

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2011**

	INDIVIDUAL QUARTER ENDED		CUMULATIVE PERIOD ENDED	
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>	<b>240,295</b>	<b>227,044</b>	<b>240,295</b>	<b>227,044</b>
<b>Operating profit</b>	<b>170,584</b>	<b>166,830</b>	<b>170,584</b>	<b>166,830</b>
Fair value adjustment	-	342,559	-	342,559
Interest income	4,988	3,776	4,988	3,776
Finance costs	(29,797)	(33,376)	(29,797)	(33,376)
Share of profit of associated company	2,632	2,543	2,632	2,543
<b>Profit before taxation</b>	<b>148,407</b>	<b>482,332</b>	<b>148,407</b>	<b>482,332</b>
Taxation	(38,056)	(36,212)	(38,056)	(36,212)
<b>Profit for the year, representing total comprehensive income</b>	<b>110,351</b>	<b>446,120</b>	<b>110,351</b>	<b>446,120</b>
Profit attributable to:				
Equity holders of the company	67,894	406,279	67,894	406,279
Minority interest	42,457	39,841	42,457	39,841
	<b>110,351</b>	<b>446,120</b>	<b>110,351</b>	<b>446,120</b>
Earnings per share attributable to equity holders of the company (sen):				
Basic	7.27	43.50	7.27	43.50
Diluted	5.28	31.43	5.28	31.43

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to this interim financial report)

# KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	30-Jun-11 RM'000 (unaudited)	31-Mar-11 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	610,243	611,460
Investment properties	11,079,824	10,975,082
Investment in associate	228,618	225,986
Deferred tax assets	5,559	7,762
	<u>11,924,244</u>	<u>11,820,290</u>
<b>Current assets</b>		
Inventories	1,448	1,390
Trade and other receivables	55,617	56,070
Cash and bank balances	734,108	674,947
	<u>791,173</u>	<u>732,407</u>
<b>TOTAL ASSETS</b>	<u>12,715,417</u>	<u>12,552,697</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
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	971,368	903,474
Capital reserve	2,822,036	2,822,036
	<u>5,983,457</u>	<u>5,915,563</u>
<b>Minority interests</b>	<u>3,348,012</u>	<u>3,305,555</u>
<b>Total Equity</b>	<u>9,331,469</u>	<u>9,221,118</u>
<b>Non-current liabilities</b>		
Redeemable convertible unsecured loan stocks (RCULS)	25,028	24,503
Other long term liabilities	55,662	54,912
Long term borrowings	1,994,493	1,908,493
Deferred taxation	867,846	868,623
	<u>2,943,029</u>	<u>2,856,531</u>
<b>Current liabilities</b>		
Trade and other payables	174,677	214,711
Short term borrowings	227,023	227,039
Taxation	39,219	33,298
	<u>440,919</u>	<u>475,048</u>
<b>Total Liabilities</b>	<u>3,383,948</u>	<u>3,331,579</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>12,715,417</u>	<u>12,552,697</u>
<b>Net assets (excl. RCULS) per share (RM)</b>	<b>5.67</b>	<b>5.60</b>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 March 2011 and the accompanying explanatory notes attached to this interim financial report)

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2011**

	← Attributable to Equity Holders of the Company →						Minority Interests 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		
<b>As at 1 April 2010</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>745,310</b>	<b>2,376,867</b>	<b>3,161,744</b>	<b>8,473,974</b>
Total comprehensive income for the period	-	-	-	-	406,279	-	39,841	446,120
Transfer	-	-	-	-	(342,559)	342,559	-	-
<b>As at 30 June 2010</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>809,030</b>	<b>2,719,426</b>	<b>3,201,585</b>	<b>8,920,094</b>
<b>As at 1 April 2011</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>903,474</b>	<b>2,822,036</b>	<b>3,305,555</b>	<b>9,221,118</b>
Total comprehensive income for the period	-	-	-	-	67,894	-	42,457	110,351
<b>As at 30 June 2011</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>971,368</b>	<b>2,822,036</b>	<b>3,348,012</b>	<b>9,331,469</b>

© 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 2011 and the accompanying explanatory notes attached to this interim financial report)**

# KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED 30 JUNE 2011

	CUMULATIVE PERIOD ENDED	
	30-Jun-11	30-Jun-10
	RM'000	RM'000
NET CASH GENERATED FROM OPERATING ACTIVITIES	112,754	150,995
NET CASH USED IN INVESTING ACTIVITIES	(98,414)	(81,760)
NET CASH GENERATED FROM FINANCING ACTIVITIES	43,424	44,403
NET INCREASE IN CASH AND CASH EQUIVALENTS	57,764	113,638
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	672,264	600,882
CASH AND CASH EQUIVALENTS AT END OF PERIOD	730,028	714,520
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:		
CASH AND BANK BALANCES	7,799	11,112
DEPOSITS	726,309	709,063
	734,108	720,175
LESS: DEPOSITS RESTRICTED *	(4,080)	(5,655)
	730,028	714,520

\* 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 statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 March 2011 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 2011

## 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 of the Group as at 31 March 2011. 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 2011.

