

KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE NINE MONTH PERIOD ENDED 31 DECEMBER 2009**

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
	RM'000	RM'000	RM'000	RM'000
Revenue	223,660	218,760	655,744	649,636
Operating profit	159,789	157,761	483,553	472,292
Interest income	2,870	4,904	9,193	14,625
Finance costs	(35,318)	(39,805)	(108,794)	(121,183)
Share of profit of associated company	2,613	2,498	7,583	7,449
Profit before taxation	129,954	125,358	391,535	373,183
Income tax expense	(33,175)	(30,354)	(100,788)	(91,207)
Profit for the period	96,779	95,004	290,747	281,976
Attributable to:				
Equity holders of the company	59,224	58,881	180,346	173,115
Minority interest	37,555	36,123	110,401	108,861
	96,779	95,004	290,747	281,976
Earnings per share attributable to equity holders of the company (sen):				
Basic	6.34	6.30	19.31	18.53
Diluted	4.63	4.61	14.09	13.56

(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 31 DECEMBER 2009

	31-Dec-09 RM'000 (unaudited)	31-Mar-09 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	966,903	885,240
Investment properties	8,867,000	8,867,000
Investment in associate	212,807	209,094
Deferred tax assets	25,812	30,845
	10,072,522	9,992,179
Current assets		
Inventories	1,011	654
Trade and other receivables	69,964	68,456
Cash and bank balances	497,754	579,165
	568,729	648,275
TOTAL ASSETS	10,641,251	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	692,219	609,951
Capital reserve	1,962,721	1,962,721
	4,844,993	4,762,725
Minority interests	2,801,611	2,747,486
Total Equity	7,646,604	7,510,211
Non-current liabilities		
Redeemable convertible unsecured loan stocks (RCULS)	28,610	33,634
Other long term liabilities	51,381	49,338
Long term borrowings	1,726,547	1,874,632
Deferred taxation	795,766	794,815
	2,602,304	2,752,419
Current liabilities		
Trade and other payables	170,711	175,111
Short term borrowings	216,116	194,432
Taxation	5,516	8,281
	392,343	377,824
Total Liabilities	2,994,647	3,130,243
TOTAL EQUITY AND LIABILITIES	10,641,251	10,640,454
Net assets (excl. RCULS) per share (RM)	4.45	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 NINE MONTH PERIOD ENDED 31 DECEMBER 2009**

	← Attributable to Equity Holders of the Company →							Minority Interests RM'000	Total Equity RM'000
	← Non-Distributable →			Redeemable Convertible Loan Stocks RM'000	← Distributable →				
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve 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	6,836,684	
Profit for the period	-	-	-	-	173,115	-	108,861	281,976	
Dividends paid	-	-	-	-	(102,749)	-	(60,643)	(163,392)	
As at 31 December 2008	934,074	562,324	5,665	687,990	559,477	1,650,659	2,555,079	6,955,268	
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	-	-	-	-	180,346	-	110,401	290,747	
Dividends paid	-	-	-	-	(98,078)	-	(56,276)	(154,354)	
As at 31 December 2009	934,074	562,324	5,665	687,990	692,219	1,962,721	2,801,611	7,646,604	

© 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 NINE MONTH PERIOD ENDED 31 DECEMBER 2009**

	CUMULATIVE PERIOD ENDED	
	31-Dec-09	31-Dec-08
	RM'000	RM'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	378,139	379,865
NET CASH USED IN INVESTING ACTIVITIES	(96,947)	(40,302)
NET CASH USED IN FINANCING ACTIVITIES	<u>(360,222)</u>	<u>(314,025)</u>
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(79,030)	25,538
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	<u>574,080</u>	<u>497,052</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>495,050</u>	<u>522,590</u>
 CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:		
CASH AND BANK BALANCES	27,938	16,040
DEPOSITS	<u>469,816</u>	<u>509,801</u>
	497,754	525,841
LESS: DEPOSITS RESTRICTED *	<u>(2,704)</u>	<u>(3,251)</u>
	<u>495,050</u>	<u>522,590</u>

