KLCCP Stapled Group

Financial Results

2nd Quarter ended 30 June 2016

3 August 2016

Disclaimer

These materials contain historical information of the Company which should not be regarded as an indication of future performance or results.

These materials also contain forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements reflect the Company's current views with respect to future events and are not a guarantee of future performance or results. Actual results, performance or achievements of the Company may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future, and must be read together with such assumptions.

No part of these materials shall form the basis of, or be relied upon in connection with, any investment decision whatsoever.

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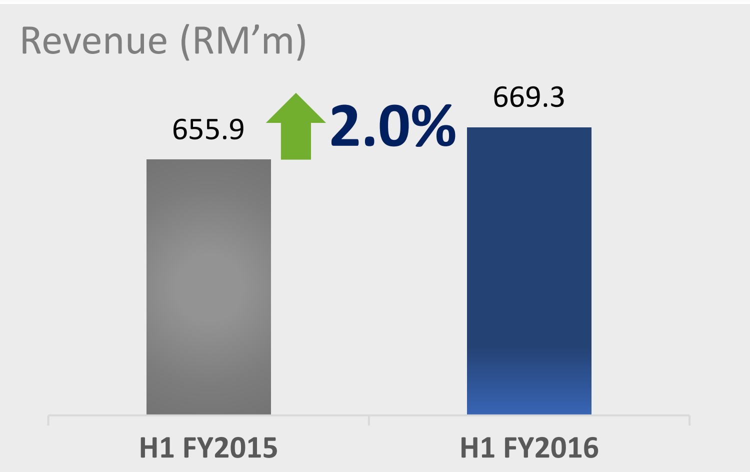
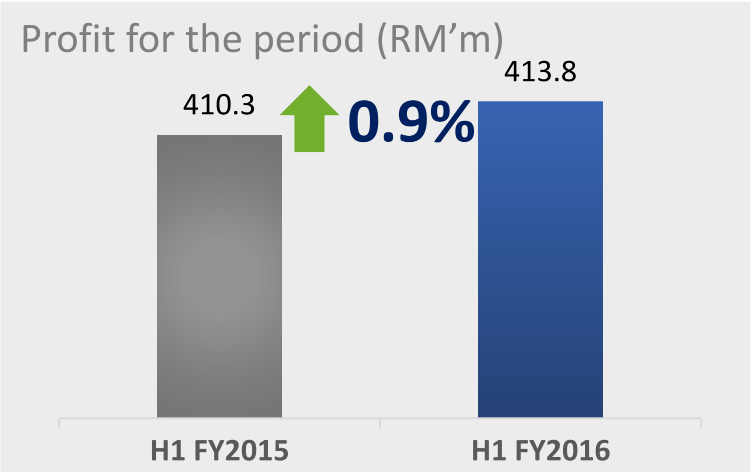
1| KLCCP Stapled Group Key Highlights

