

XI. FINANCIAL INFORMATION

1. HISTORICAL FINANCIAL INFORMATION

1.1 Proforma Consolidated Income Statement

The table below sets out a summary of the proforma consolidated income statement of the KLCCProperty Group and its associate company for the five (5) financial years ended 31 March 2004, prepared based on the audited financial statements of the Group and its associate company and on the assumption that the current structure of the Group and its associate company had been in existence throughout the financial years under review. The proforma consolidated income statement is presented for illustrative purposes only and should be read in conjunction with the accompanying notes and assumptions included in the Accountants' Report as set out in Part XII of this Prospectus:

	<-----Financial years ended 31 March----->				
	<----- (Restated) ¹ ----->				
	2000	2001	2002	2003	2004
	RM 000	RM 000	RM 000	RM 000	RM 000
Revenue ²	448,569	504,625	550,224	596,349	628,328
EBITDA	338,685	381,588	422,049	444,259	476,350
Net interest expense	(223,984)	(228,235)	(219,679)	(202,200)	(186,048)
Depreciation	(10,780)	(19,314)	(19,840)	(17,958)	(14,779)
Exceptional items	-	-	-	-	-
Share of profit in associate company	5,615	6,150	6,987	7,607	8,117 ³
Consolidated PBT	109,536	140,189	189,517	231,708	283,640
Taxation	(35,066)	39,770 ⁴	(47,943)	(39,244) ⁵	(82,559)
Consolidated PAT before extraordinary items	74,470	179,959	141,574	192,464	201,081
Extraordinary items	-	-	-	-	-
MI	(31,272)	(71,060)	(55,939)	(72,770)	(80,429)
Consolidated PAT after MI	43,198	108,899	85,635	119,694	120,652
Number of Shares assumed in issue (000) ⁶	501,928	501,928	501,928	501,928	501,928
Gross EPS (sen) ⁷	21.82	27.93	37.76	46.16	56.51
Net EPS (sen) ⁸	8.61	21.70	17.06	23.85	24.04
Diluted net EPS (sen) ⁹	5.02	12.65	9.95	13.91	14.02

Notes:

- 1 During the financial year ended 31 March 2004, the subsidiaries of KLCCProperty changed their accounting policy on the treatment of deferred tax in accordance with the requirements stated in MASB 25 "Income Taxes". The change in accounting policy was applied retrospectively. The audited accounts have been restated to reflect the change.
- 2 The proforma consolidated revenue of the KLCCProperty Group excludes rental revenue from Dayabumi as the property was only acquired by Kompleks Dayabumi on 3 June 2004.
- 3 The share of profit in associate company i.e. Impian Klasik, for the financial year ended 31 March 2004 includes the profit for the two (2) months period ended 31 March 2004 based on its management accounts.

XI. FINANCIAL INFORMATION (CONT'D)

- 4 *Deferred tax asset arising from unabsorbed capital allowances and unabsorbed losses, of approximately RM76 million was recognised by Suria in the financial year ended 31 March 2001, following the change in accounting policy.*
- 5 *Deferred tax asset arising from unabsorbed capital allowances and unabsorbed losses, of approximately RM26 million was recognised by Asas Klasik in the financial year ended 31 March 2003, following the change in accounting policy.*
- 6 *The assumed issued and paid-up share capital of 501,928,279 Shares is based on the issued and paid-up share capital of KLCCProperty after the Acquisitions and Debt Settlement but prior to the Public Issue.*
- 7 *The gross EPS is computed based on the consolidated PBT divided by the number of Shares assumed in issue.*
- 8 *The net EPS is computed based on the consolidated PAT after MI divided by the number of Shares assumed in issue.*
- 9 *The diluted net EPS is computed based on the consolidated PAT after MI divided by the number of Shares assumed in issue adjusted for full conversion of 714,110,437 RCULS into 358,669,230 Shares at a conversion price of RM1.991 per RCULS (computed at a 10% premium over the assumed Institutional Price of RM1.81).*

Commentary:

- (i) The financial year end of Arena Johan and Impian Klasik is 31 December and 31 January respectively, which are not coterminous with the financial year end of KLCCProperty of 31 March. Accordingly, adjustments have been made on a time apportionment basis to arrive at the proforma consolidated income statement. However, Arena Johan has changed its financial year end to 31 March with effect from 1 January 2003, to be coterminous with the financial year end of KLCCProperty.
- (ii) Revenue is adjusted to exclude interest income.
- (iii) For the financial year ended 31 March 2000, revenue increased from RM350 million in the previous financial year to RM449 million, which represents an increase of approximately 28%. The significant increase is attributable to the first revision in base rent rates for the pioneer tenants of Suria KLCC since 1998, as well as the full year of operation of Mandarin Oriental Kuala Lumpur, which opened for business in October 1998. The consolidated PAT after MI also experienced a significant increase from RM21 million in the financial year ended 31 March 1999 to RM43 million. The increase is mainly due to the increase in revenue, as explained above, and the refinancing of Midciti's syndicated revolving credit facility via the issuance of private debt securities, which generally bear a lower rate of interest.
- (iv) For the financial year ended 31 March 2001, revenue increased by approximately 13% mainly due to the upward revision of the rent for the PETRONAS Twin Towers in October 2000. The lease agreement between Midciti and PETRONAS provides for the rent for the PETRONAS Twin Towers to be reviewed upwards every three (3) years by 3% per annum compounded for the preceding three (3) years. The improvement in the occupancy rates of Suria KLCC and Mandarin Oriental Kuala Lumpur also contributed to the increase in revenue. The consolidated PAT after MI improved significantly from RM43 million to RM109 million as a result of the recognition of deferred tax asset arising from unabsorbed capital allowances and unabsorbed losses, by Suria, amounting to approximately RM76 million following the adoption of MASB 25 "Income Taxes".
- (v) For the financial year ended 31 March 2002, revenue continued to grow by approximately 9% as the full year effect of the revision of the rent for the PETRONAS Twin Towers is recognised. The annual upward revision of the base rent rates of several of the existing tenants of Suria KLCC and the continuous improvement in the occupancy rates of Mandarin Oriental Kuala Lumpur also contributed to the increase in revenue recorded. The consolidated PAT after MI deteriorated by approximately 21% mainly due to the fact that the recognition of the deferred tax asset by Suria in the prior financial year is not a recurring event.

XI. FINANCIAL INFORMATION (CONT'D)

- (vi) For the financial year ended 31 March 2003, revenue increased from RM550 million to RM596 million, representing an increase of approximately 8%, which is attributable to the annual upward revision of the base rent rates of several existing tenants of Suria KLCC and the significant improvement in revenue of Mandarin Oriental Kuala Lumpur due to the hosting of several international events and conferences by Kuala Lumpur. KLCCUH also contributed to the increase in revenue, which is attributable to new facilities management contracts as well as the increase in scope of work for the existing facilities management contracts, mainly for new developments within Putrajaya. The consolidated PAT after MI increased by approximately 40% due to the recognition of deferred tax asset arising from unabsorbed capital allowances and unabsorbed losses by Asas Klasik, amounting to approximately RM26 million, following the adoption of MASB 25 "Income Taxes".
- (vii) For the financial year ended 31 March 2004, revenue increased by approximately 5% from RM596 million in the previous financial year to RM628 million. The increase is largely due to the upward revision of the rent for the PETRONAS Twin Towers, as per the terms of the lease agreement. The nominal increase of approximately 1% in the consolidated PAT after MI is due to the fact that the recognition of the deferred tax asset by Asas Klasik in the prior financial year is not a recurring event.

