KLCCP Stapled Group

Financial Results

1st Quarter ended 31 March 2018

16 May 2018

Disclaimer

These materials contain historical information of KLCC Property Holdings Berhad and KLCC Real Estate Investment Trust (collectively known as KLCCP Stapled Group) 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 KLCCP Stapled Group's current views with respect to future events and are not a guarantee of future performance or results. Actual results, performance or achievements of KLCCP Stapled Group 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 KLCCP Stapled Group's present and future business strategies and the environment in which KLCCP Stapled Group 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.

1. KLCCP Stapled Group Key Highlights

2. Portfolio Performance

3. Capital Management

4. KLCCSS Focus

Overview of KLCCP Stapled Group Q1 FY2018 performance

- **Steady performance** YoY with growth in revenue and profit before tax of 2.5% and 2.0% respectively, boosted by **stronger hotel performance** and **resilient office segment**

Full occupancy of Menara ExxonMobil (vs 60% occupancy in Q1 2017) and savings in finance costs following the repayment of borrowings in Q2 2017 in the office segment

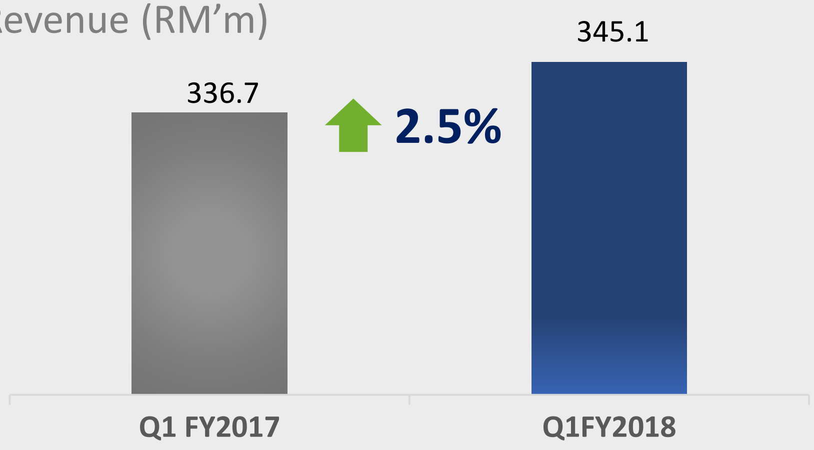
Higher rental rates from **new tenants** and **rent reviews** becoming effective during the quarter, contributing to top-line and PBT growth in the retail segment

Stronger hotel performance driven by the higher demand for the **newly renovated guestrooms** coupled with **improved contribution from F&B covers**

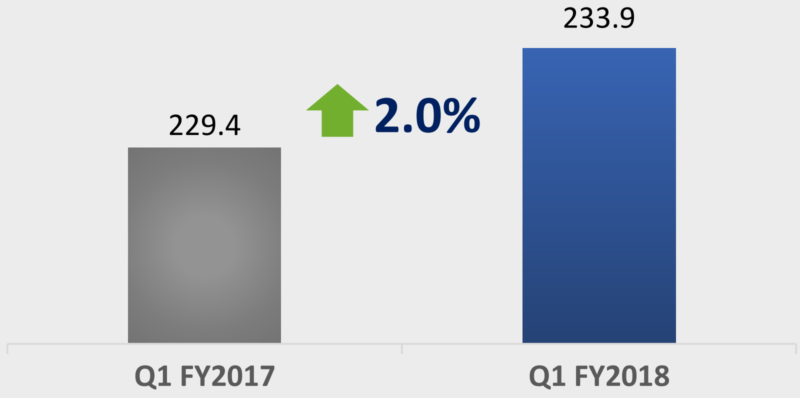
Steady growth in revenue and profit supported by stronger performance in hotel and office segment

