% year-on-year (y-o-y) with a PBT increase of 1.3% y-o-y to RM233.1 million, backed by the stronger hotel performance and the resilient retail segment.

KLCCP Stapled Group declared a distribution per stapled security of 8.60 sen, consistent with that of the corresponding quarter in the preceding year, payable on 28 December 2017. This brings the distribution per stapled security to 25.80 sen for the cumulative nine-month period in the year.

The office segment remained stable with its full occupancy of all the office buildings within the portfolio, though the marginal decrease in revenue was mainly due to lower utility income from Menara ExxonMobil as a result of the tenant transition. However, the marginal increase in PBT was at the back of savings in finance costs from the repayment of borrowings in second quarter of 2017.

The retail segment comprising Suria KLCC and the retail podium of Menara 3 PETRONAS saw a resilient performance for the third quarter of 2017 as Suria KLCC continued to focus on delivering value for retailers and staying relevant to customer preferences with unique offerings to enhance customer experience and lifestyle. Revenue recorded an increase of 3.4% y-o-y with PBT growth of 1.2 % y-o-y, on the back of higher rental rates from new tenants and reviews, with 12 new tenants onboard in the third quarter ended 30 September 2017. The quarter also saw its Moving Annual Turnover of tenant sales strengthening to RM2.6 billion.

The hotel segment's stronger performance was boosted by revenue growth of 23.5% y-o-y mainly backed by higher occupancy for its newly refurbished Club Rooms and Suites, supported by the improved demand in the banqueting and food & beverage segment. The quarter also saw the hotel registering a profit, rebounding from a loss position in challenging previous quarters. MOKL is in its second phase of guestroom renovations comprising the Deluxe Rooms and Park Suites which is targeted to be completed in early 2018.

The management services segment comprising facility management and car parking management services continues to complement the property portfolio of KLCCP Stapled Group in delivering premium services. During the quarter, the segment recorded a marginal decrease in revenue with higher manpower costs and lower interest income contributing to the reduced PBT.

The overall performance of KLCCP Stapled Group for the remainder of 2017 is expected to remain steady amidst the challenging market landscape, while it continues to focus on driving sustainable value creation across all segments.

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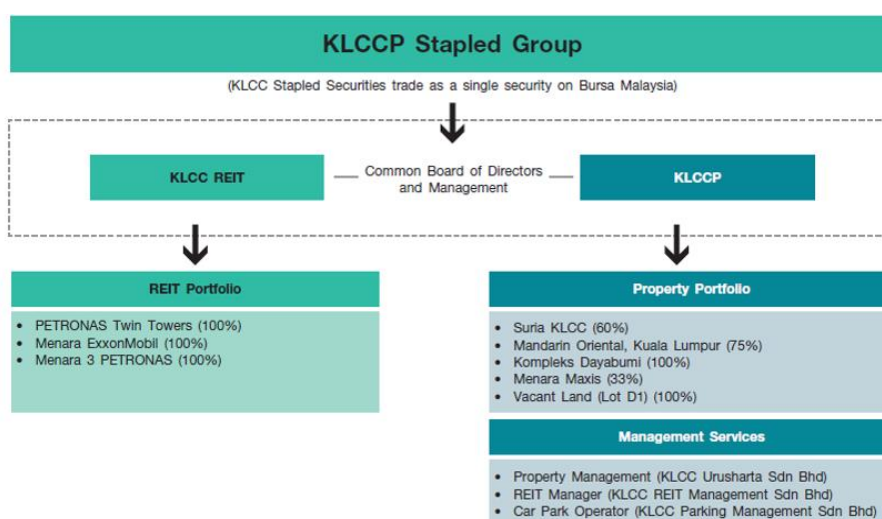
## About KLCCP Stapled Group

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 September 2017, KLCCP Stapled Group constitutes 33% 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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