1.2 Segmental Analysis

The following is a segmental analysis by company of the proforma consolidated results of the KLCCProperty Group and its associate company for the five (5) financial years ended 31 March 2004. The proforma consolidated results are provided for illustrative purposes only and on the assumption that the current structure of the KLCCProperty Group and its associate company has been in existence throughout the financial years under review:

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Segmental analysis by companies

	Financial years ended 31 March				
	2000 RM 000	2001 RM 000	2002 RM 000	2003 RM 000	2004 RM 000
Revenue					
KLCCProperty	-	-	-	-	-
Arena Johan	25,174	23,717	23,598	23,600	23,616
KLCCUH	20,044	24,714	33,063	46,952	52,200
KLCCParking	12,002	13,736	17,298	18,336	19,845
Impian Cemerlang	-	-	-	-	-
Arena Merdu	-	-	-	-	-
Kompleks Dayabumi ¹	-	-	-	-	-
Asas Klasik	74,103	95,297	103,340	119,347	119,879
Suria	74,142	93,765	109,215	124,672	138,291
Midciti	245,000	256,359	267,718	267,718	280,130
	450,465	507,588	554,232	600,625	633,961
Less : Consolidation adjustment	(1,896)	(2,963)	(4,008)	(4,276)	(5,633)
Total revenue	448,569	504,625	550,224	596,349	628,328
Profit/(loss) after tax					
KLCCProperty	-	-	-	-	(80)
Arena Johan	10,379	12,359	16,473	10,756	8,173
KLCCUH	6,232	8,409	9,845	10,774	12,834
KLCCParking	808	1,850	946	1,646	2,520
Impian Cemerlang	(157)	(38)	(3,965)	(3,639)	(3,925)
Arena Merdu	(172)	(42)	(4,309)	(3,941)	(4,398)
Kompleks Dayabumi	(1)	(1)	(3)	(5)	(404)
Asas Klasik	(22,266)	(16,974)	(2,726)	32,224 ²	13,263
Suria	(1,797)	84,600 ³	22,977	38,018	54,138
Midciti	75,873	83,765	95,817	100,014	112,037
	68,899	173,928	135,055	185,847	194,158
Add: Share of PAT in associate company	5,571	6,031	6,519	6,617	6,923 ⁴
	74,470	179,959	141,574	192,464	201,081
(Less)/add : Consolidation adjustment	-	-	-	-	-
Total PAT	74,470	179,959	141,574	192,464	201,081

Notes:

- The proforma consolidated revenue of the KLCCProperty Group excludes rental revenue from Dayabumi as the property was only acquired by Kompleks Dayabumi on 3 June 2004.*
- Deferred tax asset arising from unabsorbed capital allowances and unabsorbed losses, of approximately RM26 million was recognised by Asas Klasik in the financial year ended 31 March 2003, following the change in accounting policy on the treatment of deferred tax in accordance with the requirements stated in MASB 25 "Income Taxes".*
- Deferred tax asset arising from unabsorbed capital allowances and unabsorbed losses, of approximately RM76 million was recognised by Suria in the financial year ended 31 March 2001, following the change in accounting policy on the treatment of deferred tax in accordance with the requirements stated in MASB 25 "Income Taxes".*
- The share of PAT in associate company i.e. Impian Klasik, for the financial year ended 31 March 2004 includes the profit for the two (2) months period ended 31 March 2004 based on its management accounts.*

XI. FINANCIAL INFORMATION (CONT'D)

2. WORKING CAPITAL, MATERIAL COMMITMENTS, BORROWINGS, CONTINGENT LIABILITIES AND MATERIAL LITIGATION
2.1 Working Capital

The Board of Directors of KLCCProperty is of the opinion that after taking into account the consolidated cashflow position, banking facilities available and the total gross proceeds from the Public Issue, the Group will have adequate working capital for a period of twelve (12) months from the date of this Prospectus.

2.2 Material Commitments

Save as disclosed below, as at 7 July 2004, being the latest practicable date prior to the printing of this Prospectus, the Board of Directors of KLCCProperty is not aware of any material commitments for capital expenditure which upon becoming enforceable, may have a material effect on the financial position of the Group:

	Notes	RM 000
Approved and contracted for	1	13,660
Approved and not contracted for	2	48,576

Notes:

- 1 *Acquisition of fixtures, fittings and equipment, building expansion and renovation, car park equipment and the upgrading of certain management systems.*
- 2 *Acquisition of fixtures, fittings and equipment, building expansion and renovation, car park equipment, fit-out contributions to relocate tenants and the upgrading of mechanical and electrical systems and building control system.*

2.3 Borrowings

The total outstanding borrowings (which are interest-bearing) of the Group as at 7 July 2004 are as follows:

Outstanding borrowings	Payable within 12 months RM 000	Payable after 12 months RM 000
Term loans	69,239	949,686
Private debt securities	129,877	1,693,066
Total	199,116	2,642,752

The Group has not defaulted on payments of either interest and/or principal sums in respect of any borrowings throughout the past one (1) financial year and the subsequent period thereof immediately preceding the date of this Prospectus.

XI. FINANCIAL INFORMATION (CONT'D)

2.4 Contingent Liabilities

As at 7 July 2004, being the latest practicable date prior to the printing of this Prospectus, the Board of Directors of KLCCProperty is not aware of any material contingent liabilities incurred by the Company or its subsidiaries, which upon becoming enforceable, may have a material effect on the financial position of the Company or its subsidiaries.

2.5 Material Litigation

As at 7 July 2004, being the latest practicable date prior to the printing of this Prospectus, neither KLCCProperty nor its subsidiaries is engaged in any litigation and/or arbitration, either as plaintiff or defendant, which has a material effect on the financial position of the Company or its subsidiaries, and the Board of Directors of KLCCProperty is not aware of any proceedings pending or threatened or of any fact likely to give rise to any proceedings which may materially and adversely affect the financial position or business of the Company or its subsidiaries.

3. CONSOLIDATED PROFIT FORECAST AND PRINCIPAL ASSUMPTIONS

- 3.1 The Directors of the Company forecast that the consolidated PAT of the KLCCProperty Group and its associate company for the financial year ending 31 March 2005 will be as follows:

Financial year ending 31 March	Forecast 2005 RM 000
Revenue	704,620
EBIDTA	504,068
Consolidated PBT	311,295
Taxation	(89,992)
Consolidated PAT	221,303
MI	(86,303)
Consolidated PAT after MI	135,000
Less: Pre-acquisition profit	(24,452)
Consolidated profit attributable to shareholders	110,548
Weighted average number of Shares in issue ¹ (000)	754,013
Gross EPS ² (sen)	41.29
Net EPS ³ (sen)	17.90
Diluted net EPS ⁴	12.13
Gross PE Multiple (times) ⁵	4.07
Net PE Multiple (times) ⁵	9.38

XI. FINANCIAL INFORMATION (CONT'D)

Notes:

- 1 Computed based on the assumption that the Public Issue will be completed in August 2004.*
- 2 Computed based on the consolidated PBT divided by the weighted average number of Shares assumed in issue.*
- 3 Computed based on the consolidated PAT after MI divided by the weighted average number of Shares assumed in issue.*
- 4 Computed based on the consolidated PAT after MI divided by the weighted average number of Shares assumed in issue adjusted for full conversion of 714,110,437 RCULS into 358,669,230 Shares at a conversion price of RM1.991 per RCULS (computed at a 10% premium over the assumed Institutional Price of RM1.81).*
- 5 Based on the Retail Price of RM1.68 per Issue Share.*

- 3.2 The principal bases and assumptions upon which the above consolidated profit forecast have been made are set out in Section 4 of this Part of the Prospectus.