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 2011 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 2011 except for the following:

#### Effective for annual periods beginning on or after 1 July 2010:

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 3	Business Combinations (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendment to FRS 138	Intangible Assets
IC Interpretation 12	Service Concession Agreements
IC Interpretation 16	Hedge of a Net investment in a Foreign Operation
IC Interpretation 17	Distribution of Non-cash Assets to Owner
Amendment to IC 9	Reassessment of Embedded Derivatives

#### Effective for annual periods beginning on or after 1 January 2011:

Amendments to FRS 1	First-time Adoption of Financial Reporting Standards – Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	First-time Adoption of Financial Reporting Standards [Improvements to FRSs (2010)]
Amendment to FRS 3	Business Combinations [Improvements to FRSs (2010)]
Amendments to FRS 7	Financial Instruments: Disclosures - Improving Disclosures about Financial Instruments

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## Effective for annual periods beginning on or after 1 January 2011 (Contd.):

Amendments to FRS 7	Financial Instruments: Disclosures - [Improvements to FRSs (2010)]
Amendments to FRS 101	Presentation of Financial Statements [Improvements to FRSs (2010)]
Amendment to FRS 121	The Effect of changes in Foreign Exchange Rates [Improvement to FRSs (2010)]
Amendment to FRS 128	Investments in Associates [Improvements to FRSs (2010)]
Amendment to FRS 132	Financial Instruments: Presentation - [Improvements to FRSs (2010)]
Amendment to FRS 134	Interim Financial Reporting [Improvements to FRSs (2010)]
Amendment to FRS 139	Financial Instruments: Recognition and Measurement - [Improvements to FRSs (2010)]
IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 18	Transfers of Assets from Customer
Amendment to IC Interpretation 13	Customer Loyalty Programmes [Improvements to FRSs (2010)]

The adoption of the above FRSs did not have any significant financial impact to the Group.

### A3. Audit report

The auditors' report on the financial statements for the year ended 31 March 2011 was not qualified.

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## A4. Segmental information

<u>Business segments</u>	3 months ended 30 June 2011		Cumulative period ended 30 June 2011	
	<u>Revenue</u> RM'000	<u>Total comprehensive income</u> RM'000	<u>Revenue</u> RM'000	<u>Total comprehensive income</u> RM'000
Property investment - Office	103,713	96,263	103,713	96,263
Property investment - Retail	76,952	63,220	76,952	63,220
Hotel operations	38,566	8,701	38,566	8,701
Provision of management services	24,865	5,631	24,865	5,631
	<u>244,096</u>	<u>173,815</u>	<u>244,096</u>	<u>173,815</u>
Eliminations / Adjustments	<u>(3,801)</u>	<u>(3,231)</u>	<u>(3,801)</u>	<u>(3,231)</u>
<b>Revenue / Operating profit</b>	<u>240,295</u>	170,584	<u>240,295</u>	170,584
Finance cost		(29,797)		(29,797)
Interest income		4,988		4,988
Share of profit of associated company		2,632		2,632
Taxation		<u>(38,056)</u>		<u>(38,056)</u>
<b>Profit for the period / Total comprehensive income for the period</b>		<u>110,351</u>		<u>110,351</u>

## 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.

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## **A8. 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.

## **A9. Dividends paid**

There were no dividends paid during the quarter under review.

## **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 30 June 2011 is as follows:-

	RM'000
Approved and contracted for	65,830
Approved but not contracted for	142,126
	<u>207,956</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**

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 2011

RM'000	30 June 2011	30 June 2010	Variance
Profit Before Taxation	148,407	139,773	8,634
Fair Value Adjustment	-	342,559	(342,559)
PBT (as per Announcement)	148,407	482,332	(333,925)

The profit before taxation of RM148.4 million in the current quarter reflected an improvement of 6% compared to RM139.8 million for the quarter ended 30 June 2010.