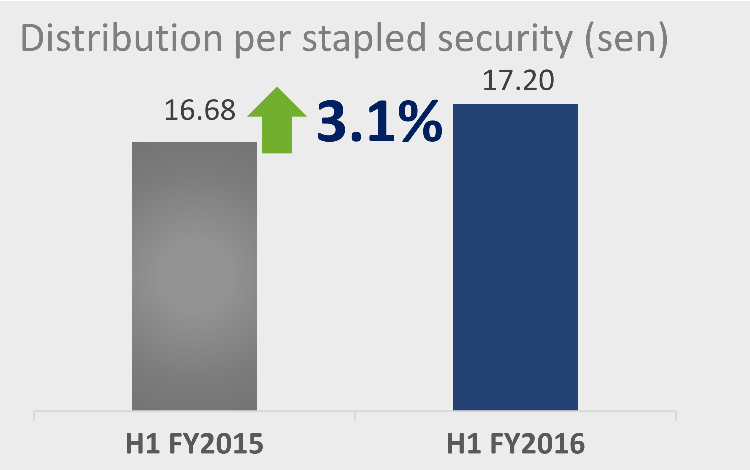
H1 FY2016

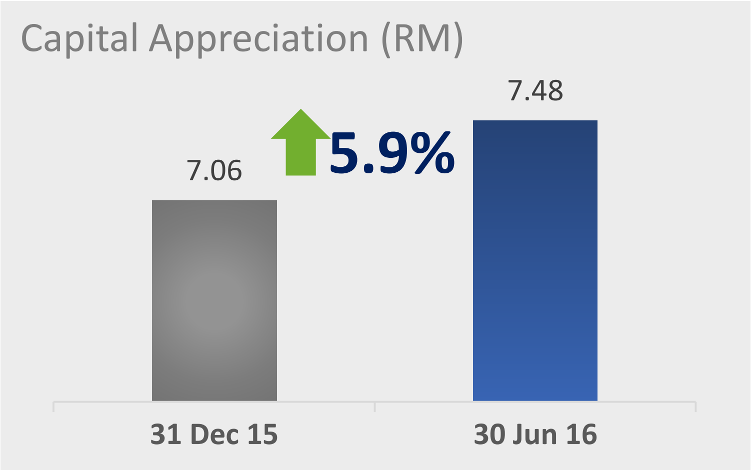
Resilient performance against tough operating environment with increased distribution per stapled security

H1 FY2016 vs H1 FY2015 Financial Performance





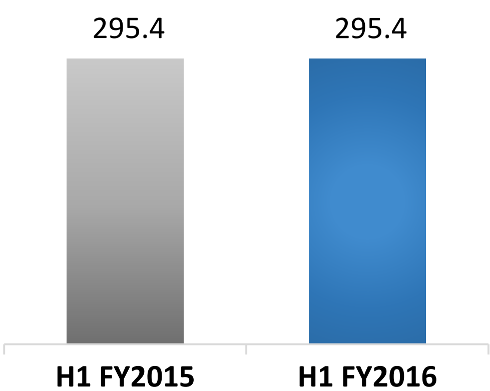




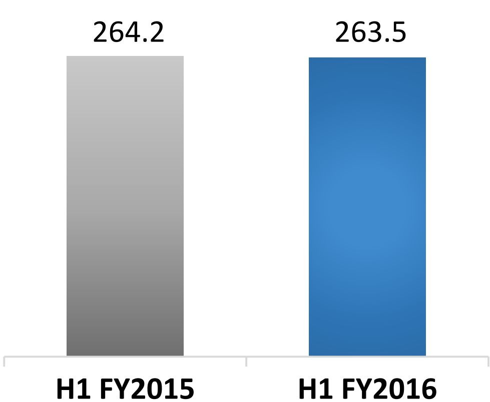
Driving stable growth with focus on asset enhancement initiatives

Office – (PETRONAS Twin Towers, Menara 3 PETRONAS, Menara ExxonMobil & Kompleks Dayabumi

Revenue (RM'm)



Profit before tax (RM'm)



- Stable office revenue, 94% contribution from KLCC REIT
- Maintained 100% occupancy for all offices within portfolio
- Asset enhancement initiatives for Kompleks Dayabumi :
  - **Phase 2 extension**

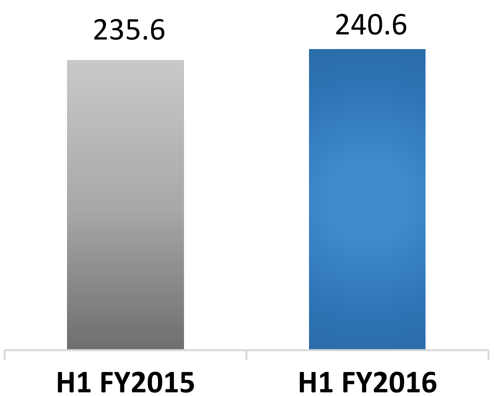
    conversion of atrium spaces to add approx. 39,000 sqft NLA , target fit-out completion in Q3'16
  - **Phase 3 Redevelopment of City Point Podium**

    substructure works currently in progress, targeted completion by end 2016

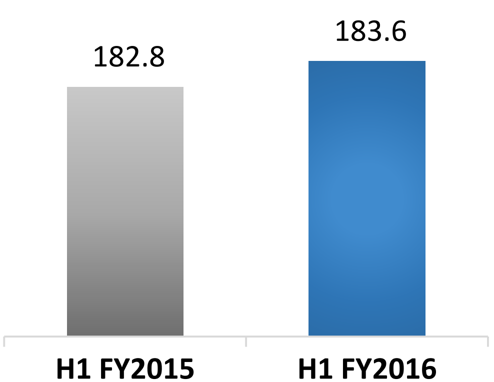
Maintaining resiliency against a challenging retail landscape with dampened consumer sentiment

Retail – (Suria KLCC & Retail Podium Menara 3 PETRONAS)

Revenue (RM'm)



Profit before tax (RM'm)

