

KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

**AUDITED CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2010**

	INDIVIDUAL QUARTER ENDED		YEAR ENDED	
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
	RM'000	RM'000	RM'000	RM'000
Revenue	225,593	216,840	881,337	866,476
Operating profit	163,342	155,164	646,895	627,456
Fair value adjustment	758,000	508,397	758,000	508,397
Interest income	2,797	3,820	11,990	18,445
Finance costs	(33,047)	(37,134)	(141,841)	(158,317)
Share of profit of associated company	8,849	28,774	16,432	36,223
Profit before taxation	899,941	659,021	1,291,476	1,032,204
Income tax expense	(72,571)	(104,214)	(173,359)	(195,421)
Profit for the period	827,370	554,807	1,118,117	836,783
Attributable to:				
Equity holders of the company	467,237	362,535	647,583	535,650
Minority interest	360,133	192,272	470,534	301,133
	827,370	554,807	1,118,117	836,783
Earnings per share attributable to equity holders of the company (sen):				
Basic	50.02	38.81	69.33	57.35
Diluted	36.14	28.06	50.23	41.62

(The 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)

AUDITED CONDENSED CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2010

	31-Mar-10 RM'000	31-Mar-09 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	1,020,677	885,240
Investment properties	9,625,000	8,867,000
Investment in associate	221,656	209,094
Deferred tax assets	17,313	30,845
	<u>10,884,646</u>	<u>9,992,179</u>
Current assets		
Inventories	845	654
Trade and other receivables	63,705	68,456
Cash and bank balances	600,882	579,165
	<u>665,432</u>	<u>648,275</u>
TOTAL ASSETS	<u>11,550,078</u>	<u>10,640,454</u>
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	745,310	609,951
Capital reserve	2,376,867	1,962,721
	<u>5,312,230</u>	<u>4,762,725</u>
Minority interests	<u>3,161,744</u>	<u>2,747,486</u>
Total Equity	<u>8,473,974</u>	<u>7,510,211</u>
Non-current liabilities		
Redeemable convertible unsecured loan stocks (RCULS)	29,287	33,634
Other long term liabilities	52,049	49,338
Long term borrowings	1,753,532	1,874,632
Deferred taxation	821,403	794,815
	<u>2,656,271</u>	<u>2,752,419</u>
Current liabilities		
Trade and other payables	189,654	175,111
Short term borrowings	216,101	194,432
Taxation	14,078	8,281
	<u>419,833</u>	<u>377,824</u>
Total Liabilities	<u>3,076,104</u>	<u>3,130,243</u>
TOTAL EQUITY AND LIABILITIES	<u>11,550,078</u>	<u>10,640,454</u>
Net assets (excl. RCULS) per share (RM)	4.95	4.36

(The 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)

(Incorporated in Malaysia)

**AUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2010**

	← 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	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	6,836,684
Profit for the period	-	-	-	-	535,650	-	301,133	836,783
Transfer	-	-	-	-	(312,062)	312,062	-	-
Dividends paid	-	-	-	-	(102,748)	-	(60,508)	(163,256)
As at 31 March 2009	934,074	562,324	5,665	687,990	609,951	1,962,721	2,747,486	7,510,211
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	-	-	-	-	647,583	-	470,534	1,118,117
Transfer	-	-	-	-	(414,146)	414,146	-	-
Dividends paid	-	-	-	-	(98,078)	-	(56,276)	(154,354)
As at 31 March 2010	934,074	562,324	5,665	687,990	745,310	2,376,867	3,161,744	8,473,974

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

(The audited 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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AUDITED CONDENSED CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

	YEAR ENDED	
	31-Mar-10	31-Mar-09
	RM'000	RM'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	578,246	547,031
NET CASH USED IN INVESTING ACTIVITIES	(155,140)	(74,081)
NET CASH USED IN FINANCING ACTIVITIES	(398,679)	(395,922)
NET INCREASE IN CASH AND CASH EQUIVALENTS	24,427	77,028
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	574,080	497,052
CASH AND CASH EQUIVALENTS AT END OF PERIOD	598,507	574,080
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:		
CASH AND BANK BALANCES	5,565	53,084
DEPOSITS	595,317	526,081
LESS: DEPOSITS RESTRICTED *	(2,375)	(5,085)
	598,507	574,080