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XI. FINANCIAL INFORMATION (CONT'D)

4. REPORTING ACCOUNTANTS' LETTER ON THE CONSOLIDATED PROFIT FORECAST

(Prepared for inclusion in this Prospectus)



AF: 0039

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13 July 2004

The Board of Directors
KLCC Property Holdings Berhad,
Level 36, Tower 2,
PETRONAS Twin Towers,
Kuala Lumpur City Centre,
50088 Kuala Lumpur

Dear Sirs,

**KLCC PROPERTY HOLDINGS BERHAD (“KLCCProperty” or “the Company”)
CONSOLIDATED PROFIT FORECAST FOR THE FINANCIAL YEAR ENDING
31 MARCH 2005**

We have reviewed the forecast of the consolidated profit after taxation and minority interests of KLCCProperty and its subsidiaries (collectively referred to as “the Group”) for the financial year ending 31 March 2005 as set out in the accompanying statement (which we have stamped for the purpose of identification) in accordance with the professional standard in Malaysia applicable to the review of forecasts, AI 810. The forecast has been prepared for inclusion in the Prospectus in connection with the following transactions:

- (i) Acquisition of 100% equity interest in Arena Johan Sdn Bhd (“Arena Johan”), KLCC Urusharta Sdn Bhd (“KLCCUH”), KLCC Parking Management Sdn Bhd (“KLCCParking”), Impian Cemerlang Sdn Bhd (“Impian Cemerlang”), Arena Merdu Sdn Bhd (“Arena Merdu”) and Kompleks Dayabumi Sdn Bhd (“Kompleks Dayabumi”) (“Acquisitions I”);
- (ii) Acquisition of 75% equity interest in Asas Klasik Sdn Bhd (“Asas Klasik”), 60% equity interest in Suria KLCC Sdn Bhd (“Suria”), 50.5% equity interest in Midciti Resources Sdn Bhd (“Midciti”), and 33% equity interest in Impian Klasik Sdn Bhd (“Impian Klasik”) (“Acquisitions II”);
- (iii) Issuance of 180,000,000 new ordinary shares of RM1.00 each in KLCCProperty (“Shares”), at RM1.50 per new Share for the settlement of debt by KLCCProperty of RM270,000,000 owing by Kompleks Dayabumi to Petroliaam Nasional Berhad (“PETRONAS”) (“Debt Settlement”);
- (iv) Issuance of RM714,110,437 nominal value ten (10)-year 1% Redeemable Convertible Unsecured Loan Stocks (“RCULS”), at an issue price of 100% of its nominal value to KLCCCH for the following (“Issuance of RCULS”):
 - a. Partial settlement of amount owing of RM571,915,700 arising from the Acquisitions II; and
 - b. Settlement of the net amounts owing to KLCCCH by the subsidiaries of KLCCProperty amounting to RM142,194,737;

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- (v) Public Issue of 432,146,000 new Shares. The calculation of the proceeds arising from the Public Issue is based on the Retail Price of RM1.68 per Issue Share and an assumed Institutional Price of RM1.81 per Issue Share ("Public Issue") and
- (vi) Listing of and quotation for the entire enlarged issued and paid-up share capital comprising 934,074,279 Shares on the Main Board of Bursa Malaysia Securities Berhad ("Listing").

Our review has been undertaken to enable us to form an opinion as to whether the forecast, in all material respects, are properly prepared on the basis of the assumptions made by the directors as set out in the accompanying statement (which we have stamped for the purpose of identification) and are presented on bases consistent with the accounting policies adopted and disclosed by the companies in the Group in their respective audited financial statements for the year ended 31 March 2004.

A forecast, in this context, means prospective financial information prepared on the basis of assumptions as to future events which management expects to take place and the actions which management expects to take as of the date the information is prepared (best-estimate assumptions). While information may be available to support the assumptions on which a forecast is based, such information is generally future oriented and therefore uncertain. Thus, actual results are likely to be different from the forecast since anticipated events frequently do not occur as expected and the variation could be material.

In particular, the forecast of the consolidated profit after taxation and minority interests are substantially dependent on the achievability of the assumptions set out in the accompanying statement.

Subject to the matters stated in the preceding paragraphs:

- (i) nothing has come to our attention which causes us to believe that the assumptions made by the directors, as set out in the accompanying statement, do not provide a reasonable basis for the preparation of the forecast of the consolidated profit after taxation and minority interests; and
- (ii) in our opinion, the forecast of the consolidated profit after taxation and minority interests, so far as the calculations are concerned, are properly prepared on the basis of the assumptions made by the directors and are presented on bases consistent with the accounting policies adopted and disclosed by the companies in the Group in their respective audited financial statements for the year ended 31 March 2004.

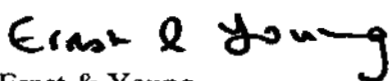
XI. FINANCIAL INFORMATION (CONT'D)

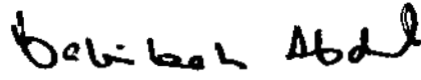


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The accompanying forecast and this letter have been prepared solely for inclusion in the Prospectus in connection with the abovementioned transactions. This letter should not be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully,


Ernst & Young
AF: 0039
Chartered Accountants
Kuala Lumpur, Malaysia


Habibah bte Abdul
No. 1210/05/06(J)
Partner

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XI. FINANCIAL INFORMATION (CONT'D)

Appendix

KLCC PROPERTY HOLDINGS BERHAD AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT FORECAST AND
ASSUMPTIONS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2005


The directors of KLCCProperty forecast that the consolidated profit after taxation and minority interests of KLCCProperty and its subsidiaries ("Group") for the financial year ending 31 March 2005 will be as follows:

	2005 RM'000
Consolidated profit after taxation and minority interests	135,000
Less: Pre-acquisition profits	<u>(24,452)</u>
	<u>110,548</u>

The principal assumptions upon which the forecast have been prepared are as follows:

1. The forecast incorporates the following transactions:

- (i) The transfer of 12,499,998 ordinary shares of RM1.00 each in Asas Klasik, representing approximately 9.62% of the issued and fully paid-up share capital of Asas Klasik, from Kompleks Dayabumi to KLCC (Holdings) Bhd ("KLCCH") for a total purchase consideration of RM12,499,998 to be satisfied via the setting off of inter-company advances.
- (ii) Acquisition by KLCCProperty of 85,715,000 ordinary shares of RM1.00 each in Arena Johan, representing the entire issued and fully paid-up share capital of Arena Johan, from KLCCH for a total purchase consideration of RM209,617,532 satisfied by the issuance of 139,745,021 new Shares at approximately RM1.50 per new Share;
- (iii) Acquisition by KLCCProperty of 2,000,000 ordinary shares of RM1.00 each in KLCCUH, representing the entire issued and fully paid-up share capital of KLCCUH, from KLCCH for a total purchase consideration of RM32,096,555 satisfied by the issuance of 21,397,703 new Shares at approximately RM1.50 per new Share;
- (iv) Acquisition by KLCCProperty of 2,000,000 ordinary shares of RM1.00 each in KLCCParking, representing the entire issued and fully paid-up share capital of KLCCParking, from KLCCH for a total purchase consideration of RM5,275,389 satisfied by the issuance of 3,516,927 new Shares at approximately RM1.50 per new Share;
- (v) Acquisition by KLCCProperty of 15,033,023 ordinary shares of RM1.00 each in Impian Cemerlang, representing the entire issued and fully paid-up share capital of Impian Cemerlang, from KLCCH for a total purchase consideration of RM21,094,250 satisfied by the issuance of 14,062,833 new Shares at approximately RM1.50 per new Share;
- (vi) Acquisition by KLCCProperty of 33,070,717 ordinary shares of RM1.00 each in Arena Merdu, representing the entire issued and fully paid-up share capital of Arena Merdu, from KLCCH for a total purchase consideration of RM15,831,277 satisfied by the issuance of 10,554,185 new Shares at approximately RM1.50 per new Share;

 ERNST & YOUNG Chartered Accountants Kuala Lumpur For identification purposes only
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Appendix

