

KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | Fourth quarter | | Financial year | |
|---|--------------------|--------------------|--------------------|--------------------|
| | ended 31-Dec-23 | ended 31-Dec-22 | ended 31-Dec-23 | ended 31-Dec-22 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 442,630 | 413,256 | 1,619,163 | 1,459,251 |
| Operating expenses | (182,482) | (165,075) | (598,937) | (500,455) |
| Operating profit | 260,148 | 248,181 | 1,020,226 | 958,796 |
| Fair value adjustments to investment properties | 221,914 | 128,676 | 221,914 | 128,676 |
| Interest/profit income | 13,258 | 10,743 | 42,391 | 27,068 |
| Financing costs | (27,995) | (27,334) | (111,312) | (105,759) |
| Share of profit of an associate | 3,061 | (670) | 14,204 | 10,098 |
| Profit before taxation | 470,386 | 359,596 | 1,187,423 | 1,018,879 |
| Taxation | (35,881) | (22,958) | (121,041) | (107,325) |
| Profit for the year, representing total comprehensive income | 434,505 | 336,638 | 1,066,382 | 911,554 |
| Profit attributable to: | | | | |
| Equity holders of the Company | 187,436 | 111,952 | 396,662 | 279,365 |
| Non-controlling interests relating to KLCC Real Estate Investment Trust (KLCC REIT) | 197,157 | 167,514 | 534,632 | 503,298 |
| | 384,593 | 279,466 | 931,294 | 782,663 |
| Other non-controlling interests | 49,912 | 57,172 | 135,088 | 128,891 |
| | 434,505 | 336,638 | 1,066,382 | 911,554 |
| Profit for the year, excluding fair value adjustments | 221,911 | 218,390 | 853,788 | 793,306 |
| Dividend/income distribution to stapled security holders: | | | | |
| <u>Quarter ended 31 December 2023/2022</u> | | | | |
| Realised distributable income - KLCCP | 75,760 | 75,591 | 284,986 | 243,005 |
| Realised distributable income - KLCC REIT | 128,055 | 126,473 | 508,925 | 505,265 |
| Total realised distributable income | 203,815 | 202,064 | 793,911 | 748,270 |
| Unrealised distributable income - KLCCP | 111,676 | 36,361 | 111,676 | 36,360 |
| Unrealised distributable income/(loss) - KLCC REIT | 69,102 | 41,041 | 25,707 | (1,967) |
| | 384,593 | 279,466 | 931,294 | 782,663 |
| Distribution rate (%) ¹ | 127.55% | 125.08% | 92.10% | 91.68% |
| Dividend/income distribution | 259,968 | 252,747 | 731,159 | 686,027 |
| Dividend/income distribution per stapled security (sen) | 14.40 | 14.00 | 40.50 | 38.00 |
| Earnings per stapled security (sen) | | | | |
| – Basic / Diluted | 21.30 | 15.48 | 51.59 | 43.35 |

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 2022 and the accompanying explanatory notes attached to this interim financial report.)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

| | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
|---|---------------------|---------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 547,763 | 570,929 |
| Investment properties | 15,953,114 | 15,722,780 |
| Right-of-use assets | 2,495 | 3,913 |
| Investment in an associate | 266,687 | 265,023 |
| Deferred tax assets | 1,513 | 1,464 |
| Other receivables | 270,954 | 328,988 |
| | <u>17,042,526</u> | <u>16,893,097</u> |
| Current assets | | |
| Inventories | 1,607 | 1,558 |
| Trade and other receivables | 94,182 | 102,018 |
| Tax recoverable | 3,167 | 7,813 |
| Cash and bank balances | 1,192,076 | 1,104,972 |
| | <u>1,291,032</u> | <u>1,216,361</u> |
| TOTAL ASSETS | <u>18,333,558</u> | <u>18,109,458</u> |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the company | | |
| Share capital | 1,823,386 | 1,823,386 |
| Capital reserve | 3,008,866 | 2,897,190 |
| Retained profits | 435,883 | 392,812 |
| | <u>5,268,135</u> | <u>5,113,388</u> |
| Equity attributable to unit holders of the KLCC REIT | <u>8,070,969</u> | <u>8,018,361</u> |
| Total equity attributable to equity holders of KLCCP and KLCC REIT | <u>13,339,104</u> | <u>13,131,749</u> |
| Other non-controlling interests | <u>2,050,350</u> | <u>2,035,529</u> |
| Total equity | <u>15,389,454</u> | <u>15,167,278</u> |
| Non-current liabilities | | |
| Deferred revenue | 83,951 | 82,633 |
| Other long term liabilities | 149,515 | 126,928 |
| Financings | 1,289,572 | 2,355,887 |
| Deferred tax liabilities | 62,850 | 53,982 |
| | <u>1,585,888</u> | <u>2,619,430</u> |
| Current liabilities | | |
| Trade and other payables | 261,158 | 281,308 |
| Financings | 1,074,600 | 22,586 |
| Taxation | 22,458 | 18,856 |
| | <u>1,358,216</u> | <u>322,750</u> |
| Total liabilities | <u>2,944,104</u> | <u>2,942,180</u> |
| TOTAL EQUITY AND LIABILITIES | <u>18,333,558</u> | <u>18,109,458</u> |
| Net asset value per stapled security (RM) | 7.39 | 7.27 |

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

| | ← 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 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 year | – | 279,365 | – | 279,365 | 503,298 | 128,891 | 911,554 |
| Transfer of fair value surplus | – | (36,360) | 36,360 | – | – | – | – |
| Dividends paid | – | (158,689) | – | (158,689) | (502,063) | (123,000) | (783,752) |
| As at 31 December 2022 | 1,823,386 | 392,812 | 2,897,190 | 5,113,388 | 8,018,361 | 2,035,529 | 15,167,278 |
| As at 1 January 2023 | 1,823,386 | 392,812 | 2,897,190 | 5,113,388 | 8,018,361 | 2,035,529 | 15,167,278 |
| Total comprehensive income for the year | – | 396,662 | – | 396,662 | 534,632 | 135,088 | 1,066,382 |
| Transfer of fair value surplus | – | (111,676) | 111,676 | – | – | – | – |
| Dividends paid | – | (241,915) | – | (241,915) | (482,024) | (120,267) | (844,206) |
| As at 31 December 2023 | 1,823,386 | 435,883 | 3,008,866 | 5,268,135 | 8,070,969 | 2,050,350 | 15,389,454 |

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 (RM457,860,000) and Retained Profit (RM394,213,000).

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2022 and the accompanying explanatory notes attached to this interim financial report.)

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

| | Financial year ended | |
|---|-------------------------|---------------------|
| | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
| Cash flows from operating activities | | |
| Profit before tax | 1,187,423 | 1,018,879 |
| Adjustments for: | | |
| Interest/profit income | (42,391) | (27,068) |
| Financing costs | 111,314 | 105,763 |
| Accrued rental income | 50,972 | 58,135 |
| Gain on fair value adjustments on investment properties | (221,914) | (128,676) |
| Depreciation | 32,877 | 44,978 |
| Reversal for impairment losses on receivables | (1,368) | (1,496) |
| Write off of receivables | 1,163 | - |
| Loss on disposal of property, plant and equipment | (27) | 30 |
| Derecognition of leases | - | (9) |
| Remeasurement of leases | - | (44) |
| Investment property written off | - | 13 |
| Impairment of investment property under construction | - | 115 |
| Share of profit of an associate | (14,204) | (10,098) |
| | (83,578) | 41,643 |
| Operating profit before changes in working capital | 1,103,845 | 1,060,522 |
| Changes in working capital: | | |
| Trade and other receivables | (674) | 15,509 |
| Amount due from/to ultimate holding company | 4,387 | (599) |
| Amount due from/to immediate holding company | 12,168 | (27,813) |
| Amount due from/to related companies | 1,726 | (5,262) |
| Trade and other payables | (6,983) | 28,125 |
| Inventories | (49) | (204) |
| | 10,575 | 9,756 |
| Interest/profit income received | 42,343 | 26,297 |
| Tax paid | (104,477) | (70,176) |
| Tax refund received | 503 | 12 |
| Net cash generated from operating activities | 1,052,789 | 1,026,411 |
| Cash flows from investing activities | | |
| Dividends received | 12,540 | 16,500 |
| Purchase of property, plant and equipment | (9,255) | (6,512) |
| Subsequent expenditure on investment properties | (5,435) | (6,004) |
| Proceeds from disposal of property, plant and equipment | 126 | 3 |
| Net cash used in investing activities | (2,024) | 3,987 |

