

KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009**

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
	RM'000	RM'000	RM'000	RM'000
Revenue	214,993	216,864	432,084	430,876
Operating profit	161,480	156,716	323,764	314,531
Interest income	3,310	5,498	6,323	9,721
Finance costs	(36,836)	(40,640)	(73,476)	(81,378)
Share of profit of associated company	2,530	2,490	4,970	4,951
Profit before taxation	130,484	124,064	261,581	247,825
Income tax expense	(33,318)	(30,251)	(67,613)	(60,853)
Profit for the period	97,166	93,813	193,968	186,972
Attributable to:				
Equity holders of the company	60,748	56,323	121,122	114,234
Minority interest	36,418	37,490	72,846	72,738
	97,166	93,813	193,968	186,972
Earnings per share attributable to equity holders of the company (sen):				
Basic	6.50	6.03	12.97	12.23
Diluted	4.74	4.41	9.46	8.95

(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 SEPTEMBER 2009

	30-Sep-09 RM'000 (unaudited)	31-Mar-09 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	942,035	885,240
Investment properties	8,867,000	8,867,000
Investment in associate	214,064	209,094
Deferred tax assets	25,812	30,845
	10,048,911	9,992,179
Current assets		
Inventories	647	654
Trade and other receivables	77,218	68,456
Cash and bank balances	668,319	579,165
	746,184	648,275
TOTAL ASSETS	10,795,095	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 reserve	5,665	5,665
Redeemable convertible unsecured loan stocks (RCULS)	687,990	687,990
Retained profits	679,699	609,951
Capital reserve	1,962,721	1,962,721
	4,832,473	4,762,725
Minority interests	2,765,665	2,747,486
Total Equity	7,598,138	7,510,211
Non-current liabilities		
Redeemable convertible unsecured loan stocks (RCULS)	27,934	33,634
Other long term liabilities	50,696	49,338
Long term borrowings	1,914,571	1,874,632
Deferred taxation	796,782	794,815
	2,789,983	2,752,419
Current liabilities		
Trade and other payables	203,366	175,111
Short term borrowings	194,186	194,432
Taxation	9,422	8,281
	406,974	377,824
Total Liabilities	3,196,957	3,130,243
TOTAL EQUITY AND LIABILITIES	10,795,095	10,640,454
Net assets (excl. RCULS) per share (RM)	4.44	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 SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009**

	← Attributable to Equity Holders of the Company →						Minority Interests 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	Redeemable Convertible 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	2,506,861
Profit for the period	-	-	-	-		114,234	-	72,738
Dividends paid	-	-	-	-		(56,045)	-	(55,521)
As at 30 September 2008	934,074	562,324	5,665	687,990		547,300	1,650,659	2,524,078
As at 1 April 2009	934,074	562,324	5,665	687,990		609,951	1,962,721	2,747,486
Profit for the period	-	-	-	-		121,122	-	72,846
Dividends paid	-	-	-	-		(51,374)	-	(54,667)
As at 30 September 2009	934,074	562,324	5,665	687,990		679,699	1,962,721	2,765,665

@ 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 SIX MONTH PERIOD ENDED 30 SEPTEMBER 2009**

	CUMULATIVE PERIOD ENDED	
	30-Sep-09	30-Sep-08
	RM'000	RM'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	262,002	239,471
NET CASH USED IN INVESTING ACTIVITIES	(76,086)	(19,166)
NET CASH (USED IN) / GENERATED FROM FINANCING ACTIVITIES	(93,191)	(100,822)
NET INCREASE IN CASH AND CASH EQUIVALENTS	92,725	119,483
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	574,080	497,052
CASH AND CASH EQUIVALENTS AT END OF PERIOD	666,805	616,535
 CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:		
CASH AND BANK BALANCES	9,201	17,128
DEPOSITS	659,118	601,704
	668,319	618,832
LESS: DEPOSITS RESTRICTED *	(1,514)	(2,297)
	666,805	616,535

