

**KLCC PROPERTY HOLDINGS BERHAD (641576-U)**

(Incorporated in Malaysia)

**AUDITED CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2009**

	INDIVIDUAL QUARTER ENDED		YEAR ENDED	
	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>211,585</b>	<b>211,037</b>	<b>861,221</b>	<b>843,039</b>
<b>Operating profit</b>	<b>155,164</b>	<b>161,215</b>	<b>627,456</b>	<b>626,106</b>
Fair value adjustment	508,397	427,000	508,397	427,000
Interest income	3,820	3,815	18,445	17,219
Finance costs	(37,134)	(45,336)	(158,317)	(176,713)
Share of profit of associated company	28,774	4,038	36,223	10,802
<b>Profit before taxation</b>	<b>659,021</b>	<b>550,732</b>	<b>1,032,204</b>	<b>904,414</b>
Income tax expense	(104,214)	(129,883)	(195,421)	(191,156)
<b>Profit for the period</b>	<b>554,807</b>	<b>420,849</b>	<b>836,783</b>	<b>713,258</b>
Attributable to:				
Equity holders of the parent	362,535	264,774	535,650	441,575
Minority interest	192,272	156,075	301,133	271,683
	<b>554,807</b>	<b>420,849</b>	<b>836,783</b>	<b>713,258</b>
Earnings per share attributable to equity holders of the parent (sen):				
Basic	38.81	28.34	57.35	47.27
Diluted	28.06	20.52	41.62	34.37

(The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to this interim financial report)

**KLCC PROPERTY HOLDINGS BERHAD (641576-U)**

(Incorporated in Malaysia)

**AUDITED CONDENSED CONSOLIDATED BALANCE SHEET****AS AT 31 MARCH 2009**

	31-Mar-09 RM'000	31-Mar-08 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	885,240	840,405
Investment properties	8,867,000	8,362,000
Investment in associate	209,094	177,708
Deferred tax assets	30,845	40,629
	<u>9,992,179</u>	<u>9,420,742</u>
<b>Current assets</b>		
Inventories	654	379
Trade and other receivables	68,456	59,509
Cash and bank balances	579,165	498,459
	<u>648,275</u>	<u>558,347</u>
<b>TOTAL ASSETS</b>	<u>10,640,454</u>	<u>9,979,089</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the parent</b>		
Share capital	934,074	934,074
Share premium	562,324	562,324
Revaluation surplus	5,665	5,665
Redeemable convertible unsecured loan stocks (RCULS)	687,990	687,990
Retained profits	609,951	489,111
Capital reserve	1,962,721	1,650,659
	<u>4,762,725</u>	<u>4,329,823</u>
<b>Minority interests</b>	<u>2,747,486</u>	<u>2,491,399</u>
<b>Total Equity</b>	<u>7,510,211</u>	<u>6,821,222</u>
<b>Non-current liabilities</b>		
Redeemable convertible unsecured loan stocks (RCULS)	33,634	37,663
Other long term liabilities	49,338	111,515
Long term borrowings	1,874,632	1,679,065
Deferred taxation	794,815	721,529
	<u>2,752,419</u>	<u>2,549,772</u>
<b>Current liabilities</b>		
Trade and other payables	175,111	194,117
Short term borrowings	194,432	408,510
Taxation	8,281	5,468
	<u>377,824</u>	<u>608,095</u>
<b>Total Liabilities</b>	<u>3,130,243</u>	<u>3,157,867</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>10,640,454</u>	<u>9,979,089</u>
<b>Net assets (excl. RCULS) per share (RM)</b>	<b>4.36</b>	<b>3.90</b>

**(The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to this interim financial report)**

**KLCC PROPERTY HOLDINGS BERHAD (641576-U)**

(Incorporated in Malaysia)