* 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 March 2010

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 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 March 2010		Year ended 31 March 2010	
	<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	8,000	6,179	117,044	112,300
Property investment	176,962	152,646	685,013	599,753
Hotel operations	35,495	7,735	140,758	25,999
Provision of management services	14,239	5,856	59,793	25,891
	<u>234,696</u>	<u>172,416</u>	<u>1,002,608</u>	<u>763,943</u>
Consolidation adjustments	<u>(9,103)</u>	<u>(9,074)</u>	<u>(121,271)</u>	<u>(117,048)</u>
Revenue / Operating profit	<u>225,593</u>	163,342	<u>881,337</u>	646,895
Finance cost		(33,047)		(141,841)
Interest income		2,797		11,990
Fair value adjustment on investment properties		758,000		758,000
Share of profit of associated company		8,849		16,432
Profit before taxation		<u>899,941</u>		<u>1,291,476</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

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 31 March 2010 is as follows:-

	RM'000
Approved and contracted for	545,774
Approved but not contracted for	128,614
	<u>674,388</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 year ended 31 March 2010

Operations Review

The Group's revenue for the financial year ended 31 March 2010 of RM881.3 million reflected an increase of RM14.9 million or 2% compared to the revenue for the financial year ended 31 March 2009 of RM866.5 million. The profit before taxation of RM1,291.5 million (inclusive of fair value adjustment) in the current year represents an improvement of RM259.3 million or 25% compared to RM1,032.2 million for the year ended 31 March 2009.

The increase in revenue was mainly attributed to better rental income (in particular Menara ExxonMobil and Dayabumi) and the retail mall, despite a reduction in revenue from the hotel operations. The improved profit before taxation was also attributed to lower operating and finance costs during the year.

Fair Value Adjustment

The increase in profit before taxation was also contributed by the higher surplus of RM249.6 million from the fair value adjustment of the investment properties of RM758.0 million as compared to RM508.4 million in the preceding year. However, there was a reduction in share of profits from the associated company of RM19.8 million mainly due to the lower increase in fair valuation adjustment in the associated company in this financial year.

B2. Variation of results against preceding quarter

The Group's revenue for the quarter of RM225.6 million improved by RM1.9 million over that of the preceding quarter of RM223.7 million whereas the profit before taxation of RM899.9 million (inclusive of fair value adjustment) was higher by RM769.9 million as compared to the preceding quarter of RM130.0 million. The higher profit before tax mainly resulted from the surplus in fair value adjustment of the investment properties of RM758.0 million in the current quarter.

B3. Prospects for financial year (2010/11)

The operating environment is expected to remain challenging. However, the Group benefits from a resilient rental sector, which will underpin the overall performance of the Group for the year ahead.

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-10 RM'000	31-Mar-09 RM'000	31-Mar-10 RM'000	31-Mar-09 RM'000
Within Malaysia In respect of the current period				
Taxation	34,142	28,817	133,239	117,505
Deferred taxation	<u>38,429</u>	<u>75,397</u>	<u>40,120</u>	<u>77,916</u>
	<u>72,571</u>	<u>104,214</u>	<u>173,359</u>	<u>195,421</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>188,101</u>	216,101
Long term :		
<u>Secured</u>		
Term loan	954,493	
Private debt securities	<u>799,039</u>	<u>1,753,532</u>
		<u>1,969,633</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

The Directors propose a final dividend of 6.0 sen per share, tax exempt under the single tier tax system amounting to RM56.04 million to shareholders at the next Annual General Meeting, payable on a date to be announced later.

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B13. Earnings per share (“EPS”)

	Individual quarter ended		Year ended	
	31-Mar-10	31-Mar-09	31-Mar-10	31-Mar-09
(i) Basic earnings per share				
Profit attributable to ordinary equity holders of the parent (RM'000)	467,237	362,535	647,583	535,650
Weighted average number of ordinary shares in issue ('000)	934,074	934,074	934,074	934,074
Basic earnings per share (sen)	<u>50.02</u>	<u>38.81</u>	<u>69.33</u>	<u>57.35</u>
(ii) Diluted earnings per share				
Profit attributable to ordinary equity holders of the parent (RM'000)	467,237	362,535	647,583	535,650
Interest on RCULS (RM'000)	677	777	2,774	3,171
Profit attributable to ordinary equity holders of the parent including assumed conversion (RM'000)	<u>467,914</u>	<u>363,312</u>	<u>650,357</u>	<u>538,821</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>36.14</u>	<u>28.06</u>	<u>50.23</u>	<u>41.62</u>

BY ORDER OF THE BOARD

Abd Aziz Bin Abd Kadir (LS0001718)

Yeap Kok Leong (MAICSA0862549)

Company Secretaries

Kuala Lumpur