

KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2009

| | INDIVIDUAL QUARTER ENDED | | CUMULATIVE PERIOD ENDED | |
|---|--------------------------|----------------|-------------------------|----------------|
| | 30-Jun-09 | 30-Jun-08 | 30-Jun-09 | 30-Jun-08 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 217,091 | 214,012 | 217,091 | 214,012 |
| Operating profit | 162,284 | 157,815 | 162,284 | 157,815 |
| Interest income | 3,013 | 4,223 | 3,013 | 4,223 |
| Finance costs | (36,640) | (40,738) | (36,640) | (40,738) |
| Share of profit of associated company | 2,440 | 2,461 | 2,440 | 2,461 |
| Profit before taxation | 131,097 | 123,761 | 131,097 | 123,761 |
| Income tax expense | (34,295) | (30,602) | (34,295) | (30,602) |
| Profit for the period | 96,802 | 93,159 | 96,802 | 93,159 |
| Attributable to: | | | | |
| Equity holders of the parent | 60,374 | 57,911 | 60,374 | 57,911 |
| Minority interest | 36,428 | 35,248 | 36,428 | 35,248 |
| | 96,802 | 93,159 | 96,802 | 93,159 |
| Earnings per share attributable to equity holders of the parent (sen): | | | | |
| Basic | 6.46 | 6.20 | 6.46 | 6.20 |
| Diluted | 4.72 | 4.54 | 4.72 | 4.54 |

(The unaudited condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to this interim financial report)

KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2009

| | 30-Jun-09 RM'000 (unaudited) | 31-Mar-09 RM'000 |
|---|------------------------------------|---------------------|
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 926,558 | 885,240 |
| Investment properties | 8,867,000 | 8,867,000 |
| Investment in associate | 211,534 | 209,094 |
| Deferred tax assets | 30,845 | 30,845 |
| | 10,035,937 | 9,992,179 |
| Current assets | | |
| Inventories | 601 | 654 |
| Trade and other receivables | 69,911 | 68,456 |
| Cash and bank balances | 657,885 | 579,165 |
| | 728,397 | 648,275 |
| TOTAL ASSETS | 10,764,334 | 10,640,454 |
| EQUITY AND LIABILITIES | | |
| Equity attributable to equity holders of the company | | |
| 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 | 670,325 | 609,951 |
| Capital reserve | 1,962,721 | 1,962,721 |
| | 4,823,099 | 4,762,725 |
| Minority interests | 2,783,914 | 2,747,486 |
| Total Equity | 7,607,013 | 7,510,211 |
| Non-current liabilities | | |
| Redeemable convertible unsecured loan stocks (RCULS) | 34,378 | 33,634 |
| Other long term liabilities | 50,014 | 49,338 |
| Long term borrowings | 1,914,602 | 1,874,632 |
| Deferred taxation | 795,656 | 794,815 |
| | 2,794,650 | 2,752,419 |
| Current liabilities | | |
| Trade and other payables | 159,187 | 175,111 |
| Short term borrowings | 194,309 | 194,432 |
| Taxation | 9,175 | 8,281 |
| | 362,671 | 377,824 |
| Total Liabilities | 3,157,321 | 3,130,243 |
| TOTAL EQUITY AND LIABILITIES | 10,764,334 | 10,640,454 |
| Net assets (excl. RCULS) per share (RM) | 4.43 | 4.36 |

(The unaudited condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to this interim financial report)

KLCC PROPERTY HOLDINGS BERHAD (641576-U)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2009**