KLCC PROPERTY HOLDINGS BERHAD AND ITS SUBSIDIARIES**CONSOLIDATED PROFIT FORECAST AND
ASSUMPTIONS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2005**

- (vii) Acquisition by KLCCProperty of 2 ordinary shares of RM1.00 each in Kompleks Dayabumi, representing the entire issued and fully paid-up share capital of Kompleks Dayabumi, from KLCCH for a total purchase consideration of RM3 satisfied by the issuance of 2 new Shares at RM1.50 per new Share;
- (viii) Acquisition by KLCCProperty of 97,500,000 ordinary shares of RM1.00 each in Asas Klasik, representing 75% of the issued and fully paid-up share capital of Asas Klasik, from KLCCH for a total purchase consideration of RM79,952,900. Pursuant to the Listing, KLCCProperty will satisfy the amount owing to KLCCH in the following manner:
- 19,528,342 new Shares to be issued, at RM1.50 per new Share for a total consideration of RM29,292,513;
 - cash payment of RM40,000,000 from the proceeds to be raised from the Public Issue; and
 - RM10,660,387 RCULS, at an issue price of 100% of its nominal value.
- (ix) Acquisition by KLCCProperty of 205,000,002 ordinary shares of RM1.00 each in Suria, representing 60% of the issued and fully paid-up share capital of Suria, from KLCCH for a total purchase consideration of RM451,452,082. Pursuant to the Listing, KLCCProperty will satisfy the amount owing to KLCCH in the following manner:
- 62,762,096 new Shares to be issued, at RM1.50 per new Share for a total consideration of RM94,143,144;
 - cash payment of RM258,558,937 from the proceeds to be raised from the Public Issue; and
 - RM98,750,001 RCULS, at an issue price of 100% of its nominal value.
- (x) Acquisition by KLCCProperty of 212,313,105 ordinary shares of RM1.00 each in Midciti, representing approximately 49% of the issued and fully paid-up share capital of Midciti, from KLCCH for a total purchase consideration of RM700,527,481. Pursuant to the Listing, KLCCProperty will satisfy the amount owing to KLCCH in the following manner:
- 18,905,870 new Shares to be issued, at RM1.50 per new Share for a total consideration of RM28,358,805;
 - cash payment of RM209,663,364 from the proceeds to be raised from the Public Issue; and
 - RM462,505,312 RCULS, at an issue price of 100% of its nominal value.

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Appendix

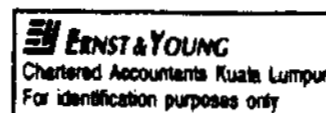
KLCC PROPERTY HOLDINGS BERHAD AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT FORECAST AND
ASSUMPTIONS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2005

- (xi) Acquisition by KLCCProperty of 6,500,000 ordinary shares of RM1.00 each in Midciti, representing approximately 1.5% of the issued and fully paid-up share capital of Midciti, from PETRONAS Retirement Benefit Scheme ("PRBS") for a total purchase consideration of RM38,322,419. Pursuant to the Listing, KLCCProperty will satisfy the amount owing to PRBS by the issuance of 25,548,279 new Shares at approximately RM1.50 per new Share.
- (xii) Acquisition by KLCCProperty of 43,000,002 ordinary shares of RM1.00 each in Impian Klasik, representing 33% of the issued and fully paid-up share capital of Impian Klasik, from KLCCH for a total purchase consideration of RM98,860,527. Pursuant to the Listing, KLCCProperty will satisfy the amount owing to KLCCH in the following manner:
- 5,907,018 new Shares to be issued, at RM1.50 per new Share for a total consideration of RM8,860,527; and
 - cash payment of RM90,000,000 from the proceeds to be raised from the Public Issue.
- (xiii) Issuance of 180,000,000 new Shares, at RM1.50 per new Share for the settlement of debt by KLCCProperty of RM270,000,000 owing by Kompleks Dayabumi to PETRONAS.
- (xiv) Issuance of RM142,194,737 RCULS at an issue price of 100% of its nominal value to KLCCH as settlement of the net amounts owing to KLCCH by the subsidiaries of KLCCProperty.
- (xv) Public issue of 432,146,000 new Shares. The calculation of the proceeds arising from the Public Issue is based on the Retail Price of RM1.68 per Issue Share and an assumed Institutional Price of RM1.81 per Issue Share.
- (xvi) Listing of and quotation for the entire enlarged issued and paid-up share capital comprising 934,074,279 Shares on the Main Board of Bursa Malaysia Securities Berhad.

The purchase consideration for the abovementioned acquisitions were arrived at based on the audited Net Tangible Assets ("NTA"), the open market value of the properties, the valuation approved by the Securities Commission and the Revalued Net Asset Value and the earnings potential of the respective companies as at 31 December 2003.

General Assumptions

1. There will be no significant changes to the prevailing Malaysian and global economic and political conditions which will adversely affect the activities or performance of the Group.
2. There will be no significant changes in the present legislation or government regulations, lending guidelines and other operational regulations or restrictions affecting the Group's activities or the market in which it operates.



XI. FINANCIAL INFORMATION (CONT'D)

Appendix

KLCC PROPERTY HOLDINGS BERHAD AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT FORECAST AND
ASSUMPTIONS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2005

3. There will be no material changes in the senior management and existing key personnel, group structure and trading and operating policies and type of activities of the Group that will adversely affect the operations of the Group.
4. There will be no significant fluctuations in the prevailing inflation and foreign currency exchange rates. There will be no change in capital controls in Malaysia which will affect adversely the ability of the Group to manage both its domestic and overseas businesses.
5. There will not be any substantial impairment to the carrying value of the Group's property, plant and equipment and other non current assets.
6. All capital expenditure programme will be implemented, incurred and paid as planned with no material changes in the expected cost or price. There will be no major additions or disposals of property, plant and equipment or acquisitions and disposals of investments other than those incorporated in the projections.
7. There will be no exceptional occurrences of bad and doubtful debts.
8. The terms and conditions for existing contracts and agreements entered into by the Group will not be adversely varied.
9. The existing financing facilities of the Group will remain available at the prevailing interest rates. There will be no material changes to the timing of repayment of these facilities. The Group will be able to obtain additional financing facilities whenever required at interest rates, which approximate those currently available to the Group.
10. Income from domestic operations is subject to tax, assumed at the current applicable rate of 28% (or where applicable, 20% differential tax rate for small and medium enterprises) reduced by available tax losses and unabsorbed capital allowances. It is further assumed that there will be no material changes in such law or practice or the rates and bases of taxation. There will be no significant changes to the prevailing rates and the bases of taxation applicable to the Group.
11. The Group will not engage in any material litigation and there will be no legal proceedings against the Group which will adversely affect the activities or performance of the Group or give rise to any contingent liabilities which will materially affect the position or business of the Group.
12. There will be sufficient skilled and unskilled labour, materials, services, plant and machinery and equipment to meet the operation requirements anticipated to be carried out by the Group.
13. There will be no major labour disputes and material changes in wages, construction costs, cost of raw material and goods purchased, locally or imported, overheads, services and other costs that will adversely affect the activities and operations of the Group. There will also not be any change in the current immigration regulations with regard to foreign workers, which will adversely affect the business and operations of the Group.

XI. FINANCIAL INFORMATION (CONT'D)

Appendix

KLCC PROPERTY HOLDINGS BERHAD AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT FORECAST AND
ASSUMPTIONS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2005

14. There will be no adverse effect from weather conditions, industrial accidents, machinery breakdowns or other similar occurrences, climatic diseases, wars, terrorist attacks and other natural risks, both domestic and foreign, that may lead to recession which will adversely affect the operations, income and expenditure of the Group at the projected levels.
15. There will be no significant change in accounting policies from those presently adopted by the companies in the Group for the financial year ended 31 March 2004.