KLCC PROPERTY HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

| | Financial year ended | |
|---|-------------------------|-------------------------|
| | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
| Cash flows from financing activities | | |
| Drawdown of borrowing | - | 16,540 |
| Repayment of borrowings | (10,000) | (10,000) |
| Dividends paid to shareholders | (241,915) | (158,689) |
| Dividends paid to non-controlling interests relating to KLCC REIT | (482,235) | (501,840) |
| Dividends paid to other non-controlling interests | (120,267) | (123,000) |
| Interest/profit expense paid | (107,864) | (103,085) |
| Payment of principal portion of lease liabilities | (1,380) | (4,880) |
| (Decrease)/increase in deposits restricted | (244) | 841 |
| Net cash used in financing activities | <u>(963,905)</u> | <u>(884,113)</u> |
| Net decrease in cash and cash equivalents | 86,860 | 146,285 |
| Cash and cash equivalents at the beginning of the year | 1,102,810 | 956,525 |
| Cash and cash equivalents at the end of period | <u>1,189,670</u> | <u>1,102,810</u> |
| Cash and cash equivalents at the end of period comprises: | | |
| Cash and bank balances | 843,640 | 796,786 |
| Deposits | 348,436 | 308,186 |
| | <u>1,192,076</u> | <u>1,104,972</u> |
| Less: Deposits restricted ¹ | <u>(2,406)</u> | <u>(2,162)</u> |
| | <u>1,189,670</u> | <u>1,102,810</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 2022 and the accompanying explanatory notes attached to this interim financial report.)

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2023

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 7 February 2024.

A2 Basis of preparation

These condensed consolidated interim financial statements, for the year ended 31 December 2023, 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 2022 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 2023 did not give rise to any significant effects on the financial statements of the Group and the Company.

A4 Audit Report of Preceding Financial Year

The auditors’ report on the financial statements for the year ended 31 December 2022 was not qualified.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2023

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information

| | Fourth quarter ended | | | Financial year ended | | |
|--|----------------------|--------------|-----------------|----------------------|--------------|------------------|
| | 31-Dec-23 | | | 31-Dec-23 | | |
| | KLCCP | KLCC REIT | Group | KLCCP | KLCC REIT | Group |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | | | | | | |
| Property investment: | | | | | | |
| Office | 10,526 | 135,988 | 146,514 | 41,936 | 541,959 | 583,895 |
| Retail | 127,122 | 9,953 | 137,075 | 488,403 | 40,210 | 528,613 |
| Hotel operations | 65,173 | - | 65,173 | 210,932 | - | 210,932 |
| Management services | 113,774 | - | 113,774 | 372,867 | - | 372,867 |
| | 316,595 | 145,941 | 462,536 | 1,114,138 | 582,169 | 1,696,307 |
| Eliminations | | | (19,906) | | | (77,144) |
| | | | 442,630 | | | 1,619,163 |
| Operating profit | | | | | | |
| Property investment: | | | | | | |
| Office | 2,871 | 120,137 | 123,008 | 27,914 | 478,681 | 506,595 |
| Retail | 103,881 | 6,644 | 110,525 | 404,299 | 25,181 | 429,480 |
| Hotel operations | 11,132 | - | 11,132 | 23,102 | - | 23,102 |
| Management services | 21,675 | - | 21,675 | 80,391 | - | 80,391 |
| | 139,559 | 126,781 | 266,340 | 535,706 | 503,862 | 1,039,568 |
| Eliminations | | | (6,192) | | | (19,342) |
| | | | 260,148 | | | 1,020,226 |
| Fair value adjustment on investment properties | 128,714 | 93,200 | 221,914 | 128,714 | 93,200 | 221,914 |
| Interest/profit income | 11,584 | 1,674 | 13,258 | 36,253 | 6,138 | 42,391 |
| Finance cost | (12,817) | (15,178) | (27,995) | (52,064) | (59,248) | (111,312) |
| Share of profit of an associate company | 3,061 | - | 3,061 | 14,204 | - | 14,204 |
| Taxation | (35,881) | - | (35,881) | (121,041) | - | (121,041) |
| Profit for the period / Total comprehensive income for the period | | | 434,505 | | | 1,066,382 |

