

KLCC PROPERTY HOLDINGS BERHAD
Registration No. 200401003073 (641576-U)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Third quarter ended		Cumulative 9 months ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000	30-Sep-22 RM'000	30-Sep-21 RM'000
Revenue	373,977	260,345	1,045,995	822,885
Operating expenses	(120,345)	(88,249)	(335,380)	(265,304)
Operating profit	253,632	172,096	710,615	557,581
Interest/profit income	6,595	4,458	16,325	12,879
Financing costs	(26,374)	(26,025)	(78,425)	(78,919)
Share of profit of an associate	3,710	3,529	10,768	10,275
Profit before taxation	237,563	154,058	659,283	501,816
Taxation	(31,544)	(12,494)	(84,367)	(45,862)
Profit for the period, representing total comprehensive income	206,019	141,564	574,916	455,954
Profit attributable to:				
Equity holders of the Company	65,231	26,585	167,413	98,274
Non-controlling interests relating to KLCC Real Estate Investment Trust (KLCC REIT)	111,355	108,801	335,784	327,251
	176,586	135,386	503,197	425,525
Other non-controlling interests	29,433	6,178	71,719	30,429
	206,019	141,564	574,916	455,954
Dividend/income distribution to stapled security holders:				
<u>Quarter ended 30 September 2022/2021</u>				
Realised distributable income - KLCCP	65,231	26,585	167,414	98,274
Realised distributable income - KLCC REIT	125,726	113,487	378,792	341,858
Total realised distributable income	190,957	140,072	546,206	440,132
Unrealised distributable income - KLCCP	-	-	(1)	-
Unrealised distributable loss - KLCC REIT	(14,371)	(4,686)	(43,008)	(14,607)
	176,586	135,386	503,197	425,525
Distribution rate (%) ¹	75.63%	90.22%	79.33%	86.14%
Dividend/income distribution	144,426	126,374	433,280	379,122
Dividend/income distribution per stapled security (sen)	8.00	7.00	24.00	21.00
Earnings per stapled security (sen)				
– Basic / Diluted	9.78	7.50	27.87	23.57

¹ Rounded to two decimal points.

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	30-Sep-22	31-Dec-21
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	576,661	604,999
Investment properties	15,589,454	15,586,571
Right-of-use assets	1,956	5,623
Investment in an associate	265,693	271,425
Deferred tax assets	755	707
Other receivables	344,410	393,197
	<u>16,778,929</u>	<u>16,862,522</u>
Current assets		
Inventories	1,288	1,354
Trade and other receivables	83,120	89,343
Tax recoverable	8,618	24,357
Cash and bank balances	1,044,552	959,528
	<u>1,137,578</u>	<u>1,074,582</u>
TOTAL ASSETS	<u>17,916,507</u>	<u>17,937,104</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	1,823,386	1,823,386
Capital reserve	2,860,830	2,860,830
Retained profits	335,996	308,496
	<u>5,020,212</u>	<u>4,992,712</u>
Equity attributable to unit holders of the KLCC REIT	<u>7,976,498</u>	<u>8,017,126</u>
Total equity attributable to equity holders of KLCCP and KLCC REIT	<u>12,996,710</u>	<u>13,009,838</u>
Other non-controlling interests	<u>2,017,990</u>	<u>2,029,638</u>
Total equity	<u>15,014,700</u>	<u>15,039,476</u>
Non-current liabilities		
Deferred revenue	83,415	88,832
Other long term liabilities	117,362	144,475
Financings	2,353,244	2,348,486
Deferred tax liabilities	51,462	51,384
	<u>2,605,483</u>	<u>2,633,177</u>
Current liabilities		
Trade and other payables	237,505	236,946
Financings	45,676	27,426
Taxation	13,143	79
	<u>296,324</u>	<u>264,451</u>
Total liabilities	<u>2,901,807</u>	<u>2,897,628</u>
TOTAL EQUITY AND LIABILITIES	<u>17,916,507</u>	<u>17,937,104</u>
Net asset value per stapled security (RM)	7.20	7.21