Specific AssumptionsMidciti

16. The rental income is based on a 15-year irrevocable Head Lease Agreement on a triple net lease basis between Midciti and PETRONAS, for rental of the PETRONAS Twin Towers and is subject to review every three years on a 3% compounded rate.

Arena Johan

17. The rental income is based on a 12-year lease agreement between Arena Johan and ExxonMobil Exploration and Production Inc., for the rental of Menara ExxonMobil and is subject to review every three years.

Impian Klasik

18. The rental income is based on a 15-year irrevocable Head Lease Agreement on a triple net basis between Impian Klasik and Tanjong City Property Management Sdn Bhd, for the rental of Menara Maxis and is subject to review every 3 years on a 3% compounded rate.

Asas Klasik

19. The yearly average occupancy rate and average room rates during the forecast year will be as follows:

Average occupancy rates	78%
Average room rates	RM365
Number of rooms available	632

KLCCParking

20. The profit sharing arrangement with PETRONAS for the management of the North West Development car park will remain on the ratio of 55:45 between KLCCParking and PETRONAS.
21. The management fee arrangement with Suria and Tanjong City Centre Property Management Sdn Bhd for the management of the North West Development car park will remain on a fee of 6% of revenue plus an incentive fee of 8% of gross profit.

XI. FINANCIAL INFORMATION (CONT'D)

Appendix

KLCC PROPERTY HOLDINGS BERHAD AND ITS SUBSIDIARIES
CONSOLIDATED PROFIT FORECAST AND
ASSUMPTIONS FOR THE FINANCIAL YEAR ENDING 31 MARCH 2005

Suria

22. The base rent will increase on average between 3% to 5% annually and is subject to review every 3 years.

KLCCUH

23. The forecasted contracts will be awarded to the company and there will be no material changes to the terms of the contracts.

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XI. FINANCIAL INFORMATION (CONT'D)

5. DIRECTORS' ANALYSIS AND COMMENTARY ON THE CONSOLIDATED PROFIT FORECAST**Profit forecast for the financial year ending 31 March 2005 ("FYE 2005")**

The Directors of KLCCProperty have reviewed and analysed the bases and assumptions used in arriving at the consolidated profit forecast of the KLCCProperty Group and its associate company for FYE 2005 and are of the opinion that the consolidated profit forecast is fair and reasonable in light of the future plans, strategies and prospects of the KLCCProperty Group and its associate company as set out in Section 2.2 of Part V of this Prospectus and the prospects of the property market as set out in Section 2.1 of Part V of this Prospectus, and after taking into consideration the forecast gearing levels, liquidity and working capital requirements of the KLCCProperty Group and its associate company.

Revenue

Consolidated revenue for the Group and its associate company for FYE 2005 is forecast to be RM704.62 million, representing an increase of approximately RM76.29 million or 12% compared to RM628.33 million for the financial year ended 31 March 2004 ("FYE 2004"). The increase in revenue for FYE 2005 will be mainly contributed by KLCCUH, Kompleks Dayabumi and Midciti.

The increase in revenue of KLCCUH is mainly due to the renewal of existing contracts and the four (4) new projects in Putrajaya (including three (3) projects forecast to be awarded in FYE 2005). These new projects cover the new development in Putrajaya, such as the Boulevard, Alamanda, Diplomatic Enclave and Precinct 16.

On 20 January 2004, Kompleks Dayabumi entered into a sale and purchase agreement with PETRONAS for the acquisition of Dayabumi. The acquisition was completed on 3 June 2004. As such, Kompleks Dayabumi's revenue for FYE 2005 is forecast to increase by RM19.53 million, being the rental income from the office and retail space in Dayabumi.

The revenue of Midciti is forecast to increase in FYE 2005 due to the recognition of the increased rent for the PETRONAS Twin Towers for a full year, as compared to only six (6) months in FYE 2004. The rent for the PETRONAS Twin Towers was revised upwards in October 2003, based on the terms of the lease agreement.

PBT

The PBT of the Group and its associate company is forecast to be RM311.30 million, representing an increase of approximately RM27.66 million or 10% compared to RM283.64 million for FYE 2004. This is largely due to the increase in revenue as mentioned above and the increase in the Group's share of profit in its associate company of RM2.66 million. The increase in Impian Klasik's profit is mainly due to interest savings arising from an expected refinancing of its existing syndicated term loan with a new fixed rate term loan which bears a lower and fixed interest rate, and an increase in revenue due to rental revision in June 2004.

PAT after MI

PAT after MI of the Group and its associate company for FYE 2005 is RM135.00 million representing an increase of RM14.35 million or 12% compared to RM120.65 million for FYE 2005. The increase is largely due to the increase in PBT as explained above.

The Directors of the Company do not expect any exceptional items or extraordinary items during the FYE 2005 which will materially have any impact on the financial results for FYE 2005.

The accounting policies consistent with those adopted in previous financial years have been applied in preparing the forecast for FYE 2005.

XI. FINANCIAL INFORMATION (CONT'D)

It is forecast that KLCCProperty will propose to declare a net dividend of RM62.84 million in respect of FYE 2005, which will be paid in the following financial year.

6. DIVIDEND FORECAST

The dividend forecast for the financial year ending 31 March 2005 is as follows:

Financial year ending 31 March	Forecast 2005
Gross dividend per Share (sen) ¹	9.34
Net dividend per Share (sen) ¹	6.73
Gross dividend yield (%) ²	5.56
Net dividend yield (%) ²	4.01
Net dividend cover (times)	1.76

Notes:

1 Computed based on the enlarged issued and paid-up share capital of 934,074,279 Shares in issue.

2 Based on the Retail Price of RM1.68 per Issue Share.

7. PROFORMA CONSOLIDATED BALANCE SHEETS

The table below sets out a summary of the proforma consolidated balance sheets of the KLCCProperty Group as at 31 March 2004 to show the effects of the Acquisitions, Debt Settlement, Public Issue, proposed utilisation of proceeds from the Public Issue, Issuance of RCULS and full conversion of the RCULS in conjunction with the Listing, on the assumption that the Listing was completed in March 2004. The proforma consolidated balance sheets are presented for illustrative purposes only and should be read in conjunction with the notes and assumptions to the proforma consolidated balance sheets as set out in Section 8 of this Part of the Prospectus:

XI. FINANCIAL INFORMATION (CONT'D)

	Audited financial statement as at 31 March 2004	Proforma I After Acquisitions I	Proforma II After Proforma I and Acquisitions II	Proforma III After Proforma II and Debt Settlement	Proforma IV After Proforma III, Public Issue and utilisation of proceeds	Proforma V After Proforma IV and Issuance of RCULS	Proforma VI After Proforma V and assuming full conversion of RCULS
	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000
Plant and equipment	-	5,839	44,885	44,885	44,885	44,885	44,885
Investment properties	-	625,927	5,616,215	5,616,215	5,616,215	5,616,215	5,616,215
Investment in associate company	-	-	99,158	99,158	99,158	99,158	99,158
Deferred tax	-	4,866	119,428	119,428	119,428	119,428	119,428
Amount due from holding company	-	104,633	-	-	-	-	-
Current assets	4,308	58,729	434,106	434,106	566,064	566,064	566,064
Inventories	-	-	597	597	597	597	597
Trade receivables	-	17,780	27,023	27,023	27,023	27,023	27,023
Deposits	-	107	582	582	582	582	582
Prepayments	-	950	9,368	9,368	9,368	9,368	9,368
Other receivables	4,308	6,013	10,483	10,483	6,175	6,175	6,175
Amount due from ultimate holding company	-	2,138	2,138	2,138	2,138	2,138	2,138
Amount due from related companies	-	1,397	5,876	5,876	5,876	5,876	5,876
Short term deposits	-	13,362	351,400	351,400	351,400	351,400	351,400
Cash and bank balances	-	16,982	26,639	26,639	162,905	162,905	162,905
Current liabilities	(4,388)	(44,085)	(347,742)	(347,742)	(343,434)	(343,434)	(343,434)
Short term borrowings	-	(9,600)	(203,163)	(203,163)	(203,163)	(203,163)	(203,163)
Trade payables	-	(3,538)	(9,803)	(9,803)	(9,803)	(9,803)	(9,803)
Accruals	-	(11,508)	(99,045)	(99,045)	(99,045)	(99,045)	(99,045)
Other payables	(4,009)	(8,812)	(17,250)	(17,250)	(13,242)	(13,242)	(13,242)
Taxation	-	(1,597)	(1,597)	(1,597)	(1,597)	(1,597)	(1,597)
Amount due to ultimate holding company	-	(2,371)	(2,371)	(2,371)	(2,371)	(2,371)	(2,371)
Amount due to holding company	(379)	-	(7,850)	(7,850)	(7,550)	(7,550)	(7,550)
Amount due to related companies	-	(6,659)	(6,663)	(6,663)	(6,663)	(6,663)	(6,663)
Net current (liabilities)/assets	(80)	14,644	86,364	86,364	222,630	222,630	222,630
	(80)	755,909	5,966,050	5,966,050	6,102,316	6,102,316	6,102,316

