



PRESS RELEASE

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**KLCCP STAPLED GROUP REPORTS
FIRST QUARTER 2021 REVENUE OF RM282.4 MILLION**

4 May 2021 – KLCCP Stapled Group reported a lower revenue of RM282.4 million for the first quarter ended 31 March 2021, a year-on-year (YoY) decrease of 20.4% while Profit Before Tax (PBT) saw a decline of 24.4% to RM175.7 million reflecting a quarter where the prolonged COVID-19 pandemic remained a significant disruption to the Group's retail and hotel segments.

Despite the challenging operating environment, KLCCP Stapled Group declared first quarter 2021 dividend of 7.00 sen per stapled security, reflective of the Group's overall performance for the quarter.

Braving through a challenging start to the year

The performance of the Group's office segment which comprises the PETRONAS Twin Towers, Menara 3 PETRONAS, Menara ExxonMobil and Menara Dayabumi, remained stable backed by the Triple Net Lease (TNL) and long-term, locked-in leases. Revenue remained steady at RM145.0 million while PBT reduced marginally from RM121.1 million to RM117.5 million mainly due to the accounting adjustments to reflect the extension of the TNL agreements for PETRONAS Twin Towers and Menara 3 PETRONAS for another 15 years up to 2042 and 2041 respectively.

The retail segment represented by Suria KLCC and the retail podium of Menara 3 PETRONAS saw its recovery delayed with the re-imposition of the Movement Control Order (MCO 2.0) which took effect from 13 January to 4 March 2021. Revenue decreased by 32.5% to RM90.4 million while PBT dropped 43.3% to RM58.5 million from RM103.1 million in the same quarter last year mainly due to the provision of tenant assistance and lower internal digital advertising income during the quarter.

Despite the tough retail landscape, Suria KLCC continued to focus on recovery and leverage the anchor-to-specialty reconfiguration with revitalised F&B offerings and the newly refurbished Signatures Foodcourt at Level 2. The mall saw a gradual pick up in footfall following the Chinese New Year festive season which contributed to higher tenant sales in March 2021. Tenant sales recorded an increase of 70% in March 2021 compared to February 2021 driven by the specialty tenants in the beauty, fashion, and F&B segments, further boosted by the mall's experiential, reward-driven and trade campaigns.

In the hotel segment, Mandarin Oriental, Kuala Lumpur's (MOKL Hotel) pace picked up during the December 2020 festivities but was disrupted by the MCO 2.0 which impacted performance in January and February 2021, resulting in a decline in revenue of 67.6% and a loss of RM16.1 million during the quarter.

However, with the easing of restrictions and F&B outlets reopened from early March 2021, business saw a pick-up in momentum, resulting in increase in occupancy of 45% on weekdays and 75% on weekends. The staycation packages drove 85% of total bookings for the month whilst F&B revenue saw a gradual pick up since Chinese New Year recording a 91% increase compared to February 2021.

In providing attractive and innovative offerings, MOKL Hotel has collaborated with Tatler Malaysia to convert the Presidential Suite to a Tatler House with carefully curated interior design and unique artwork displayed throughout the space. Tatler House is a space for exclusive events and guests looking for a unique stay experience. MOKL Hotel is the first Mandarin Oriental hotel in the Group with this collaboration.

The management services segment which comprises facility management and car parking management services recorded a decrease in revenue of 10.2% to RM55.4 million compared to the same quarter last year. PBT meanwhile declined 7.5% to RM15.8 million mainly due to fewer one-off projects under the facilities management operations coupled with lower income from the car park.

During the quarter, KLCC Parking Management (KPM) launched its Premium Parking, offering 49 car parking bays in its quest to elevate customer parking experience. With premium service in mind, KPM also installed 20 Electric Vehicle chargers for the added convenience of customers using electric or hybrid vehicles. The premium parking is also equipped with CCTV surveillance, emergency call points and security patrol.

KLCC Urusharta Sdn Bhd (KLCCUH), the Group's facility management arm, meanwhile successfully launched its Integrated Building Command Centre (IBCC) located at Tower 2 of the PETRONAS Twin Towers. IBCC, an automated, real-time building management system leverages on the power of data and enables centralised monitoring, control, and command with digital technology to optimise asset performance within the KLCC precinct for a more efficient service delivery.

Prospects

The Boards anticipate the National Covid-19 vaccination rollout would foster market recovery but remain cautious as the pandemic persists and the year is likely to be challenging.

The office segment is expected to remain stable backed by the triple net lease agreements and long-term leases. MOKL Hotel will continue to focus on the domestic market with innovative offerings to boost occupancy and event bookings, whilst Suria KLCC's performance is significantly dependent on consumers' spending behavior as well as the restrictions imposed to control the pandemic. Nonetheless, tenants' sustainability and customers' safety and well-being continue to be the priorities of Suria KLCC.

"The Group will continue its recovery efforts and strive to improve performance to remain resilient to deliver long term value and sustainable returns to holders of Stapled Securities. With KLCC as "The Place", we will focus on elevating customer experience, advancing our digital transformation towards a digitally smart, connected and sustainable precinct."

Md Shah Mahmood, Chief Executive Officer, KLCC Property Holdings Berhad

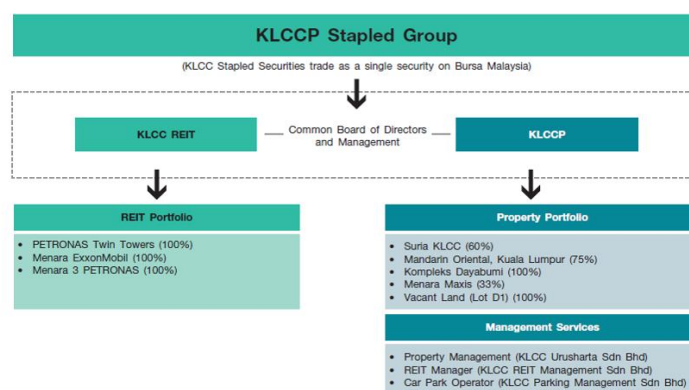
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About KLCCP Stapled Group

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 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 a proud constituent of the FTSE4Good Bursa Malaysia Index. 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 insights into the Group's ESG Profile and Disclosures, please visit ESG World at <https://www.klcc.com.my/sustainability.php>.

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