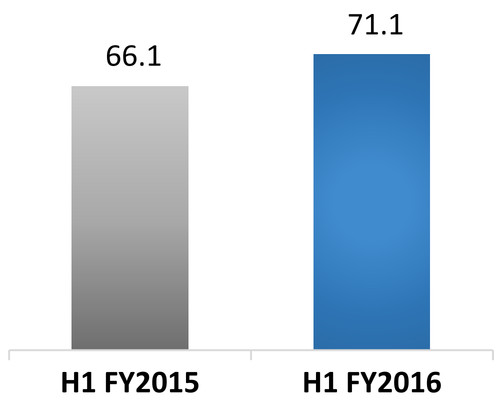


- 2% Revenue growth YoY
- 4% increase in base rental revenue, YoY
- 8% MAT-tenant sales growth YoY despite sluggish retail outlook
- Continued momentum in MAT-customer footfalls > 45 million
- New tenant on board – Lovely Lace Baby opened in April 2016
- Reconfiguration of men's & women's luxury precinct on level 1 is in progress – new brands to come onboard include Omega, Hugo Boss, Rolex & Dunhill.

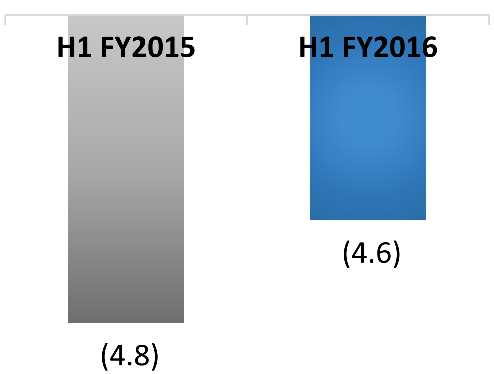
Overall weaker market conditions affecting hotel's key segments

Hotel – Mandarin Oriental Kuala Lumpur

Revenue (RM'm)



Profit before tax (RM'm)

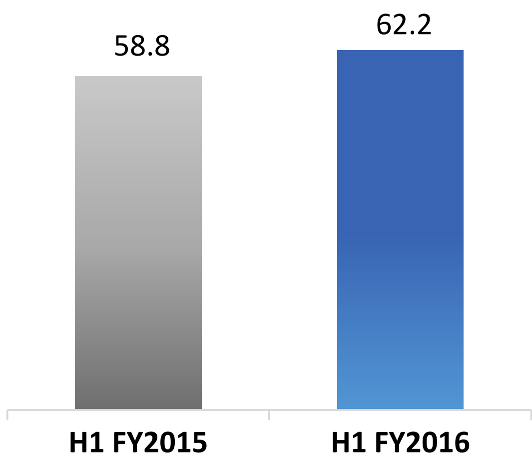


- Soft overall market impacting MOKL's key segments of Oil & gas, Finance & Government
- 8% Revenue growth, YoY contributed mainly by room and spa segments
- PBT impacted by RM2.5 million write-off of furniture & fittings of Sultan's Lounge & Casbah outlets
- Lacklustre F&B performance mainly due to closure of Sultan's Lounge & Casbah since December 2015 and reduced banqueting activities from fewer MICE events
- Final phase renovation to equip MOKL with competitive advantage
  - Guestroom renovation commencing in Q3 2016
  - Casbah and Sultan's Lounge to re-open end August 2016 with new concept

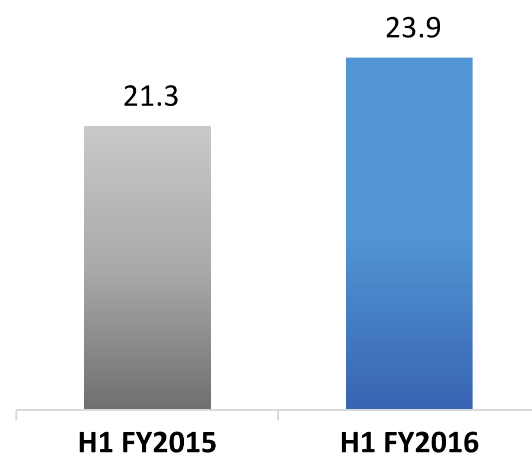
Continues to complement the property portfolio in delivering premium management services

Management Services – Facility Management & Parking

Revenue (RM'm)