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2023

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information (contd.)

| | As at 31-Dec-23 | | Group |
|------------------------------|------------------|------------------|--------------------------|
| | KLCCP | KLCC REIT | |
| | RM'000 | RM'000 | RM'000 |
| Total assets | | | |
| Property investment — Office | 1,177,872 | 9,158,974 | 10,336,846 |
| Property investment — Retail | 5,820,246 | 515,607 | 6,335,853 |
| Hotel operations | 571,852 | — | 571,852 |
| Management services | 256,819 | — | 256,819 |
| | <u>7,826,789</u> | <u>9,674,581</u> | <u>17,501,370</u> |
| Eliminations and adjustments | | | <u>832,188</u> |
| | | | <u>18,333,558</u> |
| Total liabilities | | | |
| Property investment — Office | 13,760 | 1,577,921 | 1,591,681 |
| Property investment — Retail | 792,111 | 25,688 | 817,799 |
| Hotel operations | 445,761 | — | 445,761 |
| Management services | 109,584 | — | 109,584 |
| | <u>1,361,216</u> | <u>1,603,609</u> | <u>2,964,825</u> |
| Eliminations and adjustments | | | <u>(20,721)</u> |
| | | | <u>2,944,104</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

There were no changes to the corporate tax rate during the quarter under review. However, 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.

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.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2023

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A10 Dividends paid

The Board of Directors declared interim dividends comprising 2.50 sen and 6.30 sen relating to KLCCP and KLCC REIT respectively in respect of the nine month period ended 30 September 2023 totaling 8.80 sen per stapled security.

The KLCCP dividend of 2.50 sen per share (tax exempt under the single-tier tax system) amounting to RM45.1 million and the KLCC REIT income distribution of 6.30 sen per unit amounting to RM113.7 million were paid on 29 December 2023.

A11 Debt and equity securities

There is no issuance, repurchases and repayments of debt and equity securities for the current quarter ended 31 December 2023, 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 31 December 2023 is as follows:

| | RM'000 |
|---------------------------------|---------------|
| Approved and contracted for | 15,508 |
| Approved but not contracted for | 24,632 |
| | <u>40,140</u> |

During the year, the Company has approved to enter into a share purchase agreement to acquire Suria KLCC Sdn Bhd ("SKSB") as per disclosed in A17.

A15 Contingent liabilities and contingent assets

There were no 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

On 26 January 2024, the Company entered into a share purchase agreement to acquire the remaining 136,666,668 ordinary shares representing 40% of the issued share capital of SKSB from Ocmador (Malaysia) City Retail Centre Sdn. Bhd., Port Moresby Investments Limited and Bold Peak Sdn. Bhd., for a cash consideration of RM1,950,000,000.

The aforesaid acquisition will be funded by external borrowings and SKSB will become a wholly owned subsidiary of the Company upon completion.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2023

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 hierachy 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 | Level 2 | Level 3 | Total |
|------------------------------|----------------|----------------|----------------|---------------|
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At 31 December 2023 | | | | |
| <u>Financial liabilities</u> | | | | |
| Sukuk Murabahah | - | 1,933,265 | - | 1,933,265 |
| <hr/> | | | | |
| At 31 December 2022 | | | | |
| <u>Financial liabilities</u> | | | | |
| Sukuk Murabahah | - | 1,910,468 | - | 1,910,468 |
| <hr/> | | | | |

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 31 December 2023, 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 2023 and subsequent capital expenditure incurred up to the reporting date.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2023

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

The Group quarterly revenue and profit before tax (PBT), excluding fair value adjustments, increased by 7.1% and 7.6% respectively as compared to the same period last year.