Q1 FY2018 vs Q1 FY2017 Financial Performance

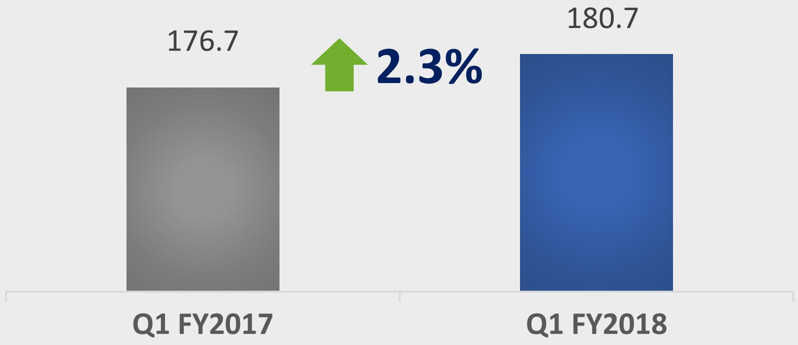
Revenue (RM'm)



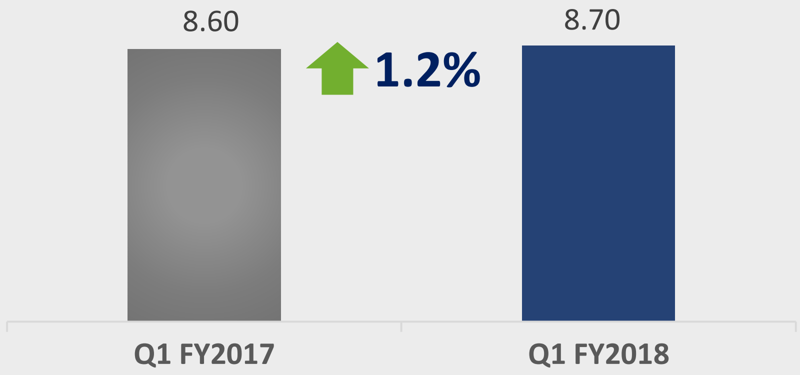
Profit before tax (RM'm)



Profit attributable to KLCCP & KLCC REIT holders (RM'm)