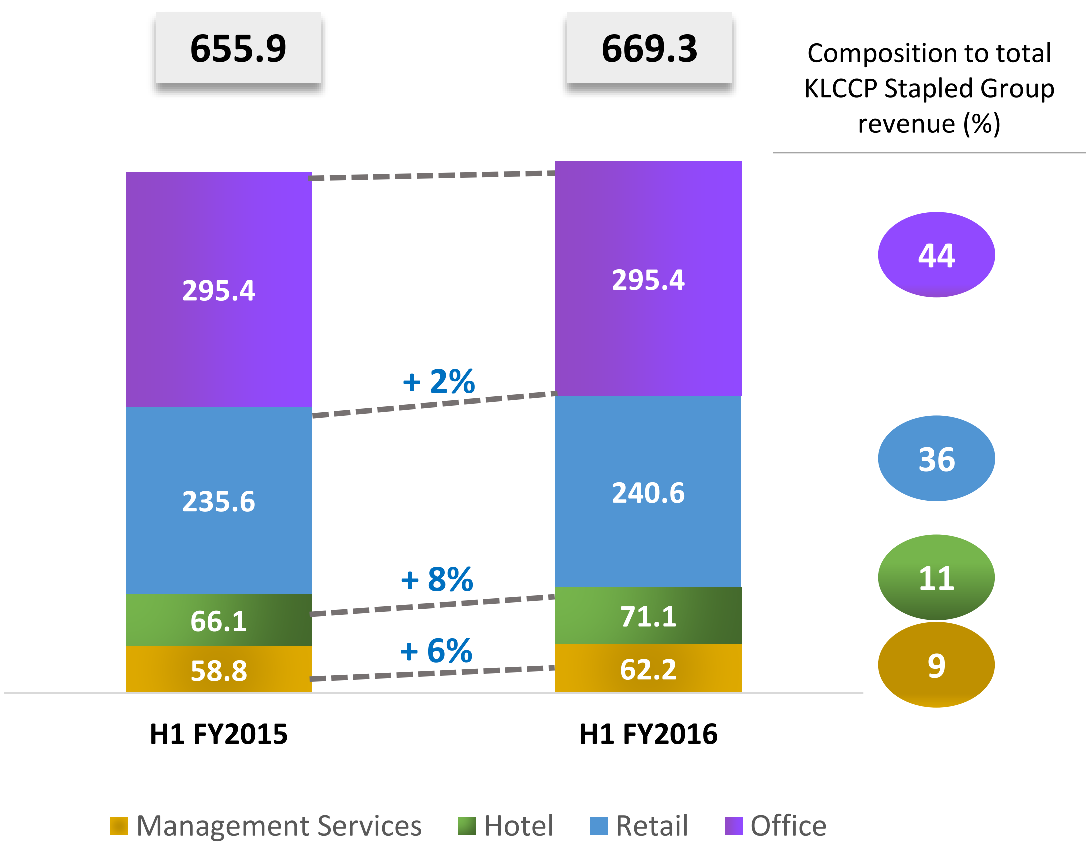
Profit before tax (RM'm)



- 6% revenue growth YoY contributed from additional facilities management services
- 12% PBT growth YoY from efficient cost management

Positive revenue contribution and growth from all segments with office remaining stable

Segmental Revenue (RM'mil)