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 SEPTEMBER 2022**

	← Attributable to equity holders of the Company →			Total equity attributable to equity holders of KLCCP RM'000	Equity attributable to unit holders of KLCC REIT ² RM'000	Other non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Retained profits RM'000	Capital reserve ¹ RM'000				
As at 1 January 2021	1,823,386	206,750	2,905,084	4,935,220	8,078,845	2,063,894	15,077,959
Total comprehensive income for the period	–	71,689	–	71,689	218,450	24,251	314,390
Dividends paid	–	(35,926)	–	(35,926)	(211,405)	(30,067)	(277,398)
As at 30 September 2021	1,823,386	242,513	2,905,084	4,970,983	8,085,890	2,058,078	15,114,951
As at 1 January 2022	1,823,386	308,496	2,860,830	4,992,712	8,017,126	2,029,638	15,039,476
Total comprehensive income for the period	–	167,413	–	167,413	335,784	71,719	574,916
Dividends paid	–	(139,913)	–	(139,913)	(376,412)	(83,367)	(599,692)
As at 30 September 2022	1,823,386	335,996	2,860,830	5,020,212	7,976,498	2,017,990	15,014,700

¹ Capital reserve arises from the surplus of revaluation of investment properties that will be distributed upon the sale of investment properties.

² Equity attributable to unit holders of KLCC REIT consists of Unitholders' Fund (RM7,212,684,000), Merger Reserve (RM6,212,000), Capital Reserve (RM318,508,000) and Retained Profit (RM439,093,000).

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Cumulative 9 months ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000
Cash flows from operating activities		
Profit before tax	659,283	501,816
Adjustments for:		
Interest/profit income	(16,325)	(12,879)
Financing costs	78,425	78,919
Accrued rental income	44,554	13,575
Depreciation	34,163	34,764
Allowance for impairment losses on trade receivables	366	5,728
Write off of receivables	-	2
Gain on disposal of property, plant and equipment	(1)	(6)
Derecognition of leases	(9)	-
Investment property written off	13	-
Share of profit of an associate	(10,768)	(10,275)
	<u>130,418</u>	<u>109,828</u>
Operating profit before changes in working capital	<u>789,701</u>	<u>611,644</u>
Changes in working capital:		
Trade and other receivables	6,931	(17,435)
Amount due from/to ultimate holding company	670	1,777
Amount due from/to immediate holding company	12,447	8,823
Amount due from/to related companies	(16,750)	(11,064)
Trade and other payables	(27,493)	(45,643)
Inventories	66	77
	<u>(24,129)</u>	<u>(63,465)</u>
Interest/profit income received	16,102	12,795
Tax paid	(55,551)	(60,942)
Tax refund received	12	-
Net cash generated from operating activities	<u>726,135</u>	<u>500,032</u>
Cash flows from investing activities		
Dividends received	16,500	-
Purchase of property, plant and equipment	(2,412)	(3,777)
Subsequent expenditure on investment properties	(3,850)	(31,013)
Proceeds from disposal of property, plant and equipment	2	11
Net cash used in investing activities	<u>10,240</u>	<u>(34,779)</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 SEPTEMBER 2022

	Cumulative 9 months ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000
Cash flows from financing activities		
Drawdown of borrowing	16,540	441,637
Repayment of borrowings	(10,000)	(410,000)
Dividends paid to shareholders	(139,913)	(53,799)
Dividends paid to non-controlling interests relating to KLCC REIT	(376,167)	(319,437)
Dividends paid to other non-controlling interests	(83,367)	(49,200)
Interest/profit expense paid	(54,743)	(54,514)
Payment of principal portion of lease liabilities	(3,701)	(3,508)
Increase/(decrease) in deposits restricted	1,909	(1,123)
Net cash used in financing activities	<u>(649,442)</u>	<u>(449,944)</u>
Net decrease in cash and cash equivalents	86,933	15,309
Cash and cash equivalents at the beginning of the year	956,525	869,765
Cash and cash equivalents at the end of period	<u>1,043,458</u>	<u>885,074</u>
Cash and cash equivalents at the end of period comprises:		
Cash and bank balances	697,851	588,484
Deposits	346,701	299,606
	<u>1,044,552</u>	<u>888,090</u>
Less: Deposits restricted ¹	(1,094)	(3,016)
	<u>1,043,458</u>	<u>885,074</u>

¹ Deposits restricted relate to monies held on behalf of clients in designated accounts which represent cash calls less payments in the course of rendering management services on behalf of clients.

(The unaudited condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 December 2021 and the accompanying explanatory notes attached to this interim financial report.)