Revenue in the current quarter improved by RM13.3 million or 6% primarily from revisions in rental in Suria KLCC and Kompleks Dayabumi, the first time contribution from the retail elements of Menara 3 PETRONAS and better yields from the hotel. This increase was partially offset by non-recurring costs incurred in the quarter.

### B2. Variation of results against preceding quarter

RM'000	30 June 2011	31 March 2011	Variance
Profit Before Taxation	148,407	143,022	5,385
Fair Value Adjustment	-	204,812	(204,812)
PBT (as per Announcement)	148,407	347,834	(199,427)

Profit before taxation of RM148.4 million achieved this quarter was RM5.4 million or 4% higher than the preceding quarter.

The Group's revenue for the quarter of RM240.3 million increased by RM11.5 million over that of the preceding quarter attributable to rental revisions in Suria KLCC and Kompleks Dayabumi, the first time contribution from the retail elements of Menara 3 PETRONAS and better yields from the hotel. This increase was partially offset by non-recurring costs incurred in the quarter.

### B3. Prospects for financial period (2011)

The Group has adopted 31 December as its new financial year end with effect from 1 April 2011. The Directors are of the opinion that the prospects to 31 December 2011 will be satisfactory with the existing long term tenancies and contribution from the retail elements of Menara 3 PETRONAS.

### 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-11 RM'000	30-Jun-10 RM'000	30-Jun-11 RM'000	30-Jun-10 RM'000
Within Malaysia In respect of the current period:				
Taxation	36,629	35,214	36,629	35,214
Deferred taxation	<u>1,427</u>	<u>998</u>	<u>1,427</u>	<u>998</u>
	<u>38,056</u>	<u>36,212</u>	<u>38,056</u>	<u>36,212</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>199,023</u>	227,023
<b>Long term :</b>		
<u>Secured</u>		
Term loan	1,394,493	
Private debt securities	<u>600,000</u>	<u>1,994,493</u>
		<u>2,221,516</u>

# KLCC PROPERTY HOLDINGS BERHAD

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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 20 July 2011, the shareholders approved the payment of a final dividend of 7.0 sen per share, tax exempt under the single tier tax system amounting to RM65.39 million. The dividend was paid on 19 August 2011.

## B13. Realised and Unrealised Profit

The breakdown of the retained profits of the Group as at 31 March 2011 into realised and unrealised profits is as follows:

	30-Jun-11	30-Jun-10
Total retained profits of KLCCP Group and its subsidiaries:		
	<b>RM'000</b>	<b>RM'000</b>
- Realised	2,547,187	2,329,508
- Unrealised	25,882	33,464
	<u>2,573,069</u>	<u>2,362,972</u>
Total share of retained profits from associate:		
- Realised	69,978	65,559
- Unrealised	-	-
	<u>69,978</u>	<u>65,559</u>
Total Group retained profits	<u>2,643,047</u>	<u>2,428,531</u>
Less:		
Consolidation adjustments	(1,671,679)	(1,619,501)
Total Group retained profits as per consolidated accounts	<u>971,368</u>	<u>809,030</u>

The fair value gain on the remeasurement of investment properties is regarded as an unrealised gain and has been charged under capital reserve in the financial statements.

# KLCC PROPERTY HOLDINGS BERHAD

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## B14. Earnings per share (“EPS”)

	Individual quarter ended		Cumulative period ended	
	30-Jun-11	30-Jun-10	30-Jun-11	30-Jun-10
<b>(i) Basic earnings per share</b>				
Total comprehensive income attributable to ordinary equity holders of the company (RM'000)	67,894	406,279	67,894	406,279
Weighted average number of ordinary shares in issue ('000)	934,074	934,074	934,074	934,074
Basic earnings per share (sen)	7.27	43.50	7.27	43.50
<b>(ii) Diluted earnings per share</b>				
Total comprehensive income attributable to ordinary equity holders of the company (RM'000)	67,894	406,279	67,894	406,279
Interest on RCULS (RM'000)	526	640	526	640
Total comprehensive income attributable to ordinary equity holders of the company including assumed conversion (RM'000)	68,420	406,919	68,420	406,919
Weighted average number of ordinary shares in issue ('000)	934,074	934,074	934,074	934,074
Effect of dilution – RCULS	360,662	360,662	360,662	360,662
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,294,736	1,294,736	1,294,736	1,294,736
Diluted earnings per share (sen)	5.28	31.43	5.28	31.43

### BY ORDER OF THE BOARD

Abd Aziz Bin Abd Kadir (LS0001718)

Yeap Kok Leong (MAICSA0862549)

Company Secretaries

Kuala Lumpur