The improved performance for the quarter was primarily contributed by improvement in the hotel and retail segments. The hotel achieved higher occupancy coupled with higher Average Room Rate (ARR) while the retail segment recorded improvement in occupancy and tenants' sales.

The Group's overall profitability was higher despite the rise in utility costs across all business segments. The rise in utility was primarily caused by the hike in the Imbalance Cost Pass-Through (ICPT) earlier this year.

During the quarter, the Group has also recognised fair value gain of RM221.9 million arising from the overall improvement in the market value of the investment properties. Including the fair value adjustments, PBT for the quarter increased to RM470.4 million, 30.8% higher than same period last year.

B1 Performance review - Quarterly Results (Q4 2023 vs Q4 2022)

| | Fourth quarter ended | | | Financial year ended | | |
|---|----------------------|---------------------|-------------|----------------------|---------------------|-------------|
| | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 | Change % | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 | Change % |
| Revenue: | | | | | | |
| Property investment: | | | | | | |
| Office | 146,514 | 146,034 | 0.33 | 583,895 | 582,021 | 0.32 |
| Retail | 137,075 | 125,372 | 9.33 | 528,613 | 494,959 | 6.80 |
| Hotel operations | 65,173 | 49,063 | 32.84 | 210,932 | 146,910 | 43.58 |
| Management services | 113,774 | 112,125 | 1.47 | 372,867 | 310,912 | 19.93 |
| Eliminations/Adjustments | (19,906) | (19,338) | | (77,144) | (75,551) | |
| | 442,630 | 413,256 | 7.11 | 1,619,163 | 1,459,251 | 10.96 |
| Profit before tax ("PBT"): | | | | | | |
| Property investment: | | | | | | |
| Office * | 114,479 | 110,530 | 3.57 | 473,716 | 464,378 | 2.01 |
| Retail | 104,044 | 96,853 | 7.42 | 402,630 | 379,927 | 5.98 |
| Hotel operations | 6,232 | (95) | >100 | 3,002 | (23,569) | >100 |
| Management services | 22,800 | 21,494 | 6.08 | 83,330 | 71,903 | 15.89 |
| Eliminations/Adjustments | 917 | 2,138 | | 2,831 | (2,436) | |
| | 248,472 | 230,920 | 7.60 | 965,509 | 890,203 | 8.46 |
| Fair value adjustments on investment properties | 221,914 | 128,676 | 0.72 | 221,914 | 128,676 | 72.46 |
| | 470,386 | 359,596 | 30.81 | 1,187,423 | 1,018,879 | 16.54 |

* Includes share of profit of an associate.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2023

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 (Q4 2023 vs Q4 2022) (contd.)

Variance analysis by segment

Property investment — Office

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

Property investment — Retail

Higher retail revenue and PBT of RM137.1 million and RM104.0 million during the quarter were contributed by higher occupancy, percentage rent and advertising income. Marketing activities as well as social awareness programme contributed to higher footfall to the mall resulting to growth in tenants' sales.

Year-to-date revenue improved by 6.8% or RM33.6 million attributed to the sustained tenants' performance. Despite the increased utilities cost from ICPT surcharge, PBT has improved by 6.0% propelled by the increase in revenue and partially offset by the cost.

Hotel operations

Mandarin Oriental KL (MOKL) recorded a notable improvement in both revenue and PBT of RM11.7 million and RM6.3 million respectively from the growth in both Rooms and F&B segments despite the increase in utilities and payroll charges.

Continuous collaboration with the KLCC precinct partners has positively contributed to higher ARR and occupancy (Q4 2023: 63%; Q4 2022: 56%).

F&B saw a boost in sales due to group & social events, particularly banquets.

A strong Quarter 4 performance has contributed to a higher year-to-date result with revenue and PBT increased by 43.6% and 112.7% respectively.