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2009**

	← Attributable to Equity Holders of the Parent →						Minority Interest RM'000	Total Equity RM'000
	← Non-Distributable →			→ Distributable ←				
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Unsecured Loan Stocks RM'000	Retained Profits RM'000	Capital Reserve © RM'000		
<b>As at 1 April 2007</b>	934,074	562,324	5,665	687,990	360,504	1,420,076	2,280,022	6,250,655
Profit for the period	-	-	-	-	441,575	-	271,683	713,258
Transfer	-	-	-	-	(230,583)	230,583	-	-
Dividends paid	-	-	-	-	(82,385)	-	(60,306)	(142,691)
<b>As at 31 March 2008</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>489,111</b>	<b>1,650,659</b>	<b>2,491,399</b>	<b>6,821,222</b>
<b>As at 1 April 2008</b>								
As previously stated	934,074	562,324	5,665	687,990	489,111	1,650,659	2,491,399	6,821,222
Prior year adjustment								
- effects of adopting FRS 139	-	-	-	-	-	-	15,462	15,462
<b>As at 1 April 2008 (restated)</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>489,111</b>	<b>1,650,659</b>	<b>2,506,861</b>	<b>6,836,684</b>
Profit for the period	-	-	-	-	535,650	-	301,133	836,783
Transfer	-	-	-	-	(312,062)	312,062	-	-
Dividends paid	-	-	-	-	(102,748)	-	(60,508)	(163,256)
<b>As at 31 March 2009</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>609,951</b>	<b>1,962,721</b>	<b>2,747,486</b>	<b>7,510,211</b>

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

**(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to this interim financial report)**

# KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

## AUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2009

	YEAR ENDED	
	31-Mar-09	31-Mar-08
	RM'000	RM'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	546,981	572,499
NET CASH USED IN INVESTING ACTIVITIES	(74,031)	(49,987)
NET CASH USED IN FINANCING ACTIVITIES	(395,922)	(492,810)
NET INCREASE IN CASH AND CASH EQUIVALENTS	77,028	29,702
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	497,052	467,350
CASH AND CASH EQUIVALENTS AT END OF PERIOD	574,080	497,052

### CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:

CASH AND BANK BALANCES	53,084	48,110
DEPOSITS	526,081	450,349
	579,165	498,459
LESS: DEPOSITS RESTRICTED *	(5,085)	(1,407)
	574,080	497,052

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

**(The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2008 and the accompanying explanatory notes attached to this interim financial report)**

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 31 March 2009

## A. EXPLANATORY NOTES PURSUANT TO FRS 134

### A1. Basis of preparation

The interim financial statements are audited and have been prepared in compliance with the requirements of Financial Reporting Standard (“FRS”) 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the Group as at 31 March 2008. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 March 2008.

The same accounting policies and methods of computation are followed in the interim financial statements as compared with the financial statements for the year ended 31 March 2008 with the exception of policies adopted in A2 below.

### A2. Accounting Policies

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 March 2008 except for the early adoption of Financial Reporting Standard (“FRS”) 139: *Financial Instruments: Recognition and Measurement* that became effective for the Group for the financial period beginning 1 April 2008.

#### (i) FRS 139: Financial Instruments: Recognition and Measurement

The Financial Reporting Foundation (FRF) and Malaysian Accounting Standards Board (MASB) are targeting to bring Malaysia to full convergence with International Financial Reporting Standards (IFRS) by 1 January 2012.

FRS 139 will be effective in Malaysia on 1 January 2010. However, the Group has voluntarily early adopted FRS 139 for the financial year beginning 1 April 2008.

FRS 139 provides guidance for the measurement of financial instruments. Depending on the categorisation applied for each individual financial asset and liability, some financial assets and liabilities will need to be fair valued and others stated at amortised cost. FRS 139 prescribes prospective application for first time adoption.

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The adoption of FRS 139 affects the advances from corporate shareholders which are unsecured, interest-free and have no fixed terms of repayment and not expected to be paid within the next twelve months.

Under FRS 139, the long term corporate advances are fair valued based on applicable market interest rates. Subsequently, the advances are to be measured at amortised cost.

The changes have been accounted for by restating the following opening balances in the balance sheet as at 1 April 2008:

	<b>RM'000</b>
<b>Effect on 1 April 2008 :</b>	
Decrease in advances from corporate shareholders	(20,616)
Increase in minority interest	15,462
Increase in deferred tax liabilities	5,154

There has been no impact to the earnings per share (EPS) and net assets per share with the adoption of the above changes.

