

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2012**

	INDIVIDUAL QUARTER		CUMULATIVE	
	THREE MONTHS ENDED 30-Jun-12	THREE MONTHS ENDED 30-Jun-11	SIX MONTHS ENDED 30-Jun-12	SIX MONTHS ENDED 30-Jun-11
	RM'000	RM'000	RM'000	RM'000
Revenue	288,607	240,295	564,449	469,138
Operating Expenses	(82,118)	(69,711)	(154,292)	(132,731)
<b>Operating profit</b>	<b>206,489</b>	<b>170,584</b>	<b>410,157</b>	<b>336,407</b>
Fair value adjustment	-	-	-	204,812
Interest income	6,357	4,988	12,074	9,174
Finance costs	(31,105)	(29,797)	(61,238)	(59,428)
Share of profit of associated company	2,704	2,632	18,196	5,276
<b>Profit before taxation</b>	<b>184,445</b>	<b>148,407</b>	<b>379,189</b>	<b>496,241</b>
Taxation	(44,916)	(38,056)	(90,828)	(127,694)
<b>Profit for the period, representing total comprehensive income</b>	<b>139,529</b>	<b>110,351</b>	<b>288,361</b>	<b>368,547</b>
<b>Profit attributable to:</b>				
Equity holders of the company	<b>91,650</b>	<b>67,894</b>	<b>193,114</b>	<b>234,248</b>
Non-controlling interests	<b>47,879</b>	<b>42,457</b>	<b>95,247</b>	<b>134,299</b>
	<b>139,529</b>	<b>110,351</b>	<b>288,361</b>	<b>368,547</b>
<b>Earnings per share attributable to equity holders of the company (sen):</b>				
<b>Basic</b>	<b>9.81</b>	<b>7.27</b>	<b>20.67</b>	<b>25.08</b>
<b>Diluted</b>	<b>7.11</b>	<b>5.28</b>	<b>14.98</b>	<b>18.18</b>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the period ended 31 December 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 2012

	30-Jun-12 RM'000	Restated 31-Dec-11 RM'000	Restated 1-Apr-11 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	602,478	609,476	611,460
Investment properties	12,347,693	12,364,831	10,975,082
Investment in associate	263,128	244,931	241,244
Deferred tax assets	796	1,513	7,762
	<u>13,214,095</u>	<u>13,220,751</u>	<u>11,835,548</u>
<b>Current assets</b>			
Inventories	1,303	1,445	1,390
Trade and other receivables	113,466	73,255	56,070
Cash and bank balances	845,680	700,418	674,947
	<u>960,449</u>	<u>775,118</u>	<u>732,407</u>
<b>TOTAL ASSETS</b>	<u>14,174,544</u>	<u>13,995,869</u>	<u>12,567,955</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the company</b>			
Share capital	934,074	934,074	934,074
Share premium	562,324	562,324	562,324
Revaluation reserve	-	-	5,665
Redeemable convertible unsecured loan stocks (RCULS)	687,990	687,990	687,990
Capital reserve	3,956,505	3,943,749	3,340,273
Retained profits	1,096,915	1,000,623	903,474
	<u>7,237,808</u>	<u>7,128,760</u>	<u>6,433,800</u>
<b>Non-controlling interests</b>	<u>4,201,489</u>	<u>4,185,599</u>	<u>3,665,512</u>
<b>Total Equity</b>	<u>11,439,297</u>	<u>11,314,359</u>	<u>10,099,312</u>
<b>Non-current liabilities</b>			
Redeemable convertible unsecured loan stocks (RCULS)	19,367	18,479	24,503
Other long term liabilities	58,771	57,176	54,912
Long term borrowings	2,296,744	2,297,086	1,908,493
Deferred taxation	10,694	3,032	5,687
	<u>2,385,576</u>	<u>2,375,773</u>	<u>1,993,595</u>
<b>Current liabilities</b>			
Trade and other payables	260,892	216,706	214,711
Short term borrowings	29,818	42,732	227,039
Taxation	58,961	46,299	33,298
	<u>349,671</u>	<u>305,737</u>	<u>475,048</u>
<b>Total Liabilities</b>	<u>2,735,247</u>	<u>2,681,510</u>	<u>2,468,643</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>14,174,544</u>	<u>13,995,869</u>	<u>12,567,955</u>
<b>Net assets (excl. RCULS) per share (RM)</b>	7.01	6.90	6.15
<b>Diluted net assets per share (RM)</b>	5.61	5.52	4.99

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the period ended 31 December 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 SIX MONTH PERIOD ENDED 30 JUNE 2012**

	← Attributable to Equity Holders of the Company →							Total Equity RM'000
	← Non-Distributable →			← Distributable →				
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Redeemable Convertible Loan Stocks RM'000	Retained Profits RM'000	Capital Reserve ® RM'000	Non - controlling Interests RM'000	
<b>As at 1 January 2011</b>	934,074	562,324	5,665	687,990	839,730	2,719,426	3,213,713	8,962,922
Total comprehensive income for the period	-	-	-	-	166,354	-	91,842	258,196
Transfer	-	-	-	-	(102,610)	102,610	-	-
<b>As at 31 March 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>
<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>
Effects of adopting MFRS 112	-	-	-	-	518,238	-	359,957	878,195
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>1,489,606</b>	<b>2,822,036</b>	<b>3,707,969</b>	<b>10,209,664</b>
<b>As at 1 January 2012</b>	<b>934,074</b>	<b>562,324</b>	<b>-</b>	<b>687,990</b>	<b>1,000,623</b>	<b>3,276,059</b>	<b>3,690,093</b>	<b>10,151,163</b>
Effects of adopting MFRS 112	-	-	-	-	-	667,690	495,506	1,163,196
<b>As at 1 January 2012 (Restated)</b>	<b>934,074</b>	<b>562,324</b>	<b>-</b>	<b>687,990</b>	<b>1,000,623</b>	<b>3,943,749</b>	<b>4,185,599</b>	<b>11,314,359</b>
Total comprehensive income for the period	-	-	-	-	193,114	-	95,247	288,361
Transfer	-	-	-	-	(12,756)	12,756	-	-
Dividends paid	-	-	-	-	(84,066)	-	(79,357)	(163,423)
<b>As at 30 June 2012</b>	<b>934,074</b>	<b>562,324</b>	<b>-</b>	<b>687,990</b>	<b>1,096,915</b>	<b>3,956,505</b>	<b>4,201,489</b>	<b>11,439,297</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 period ended 31 December 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 SIX MONTH PERIOD ENDED 30 JUNE 2012**