Management services

Revenue increased by 1.4% contributed by car park income while PBT increased by 6.1% due to higher interest income.

Management services segment achieved higher revenue and PBT by 19.9% and 15.9% respectively during the financial year under review driven by higher one-off maintenance activities.

Fair value adjustment on Investment Properties

Fair value adjustments of RM221.9 million was recognised, mainly on the improvements in value of office and retail properties during the year.

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B2 Variation of results against preceding quarter

| | Quarter ended | | |
|---|----------------------|------------------|---------------|
| | 31-Dec-23 | 30-Sep-23 | Change |
| | RM'000 | RM'000 | % |
| Revenue: | | | |
| Property investment: | | | |
| Office | 146,514 | 145,624 | 0.61 |
| Retail | 137,075 | 133,292 | 2.84 |
| Hotel operations | 65,173 | 54,961 | 18.58 |
| Management services | 113,774 | 86,071 | 32.19 |
| Eliminations/Adjustments | (19,906) | (18,792) | |
| | 442,630 | 401,156 | 10.34 |
| Profit before tax: | | | |
| Property investment: | | | |
| Office * | 114,479 | 118,985 | (3.79) |
| Retail | 104,044 | 101,713 | 2.29 |
| Hotel operations | 6,232 | 1,712 | >100 |
| Management services | 22,800 | 19,994 | 14.03 |
| Eliminations/Adjustments | 917 | 1,453 | |
| | 248,472 | 243,857 | 1.89 |
| Fair value adjustments on investment properties | 221,914 | - | |
| | 470,386 | 243,857 | 92.89 |

* Includes share of profit of an associate.

Excluding the fair value adjustments, the Group concluded the quarter with higher revenue and PBT by 10.3% and 1.9% respectively. Whilst other segments surpassed preceding quarter performance, office segment showed a slight decline in PBT by 3.8% due to one-off expenses associated with Phase 3 Dayabumi.

Higher revenue from the management services segment was due to additional facilities management works performed during the quarter.

Hotel segment achieved a higher bottom line during the quarter, marking an encouraging turnaround in the financial performance with revenue increase of 18.6%, attributed by the higher ARR and occupancy. This is on the back of higher number of corporate stays during the quarter.

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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 2024

The outlook for FY2024 remains optimistic with Gross Domestic Product (GDP) projected to grow between 4% to 5%. This outlook aligns with MIDF Research's forecast of a 7.5% growth in Malaysia's retail trade in FY2024 driven by resilient consumer demand and moderating of inflationary pressure. Furthermore, the recent relaxation of visa entry for tourists from China and India is anticipated to further boost the economic growth.

Mandarin Oriental is anticipated to continue its positive performance, supported by its strategic partnerships in the KLCC precinct and commitment in delivering excellent hospitality. The hotel's plans to implement diverse promotional programs will reinforce its leading position in the market.

Suria KLCC will prioritize tenants' sustainability, operational efficiency and tailored marketing initiatives to attract footfall and boost tenants' sales.

Notwithstanding, customer purchasing power remains uncertain amidst the review of subsidies, expansion of service tax, High Value Goods Tax (HVGT) and foreign exchange rate fluctuations. Nevertheless, the Directors maintain a sanguine outlook for the Group, anticipating positive performance in 2024 leveraging on Group's iconic assets, long-term and triple net lease arrangements; all serving as robust foundation for success.

B4 Profit forecast

No profit forecast was issued for the financial period.

B5 Tax expense

Taxation comprises the following:

| | Fourth quarter ended | | Financial year ended | |
|-----------------------------------|----------------------|---------------------|----------------------|---------------------|
| | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
| In respect of the current period: | | | | |
| Malaysian income tax | 27,065 | 21,142 | 112,222 | 105,485 |
| Deferred tax | 8,816 | 1,816 | 8,819 | 1,840 |
| | 35,881 | 22,958 | 121,041 | 107,325 |

Overall effective tax rate of 10.69% 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.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2023