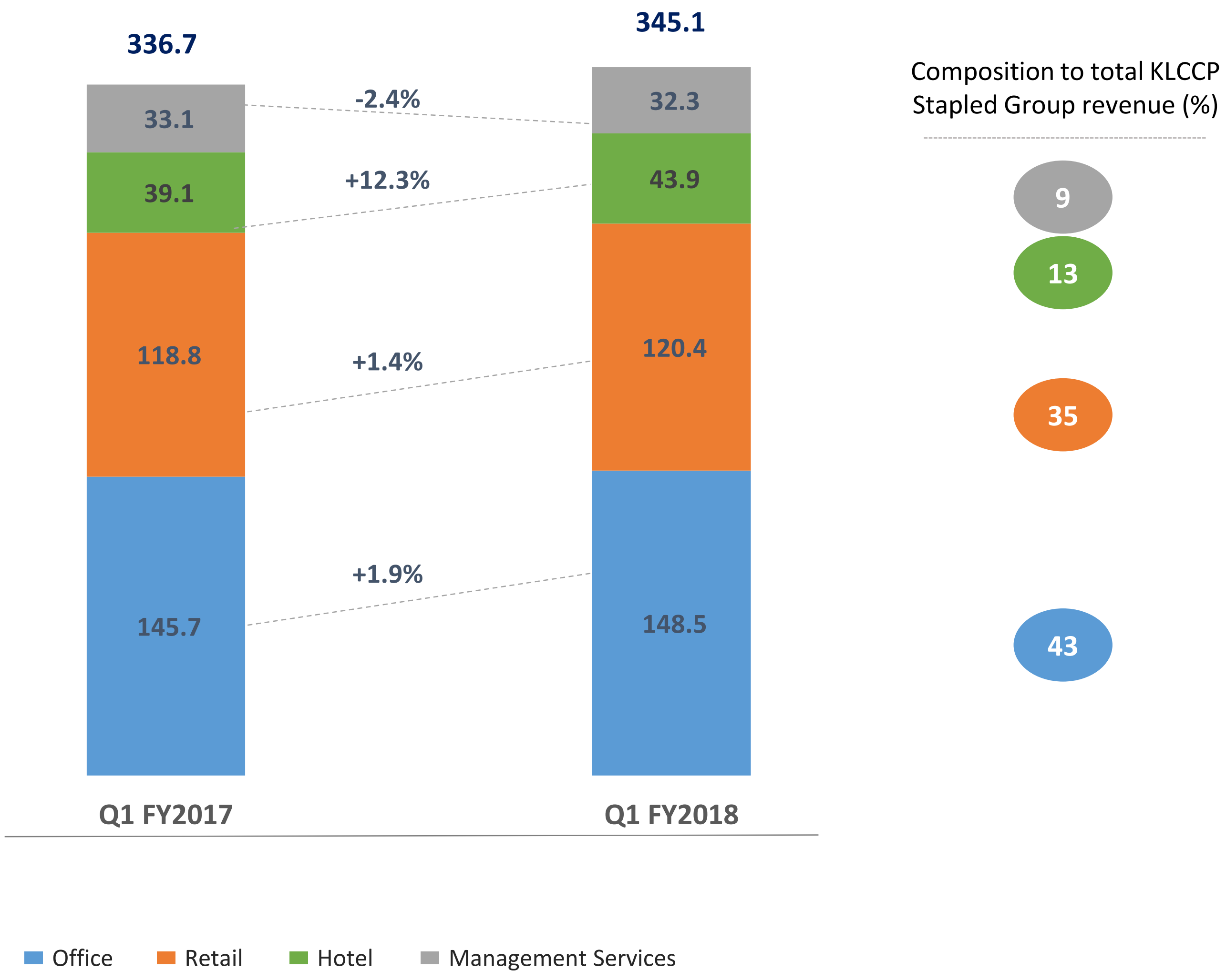


Distribution per stapled security (sen)



Increased contribution from hotel segment, with the other segments remaining stable

Segmental Revenue (RM mil)



OFFICE

100% occupancy in Menara ExxonMobil compared to 60% in Q1 2017

RETAIL

Higher rental rates from new tenants becoming effective during the quarter

HOTEL

Improved room revenue from renovated guestrooms and increase in F&B contribution

MANAGEMENT SERVICES

One-off facility management works in Q1 2017

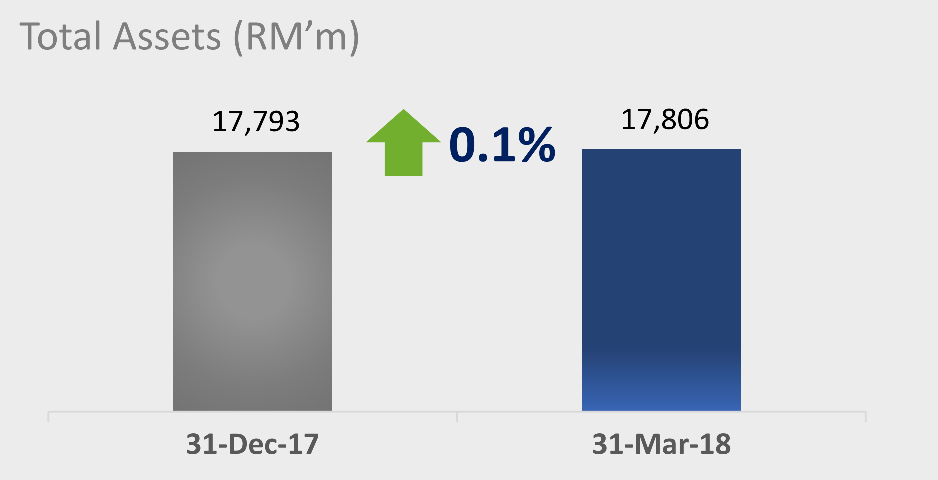
Sustainable returns with increased distribution of 1.2%, YoY