XI. FINANCIAL INFORMATION (CONT'D)

	Audited financial statement as at 31 March 2004	Proforma I After Acquisitions I	Proforma II After Proforma I and Acquisitions II	Proforma III After Proforma II and Debt Settlement	Proforma IV After Proforma III, Public Issue and utilisation of proceeds	Proforma V After Proforma IV and Issuance of RCULS	Proforma VI After Proforma V and assuming full conversion of RCULS
	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000	RM 000
Represented by:							
Share capital	*	189,277	321,928	501,928	934,074	934,074	1,292,743
Share premium	-	94,638	160,964	250,964	565,860	565,860	921,301
Accumulated losses	(80)	(80)	(80)	(80)	(80)	(80)	(80)
RCULS	-	-	-	-	-	714,110	-
Shareholders' funds	(80)	283,835	482,812	752,812	1,499,854	2,213,964	2,213,964
Reserve on consolidation	-	2,374	2,374	2,374	2,374	2,374	2,374
MI	-	-	1,035,295	1,035,295	1,035,295	1,035,295	1,035,295
Deferred tax liabilities	-	6,501	44,572	44,572	44,572	44,572	44,572
Advances from corporate shareholders	-	-	111,515	111,515	111,515	111,515	111,515
Long term loan	-	187,500	965,196	965,196	965,196	965,196	965,196
Private debt securities	-	-	1,698,918	1,698,918	1,698,918	1,698,914	1,698,914
Rental deposits	-	5,699	30,482	30,482	30,482	30,482	30,482
Amount due to holding company	-	-	1,324,886	1,324,886	714,110	-	-
Amount due to PETRONAS	-	270,000	270,000	-	-	-	-
	(80)	755,909	5,966,050	5,966,050	6,102,316	6,102,316	6,102,316
NTA per Share (RM)	#	1.50	1.50	1.50	1.61	2.37	1.71

Notes:

* Less than RM1,000.

Not meaningful comparison.

XI. FINANCIAL INFORMATION (CONT'D)

8. REPORTING ACCOUNTANTS' LETTER ON THE PROFORMA CONSOLIDATED BALANCE SHEETS

(Prepared for inclusion in this Prospectus)



■ **Chartered Accountants**
Level 23A, Menara Milenium
Jalan Damanela
Pusat Bandar Damansara
50490 Kuala Lumpur, Malaysia

■ Phone : (03) 2087-7000
Fax : (03) 2095-5332
(General Line)
(03) 2095-9076
(03) 2095-9078
www.ey.com/my

Mail Address:
P.O. Box 11040
50734 Kuala Lumpur, Malaysia

13 July 2004

The Board of Directors
KLCC Property Holdings Berhad
Level 36, Tower 2,
PETRONAS Twin Towers,
Kuala Lumpur City Centre,
50088 Kuala Lumpur

Dear Sirs,

**KLCC PROPERTY HOLDINGS BERHAD (“KLCCProperty” or “the Company”)
PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2004**

We report on the proforma consolidated balance sheets which have been prepared for illustrative purposes only, to provide information about how the consolidated balance sheets of KLCCProperty and its subsidiaries as at 31 March 2004 that have been presented might have been affected by the following transactions had the transactions been completed on that date:

- (i) Acquisition of 100% equity interest in Arena Johan Sdn Bhd (“Arena Johan”), KLCC Urusharta Sdn Bhd (“KLCCUH”), KLCC Parking Management Sdn Bhd (“KLCCParking”), Impian Cemerlang Sdn Bhd (“Impian Cemerlang”), Arena Merdu Sdn Bhd (“Arena Merdu”) and Kompleks Dayabumi Sdn Bhd (“Kompleks Dayabumi”) (“Acquisitions I”);
- (ii) Acquisition of 75% equity interest in Asas Klasik Sdn Bhd (“Asas Klasik”), 60% equity interest in Suria KLCC Sdn Bhd (“Suria”), 50.5% equity interest in Midciti Resources Sdn Bhd (“Midciti”), and 33% equity interest in Impian Klasik Sdn Bhd (“Impian Klasik”) (“Acquisitions II”);
- (iii) Issuance of 180,000,000 new ordinary shares of RM1.00 each in KLCCProperty (“Shares”), at RM1.50 per new Share for the settlement of debt by KLCCProperty of RM270,000,000 owing by Kompleks Dayabumi to Petrolia Nasional Berhad (“PETRONAS”) (“Debt Settlement”);
- (iv) Issuance of RM714,110,437 nominal value ten (10)-year 1% Redeemable Convertible Unsecured Loan Stocks (“RCULS”), at an issue price of 100% of its nominal value to KLCCH for the following (“Issuance of RCULS”):
 - a. Partial settlement of amount owing of RM571,915,700 arising from the Acquisitions II; and
 - b. Settlement of the net amounts owing to KLCCH by the subsidiaries of KLCCProperty amounting to RM142,194,737;

XI. FINANCIAL INFORMATION (CONT'D)



- (v) Public Issue of 432,146,000 new Shares. The calculation of the proceeds arising from the Public Issue is based on the Retail Price of RM1.68 per Issue Share and an assumed Institutional Price of RM1.81 per Issue Share ("Public Issue") and;
- (vi) Listing of and quotation for the entire enlarged issued and paid-up share capital comprising 934,074,279 Shares on the Main Board of Bursa Malaysia Securities Berhad ("Listing").

It is the responsibility solely of the directors of KLCCProperty to prepare the proforma consolidated balance sheets in accordance with paragraphs 19 to 21, Chapter 13 of the Securities Commission Prospectus Guidelines (Revised 1 April 2003) in respect of Public Offerings ("the Guidelines").

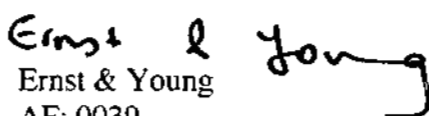
It is our responsibility to form an opinion, as required by paragraph 22, Chapter 13 of the Guidelines, and to report our opinion to you. Our work consisted primarily of comparing the unadjusted financial information presented with their original form, considering the adjustments and discussing the proforma consolidated balance sheets with the responsible officers of KLCCProperty. Our work involved no independent examination of any of the underlying financial information.

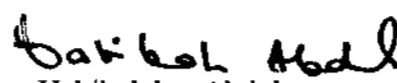
In our opinion:

- (a) the proforma consolidated balance sheets have been properly compiled on the bases stated; and
- (b) within the context of the assumed date of the transactions:
 - (i) such bases are consistent with the accounting policies of KLCCProperty and its subsidiaries; and
 - (ii) the adjustments set out are appropriate for the purposes of the proforma consolidated balance sheets pursuant to paragraphs 19 to 21, Chapter 13 of the Guidelines.