** 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)

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Notes on the quarterly report – 30 September 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 September 2009		Cumulative period ended 30 September 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	101,695	100,831	101,695	99,978
Property investment	169,102	150,167	336,951	299,286
Hotel operations	31,955	4,705	67,280	12,319
Provision of management services	14,979	7,252	29,936	13,480
	<u>317,731</u>	<u>262,955</u>	<u>535,862</u>	<u>425,063</u>
Consolidation adjustments	<u>(102,738)</u>	<u>(101,475)</u>	<u>(103,778)</u>	<u>(101,299)</u>
Revenue / Operating profit	<u>214,993</u>	161,480	<u>432,084</u>	323,764
Finance cost		(36,836)		(73,476)
Interest income		3,310		6,323
Share of profit of associated company		2,530		4,970
Profit before taxation		<u>130,484</u>		<u>261,581</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 were 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

A final dividend in respect of the financial year ended 31 March 2009 of 5.5 sen per share, tax exempt under the single tier tax system on 934,074,279 ordinary shares, amounting to RM51.37 million was paid on 28 July 2009.

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 September 2009 is as follows:-

	RM'000
Approved and contracted for	610,049
Approved but not contracted for	71,462
	<u>681,511</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 September 2009

Operations Review

The Group's revenue for the financial period ended 30 September 2009 of RM432.08 million reflected an increase of RM1.2 million or 0.3% compared to the revenue for the financial period ended 30 September 2008 of RM430.88 million. The profit before taxation of RM261.58 million in the current period reflected an increase of RM13.76 million or 5.6% compared to RM247.82 million for the period ended 30 September 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 RM215.0 million decreased by RM2.1 million over that of the preceding quarter of RM217.1 million whereas the profit before taxation of RM130.5 million was lower by RM0.6 million as compared to the preceding quarter of RM131.1 million.

The decrease in revenue was mainly attributed to the lower revenue achieved from hotel operations even though there was higher revenue in the quarter from the retail mall (higher base rental). The lower profit before tax level mainly resulted from lower profits achieved by the hotel segment. This was partially offset by an increase in profits achieved by the other segments against the preceding quarter.

B3. Prospects for financial year (2009/10)

The prevailing economic conditions will continue to affect demand for the Group's hotel and retail activities for the remainder of the financial year. However, as the Group will continue to benefit from initiatives that had previously been implemented to contain costs and preserve margins, the Directors anticipate that the overall Group profitability for the current financial year will generally reflect current levels of performance.

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-Sep-09 RM'000	30-Sep-08 RM'000	30-Sep-09 RM'000	30-Sep-08 RM'000
Within Malaysia In respect of the current period				
Taxation	27,156	29,591	60,610	59,182
Deferred taxation	<u>6,162</u>	<u>660</u>	<u>7,003</u>	<u>1,671</u>
	<u>33,318</u>	<u>30,251</u>	<u>67,613</u>	<u>60,853</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>166,186</u>	194,186
Long term :		
<u>Secured</u>		
Term loan	927,493	
Private debt securities	<u>987,078</u>	<u>1,914,571</u>
		<u>2,108,757</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

An interim dividend in respect of the six month period ended 30 September 2009, 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 is payable on 21 December 2009.

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B13. Earnings per share (“EPS”)

	Individual quarter ended		Cumulative period ended	
	30-Sep-09	30-Sep-08	30-Sep-09	30-Sep-08
(i) Basic earnings per share				
Profit attributable to ordinary equity holders of the parent (RM'000)	60,748	56,323	121,122	114,234
Weighted average number of ordinary shares in issue ('000)	934,074	934,074	934,074	934,074
Basic earnings per share (sen)	<u>6.50</u>	<u>6.03</u>	<u>12.97</u>	<u>12.23</u>
(ii) Diluted earnings per share				
Profit attributable to ordinary equity holders of the parent (RM'000)	60,748	56,323	121,122	114,234
Interest on RCULS (RM'000)	676	778	1,420	1,616
Profit attributable to ordinary equity holders of the parent including assumed conversion (RM'000)	<u>61,424</u>	<u>57,101</u>	<u>122,542</u>	<u>115,850</u>
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>4.74</u>	<u>4.41</u>	<u>9.46</u>	<u>8.95</u>

BY ORDER OF THE BOARD

Abd Aziz Bin Abd Kadir (LS0001718)

Yeap Kok Leong (MAICSA0862549)

Company Secretaries

Kuala Lumpur