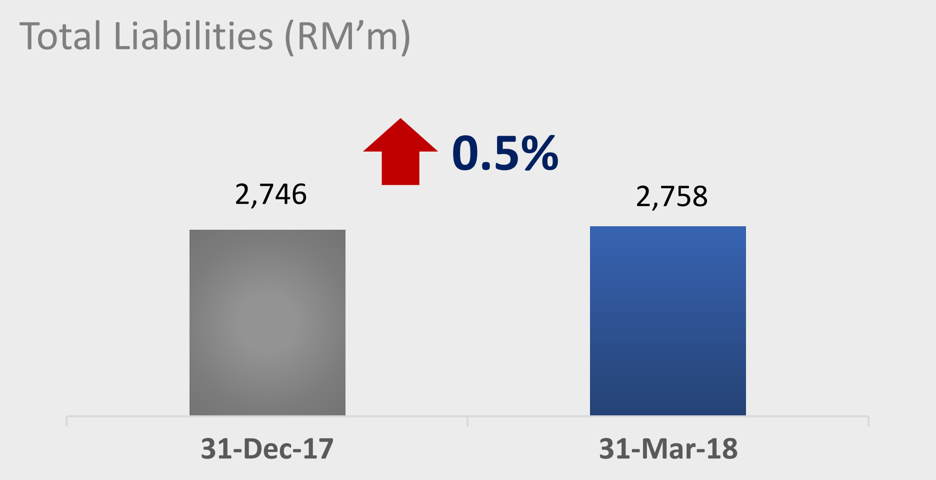
Distribution per stapled security (DPS) (sen)	Q1 FY2018	Q1 FY2017
KLCCP	2.98	3.10
KLCC REIT	5.72	5.50
Distribution per stapled security	**8.70**	**8.60**

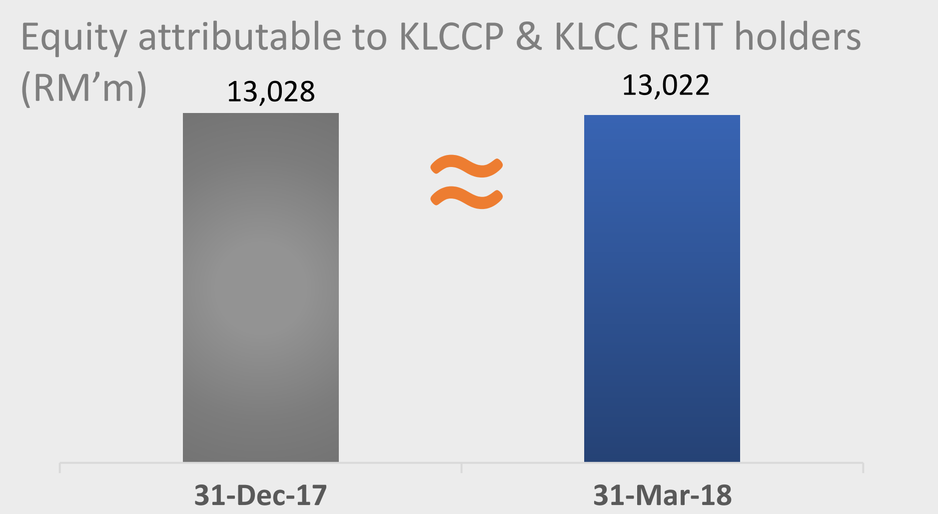
Ex dividend date	30th May 2018
Book closure date	1st Jun 2018
Distribution payment date	29th Jun 2018

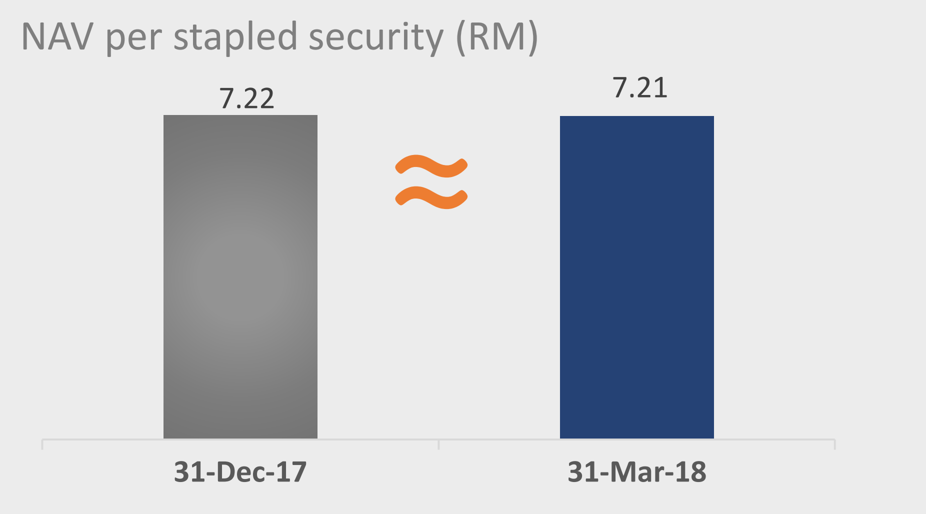
Healthy balance sheet providing headroom for long term growth and stability