The accompanying proforma consolidated balance sheets and this letter have been prepared for the purposes stated above, in connection with the aforementioned transactions. This letter is not to be reproduced, referred to in any other document, or used for any other purpose without our prior written consent.

Yours faithfully,


Ernst & Young
AF: 0039
Chartered Accountants
Kuala Lumpur, Malaysia


Habibah bte Abdul
No. 1210/05/06(J)
Partner

XI. FINANCIAL INFORMATION (CONT'D)

KLCCPROPERTY (HOLDINGS) BERHAD PROFORMA CONSOLIDATED BALANCE SHEETS AS AT 31 MARCH 2004

The Proforma Consolidated Balance Sheets set out below are provided for illustrative purposes only to show the effects on the balance sheet of the KLCCProperty Group as at 31 March 2004 had the Acquisitions I, Acquisitions II, Debt Settlement, Public Issue, Issuance of RCULS and conversion of the RCULS, been effected on that date:

	(I)	(II)	(III)	(IV)	(V)	(VI)	
	Audited accounts as at 31 March 2004 RM'000	After Acquisition I RM'000	After (I) and Acquisition II RM'000	After (II) and Debt Settlement RM'000	After (III) and Public Issue RM'000	After (IV) and Issuance of RCULS RM'000	After (V) and Full Conversion of RCULS RM'000
Fixed asset	-	5,839	44,885	44,885	44,885	44,885	44,885
Investment property	-	625,927	5,616,215	5,616,215	5,616,215	5,616,215	5,616,215
Investment in associate company	-	-	99,158	99,158	99,158	99,158	99,158
Deferred tax	-	4,866	119,428	119,428	119,428	119,428	119,428
Amount due from holding company	-	104,633	-	-	-	-	-
Current assets	4,308	58,729	434,106	434,106	566,064	566,064	566,064
Inventories	-	-	597	597	597	597	597
Trade receivables	-	17,780	27,023	27,023	27,023	27,023	27,023
Deposits	-	107	582	582	582	582	582
Prepayments	-	950	9,368	9,368	9,368	9,368	9,368
Other receivables	4,308	6,013	10,483	10,483	6,175	6,175	6,175
Amount due from ultimate holding company	-	2,138	2,138	2,138	2,138	2,138	2,138
Amount due from related companies	-	1,397	5,876	5,876	5,876	5,876	5,876
Short term deposits	-	13,362	351,400	351,400	351,400	351,400	351,400
Cash and bank balances	-	16,982	26,639	26,639	162,905	162,905	162,905
Current liabilities	(4,388)	(44,085)	(347,742)	(347,742)	(343,434)	(343,434)	(343,434)
Short term borrowings	-	(9,600)	(203,163)	(203,163)	(203,163)	(203,163)	(203,163)
Trade payables	-	(3,538)	(9,803)	(9,803)	(9,803)	(9,803)	(9,803)
Accruals	-	(11,508)	(99,045)	(99,045)	(99,045)	(99,045)	(99,045)
Other payables	(4,009)	(8,812)	(17,250)	(17,250)	(13,242)	(13,242)	(13,242)
Taxation	-	(1,597)	(1,597)	(1,597)	(1,597)	(1,597)	(1,597)
Amount due to ultimate holding company	-	(2,371)	(2,371)	(2,371)	(2,371)	(2,371)	(2,371)
Amount due to holding company	(379)	-	(7,850)	(7,850)	(7,550)	(7,550)	(7,550)
Amount due to related companies	-	(6,659)	(6,663)	(6,663)	(6,663)	(6,663)	(6,663)
Net current (liabilities)/assets	(80)	14,644	86,364	86,364	222,630	222,630	222,630
	(80)	755,909	5,966,050	5,966,050	6,102,316	6,102,316	6,102,316

XI. FINANCIAL INFORMATION (CONT'D)

		(I)	(II)	(III)	(IV)	(V)	(VI)
	Audited accounts as at 31 March 2004 RM'000	After Acquisition I RM'000	After (I) and Acquisition II RM'000	After (II) and Debt Settlement RM'000	After (III) and Public Issue RM'000	After (IV) and Issuance of RCULS RM'000	After (V) and Full Conversion of RCULS RM'000
Represented by:							
Share capital	*	189,277	321,928	501,928	934,074	934,074	1,292,743
Share Premium	-	94,638	160,964	250,964	565,860	565,860	921,301
Accumulated Loss	(80)	(80)	(80)	(80)	(80)	(80)	(80)
Redeemable Convertible Unsecured Loan Stocks ("RCULS")	-	-	-	-	-	714,110	-
Shareholders' funds	(80)	283,835	482,812	752,812	1,499,854	2,213,964	2,213,964
Reserve on Consolidation	-	2,374	2,374	2,374	2,374	2,374	2,374
Minority Interest	-	-	1,035,295	1,035,295	1,035,295	1,035,295	1,035,295
	(80)	286,209	1,520,481	1,790,481	2,537,523	3,251,633	3,251,633
Deferred tax liabilities	-	6,501	44,572	44,572	44,572	44,572	44,572
Long term loan	-	187,500	965,196	965,196	965,196	965,196	965,196
Private debt securities	-	-	1,698,918	1,698,918	1,698,918	1,698,918	1,698,918
Advances from corporate shareholders	-	-	111,515	111,515	111,515	111,515	111,515
Rental deposits	-	5,699	30,482	30,482	30,482	30,482	30,482
Amount due to holding company	-	-	1,324,886	1,324,886	714,110	-	-
Amount due to PETRONAS	-	270,000	270,000	-	-	-	-
	(80)	755,909	5,966,050	5,966,050	6,102,316	6,102,316	6,102,316
NTA per ordinary share (RM)	N/A	1.50	1.50	1.50	1.61	2.37	1.71

* Represented by RM3 comprising 3 ordinary shares of RM1.00 each

XI. FINANCIAL INFORMATION (CONT'D)

**KLCC PROPERTY HOLDINGS BERHAD
NOTES TO THE PROFORMA CONSOLIDATED BALANCE SHEETS
AS AT 31 MARCH 2004**

1. The proforma consolidated balance sheets ("PCBS") have been prepared for illustrative purposes, based on the balance sheet of KLCC Property Holdings Berhad ("KLCCProperty") and KLCCProperty's subsidiaries' latest audited balances as at 31 March 2004 (KLCCProperty and its subsidiaries are collectively referred to as "the KLCCProperty Group"), to show the effects of the transactions as if the transactions were completed as at 31 March 2004. The PCBS should be read in conjunction with the notes below.
2. The PCBS have been prepared based on the accounting principles and bases consistent with those adopted in the preparation of the audited consolidated financial statements of the companies within the KLCCProperty Group for the financial year ended 31 March 2004.
3. **Adjustment I**
 - (a) The transfer of 12,499,998 ordinary shares of RM1.00 each in Asas Klasik, representing approximately 9.62% of the issued and fully paid-up share capital of Asas Klasik, from Kompleks Dayabumi to KLCCH for a total purchase consideration of RM12,499,998 to be satisfied via the setting off of inter company advances.
 - (b) Acquisition by KLCCProperty of 85,715,000 ordinary shares of RM1.00 each in Arena Johan, representing the entire issued and fully paid-up share capital of Arena Johan, from KLCCH for a total purchase consideration of RM209,617,532 satisfied by the issuance of 139,745,021 new Shares at approximately RM1.50 per new Share.
 - (c) Acquisition by KLCCProperty of 2,000,000 ordinary shares of RM1.00 each in KLCCUH, representing the entire issued and fully paid-up share capital of KLCCUH, from KLCCH for a total purchase consideration of RM32,096,555 satisfied by the issuance of 21,397,703 new Shares at RM1.50 per new Share.
 - (d) Acquisition by KLCCProperty of 2,000,000 ordinary shares of RM1.00 each in KLCCParking, representing the entire issued and fully paid-up share capital of KLCCParking, from KLCCH for a total purchase consideration of RM5,275,389 satisfied by the issuance of 3,516,927 new Shares at approximately RM1.50 per new Share.
 - (e) Acquisition by KLCCProperty of 15,033,023 ordinary shares of RM1.00 each in Impian Cemerlang, representing the entire issued and fully paid-up share capital of Impian Cemerlang, from KLCCH for a total purchase consideration of RM21,094,250 satisfied by the issuance of 14,062,833 new Shares at approximately RM1.50 per new Share.
 - (f) Acquisition by KLCCProperty of 33,070,717 ordinary shares of RM1.00 each in Arena Merdu, representing the entire issued and fully paid-up share capital of Arena Merdu, from KLCCH for a total purchase consideration of RM15,831,277 satisfied by the issuance of 10,554,185 new Shares at approximately RM1.50 per new Share.
 - (g) Acquisition by KLCCProperty of 2 ordinary shares of RM1.00 each in Kompleks Dayabumi, representing the entire issued and fully paid-up share capital of Kompleks Dayabumi, from KLCCH for a total purchase consideration of RM3 satisfied by the issuance of 2 new Shares at RM1.50 per new Share.