OFFICE

Stable revenue growth

RETAIL

Higher rental rates becoming effective during the year

HOTEL

Contribution from room & spa segments

MANAGEMENT SERVICES

Provision of additional facilities management services

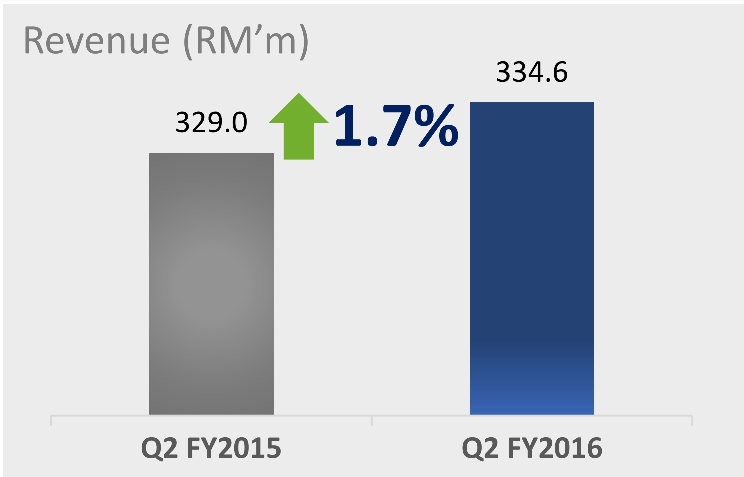
2| Financial Results

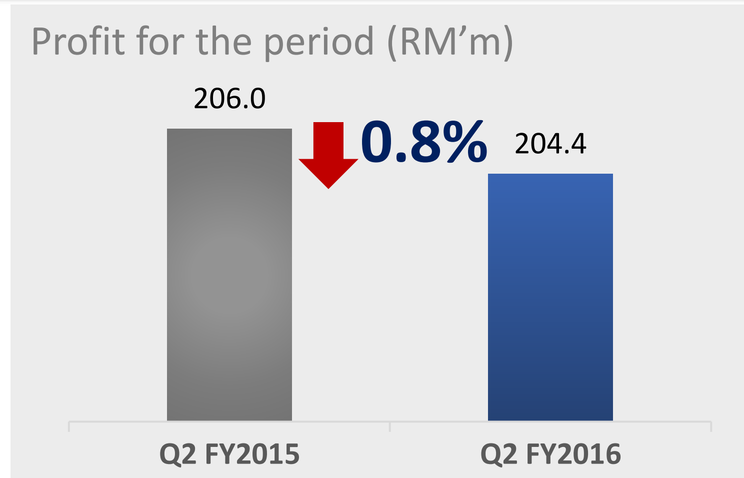
Q2 2016

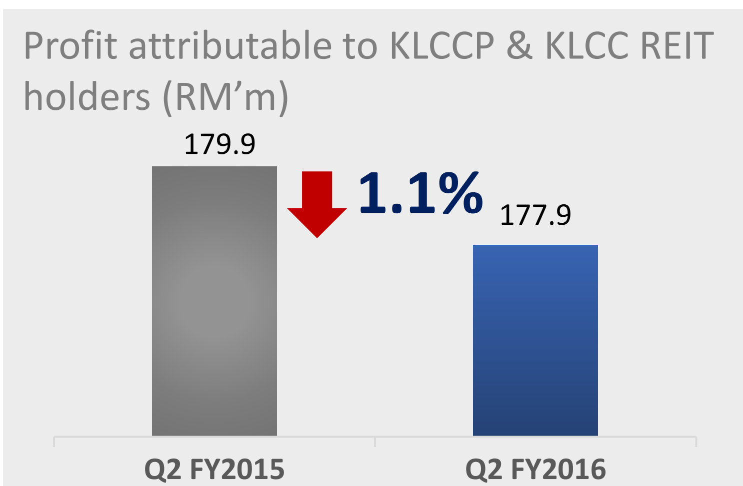


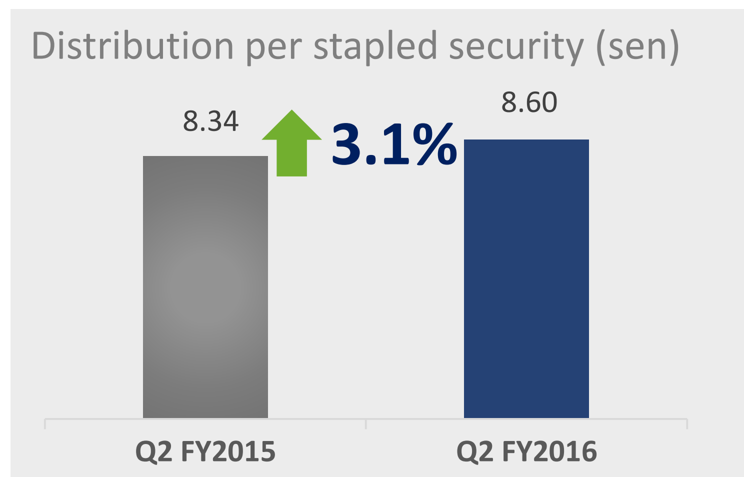
Profits impacted by write-off of assets & lacklustre F&B performance in hotel