| | ← Attributable to Equity Holders of the Company → | | | | | | Minority Interest RM'000 | Total Equity RM'000 |
|-----------------------|---|-------------------------|-------------------------------|---------------------------------|----------------------------|-----------------------------|-----------------------------|------------------------|
| | ← Non-Distributable → | | | Redeemable Convertible | ← 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 | | |
| As at 1 April 2008 | 934,074 | 562,324 | 5,665 | 687,990 | 489,111 | 1,650,659 | 2,512,480 | 6,842,303 |
| Profit for the period | - | - | - | - | 57,911 | - | 35,248 | 93,159 |
| As at 30 June 2008 | 934,074 | 562,324 | 5,665 | 687,990 | 547,022 | 1,650,659 | 2,547,728 | 6,935,462 |
| As at 1 April 2009 | 934,074 | 562,324 | 5,665 | 687,990 | 609,951 | 1,962,721 | 2,747,486 | 7,510,211 |
| Profit for the period | - | - | - | - | 60,374 | - | 36,428 | 96,802 |
| As at 30 June 2009 | 934,074 | 562,324 | 5,665 | 687,990 | 670,325 | 1,962,721 | 2,783,914 | 7,607,013 |

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

(The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to this interim financial report)

KLCC PROPERTY HOLDINGS BERHAD (641576-U)

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**UNAUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2009**

| | CUMULATIVE PERIOD ENDED | |
|--|-------------------------|-----------|
| | 30-Jun-09 | 30-Jun-08 |
| | RM'000 | RM'000 |
| NET CASH GENERATED FROM OPERATING ACTIVITIES | 145,967 | 109,573 |
| NET CASH USED IN INVESTING ACTIVITIES | (50,395) | (9,887) |
| NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES | (18,682) | 18,257 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 76,890 | 117,943 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD | 579,165 | 498,459 |
| CASH AND CASH EQUIVALENTS AT END OF PERIOD | 656,055 | 616,402 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE: | | |
| CASH AND BANK BALANCES | 15,600 | 24,873 |
| DEPOSITS | 642,285 | 595,892 |
| | 657,885 | 620,765 |
| LESS: DEPOSITS RESTRICTED * | (1,830) | (4,363) |
| | 656,055 | 616,402 |

* 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 unaudited condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 March 2009 and the accompanying explanatory notes attached to this interim financial report)

KLCC PROPERTY HOLDINGS BERHAD

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Notes on the quarterly report – 30 June 2009

A. EXPLANATORY NOTES PURSUANT TO FRS 134

A1. Basis of preparation

The interim financial statements are unaudited 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 2009. 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 2009.

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 2009.

A2. Audit report

The auditors’ report on the financial statements for the year ended 31 March 2009 was not qualified.

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A3. Segmental information

| <u>Business segments</u> | 3 months ended 30 Jun 2009 | | Cumulative period ended 30 Jun 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 | - | (853) | - | (853) |
| Property investment | 167,849 | 149,119 | 167,849 | 149,119 |
| Hotel operations | 35,325 | 7,614 | 35,325 | 7,614 |
| Provision of management services | 14,957 | 6,228 | 14,957 | 6,228 |
| | <u>218,131</u> | <u>162,108</u> | <u>218,131</u> | <u>162,108</u> |
| Consolidation adjustments | <u>(1,040)</u> | <u>176</u> | <u>(1,040)</u> | <u>176</u> |
| Revenue / Operating profit | <u>217,091</u> | 162,284 | <u>217,091</u> | 162,284 |
| Finance cost | | (36,640) | | (36,640) |
| Interest income | | 3,013 | | 3,013 |
| Share of profit of associated company | | 2,440 | | 2,440 |
| Profit before taxation | | <u>131,097</u> | | <u>131,097</u> |

A4. 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.

A5. 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.

A6. Changes in statutory tax rate

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

A7. 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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A8. Dividends paid

There were no dividends paid during the quarter under review.

A9. Debt and equity securities

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

A10. Changes in the composition of the Group

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

A11. Discontinued Operation

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

A12. Capital Commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 June 2009 is as follows:-

| | RM'000 |
|---------------------------------|----------------|
| Approved and contracted for | 626,731 |
| Approved but not contracted for | 82,979 |
| | <u>709,710</u> |

A13. 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.

A14. Material subsequent events

There were no 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 the Group's results for the period ended 30 June 2009

Operations Review

The Group's revenue for the financial period ended 30 June 2009 of RM217.1 million reflected an increase of RM3.1 million or 1.4% compared to the revenue for the financial period ended 30 June 2008 of RM214.0 million. The profit before taxation of RM131.1 million in the current period reflected an increase of RM7.3 million or 5.9% compared to RM123.8 million for the period ended 30 June 2008.