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 31-Dec-23 | | |
|-------------------|-----------------|------------------------|-----------------|
| | KLCCP RM'000 | KLCC REIT RM'000 | Group RM'000 |
| Short term: | | | |
| <u>Secured</u> | | | |
| Term loans | 11,867 | – | 11,867 |
| Sukuk Murabahah | 600,000 | 461,422 | 1,061,422 |
| Lease liabilities | 1,311 | – | 1,311 |
| | 613,178 | 461,422 | 1,074,600 |
| Long term: | | | |
| <u>Secured</u> | | | |
| Term loans | 388,182 | – | 388,182 |
| Sukuk Murabahah | – | 900,000 | 900,000 |
| Lease liabilities | 1,390 | – | 1,390 |
| | 389,572 | 900,000 | 1,289,572 |
| | 1,002,750 | 1,361,422 | 2,364,172 |

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 | 11,867 | 388,182 | – | – | 400,049 |
| Sukuk Murabahah | 600,000 | – | – | – | 600,000 |
| Lease liabilities | 1,311 | 824 | 566 | – | 2,701 |
| | 613,178 | 389,006 | 566 | – | 1,002,750 |
| <u>KLCC REIT</u> | | | | | |
| Sukuk Murabahah | 461,422 | – | 500,000 | 400,000 | 1,361,422 |
| | 1,074,600 | 389,006 | 500,566 | 400,000 | 2,364,172 |

The RM455 million and RM600 million Sukuk Murabahah will mature on 25 April 2024 and 31 December 2024 respectively and the Group has plans in place for the repayment of the Sukuk Murabahah on the respective maturity dates

B10 Material litigation

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

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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 31 December 2023:

| | Total stapled securities | Dividend/ income distribution per stapled securities Sen | Total dividend/ income distribution payable RM'000 |
|--------------------------|---------------------------------|---|---|
| KLCCP ¹ | 1,805,333,083 | 8.00 | 144,427 |
| KLCC REIT ^{2,3} | 1,805,333,083 | 6.40 | 115,541 |
| Group | | <u>14.40</u> | <u>259,968</u> |

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 29 February 2024. The book closure date in respect of both the aforesaid interim dividend and income distribution is 22 February 2024.

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% |

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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:

| | Fourth quarter ended | | Financial year ended | |
|---|-------------------------|---------------------|-------------------------|---------------------|
| | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
| Revenue | | | | |
| Property investment - Office | 135,988 | 134,941 | 541,959 | 539,903 |
| Property investment - Retail | 9,953 | 9,912 | 40,210 | 38,940 |
| | 145,941 | 144,853 | 582,169 | 578,843 |
| Profit income | 1,674 | 1,251 | 6,138 | 4,032 |
| Fair value adjustments on investment properties | 93,200 | 61,636 | 93,200 | 61,636 |
| | 240,815 | 207,740 | 681,507 | 644,511 |
| Less: Expenses | (34,338) | (34,062) | (137,555) | (135,049) |
| Taxation | (9,320) | (6,164) | (9,320) | (6,164) |
| Profit for the period | 197,157 | 167,514 | 534,632 | 503,298 |
| Less: Adjustments | (69,102) | (41,041) | (25,707) | 1,967 |
| Total realised income available for the period | 128,055 | 126,473 | 508,925 | 505,265 |
| Add: Brought forward undistributed realised income available for distribution | 106,080 | 80,761 | 93,317 | 80,728 |
| Total realised income available for distribution * | 234,135 | 207,234 | 602,242 | 585,993 |
| Less: Total income distributed for the period | – | – | (368,107) | (378,759) |
| Less: Income to be distributed for the quarter | (115,541) | (113,917) | (115,541) | (113,917) |
| Balance undistributed realised income available for distribution | 118,594 | 93,317 | 118,594 | 93,317 |
| Distribution per unit (sen) | 6.40 | 6.31 | 26.79 | 27.29 |

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

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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 | 8,070,969 | 4.47 | 4.41 |
| KLCCP Stapled Group | 1,805,333,083 | 13,339,104 | 7.39 | 7.24 |