Q2 FY2016 vs Q2 FY2015 Financial Performance



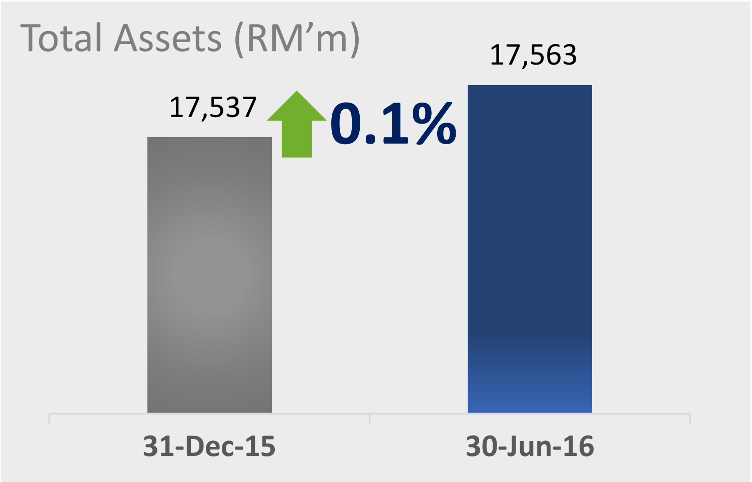


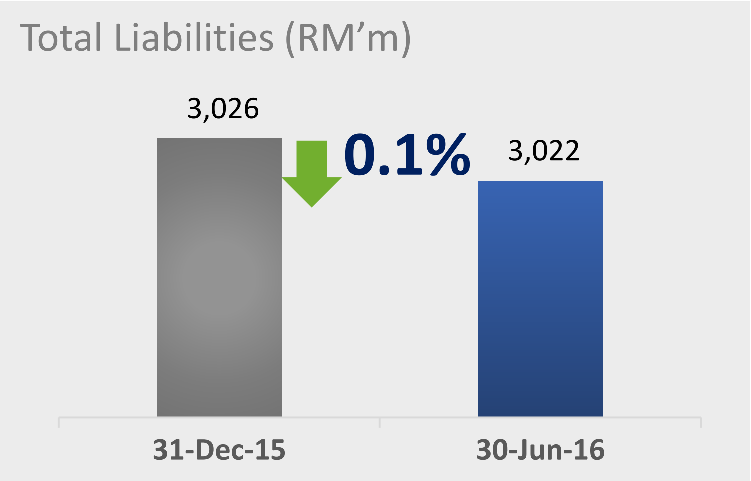


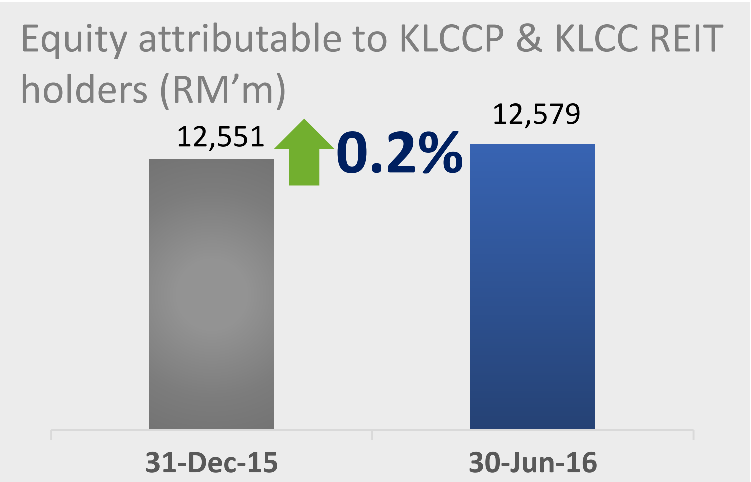


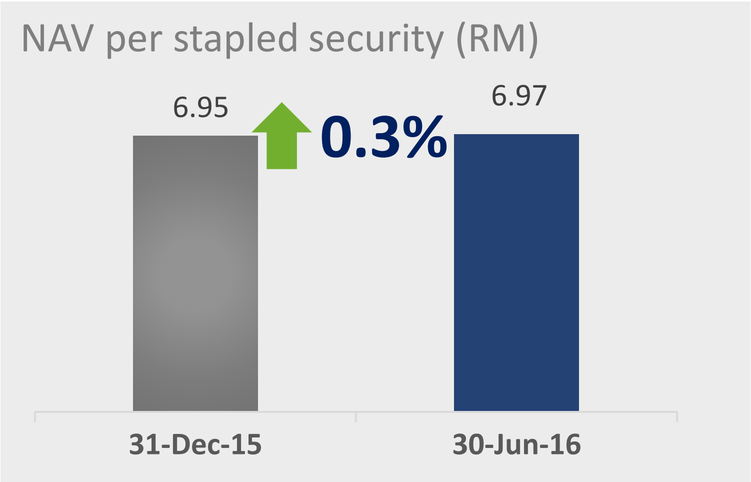
Strong balance sheet continues to provide stability

Statement of Financial Position (30 Jun 16 vs 31 Dec 15)









Continue to deliver sustainable returns with 3% increase in distribution per stapled security, YoY

