



PRESS RELEASE

KLCCP STAPLED GROUP SEES RM11.3 MILLION INCREASE IN PROFIT BEFORE TAX FOR 2018

Kuala Lumpur, 24 January 2019

Highlights

- Delivered a stable performance with an increase in Profit Before Tax (PBT) excluding fair value gain of RM11.3 million, an increase of 1.2% as compared to the preceding year.
- Recorded a top-line growth of 2.9% Year-on-Year (YoY) with revenue hitting RM1.4 billion.
- Distributed 37.00 sen in distribution per stapled security, bringing the total full year dividend payment to RM668.00 million
- The office segment remains the biggest revenue driver with 100% occupancy in all buildings, contributing 43% of the Group's overall revenue.

Year-to-Date, 2018 Performance

KLCCP Stapled Group maintained a stable performance for the year ended 31 December 2018, recording an increase in PBT excluding fair value gain of RM11.3 million and hitting RM1.4 billion in revenue, a growth of 2.9% YoY. This was underpinned by the stability of the office segment and resilience of the retail segment.

Testament to our commitment in delivering value and growth, KLCCP Stapled Group distributed 37.00 sen in distribution per stapled security, translating into a full year dividend payment of RM668.0 million to the holders of Stapled Securities, an increase of RM15.4 million from the preceding year.

The office segment with top quartile rental profile leases, reflecting the solid 100% occupancy in all its buildings continued to be the main revenue driver with a contribution of 43% of KLCCP Stapled Group's overall revenue. Excluding fair value adjustment, the office segment maintained its stability and posted a marginal increase in PBT.

The retail segment represented by Suria KLCC and the retail podium of Menara 3 PETRONAS focused on reinventing store experience for the connected customer, re-purposing the retail space with wider array of retail offerings tailored to customer preferences. Suria KLCC with its sheer resilience in spite of a challenging retail landscape, remained true to form of a landmark mall, posting a 3.0% YoY growth in revenue and a 2.8% PBT increase, arising from higher rents becoming effective during the period and higher occupancy at 98%. Suria KLCC together with the retail podium of Menara 3 PETRONAS sustained its Total Moving Annual Turnover exceeding RM2.6 billion.

Amidst the highly competitive hospitality market which saw about 1,000 new rooms from entry of 5 new hotels in 2H 2018, Mandarin Oriental, Kuala Lumpur (MOKL Hotel), capped the year with a 3.1% increase in revenue on the back of higher room revenue with the re-launch of the renovated guestrooms and improved YTD Revenue Per Available Room. PBT however was impacted by the increase in higher depreciation expenses arising from the fully renovated guestrooms. 2018 marked the full completion of MOKL Hotel's master plan refurbishment which commenced in 2011.

Quarter 4, 2018 Performance

For the 4th quarter ended 31 December 2018, KLCCP Stapled Group reported a revenue of RM366.3 million representing a growth of 4.1% compared to the corresponding quarter in the preceding year. Excluding fair value adjustment, PBT increased to RM242.4 million. The 4th quarter performance was mainly contributed by the retail segment which saw revenue and PBT growth (excluding fair value adjustment) of 6.1% and 7.7% respectively.

The Group's Management Services segment comprising facilities management and car parking management services continued to complement the property portfolio in delivering premium asset management services. The segment registered an increase of 24.8% in quarter four, 2018 from new contracts under the facilities management operations.

For the quarter ended 31 December 2018, KLCCP Stapled Group declared a distribution per stapled security of 10.90sen representing an increase of 5.3% compared to the same period in the corresponding year.

Prospects

With 2019 expected to see continued challenges in the market in light of the current global economic outlook, KLCCP Stapled Group will remain steadfast to focus on our core competencies in our key market segments to position and adapt ourselves to the changing business environment. MOKL Hotel is expected to face increased competition from more key inventory coming into the market, despite showcasing its fully refurbished guestrooms. The retail segment will focus on strengthening its position, reimagining consumer experience, integrating the mall as a lifestyle whilst the office segment will continue as the mainstay providing stability to the Group.

- end -

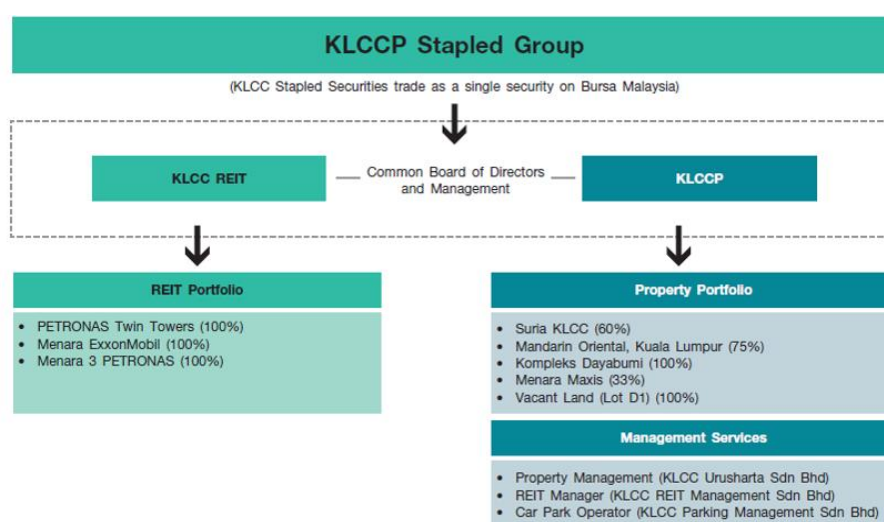
About KLCCP Stapled Group

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 RM13.8 billion as at December 2018, 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 remains a constituent of the FTSE4Good Emerging Index for demonstrating strong environmental, social and governance practices.

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