Statement of Financial Position (31 Mar 18 vs 31 Dec 17)









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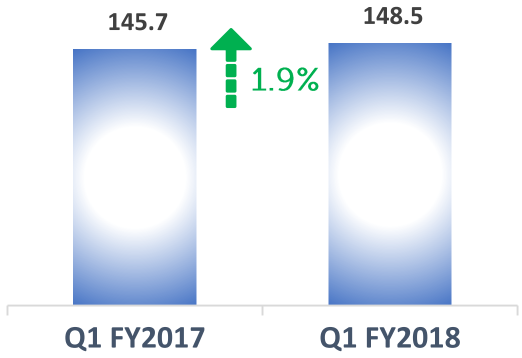
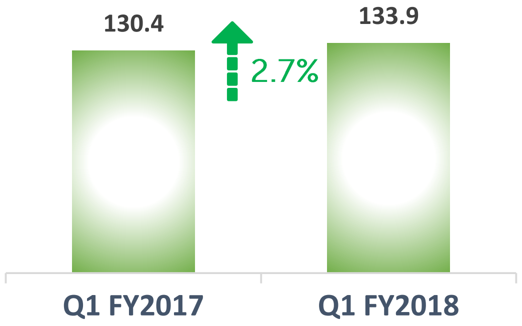
Office – Full occupancy at Menara ExxonMobil boosts stability

Revenue (RM'm)



Profit before tax (RM'm)



- 1.9% growth in revenue and 2.7% increase in PBT, YoY from full occupancy of Menara ExxonMobil as compared to 60% occupancy in Q1 2017 and lower financing costs upon repayment of the first tranche of KLCC REIT's Sukuk Murabahah Programme in April 2017
- Phase 3 redevelopment of City Point podium in tender process for the next development phase
- Maintained 100% occupancy for all offices within the portfolio

Retail – Steady growth with ongoing tenant remixing, reinventing store experience for ultimate customer convenience

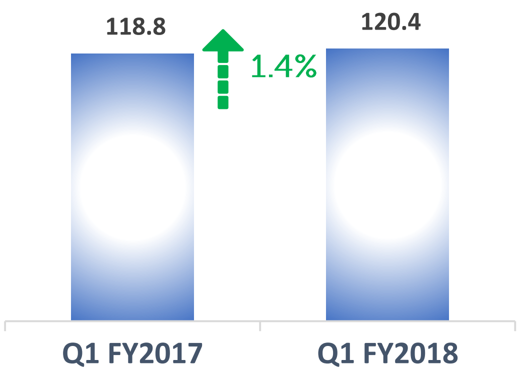
Suria KLCC

KLCC PROPERTY

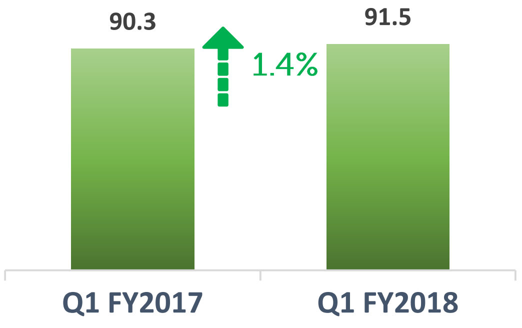
Menara 3 PETRONAS – Retail Podium

KLCC REIT

Revenue (RM'm)



Profit before tax (RM'm)