### **A3. Audit report**

The auditors' report on the financial statements for the year ended 31 March 2008 was not qualified.

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## A4. Segmental information

<u>Business segments</u>	3 months ended 31 Mar 2009		Year ended 31 Mar 2009	
	<u>Revenue</u> RM'000	<u>Profit before taxation</u> RM'000	<u>Revenue</u> RM'000	<u>Profit before taxation</u> RM'000
Investment holding	-	(1,080)	117,169	113,071
Property investment	165,312	145,645	648,808	574,288
Hotel operations	34,226	6,385	162,299	38,817
Provision of management services	13,092	4,312	54,201	18,473
	<u>212,630</u>	<u>155,262</u>	<u>982,477</u>	<u>744,649</u>
Consolidation adjustments	<u>(1,045)</u>	<u>508,299</u>	<u>(121,256)</u>	<u>391,204</u>
<b>Revenue / Operating profit</b>	<b><u>211,585</u></b>	<b>663,561</b>	<b><u>861,221</u></b>	<b>1,135,853</b>
Finance cost		(37,134)		(158,317)
Interest income		3,820		18,445
Share of profit of associated company		28,774		36,223
<b>Profit before taxation</b>		<b><u>659,021</u></b>		<b><u>1,032,204</u></b>

## A5. 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.

## A6. 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.

## A7. Changes in statutory tax rate

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

## A8. Seasonal or cyclical factors

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

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## A9. Dividends paid

An interim dividend in respect of the six months period ended 30 September 2008, of 5.0 sen per share, tax exempt under the single tier tax system on 934,074,279 ordinary shares, amounting to RM46.70 million was paid on 8 January 2009.

## A10. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

## A11. Changes in the composition of the Group

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

## A12. Discontinued Operation

There was no discontinued operation in the Group during the quarter under review.

## A13. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 31 March 2009 is as follows:-

	RM'000
Approved and contracted for	797,392
Approved but not contracted for	44,447
	<u>841,839</u>

## A14. Changes in contingent liabilities and contingent assets

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

## A15. Material subsequent events

As announced on 30 April 2009, Islamic financing of RM660.0 million consisting of fixed and floating rate term financing and revolving credit facilities were raised by a wholly owned subsidiary pursuant to an agreement dated 30 April 2009. The purpose of the facilities is to finance its capital commitments and for working capital.

The credit facilities are for a tenure of 7 years with a bullet repayment at the end of the tenure. The profit rate is calculated on 0.75% per annum above the lender's cost of funds for the first 3 years and 0.6% per annum above the lender's cost of funds for the remaining 4 years. Security is by way of a charge over the land of the subsidiary and assignment of rental and insurance proceeds.

There were no other material events subsequent to the end of the quarter under review that have not been reflected in the interim financial statements.



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## **B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

### **B1. Review of Group results for the period ended 31 March 2009**

#### **Operations Review**

The Group's revenue for the financial year ended 31 March 2009 was RM861.2 million reflected an increase of RM18.2 million or 2.2% compared to the revenue for the financial year ended 31 March 2008 of RM843.0 million. The profit before taxation of RM1,032.2 million in the current year reflected an increase of RM127.8 million or 14.1% compared to RM904.4 million for the year ended 31 March 2008.

The increase in revenue was mainly contributed by increased rental of office building in particular Dayabumi (higher occupancy and rental revision), increased rental of the retail mall (higher rental) and increase in revenue from the car park operations despite a reduction in revenue from hotel operations. Besides the higher revenue, the increase in profit before taxation was also contributed by higher interest income and lower finance cost borne during the year.

#### **Fair Value Adjustment**

The increase in profit before taxation was also contributed by the higher surplus of RM81.4 million from fair value adjustment of the investment properties of RM508.4 million compared to RM427.0 million the preceding year. The increase in share of profit of associated company by RM25.4 million was also mainly due to the increase in the fair value adjustment.

### **B2. Variation of results against preceding quarter**

The Group's revenue for the quarter of RM211.6 million decreased by RM7.2 million over that of the preceding quarter of RM218.8 million whereas the profit before taxation of RM659.0 million increased by RM533.7 million as compared to the preceding quarter of RM125.3 million.

