

KLCC PROPERTY HOLDINGS BERHAD
200401003073 (641576-U)
(Incorporated in Malaysia)

REVALUATION OF PROPERTIES

This announcement is made pursuant to Para 9.19(46), Chapter 9 of the Main Market Listing Requirements on immediate disclosure requirements.

1. Introduction

The Boards of Directors of KLCC Property Holdings Berhad (“KLCCP”) and KLCC Real Estate Investment Trust (“KLCC REIT”), through KLCC REIT Management Sdn Bhd (the Manager of KLCC REIT) (“KLCCRM”) [collectively known as “KLCCP Stapled Group”] wish to announce that the KLCCP Stapled Group had undertaken a revaluation exercise on the following investment properties which are being held by the KLCCP Stapled Group for long term investment purposes:

(i) Properties held by KLCCP’s subsidiaries

- (a) Suria KLCC
- (b) Kompleks Dayabumi (Menara Dayabumi + land for IPUC)
- (c) Lot D1 (freehold land + project in progress)

(ii) Properties held by KLCC REIT

- (a) PETRONAS Twin Towers
- (b) Menara ExxonMobil
- (c) Menara 3 PETRONAS

The above is hereinafter collectively referred to as “Properties”.

2. Purpose of Revaluation

The purpose of the revaluation exercise was to ascertain the current market value of the Properties for accounting purposes pursuant to MFRS 140: Investment Property. In addition, the revaluation exercise conducted for KLCC REIT is pursuant to Clause 10.02(b) of the Securities Commission’s Guidelines on Listed Real Estate

Investment Trusts, whereby a revaluation of real estate in the REIT's investment portfolio should be carried out at least once every financial year.

3. Approval Condition

The Board confirmed that the revaluation was not, to the best of its knowledge, subject to the approval of Securities Commission Malaysia.

4. Fair Valuation Loss

Details of the revaluation of the Properties are set out below:

Properties	Carrying Value 31/12/2020 (prior to valuation) RM'000	Market Value 31/12/2020 RM'000	Surplus/ (Deficit) to be incorporated into KLCCP Stapled Group RM'000
1. PETRONAS Twin Towers	7,013,993	7,014,000	7
2. Suria KLCC	5,635,979	5,565,000	(70,979)
3. Menara ExxonMobil	536,910	536,800	(110)
4. Kompleks Dayabumi	597,471	541,000	(56,471)
5. Menara 3 PETRONAS	2,053,482	2,048,500	(4,982)
6. Lot D1	289,000	279,000	(10,000)
Total Valuation	16,126,835	15,984,300	(142,535)
Add:			
Investment Property Under Construction (IPUC)		136,768	
Less: Accrued Revenue		(427,863)	
Investment Properties		15,693,205	

The net fair valuation loss for the Group recognised in the Statement of Comprehensive Income (SCI) amounted to **RM142,535,000**.

The carrying value of the investment properties as at 31 December 2020 of RM15.7 billion is based on the market value as per the valuation reports after adjusting for IPUC and accrued revenue during the year.

5. Effects on Net Assets

The Board of Directors of KLCCP approved the net fair valuation loss of the Properties on 27 January 2021. The net fair valuation loss of **RM142,535,000** had decreased the value of the investment properties of the KLCCP Stapled Group. The impact of the fair value adjustment on net assets value per stapled security of the KLCCP Stapled Group is as follows:

	RM
Net Assets per stapled security – with Fair Value	7.21
Net Assets per stapled security – without Fair Value	7.27
Effect of FV on Net Assets per stapled security	(0.06)

The Board of Directors of the KLCCP had also decided that unless there were any significant changes to these estimates, the new valuations would be reflected in the results of the fourth quarters and audited financial statements for the FYE 31 December 2020.

6. Name of the Valuer

The revaluation exercise was carried out by independent professional valuer, Messrs. Cheston International (KL) Sdn Bhd.

7. Date of Valuation

The relevant date of valuation for the Properties as follows:

Lot D1	31 December 2020
Menara 3 PETRONAS	31 December 2020
Menara ExxonMobil	31 December 2020
PETRONAS Twin Towers	31 December 2020
Kompleks Dayabumi	31 December 2020
Suria KLCC	31 December 2020

8. Documents Available for Inspection

The valuation reports of the Properties are available for inspection at the Registered Office of the Company at Level 54, Tower 2, PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur during normal office hours from Monday to Friday (except for Public Holidays) for a period of three (3) months from the date of this announcement.

Kuala Lumpur, 27 January 2021