¹ An analysis of KLCC REIT's performance based on changes in NAV and NAV per unit, after distribution, since 30 September 2023 is as follows:

| | As at 31-Dec-23 | As at 30-Sep-23 | Changes |
|--|--------------------|--------------------|---------|
| NAV (after distribution) (RM'000) | 7,955,428 | 7,873,812 | 81,616 |
| NAV per unit (after distribution) (RM) | 4.41 | 4.36 | 0.05 |

B13 Profit for the period

| | Fourth quarter ended | | Financial year ended | |
|---|-------------------------|---------------------|-------------------------|---------------------|
| | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 | 31-Dec-23 RM'000 | 31-Dec-22 RM'000 |
| Profit for the period is arrived after charging: | | | | |
| Depreciation of property, plant and equipment ¹ | 7,526 | 10,815 | 32,877 | 44,978 |
| Reversal for impairment losses on trade receivables | (1,263) | (1,862) | (1,377) | (1,502) |
| Write off of receivables | 1,163 | – | 1,163 | – |
| Gain/(loss) on disposal of property, plant and equipment | 10 | 31 | (27) | 30 |
| Impairment of investment property under construction | – | 115 | – | 115 |
| 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.

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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")

| | Fourth quarter ended | | Financial year ended | |
|--|----------------------|----------------|----------------------|----------------|
| | 31-Dec-23 | 31-Dec-22 | 31-Dec-23 | 31-Dec-22 |
| With fair value adjustments | | | | |
| Profit attributable to ordinary equity holders of the Company (RM'000) | 187,436 | 111,952 | 396,662 | 279,365 |
| Profit attributable to unitholders of KLCC REIT (RM'000) | 197,157 | 167,514 | 534,632 | 503,298 |
| | <u>384,593</u> | <u>279,466</u> | <u>931,294</u> | <u>782,663</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>21.30</u> | <u>15.48</u> | <u>51.59</u> | <u>43.35</u> |
| Without fair value adjustments | | | | |
| Profit attributable to ordinary equity holders of the Company (RM'000) | 187,436 | 111,952 | 396,662 | 279,365 |
| Profit attributable to unitholders of KLCC REIT (RM'000) | 197,157 | 167,514 | 534,632 | 503,298 |
| Less: Fair value adjustments | (204,876) | (97,996) | (204,876) | (97,996) |
| | <u>179,717</u> | <u>181,470</u> | <u>726,418</u> | <u>684,667</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>9.95</u> | <u>10.05</u> | <u>40.24</u> | <u>37.92</u> |

B15 Trade receivables

| | As at 31-Dec-23 RM'000 | As at 31-Dec-22 RM'000 |
|---------------------------------------|------------------------------|------------------------------|
| Property investment | | |
| - Office | 495 | 361 |
| - Retail | 8,459 | 11,835 |
| Hotel operations | 5,716 | 3,594 |
| Management services | 626 | 534 |
| | <u>15,296</u> | <u>16,324</u> |
| Less: Allowance for impairment losses | (6,197) | (7,574) |
| | <u>9,099</u> | <u>8,750</u> |

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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 31-Dec-23 RM'000 | As at 31-Dec-22 RM'000 |
|---------------------------------|---------------------------------------|---------------------------------------|
| Not past due | 5,769 | 3,316 |
| Past due 1 to 30 days | 2,367 | 2,155 |
| Past due 31 to 60 days | 604 | 887 |
| Past due 61 to 90 days | 104 | 1,041 |
| Past due more than 90 days | 6,452 | 8,925 |
| | <u>9,527</u> | <u>13,008</u> |
| Allowance for impairment losses | (6,197) | (7,574) |
| | <u>9,099</u> | <u>8,750</u> |

The movement in the allowance account is as follows:

| | As at 31-Dec-23 RM'000 | As at 31-Dec-22 RM'000 |
|-------------------------|---------------------------------------|---------------------------------------|
| At 1 January | 7,574 | 9,076 |
| Reversal for impairment | (1,377) | (1,502) |
| At 31 December | <u>6,197</u> | <u>7,574</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)
Hanida Hanum binti Jamon (SSM PC No. 201908001412) (LS0007099)
Company Secretaries
Kuala Lumpur