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NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Corporate information

KLCC Property Holdings Berhad (“KLCCP”) is a public limited liability company incorporated and domiciled in Malaysia. One ordinary share of KLCCP is stapled with one unit of KLCC Real Estate Investment Trust (“KLCC REIT”) to create the stapled securities. These stapled securities are listed on Bursa Malaysia Securities Berhad.

By virtue of KLCCP and KLCC REIT agreeing to combine their business by contract (i.e. Stapling Deed between KLCCP and KLCC REIT even though KLCCP owns no units in KLCC REIT and vice versa), KLCCP is deemed to be the controlling entity (i.e. parent) for accounting purposes as it is identified to be the party with power to govern the financial and operating policies of KLCC REIT. Therefore, the consolidated accounts of KLCCP will reflect 100% non-controlling interest relating to KLCC REIT.

These condensed consolidated interim financial statements were approved by the Board of Directors on 10 November 2022 .

A2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 September 2022, are unaudited and have been prepared in compliance with the requirements of paragraph 9.22 and 9.44 of the *Main Market Listing Requirements* of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* issued by Malaysian Accounting Standards Board (“MASB”) and with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board.

The consolidated financial statements of the Group for the year ended 31 December 2021 are available upon request from the Company’s registered office at Level 54, Tower 2, PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

A3 Accounting policies

The new and revised MFRSs, Amendments to MFRS and IC Interpretations which are mandatory for companies with financial periods beginning on or after 1 January 2022 did not give rise to any significant effects on the financial statements of the Group and the Company.

A4 Audit Report

The auditors’ report on the financial statements for the year ended 31 December 2021 was not qualified.

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(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information

	Third quarter ended			Cumulative 9 months ended		
	30-Sep-22			30-Sep-22		
	KLCCP	KLCC	Group	KLCCP	KLCC	Group
	REIT	REIT		REIT	REIT	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Property investment:						
Office	10,380	134,850	145,230	31,025	404,962	435,987
Retail	124,337	9,235	133,572	340,559	29,028	369,587
Hotel operations	45,763	-	45,763	97,847	-	97,847
Management services	68,400	-	68,400	198,787	-	198,787
	<u>248,880</u>	<u>144,085</u>	<u>392,965</u>	<u>668,218</u>	<u>433,990</u>	<u>1,102,208</u>
Eliminations			(18,988)			(56,213)
			<u>373,977</u>			<u>1,045,995</u>
Operating profit						
Property investment:						
Office	5,958	119,537	125,495	22,044	358,908	380,952
Retail	109,043	5,566	114,609	286,784	18,158	304,942
Hotel operations	1,768	-	1,768	(11,979)	-	(11,979)
Management services	17,047	-	17,047	49,493	-	49,493
	<u>133,816</u>	<u>125,103</u>	<u>258,919</u>	<u>346,342</u>	<u>377,066</u>	<u>723,408</u>
Eliminations			(5,288)			(12,793)
			<u>253,631</u>			<u>710,615</u>
Interest/profit income	5,499	1,096	6,595	13,544	2,781	16,325
Finance cost	(11,530)	(14,844)	(26,374)	(34,362)	(44,063)	(78,425)
Share of profit of an associate company	3,710	-	3,710	10,768	-	10,768
Taxation	(31,544)	-	(31,544)	(84,367)	-	(84,367)
Profit for the period / Total comprehensive income for the period			<u>206,018</u>			<u>574,916</u>

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NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information (contd.)

	As at 30-Sep-22		Group
	KLCCP	KLCC REIT	
	RM'000	RM'000	RM'000
Total assets			
Property investment — Office	1,067,704	9,084,583	10,152,287
Property investment — Retail	5,734,657	493,380	6,228,037
Hotel operations	572,080	—	572,080
Management services	261,205	—	261,205
	<u>7,635,646</u>	<u>9,577,963</u>	<u>17,213,609</u>
Eliminations and adjustments			<u>702,898</u>
			<u>17,916,507</u>
Total liabilities			
Property investment — Office	16,634	1,589,488	1,606,122
Property investment — Retail	783,250	11,981	795,231
Hotel operations	452,663	—	452,663
Management services	69,674	—	69,674
	<u>1,322,221</u>	<u>1,601,469</u>	<u>2,923,690</u>
Eliminations and adjustments			<u>(21,883)</u>
			<u>2,901,807</u>

A6 Unusual items

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A7 Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the quarter under review.