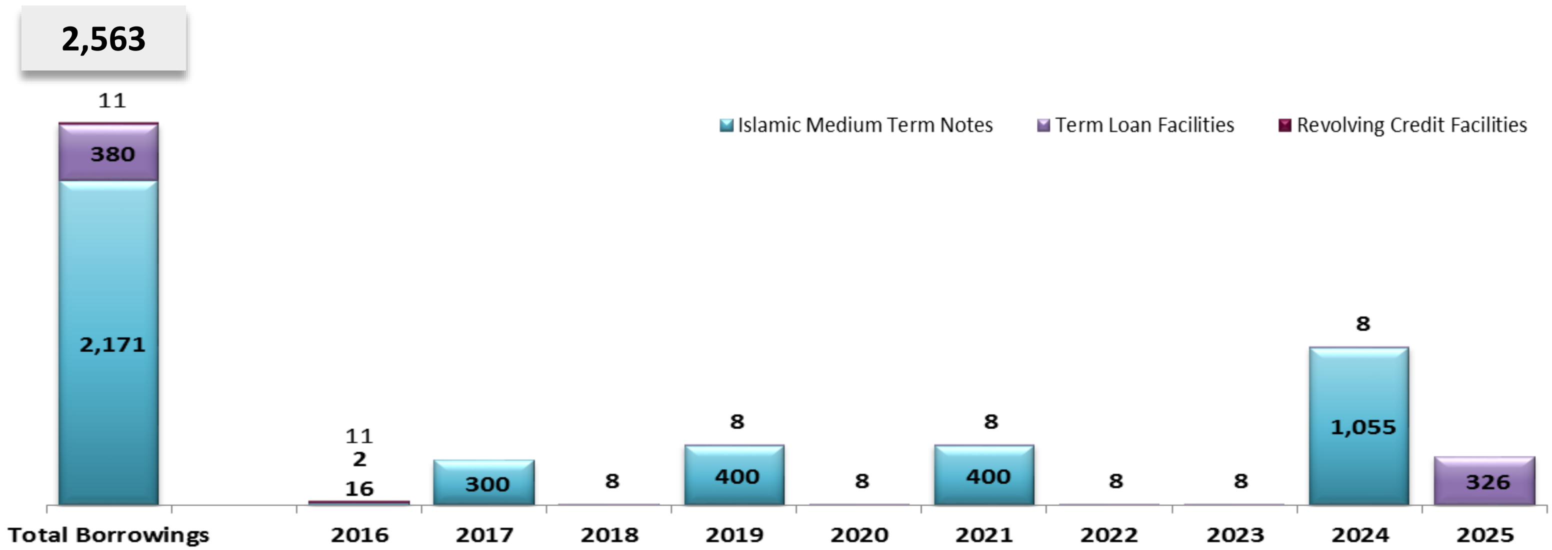
Distribution per stapled security (DPU) (sen)	Q2 FY2016	Q2 FY2015	YTD June 16	YTD June 15
KLCCP	2.91	3.02	5.76	6.04
KLCC REIT	5.69	5.32	11.44	10.64
Distribution per stapled security	**8.60**	**8.34**	**17.20**	**16.68**

Ex-dividend date	15 August 2016
Book closure date	17 August 2016
Distribution payment date	13 September 2016

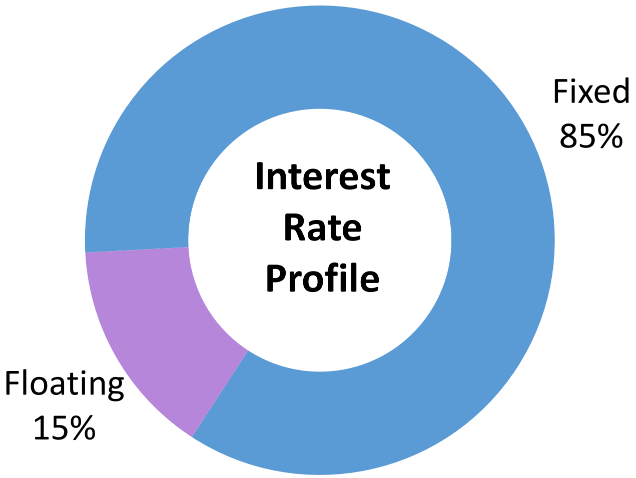
3| Capital Management

Continue to maintain a well-staggered debt maturity profile

Debt Maturity Profile



	As at 30 June 2016
Debt	RM2,563 mil
Gearing Ratio	20%
Average Cost of Debt	4.51%
Borrowings on Fixed Rate	85%



4| Market Outlook

Office : Continue to be clouded with challenges

Highlights for 1H 2016

- Huge supply pipeline of office space and slower growth causing mismatch
- Fewer oil & gas players in the market caused high vacancy rate
- High competition to attract tenants causing tenants to have better negotiation power
- Rental rate for Grade A office trending down causing other office building owners to do likewise to maintain occupancy