* 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 – 31 December 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 31 December 2009		Cumulative period ended 31 December 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	7,349	6,143	109,044	106,121
Property investment	171,100	147,821	508,051	447,107
Hotel operations	37,983	5,945	105,263	18,264
Provision of management services	15,618	6,555	45,554	20,035
	<u>232,050</u>	<u>166,464</u>	<u>767,912</u>	<u>591,527</u>
Consolidation adjustments	<u>(8,390)</u>	<u>(6,675)</u>	<u>(112,168)</u>	<u>(107,974)</u>
Revenue / Operating profit	<u>223,660</u>	159,789	<u>655,744</u>	483,553
Finance cost		(35,318)		(108,794)
Interest income		2,870		9,193
Share of profit of associated company		2,613		7,583
Profit before taxation		<u>129,954</u>		<u>391,535</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

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 was paid on 21 December 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 31 December 2009 is as follows:-

	RM'000
Approved and contracted for	591,990
Approved but not contracted for	84,826
	<u>676,816</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 31 December 2009

Operations Review

The Group's revenue for the financial period ended 31 December 2009 of RM655.7 million reflected an increase of RM6.1 million or 0.9% compared to the revenue for the financial period ended 31 December 2008 of RM649.6 million. The profit before taxation of RM391.5 million in the current period reflected an increase of RM18.3 million or 4.9% compared to RM373.2 million for the period ended 31 December 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 RM223.7 million increased by RM8.7 million over that of the preceding quarter of RM215.0 million whereas the profit before taxation of RM130.0 million was lower by RM0.5 million as compared to the preceding quarter of RM130.5 million.

The increase in revenue was mainly attributed to the increased rental of the retail mall (higher rental), increase in revenue from the car park operations and higher revenue achieved from hotel operations. The lower profit before tax level mainly resulted from lower profits achieved by the retail segment due to higher utilities incurred in the period. 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)

Demand for the Group's hotel and retail activities for the remainder of the financial year will continue to be affected by the prevailing global economic conditions. However, the Group is expected to preserve its margins as it continues to benefit from the cost containment initiatives previously implemented. The Directors are of the view that the profitability of the Group for the remainder of this financial year will 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	
	31-Dec-09 RM'000	31-Dec-08 RM'000	31-Dec-09 RM'000	31-Dec-08 RM'000
Within Malaysia In respect of the current period				
Taxation	38,487	29,506	99,097	88,688
Deferred taxation	<u>(5,312)</u>	<u>848</u>	<u>1,691</u>	<u>2,519</u>
	<u>33,175</u>	<u>30,354</u>	<u>100,788</u>	<u>91,207</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>188,116</u>	216,116
Long term :		
<u>Secured</u>		
Term loan	927,493	
Private debt securities	<u>799,054</u>	<u>1,726,547</u>
		<u>1,942,663</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

There were no dividends declared during the quarter under review.

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B13. Earnings per share (“EPS”)

	Individual quarter ended		Cumulative period ended	
	31-Dec-09	31-Dec-08	31-Dec-09	31-Dec-08
(i) Basic earnings per share				
Profit attributable to ordinary equity holders of the parent (RM'000)	59,224	58,881	180,346	173,115
Weighted average number of ordinary shares in issue ('000)	934,074	934,074	934,074	934,074
Basic earnings per share (sen)	<u>6.34</u>	<u>6.30</u>	<u>19.31</u>	<u>18.53</u>
(ii) Diluted earnings per share				
Profit attributable to ordinary equity holders of the parent (RM'000)	59,224	58,881	180,346	173,115
Interest on RCULS (RM'000)	<u>677</u>	<u>778</u>	<u>2,097</u>	<u>2,394</u>
Profit attributable to ordinary equity holders of the parent including assumed conversion (RM'000)	59,901	59,659	182,443	175,509
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>4.63</u>	<u>4.61</u>	<u>14.09</u>	<u>13.56</u>

BY ORDER OF THE BOARD

Abd Aziz Bin Abd Kadir (LS0001718)

Yeap Kok Leong (MAICSA0862549)

Company Secretaries

Kuala Lumpur