A8 Changes in statutory tax rate

Section 61A of the Malaysian Income Tax Act 1967 exempts KLCC REIT from the normal corporate tax in a year of assessment (“YA”) if KLCC REIT distributes at least 90% of its total taxable income in the same YA. During the quarter, the Group was impacted by Cukai Makmur; in which, company with chargeable income above RM100 million were taxed at 33%. As a result, the effective tax rate for the Group was 13% compared to 10% last year.

A9 Seasonal or cyclical factors

The Group’s hotel operations were impacted by the seasonal or cyclical factors affecting the occupancy rate and food and beverage business of the hotel.

The other segments are not affected by seasonal or cyclical factors.

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(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A10 Dividends paid

The Board of Directors declared interim dividends comprising 0.99 sen and 7.01 sen relating to KLCCP and KLCC REIT respectively in respect of the three month period ended 30 June 2022 totaling 8.00 sen per stapled security.

The KLCCP dividend of 0.99 sen per share (tax exempt under the single-tier tax system) amounting to RM17.9 million and the KLCC REIT income distribution of 7.01 sen per unit amounting to RM126.6 million were paid on 28 September 2022.

A11 Debt and equity securities

There is no issuance, repurchases and repayments of debt and equity securities for the current quarter ended 30 September 2022, except as disclosed in Note B9.

A12 Changes in the composition of the Group

There were no changes in the composition of the Group during the quarter under review.

A13 Discontinued operations

There were no discontinued operations in the Group during the quarter under review.

A14 Capital commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 September 2022 is as follows:

	RM'000
Approved and contracted for	16,700
Approved but not contracted for	99,655
	<u>116,355</u>

A15 Changes in contingent liabilities and contingent assets

There were no changes in the contingent liabilities or contingent assets of the Group during the quarter under review.

A16 Property development activities

KLCC REIT did not undertake any property development activities during the quarter under review.

A17 Material and subsequent events

There was no other material event subsequent to the end of the quarter under review that has not been reflected in the interim financial statements.

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NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A18 Fair Value Information

The Group's financial instruments consists of cash and bank balances, trade and other receivables, financings, and trade and other payables.

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and short term financings approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of other long term liabilities approximate its fair value amount.

The analysis assumes that all other variables remain constant.

The fair value hierarchy in the valuation technique are as follows:

- Level 1 Quoted market prices in an active market for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
At 30 September 2022				
<u>Financial liabilities</u>				
Sukuk Murabahah	-	1,895,308	-	1,895,308
At 31 December 2021				
<u>Financial liabilities</u>				
Sukuk Murabahah	-	1,950,890	-	1,950,890

There has been no transfer between Level 1, 2 and 3 fair values during the financial year.

The Group does not have any financial liabilities that are measured at fair value for the period under review.

A19 Valuations of Property, Plant and Equipment and Investment Properties

The property, plant and equipment were stated at cost less accumulated depreciation and accumulated impairment losses as at 30 September 2022, if any.

The investment properties are being valued annually by independent professional valuers. The carrying value as at the end of the quarter were based on independent valuation as at 31 December 2021 and subsequent capital expenditure incurred up to the reporting date.

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NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

The Group achieved a revenue and PBT of RM374.0 million and RM237.6 million respectively during the quarter. The 43.7% increase in revenue and 54.2% higher in PBT were due to the recovery in travelling and economic activities post pandemic.

Overall performance of the retail segment improved following higher customer counts and better tenant sales arising from continuous promotional activities. Consequently, the rental assistance was also lower.

Hotel segment significantly improved as a result of higher corporate events and growth in leisure travelers.

B1 Performance review - Quarterly Results (Q3 2022 vs Q3 2021)

	Third quarter ended			Cumulative 9 months ended		
	30-Sep-22 RM'000	30-Sep-21 RM'000	Change %	30-Sep-22 RM'000	30-Sep-21 RM'000	Change %
Revenue:						
Property investment:						
Office	145,230	144,942	0.20	435,987	435,036	0.22
Retail	133,572	68,123	96.07	369,587	244,010	51.46
Hotel operations	45,763	5,897	>100	97,847	23,538	>100
Management services	68,400	58,052	17.83	198,787	172,463	15.26
Eliminations/Adjustments	(18,988)	(16,669)		(56,213)	(52,162)	
	<u>373,977</u>	<u>260,345</u>	43.65	<u>1,045,995</u>	<u>822,885</u>	27.11
Profit before tax ("PBT"):						
Property investment:						
Office *	116,678	117,971	(1.10)	353,848	353,076	0.22
Retail	107,797	39,673	>100	283,074	154,673	83.01
Hotel operations	(2,363)	(20,047)	88.21	(23,474)	(54,374)	56.83
Management services	17,438	16,270	7.18	50,409	49,647	1.53
Eliminations/Adjustments	(1,988)	191		(4,574)	(1,206)	
	<u>237,562</u>	<u>154,058</u>	54.20	<u>659,283</u>	<u>501,816</u>	31.38

* Includes share of profit of an associate.