The increase in revenue was mainly contributed by increased rental of office building in particular Menara ExxonMobil and Dayabumi (rental revisions), 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 lower operating costs and lower finance cost borne during the period.

B2. Variation of results against preceding quarter

The Group's revenue for the quarter of RM217.1 million increased by RM5.5 million over that of the preceding quarter of RM211.6 million whereas the profit before taxation of RM131.1 million decreased by RM527.9 million as compared to the preceding quarter of RM659.0 million.

The increase in revenue was mainly attributable to the recognition of higher revenue in the quarter from the retail mall (higher base rental), office building in particular Menara ExxonMobil (via the full quarter's impact from the rental revision), hotel operations and management services. The lower profit before tax level was mainly due to the fair value adjustments resulting from surplus from valuation of the investment properties in the preceding quarter.

B3. Prospects for financial year (2009/10)

The Directors expect that the slower economic activity currently being experienced will continue to impact demand for the Group's hotel and retail activities. However, measures previously implemented to contain costs and improve efficiency are beginning to show results. Consequently, the Directors anticipate that overall Group profitability for the current financial year will be in line with expectations.

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 | | Cumulative period ended | |
|----------------------------------|--------------------------|---------------------|-------------------------|---------------------|
| | 30-Jun-09 RM'000 | 30-Jun-08 RM'000 | 30-Jun-09 RM'000 | 30-Jun-08 RM'000 |
| Within Malaysia | | | | |
| In respect of the current period | | | | |
| Taxation | 33,454 | 29,591 | 33,454 | 29,591 |
| Deferred taxation | <u>841</u> | <u>1,011</u> | <u>841</u> | <u>1,011</u> |
| | <u>34,295</u> | <u>30,602</u> | <u>34,295</u> | <u>30,602</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 |
|-------------------------|----------------|------------------|
| Short term : | | |
| <u>Secured</u> | | |
| Term loan | 28,000 | |
| Private debt securities | <u>166,309</u> | 194,309 |
| Long term : | | |
| <u>Secured</u> | | |
| Term loan | 927,493 | |
| Private debt securities | <u>987,109</u> | <u>1,914,602</u> |
| | | <u>2,108,911</u> |

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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

At the Annual General Meeting held on 30 June 2009, the shareholders approved the payment of a final dividend of 5.5 sen per share, tax exempt under the single tier tax system amounting to RM51.37 million. The dividend was paid on 28 July 2009.

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B13. Earnings per share (“EPS”)

| | Individual quarter ended | | Cumulative period ended | |
|--|--------------------------|------------------|-------------------------|------------------|
| | 30-Jun-09 | 30-Jun-08 | 30-Jun-09 | 30-Jun-08 |
| (i) Basic earnings per share | | | | |
| Profit attributable to ordinary equity holders of the parent (RM'000) | 60,374 | 57,911 | 60,374 | 57,911 |
| Weighted average number of ordinary shares in issue ('000) | 934,074 | 934,074 | 934,074 | 934,074 |
| Basic earnings per share (sen) | <u>6.46</u> | <u>6.20</u> | <u>6.46</u> | <u>6.20</u> |
| (ii) Diluted earnings per share | | | | |
| Profit attributable to ordinary equity holders of the parent (RM'000) | 60,374 | 57,911 | 60,374 | 57,911 |
| Interest on RCULS (RM'000) | <u>744</u> | <u>839</u> | <u>744</u> | <u>839</u> |
| Profit attributable to ordinary equity holders of the parent including assumed conversion (RM'000) | 61,118 | 58,750 | 61,118 | 58,750 |
| 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>4.72</u> | <u>4.54</u> | <u>4.72</u> | <u>4.54</u> |

BY ORDER OF THE BOARD

Mohd Yusof bin Johor Ali (LS0009194)

Yeap Kok Leong (MAICSA0862549)

Company Secretaries

Kuala Lumpur