XI. FINANCIAL INFORMATION (CONT'D)

4. Adjustment II

- (a) Acquisition by KLCCProperty of 97,500,000 ordinary shares of RM1.00 each in Asas Klasik, representing 75% of the issued and fully paid-up share capital of Asas Klasik, from KLCCH for a total purchase consideration of RM79,952,900.

Pursuant to the Listing, KLCCProperty will satisfy the amount owing to KLCCH for the total purchase consideration in the following manner:

- (i) 19,528,342 new Shares to be issued, at RM1.50 per new Share for a total consideration of RM29,292,513;
 - (ii) cash payment of RM40,000,000 from the proceeds to be raised from the Public Issue; and
 - (iii) RM10,660,387 RCULS, at an issue price of 100% of its nominal value.
- (b) Acquisition by KLCCProperty of 205,000,002 ordinary shares of RM1.00 each in Suria, representing 60% of the issued and fully paid-up share capital of Suria, from KLCCH for a total purchase consideration of RM451,452,082.

Pursuant to the Listing, KLCCProperty will satisfy the amount owing to KLCCH for the total purchase consideration in the following manner:

- (i) 62,762,096 new Shares to be issued, at RM1.50 per new Share for a total consideration of RM94,143,144;
 - (ii) cash payment of RM258,558,937 from the proceeds to be raised from the Public Issue; and
 - (iii) RM98,750,001 RCULS, at an issue price of 100% of its nominal value.
- (c) Acquisition by KLCCProperty of 212,313,105 ordinary shares of RM1.00 each in Midciti, representing approximately 49% of the issued and fully paid-up share capital of Midciti, from KLCCH for a total purchase consideration of RM700,527,481.

Pursuant to the Listing, KLCCProperty will satisfy the amount owing to KLCCH for the total purchase consideration in the following manner:

- (i) 18,905,870 new Shares to be issued, at RM1.50 per new Share for a total consideration of RM28,358,805;
 - (ii) cash payment of RM209,663,364 from the proceeds to be raised from the Public Issue; and
 - (iii) RM462,505,312 RCULS, at an issue price of 100% of its nominal value.
- (d) Acquisition by KLCCProperty of 6,500,000 ordinary shares of RM1.00 each in Midciti, representing approximately 1.5% of the issued and fully paid-up share capital of Midciti, from PETRONAS Retirement Benefit Scheme ("PRBS") for a total purchase consideration of RM38,322,419. Pursuant to the Listing, KLCCProperty will satisfy the amount owing to PRBS by the issuance of 25,548,279 new Shares at approximately RM1.50 per new Share.

XI. FINANCIAL INFORMATION (CONT'D)

- (e) Acquisition by KLCCProperty of 43,000,002 ordinary shares of RM1.00 each in Impian Klasik, representing 33% of the issued and fully paid-up share capital of Impian Klasik, from KLCCH for a total purchase consideration of RM98,860,527.

Pursuant to the Listing, KLCCProperty will satisfy the amount owing to KLCCH for the total purchase consideration in the following manner:

- (i) 5,907,018 new Shares to be issued, at RM1.50 per new Share for a total consideration of RM8,860,527; and
- (ii) cash payment of RM90,000,000 from the proceeds to be raised from the Public Issue.

The purchase consideration for the abovementioned acquisitions was arrived at based on the audited Net Tangible Assets ("NTA"), the open market value of the properties, the valuation approved by the Securities Commission and the Revalued Net Asset Value and earnings potential of the respective companies as at 31 December 2003.

The acquisitions are accounted for using the acquisition method of accounting as prescribed by the Malaysian Accounting Standards Board 21: Business Combinations.

5. Adjustment III Debt Settlement

Issuance of 180,000,000 new Shares, at RM1.50 per new Share for the settlement of debt by KLCCProperty of RM270,000,000 owing by Kompleks Dayabumi to PETRONAS.

6. Adjustment IV Public Issue

In conjunction with the Listing, KLCCProperty will undertake a Public Issue of 432,146,000 new Shares of RM1.00 each. The calculation of the proceeds arising from the Public Issue is based on the Retail Price of RM1.68 per Issue Share and an assumed Institutional Price of RM1.81 per Issue Share.

The financial effects of the Public Issue are as follows:

- (a) The proceeds expected from the Public Issue of RM770,041,220 will be utilised as follows:

	RM
Settlement for Acquisitions II	598,222,300
Estimated listing expenses	23,000,000
Working capital	148,818,920
	<u>770,041,220</u>

- (b) Expenses in connection with the Listing, estimated at RM23,000,000 is set off against the share premium account.

XI. FINANCIAL INFORMATION (CONT'D)

7. Adjustment V and VI Issuance and conversion of RCULS

KLCCProperty will issue RM714,110,437 RCULS at an issue price of 100% of its nominal value to KLCCH for the following:

- a. Partial settlement of amount owing of RM571,915,700 arising from the Acquisitions II; and
- b. Settlement of the net amounts owing to KLCCH by the subsidiaries of KLCCProperty amounting to RM142,194,737.

Conversion price of the RCULS has been fixed at 10% premium over the Institutional Price which is assumed at RM1.81.

8. Share Capital and Share Premium

The movements in the share capital and share premium of the KLCCProperty Group are as follows:

	Share Capital RM	Share Premium RM	Total RM
As at date of incorporation	3	-	3
Proposed Acquisitions I	189,276,671	94,638,335	283,915,006
As per Proforma I	<u>189,276,674</u>	<u>94,638,335</u>	<u>283,915,009</u>
Proposed Acquisitions II	132,651,605	66,325,803	198,977,408
As per Proforma II	<u>321,928,279</u>	<u>160,964,138</u>	<u>482,892,417</u>
Proposed Debt Settlement	180,000,000	90,000,000	270,000,000
As per Proforma III	<u>501,928,279</u>	<u>250,964,138</u>	<u>752,892,417</u>
Proposed Public Issue	432,146,000	337,895,220	770,041,220
Less : Listing expenses	-	(23,000,000)	(23,000,000)
As per Proforma IV AND V	<u>934,074,279</u>	<u>565,859,358</u>	<u>1,499,933,637</u>
Full conversion of RCULS	358,669,230	355,441,207	714,110,437
As per Proforma VI	<u>1,292,743,509</u>	<u>921,300,565</u>	<u>2,214,044,074</u>