- 1.4% growth in revenue and PBT, YoY from sustained occupancy and higher rental rates from new tenants and rent reviews becoming effective during the quarter
- 4.4% growth in MAT-tenant sales, mainly from Beauty & Skincare and Services segments
- Ongoing tenant re-mixing exercise at Level 1 - men's and women's luxury precincts, with completion targeted in 2018
- 3 new tenants on board & upgrades in Q1 2018 contributing to the tenant mix

New tenants at Suria KLCC in Q1 FY2018

Ray Ban

Opened on 5th March 2018

Furla

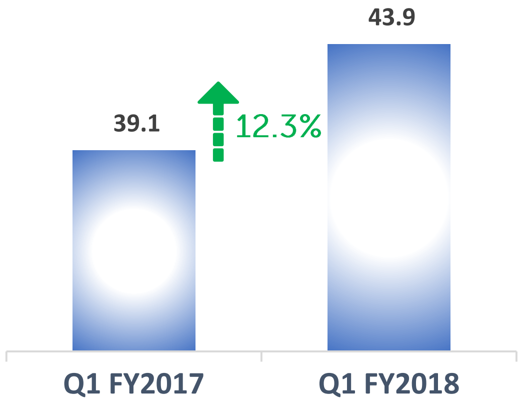
Opened on 14th March 2018

Ken-Chan Curry

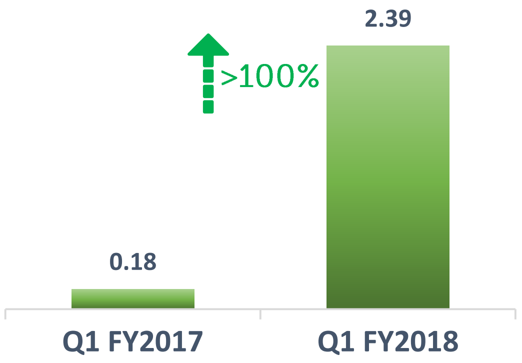
Opened on 31st March 2018

Hotel – Newly renovated guestrooms driving stronger performance

Revenue (RM'm)



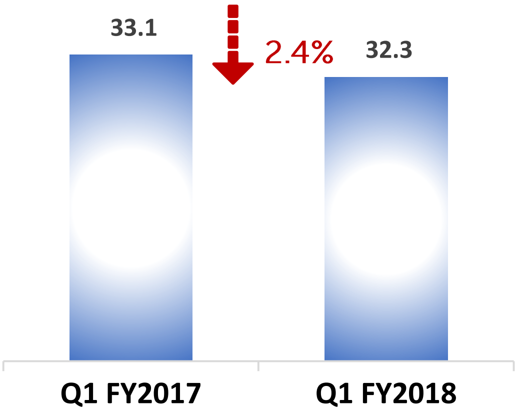
Profit before tax (RM'm)



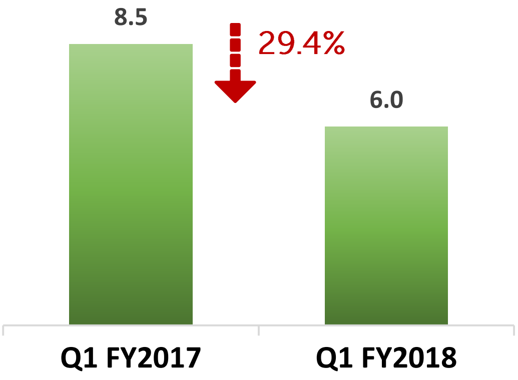
- 12.3% Revenue growth, YoY contributed mainly by the higher demand for the newly renovated guestrooms coupled with improved earnings from F&B covers
- Improved PBT boosted by higher room rate from the newly renovated guestrooms
- 16.3% room earnings growth, YoY mainly contributed from the Corporate & Group segments for Club Rooms and Suites booking
- 8.2% F&B revenue growth, YoY from banqueting events and increased outlet contributions (Aqua, Lai Po Heen & Mosaic) from festive season, restaurant promotions and dining membership deals
- Guestroom renovation progress in Q1 FY2018 :
  - Partial completion of second phase : 230 Deluxe Rooms and Park Suites
    - Completed 114 rooms (Levels 16-19) in January 2018
    - Completed 116 rooms (Levels 12-15) in March 2018
    - Commenced renovation for levels 9 to 11 (87 Rooms), targeted to be completed by 2018