Outlook for 2H 2016

- Occupancy rates to move downwards as slower take-up expected for new supply
- Rents continue to not be favorable to most landlords; facing more pressure to lower rentals
- Demand for office space in prime areas will remain resilient
- Improved connectivity due to the expected completion of MRT

Quick Facts

110.3m sq ft
Current supply of Greater KL Office Market

84.3% (KL City)
89.3% (KL fringe)
Occupancy rate 1H 2016

RM7.45 per sq ft (GT KL)
RM6.70 per sq ft (KL fringe)
Grade A office average rental

RM6.24 per sq ft
Current gross rental on NLA per month (KL Office Grade A)

2016 : 8.7m sq ft
2017 : 5.3m sq ft
NLA Incoming Supply in Greater KL

Source: Savills Asian Cities Report 1H 2016 & 2H 2015, Savills Property Market Overview May 2016, Cushman & Wakefield MarketBeat, The Star, The Edge Property

Retail : Challenging & tougher operating environment

Highlights for 1H 2016

- Despite marginal improvement in consumer sentiment index, retail recorded a 4.4% fall in sales for Q1 2016
- Weak currency eroded spending power of consumers
- Relocation of retailers within and to other malls due to high rental rates
- Retailers depend on heavy price discounts for operations to be sustainable

Outlook for 2H 2016

- Retail sector growth of 3%-5% expected in 2H 2016 given the recovery in Consumer Sentiment Index
- Growth expected to be boosted by festive seasons and influx of Chinese tourists (visa-free policy)
- More innovative and aggressive marketing is expected of retailers to remain resilient
- Greatest challenge in 2016 will still be consumer spending

Quick Facts

57.7 mil sq ft
Cumulative retail supply in the Greater KL for 2016

>90%
Occupancy rate in Klang Valley

RM24 – RM30 per sq ft
Average rental rate in prime retail malls

2016: 11.3 mil sq ft
new supply in Klang Valley market

43%
prime retail space per capital in Klang Valley by 2018

Source: Knight Frank Real Estate Highlights 2H 2015, Savills Property Market Overview May 2016, HLIB Research, UOB Research, The Star, The Edge Property

Hotel : Remain challenging given the slower economic growth

Highlights for 1H 2016

- Total supply of hotel rooms in KL registered 11,856 rooms, consisting of 25 buildings of 5-star hotels in Q1 2016
- Total of 6.7 mil tourists arrival in Q1 2016 compared to 6.5 mil Q1 2015
- Heavy competition from the large number of new serviced apartments
- St. Regis Kuala Lumpur debuts in Malaysia's Capital City & The Ritz-Carlton Kuala Lumpur completes extensive renovation

Outlook for 2H 2016

- Operating environment to remain challenging given the slower economic growth
- Approximately 7,700 hotel rooms in the pipeline between 2016 and 2020
- Influx of new supply of hotels could create pressure on the occupancy and ADR growth
- Government is targeting 30.5 mil tourists for 2016 and hoping to generate RM 103 bil
- Freeze on approvals of hotel licenses in KL is to improve overall occupancy rate

Quick Facts

2015: 25.7 mil
Q1 2016: 6.7 mil
Tourist Arrivals

11,856 rooms
Total supply of 5-star rooms in KL as at Q1 2016

RM 497
Average Daily Rate (ADR) (KL Luxury & Upscale stock)

RM 333
Revenue per available room (RevPAR) (KL Luxury & Upscale stock)

67%
Occupancy rate (KL Luxury & Upscale stock)

Source: JLL Asia Pacific Hotel Destinations March 2016, Savills Property Market Overview May 2016, Tourism Malaysia Statistic, NST

5| KLCCSS Outlook

Mitigating our challenges ahead in driving sustained returns

Office

Challenges:
- × Increasing supply in the market
- x Downward trending of rental rates for Grade A offices

Mitigations:
- ✓ Robust leasing efforts to attract & retain quality tenants
- ✓ Locked-in long term leases with high quality tenants

Retail

Challenges:
- × Dampened consumer sentiment
- × Subdued retail sales slowing rental reversion

Mitigations:
- ✓ Consumer centric focus & active engagements with customers & retail partners
- ✓ Continue to leverage on location, proximity, access to customers, footfalls & market position

Hotel

Challenges:
- × Heightened competition from new hotels
- × Slower economic growth & weaker corporate travel

Mitigations:
- ✓ Positioning asset to enhance competitiveness & vibrancy
- ✓ Leverage on global sales network to reinforce visibility and presence in the industry

Thank You