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NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

B1 Performance review - Quarterly Results (Q3 2022 vs Q3 2021) (contd.)

Variance analysis by segment

Property investment — Office

Office segment remained stable backed by Triple Net Lease (TNL) and long-term leases.

Slight decrease in PBT by 1.1% mainly due to a one-off expense in Kompleks Dayabumi.

Property investment — Retail

Higher retail revenue and PBT of RM133.6 million and RM107.8 million respectively during the quarter were attributed by lower rental assistance, higher revenue rents and advertising income. The improvement in PBT was also due to lower expected credit loss (ECL).

Year to date, the revenue and PBT improved by 51.5% and 83.0% respectively. The overall improvement is a result of increased footfall at Suria KLCC at the back of resumption of business activities throughout the nation.

Hotel operations

Hotel segment recorded higher revenue and lower LBT of RM45.8 million and RM2.4 million respectively compared to previous year's quarter backed by a higher average occupancy (Q3 2022 : 55%; Q3 2021: 7%) and room rates as well as better F&B covers following easing of pandemic restrictions including the opening of international border and resumption of economic activities.

Similarly, YTD revenue increased significantly from RM23.5 million to RM97.8 million during the year with a lower loss of RM23.5 million compared to RM54.4 million last year.

Mandarin Oriental continues its promotional programs to attract more guests and patrons eager to resume dine-in activities.

Management services

Revenue and PBT during Q3 FY2022 increased by 17.8% and 7.2% accordingly as a result of higher parking income generated since the resumption of economic activities and events at KLCC precinct.

For YTD, the revenue also recorded an increase of 15.2% and a reduction of 1.5% for PBT.

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(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

B2 Variation of results against preceding quarter

	Quarter ended		Change %
	30-Sep-22 RM'000	30-Jun-22 RM'000	
Revenue:			
Property investment:			
Office	145,230	145,428	(0.14)
Retail	133,572	125,170	6.71
Hotel operations	45,763	32,116	42.49
Management services	68,400	66,556	2.77
Eliminations/Adjustments	(18,988)	(18,964)	
	<u>373,977</u>	<u>350,306</u>	6.76
Profit before tax:			
Property investment:			
Office *	116,678	118,410	(1.46)
Retail	107,797	95,639	12.71
Hotel operations	(2,363)	(8,258)	71.39
Management services	17,438	16,046	8.68
Eliminations/Adjustments	(1,988)	(2,585)	
	<u>237,562</u>	<u>219,252</u>	8.35

* Includes share of profit of an associate.

The Group ended the quarter with both revenue and PBT surpassing Q2 by 6.8% and 8.4% respectively.

The performance of retail and hotel segments continues to improve with rising consumer confidence post pandemic. The increasing footfall and better tenants' sales has resulted to less reliance on the rental assistance.

Hotel occupancy further increased and better F&B covers supported by higher number of group meetings and events.

The office segment remain stable on the back of long-term tenancies.

KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

B3 Prospects for financial year 2022

Starting 1 August 2022, further easing of travelling restriction were announced allowing international travelers to enter Malaysia regardless the Covid-19 vaccination status. Coupled with the upcoming festive and holiday seasons, business of the retail and hospitality segments are anticipated to recover progressively towards the pre-pandemic level.

Suria KLCC continues to leverage on its strategic location, iconic reputation and a vibrant tenant mix. The mall experienced high traffic from the conferences, exhibitions and events within the KLCC precinct. Mandarin Oriental anticipates encouraging occupancy and take up rate towards the year end hinging on increasing international travelers.

However, the Directors remain cautious as the Group's recovery may be encumbered by the increasing business and labor costs, rising interest rates and the uncertainty in Covid-19 cases. The Group continues to monitor and manage its operating expenses to ensure cost efficiency and in delivering sustainable dividend to the shareholders.

B4 Profit forecast

No profit forecast was issued for the financial period.