The decrease in revenue was mainly attributable to the reduction in revenue from hotel operations which was partially offset against the higher revenue achieved from the retail mall (higher rental) and office building in particular Menara ExxonMobil (rental revision). The increase in the profit before tax level was mainly due to the surplus from fair value adjustment of the investment properties of RM508.4 million earned in the current quarter.

### **B3. Prospects for financial year (2009/10)**

The Directors expect that the current adverse economic conditions affecting demand will continue to impact the Group's hotel and retail businesses for the coming financial year. However, the Group will benefit from the continuing measures which have already been implemented to improve efficiency and mitigate the impact of the prevailing economic circumstances.

### **B4. Profit forecast**

No profit forecast was issued for the financial period.

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## B5. Tax expense

Taxation comprises the following:

	Individual quarter ended		Year ended	
	31-Mar-09 RM'000	31-Mar-08 RM'000	31-Mar-09 RM'000	31-Mar-08 RM'000
Within Malaysia In respect of the current period				
Taxation	28,817	23,825	117,505	109,262
Deferred taxation	<u>75,397</u>	<u>106,058</u>	<u>77,916</u>	<u>81,894</u>
	<u>104,214</u>	<u>129,883</u>	<u>195,421</u>	<u>191,156</u>

## B6. Sale 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.

## B8. Status of corporate proposal announced

There were no corporate proposals announced but not completed as at the date of this report.

## B9. Borrowings

	RM'000	RM'000
<b>Short term :</b>		
<u>Secured</u>		
Term loan	28,000	
Private debt securities	<u>166,432</u>	194,432
<b>Long term :</b>		
<u>Secured</u>		
Term loan	887,492	
Private debt securities	<u>987,140</u>	<u>1,874,632</u>
		<u>2,069,064</u>

# **KLCC PROPERTY HOLDINGS BERHAD**

*(Company No.: 641576-U)*

Incorporated in Malaysia

Notes on the quarterly report – 31 March 2009

## **B10. Off balance sheet financial instruments**

There were no off balance sheet financial instruments as at the date of this report.

## **B11. Material litigation**

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

## **B12. Dividends**

The Directors propose a final dividend of 5.5 sen per share, tax exempt under the single tier tax system amounting to RM51.37 million to shareholders at the next Annual General Meeting, payable on a date to be announced later.

# KLCC PROPERTY HOLDINGS BERHAD

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Notes on the quarterly report – 31 March 2009

## B13. Earnings per share (“EPS”)

	Individual quarter ended		Year ended	
	31-Mar-09	31-Mar-08	31-Mar-09	31-Mar-08
<b>(i) Basic earnings per share</b>				
Profit attributable to ordinary equity holders of the parent (RM'000)	362,535	264,774	535,650	441,575
Weighted average number of ordinary shares in issue ('000)	934,074	934,074	934,074	934,074
Basic earnings per share (sen)	<u>38.81</u>	<u>28.34</u>	<u>57.35</u>	<u>47.27</u>
<b>(ii) Diluted earnings per share</b>				
Profit attributable to ordinary equity holders of the parent (RM'000)	362,535	264,774	535,650	441,575
Interest on RCULS (RM'000)	<u>777</u>	<u>870</u>	<u>3,171</u>	<u>3,424</u>
Profit attributable to ordinary equity holders of the parent including assumed conversion (RM'000)	363,312	265,644	538,821	444,999
Weighted average number of ordinary shares in issue ('000)	934,074	934,074	934,074	934,074
Effect of dilution – RCULS	<u>360,662</u>	<u>360,662</u>	<u>360,662</u>	<u>360,662</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>1,294,736</u>	<u>1,294,736</u>	<u>1,294,736</u>	<u>1,294,736</u>
Diluted earnings per share (sen)	<u>28.06</u>	<u>20.52</u>	<u>41.62</u>	<u>34.37</u>

### BY ORDER OF THE BOARD

Mohd Yusof bin Johor Ali (LS0009194)

Yeap Kok Leong (MAICSA0862549)

Company Secretaries

Kuala Lumpur