



PRESS RELEASE

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**KLCCP STAPLED GROUP SEES STRONG RECOVERY MOMENTUM
- REVENUE UP BY 25% IN SECOND QUARTER 2022**

9 August 2022 - KLCCP Stapled Group recorded an impressive revenue growth of 25% from RM280.2 to RM350.3 million, compared to second quarter last year. Profit Before Tax (PBT) increased by 27.4% to RM219.3 million, owing to the strong performances of the retail and hotel segments as economic activities continued to pick up in the second quarter.

With the encouraging performance and in maintaining a stable and consistent returns to its holders of Stapled Securities, the Group declared a dividend of 8.00 sen per stapled security, bringing the total to 16.00 sen for the first half of 2022,

Recovery gaining momentum as business activities picked-up

With a stable of high-quality offices, comprising the PETRONAS Twin Towers, Menara 3 PETRONAS, Menara Exxonmobil, and Menara Dayabumi, the office segment continued to be a major contributor to the Group's revenue, backed by the long-term tenancies and the Triple Net Lease (TNL) of PETRONAS Twin Towers and Menara 3 PETRONAS. The segment recorded a marginal increase in revenue to RM145.4 million whilst PBT increased to RM118.4 million, attributable to higher interest income and lower financing cost resulting from lower effective interest rate upon refinancing of Sukuk Murabahah in April 2021.

Suria KLCC and the retail podium of Menara 3 PETRONAS which represent the retail segment, saw an increase in revenue of 46.4% to RM125.2 million and PBT rose by 69.3% to RM95.6 million, driven by higher rental from new leases and advertising income, coupled with lower rental assistance during the quarter. The strong pick up in retail activity saw tenant sales surpassing pre-Covid levels. The recovery in tenant sales was contributed mainly by fashion, jewellery, and food and beverages (F&B) and supported by the growing number of tourists, school holidays crowd, and major events since the gradual reopening of international borders. *"Suria KLCC will continue to benefit from the increase in retail activity as tourists return and the mall expects more new tenants to come onboard this year", said Md. Shah Mahmood, Chief Executive Officer, KLCC Property Holdings Berhad.*

The hotel segment recorded an exceptional performance as revenue jumped to RM32.1 million compared to RM8.5 million in quarter two, 2021, which narrowed the loss to RM8.3 million. Mandarin Oriental, Kuala Lumpur's (MOKL) strong rebound is on the back of RevPar recovery and rising tourist arrivals coupled with stronger corporate and group bookings, which saw weekend occupancy hitting 55%. F&B revenue saw its performance soar significantly compared to quarter two last year mainly driven by a strong performance in all F&B outlets and higher banqueting events.

The management services segment comprising the Group's facilities and car parking management recorded an increase in revenue of 11.5% to RM66.6 million arising from the increase in car parking revenue with the return of office tenants and increase in transient customers at Northwest Development (NWD) car park. PBT, however, declined by 8.8% due to additional operating expenses incurred during the quarter. KLCC Parking Management continued to elevate its customer service and experience with the introduction of a new cashless payment method, SETEL at NWD carpark and Menara Dayabumi.

"While we expect further improvements in the remaining quarters, we are mindful of the economic headwinds that could impact and delay our recovery. Thus, we will remain vigilant and focused on maintaining our business stability while we continue to explore differentiation in our offerings to rejuvenate customer experience", Shah added.

Prospects

The Group continues to be optimistic on its recovery towards achieving performance at pre-pandemic levels. However, rising inflation and the increase in material costs may impede economic recovery, thus recovery efforts may take longer than expected. Lower spending power and cautious consumer sentiments may dampen the "back to normal" trajectory of the retail and hospitality segments.

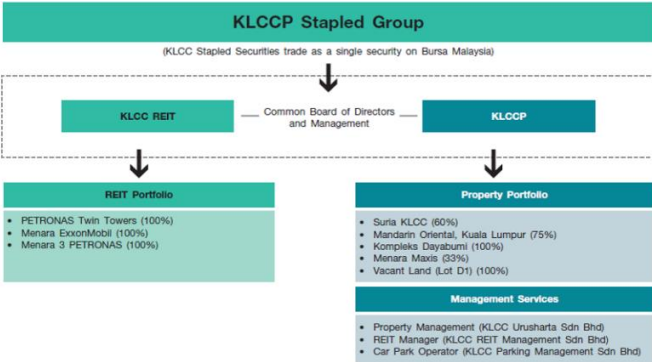
The office segment is expected to remain stable on the back of long-term tenancies while Suria KLCC will continue to leverage the return of tourists and intensify its retail activities and promotional programmes. MOKL anticipates better visibility in the coming quarters with rebound in tourist arrivals and stronger event calendar and improving MICE activities.

- 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 and trades under the REIT sector of the Index as a single price quotation.

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.

KLCCP Stapled Group is continuously recognised for its excellence in the industry for demonstrating strong environmental, social and governance practices. In pursuing its sustainability journey, the Group aligns its reporting to the United Nation's 2030 Agenda across five critical dimensions - Prosperity, Planet, People, Partnership and Peace, in line with its commitment to contribute towards the five prioritised United Nation's Sustainable Development Goals. For a better insight into the Group's ESG Profile and Disclosures, please visit ESG World at <https://www.klcc.com.my/sustainability.php>.

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