B5 Taxation

Taxation comprises the following:

	Third quarter ended		Cumulative 9 months ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Malaysian income tax	31,535	12,492	84,343	45,863
Deferred tax	9	2	24	(1)
	<u>31,544</u>	<u>12,494</u>	<u>84,367</u>	<u>45,862</u>

Overall effective tax rate of 12.8% is lower as income from KLCC REIT is not subject to tax in accordance with Section 61A of the Malaysian Income Tax Act 1967.

B6 Sales of unquoted investments and/or properties

There was no disposal of unquoted investments or properties during the quarter under review.

B7 Quoted and marketable securities

There was no purchase or disposal of quoted and marketable securities during the quarter under review.

KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022**B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)****B8 Status of corporate proposal announced**

There was no corporate proposal announced but not completed as at the date of this report.

B9 Financings

	As at 30-Sep-22		Group RM'000
	KLCCP RM'000	KLCC REIT RM'000	
Short term:			
<u>Secured</u>			
Term loans	12,343	–	12,343
Sukuk Murabahah	7,153	24,169	31,322
Lease liabilities	2,011	–	2,011
	<u>21,507</u>	<u>24,169</u>	<u>45,676</u>
Long term:			
<u>Secured</u>			
Term loans	398,183	–	398,183
Sukuk Murabahah	600,000	1,355,000	1,955,000
Lease liabilities	61	–	61
	<u>998,244</u>	<u>1,355,000</u>	<u>2,353,244</u>
	<u>1,019,751</u>	<u>1,379,169</u>	<u>2,398,920</u>

Repayment schedule:

	Within 1 year RM'000	1–2 years RM'000	2–5 years RM'000	More than 5 years RM'000	Group total RM'000
<u>KLCCP</u>					
Term loans	12,343	10,000	388,183	–	410,526
Sukuk Murabahah	7,153	–	600,000	–	607,153
Lease liabilities	2,011	61	–	–	2,072
	<u>21,507</u>	<u>10,061</u>	<u>988,183</u>	<u>–</u>	<u>1,019,751</u>
<u>KLCC REIT</u>					
Sukuk Murabahah	24,169	455,000	500,000	400,000	1,379,169
	<u>45,676</u>	<u>465,061</u>	<u>1,488,183</u>	<u>400,000</u>	<u>2,398,920</u>

B10 Material litigation

The Group has no outstanding material litigation as at the date of this report.

KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

B11 Dividend/income distribution

The Board of Directors has declared the following dividend/income distribution for the quarter ended 30 September 2022:

	Total stapled securities	Dividend/income distribution per stapled securities Sen	Total dividend/income distribution payable RM'000
KLCCP ¹	1,805,333,083	1.04	18,775
KLCC REIT ^{2,3}	1,805,333,083	6.96	125,651
Group		8.00	144,426

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 23 December 2022. The book closure date in respect of both the aforesaid interim dividend and income distribution is 25 November 2022.

¹ Dividend declared under KLCCP is tax exempt under the single-tier system.

² Income distribution to unitholders will be subjected to withholding tax at the following rates:

<u>Unitholders</u>	Withholding tax rate
Individuals and all other non-corporate investors such as institutional investors (resident and non-resident)	10%
Non-resident corporate investors	24%
Resident corporate investors	0%

KLCC PROPERTY HOLDINGS BERHAD
Registration No. 200401003073 (641576-U)
(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

B11 Dividend/income distribution (contd.)

³ Distribution by KLCC REIT to unitholders are from the following sources:

	Third quarter ended		Cumulative 9 months ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000	30-Sep-22 RM'000	30-Sep-21 RM'000
Revenue				
Property investment - Office	134,850	134,807	404,962	404,540
Property investment - Retail	9,235	6,455	29,028	21,816
	144,085	141,262	433,990	426,356
Profit income	1,096	657	2,781	1,683
	145,181	141,919	436,771	428,039
Less: Expenses	(33,826)	(33,118)	(100,987)	(100,788)
Profit for the period	111,355	108,801	335,784	327,251
Less: Adjustments	14,371	4,686	43,008	14,607
Total realised income available for the period	125,726	113,487	378,792	341,858
Add: Brought forward undistributed realised income available for distribution	80,686	75,957	80,728	64,588
Total realised income available for distribution *	206,412	189,444	459,520	406,446
Less: Income to be distributed for the quarter	(125,651)	(111,209)	(378,759)	(328,211)
Balance undistributed realised income available for distribution	80,761	78,235	80,761	78,235
Distribution per unit (sen)	6.96	6.16	20.98	18.18

* There are no unrealised losses arising during the period or brought forward from previous year.

KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022**B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)****B12 Summary of Net Asset Value ("NAV")**

	No. of units listed	NAV RM'000	NAV per unit	
			before distribution RM	after distribution RM
KLCC REIT ¹	1,805,333,083	7,976,498	4.42	4.35
KLCCP Stapled Group	1,805,333,083	12,996,710	7.20	7.12

¹ An analysis of KLCC REIT's performance based on changes in NAV and NAV per unit, after distribution, since 30 June 2022 is as follows:

	As at 30-Sep-22	As at 30-Jun-22	Changes
NAV (after distribution) (RM'000)	7,850,847	7,865,143	(14,296)
NAV per unit (after distribution) (RM)	4.35	4.36	(0.01)

B13 Profit for the period

	Third quarter ended		Cumulative 9 months ended	
	30-Sep-22 RM'000	30-Sep-21 RM'000	30-Sep-22 RM'000	30-Sep-21 RM'000
Profit for the period is arrived after charging:				
Depreciation of property, plant and equipment ¹	11,506	11,667	34,163	34,764
Allowance for impairment losses on trade receivables	(637)	2,573	366	5,728
Write off of receivables	—	—	—	2
Gain on disposal of property, plant and equipment	(1)	—	(1)	(6)
Write off of investment properties	—	—	13	—

¹ Depreciation of property, plant and equipment is inclusive of depreciation resulting from MFRS 16: Leases.

Other than the above, the items listed under Appendix 9B Note 16 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

KLCC PROPERTY HOLDINGS BERHAD
Registration No. 200401003073 (641576-U)
(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

B14 Earnings per stapled securities ("EPSS")

	Third quarter ended		Cumulative 9 months ended	
	30-Sep-22	30-Sep-21	30-Sep-22	30-Sep-21
Profit attributable to ordinary equity holders of the Company (RM'000)	65,231	26,585	167,413	98,274
Profit attributable to unitholders of KLCC REIT (RM'000)	111,355	108,801	335,784	327,251
	<u>176,586</u>	<u>135,386</u>	<u>503,197</u>	<u>425,525</u>
Weighted average number of stapled securities in issue ('000 units)	1,805,333	1,805,333	1,805,333	1,805,333
Basic EPSS (Sen)	<u>9.78</u>	<u>7.50</u>	<u>27.87</u>	<u>23.57</u>

B15 Trade receivables

	As at 30-Sep-22 RM'000	As at 31-Dec-21 RM'000
Property investment		
- Office	258	114
- Retail	17,278	32,261
Hotel operations	2,349	1,850
Management services	488	233
	<u>20,373</u>	<u>34,458</u>
Less: Allowance for impairment losses	<u>(9,442)</u>	<u>(9,076)</u>
	<u>10,931</u>	<u>25,382</u>

KLCC PROPERTY HOLDINGS BERHAD
Registration No. 200401003073 (641576-U)
(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2022

B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)

B15 Trade receivables (contd.)

The ageing of trade receivables as at the reporting date was:

	As at 30-Sep-22 RM'000	As at 31-Dec-21 RM'000
Not past due	3,025	1,670
Past due 1 to 30 days	2,733	6,389
Past due 31 to 60 days	1,382	4,359
Past due 61 to 90 days	1,053	3,406
Past due more than 90 days	12,180	18,634
	<u>17,348</u>	<u>32,788</u>
Allowance for impairment losses	(9,442)	(9,076)
	<u>10,931</u>	<u>25,382</u>

The movement in the allowance account is as follows:

	As at 30-Sep-22 RM'000	As at 31-Dec-21 RM'000
At 1 January	9,076	3,362
Allowance for impairment	366	6,104
Allowance written off	-	(390)
At 30 September/31 December	<u>9,442</u>	<u>9,076</u>

B16 Limits or restrictions imposed under the Guidelines on Listed REITs issued by Securities Commission Malaysia ("the Guidelines")

The Group is in compliance with the limits or restrictions imposed under the Guidelines.

BY ORDER OF THE BOARD

Lim Siew Mei (SSM PC No. 201908001632) (MAICSA 7020355)
Yeap Kok Leong (SSM PC No. 202008001750) (MAICSA 0862549)
Company Secretaries
Kuala Lumpur