Management Services –Delivering premium asset management services

Revenue (RM'm)



Profit before tax (RM'm)



- 2.4 % decline in revenue growth due to one-off facility management works in Kerteh, Terengganu in Q1 FY2017
- Reduced PBT, YoY due to the timing of payment for manpower costs

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Optimal capital structure to support business needs

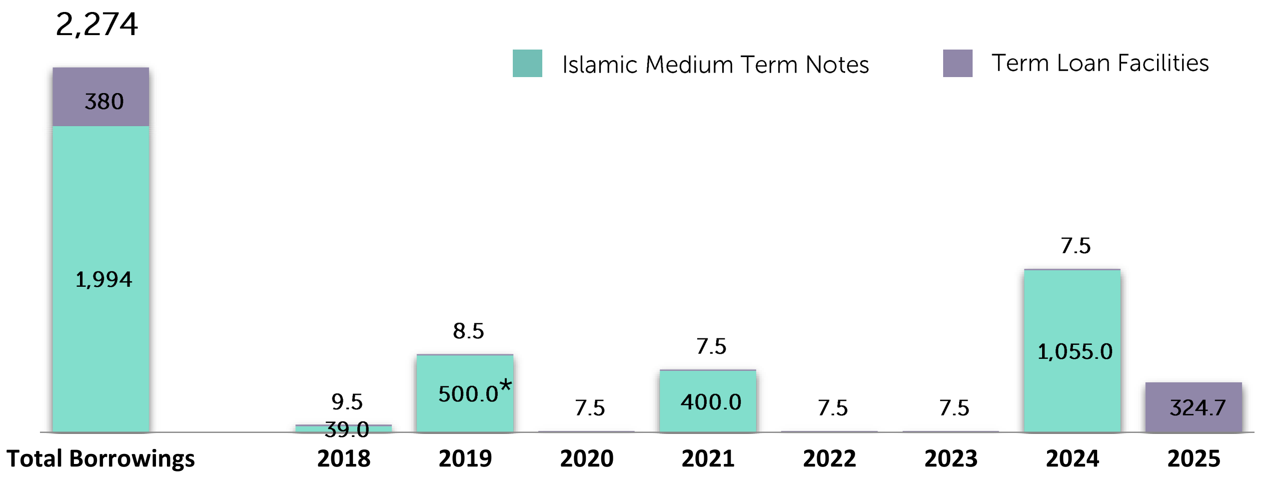
- Strong capital position with gross gearing at 17.5% (net: 11.8%)
- 84% of debt on fixed rate providing protection against future interest rate movement
- 4.84 years average debt maturity with well staggered debt maturity profile

4.59%
Average Cost of Debt

4.84 yrs
Average Maturity Period

17.5%
Gross Gearing Ratio

Debt Maturity Profile



* Includes RM100m interco from KLCCP

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Creating value across our businesses through enhanced service excellence and quality experiences

OFFICE

- Full occupancy & fixed rental uplift underpin portfolio income
- Conceptualising & creating a 'Workplace for Tomorrow' for tenants
- Pro-active lease management, reinforcing long-term defensiveness and stability

RETAIL

- Strong research & leasing team driving performance in challenging retail environment
- Integrating retail concepts as a lifestyle & providing customer-centric shopping experiences
- Reaching out to new & diverse audience and strengthening existing customer loyalty

HOTEL

- Hotel positioning and yield optimisation
- Offering guests a resolutely new hotel experience post guestroom renovation
- Assertive digital and online marketing
- Driving corporate & group business in a dynamic way

Key take-away

1. 100% Office occupancy with majority on triple net lease structure, cementing stability of office segment
2. Retail segment average base rent increased by 2.6% QoQ, maintaining resiliency against challenging markets
3. Hotel segment demonstrated returns from newly renovated guestrooms with RevPar increasing 11% QoQ
4. Well staggered debt maturity profile of 4.84 years with 84% of debt at fixed rate
5. Distribution per stapled security increased to 8.70 sen with dividend yield underpinned by PETRONAS tenant base

Thank You