	<b>SIX MONTHS ENDED</b>	
	<b>30-Jun-12</b>	<b>30-Jun-11</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	597,021	474,807
Cash payments to suppliers and employees	(124,169)	(151,190)
Interest income from fund and other investments	11,890	8,118
Tax paid	(70,203)	(65,977)
<b>Net cash generated from operating activities</b>	<b>414,539</b>	<b>265,758</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	-	2,903
Purchase of property, plant and equipment	(8,045)	-
Cost incurred for investment properties	(26,419)	(198,511)
Proceeds from disposal of property, plant and equipment	-	8
<b>Net cash used in investing activities</b>	<b>(34,464)</b>	<b>(195,600)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	14,000	198,000
Repayment of borrowings	(28,000)	(28,000)
Dividends paid to shareholders	(84,067)	-
Dividends paid to non-controlling interests	(79,357)	-
Interest expenses paid	(57,390)	(57,040)
Decrease/(Increase) in deposits restricted	(4,565)	(308)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(239,379)</b>	<b>112,652</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>140,696</b>	<b>182,810</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>699,692</b>	<b>547,218</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>840,388</b>	<b>730,028</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:</b>		
<b>CASH AND BANK BALANCES</b>	<b>20,102</b>	<b>7,799</b>
<b>DEPOSITS</b>	<b>825,578</b>	<b>726,309</b>
	<b>845,680</b>	<b>734,108</b>
<b>LESS: DEPOSITS RESTRICTED *</b>	<b>(5,292)</b>	<b>(4,080)</b>
	<b>840,388</b>	<b>730,028</b>

\* 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 period ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial report)**

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

## A. EXPLANATORY NOTES PURSUANT TO MFRS 134

### A1. Corporate Information

KLCC Property Holdings Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 13 August 2012.

### A2. First Time Adoption of Malaysian Financial Reporting Standards (“MFRS”)

#### A2.1 Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 30 June 2012 are unaudited and have been prepared in compliance with the requirements of paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134: Interim Financial Reporting (except for the comparatives as stated in A2.2 below) and with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board. With the first adoption of MFRS, MFRS 1: First Time Adoption of Malaysian Financial Reporting Standards has been applied.

For the periods up to and including the period ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

The consolidated financial statements of the Group for the period ended 31 December 2011 are available upon request from the Company’s registered office at Level 54, Tower 2, PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

#### A2.2 Comparative Information

During the financial period ended 31 December 2011, the Group changed its year end from 31 March to 31 December so as to be consistent with the year end of its holding company. The date of transition from FRS to MFRS is 1 April 2011. Comparative amounts (i.e. for the six months period ended 30 June 2011) presented for the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the related notes:

- (i) are not for the comparable interim periods (current and year-to-date) of the immediately preceding financial year as required by MFRS 134 per table below;

	Actual	Comparative
Current Quarter	Q2, FY2012	Q1, FP2011
Year to Date	Q1, FY2012 and Q2, FY2012	Q4, FY2010/11 and Q1, FP2011

- (ii) represent amounts prepared under FRS for period beginning 1 January 2011 to 31 March 2011 and amounts prepared under MFRS beginning 1 April 2011 to 30 June 2011.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

Accordingly, these comparative amounts are not comparable to the amounts presented in MFRS for the six month period ended 30 June 2012. The above departure from the requirement to MFRS 134 is unavoidable due to the fact that the Group has changed its financial year end.

The comparative amount for these six months period ended 30 June 2011 were used to provide the relevant comparative information to enable fair assessment of the Group's performance given the nature of the Group's business. The impact on the comparatives is temporary and would be resolved by the quarter ended 31 March 2013.

## A3. Significant Accounting Policies and Adoption of MFRS 1

The audited financial statements of the Group for the period ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the period ended 31 December 2011 except for MFRS 112: Income Taxes.

The adoption of MFRS 112 from date of transition has resulted in the derecognition of prior years' Deferred Tax Liability provision on valuation gains previously reported in the financial statements prepared in accordance with previous FRSS. The following extract from the Statement of Financial Position illustrates the impact of adopting MFRS 112.

### A3.1 Restatement of Statement of Financial Position as at MFRS transition date of 1 April 2011

	FRS as at 1 April 2011 (Audited) RM'000	Investment In Associate RM'000	Capital Reserve RM'000	Non- Controlling Interests RM'000	MFRS as at 1 April 2011 (Restated) RM'000
<b>Assets</b>					
Investment in Associate	225,986	15,258	-	-	241,244
<b>Equity</b>					
Capital Reserve	(2,822,036)	(15,258)	(502,979)	-	(3,340,273)
Non-Controlling Interests	(3,305,555)	-	-	(359,957)	(3,665,512)
<b>Liabilities</b>					
Deferred Taxation	(868,623)	-	502,979	359,957	(5,687)

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

## A3.2 Restatement of Statement of Financial Position as at 31 December 2011

	FRS as at 31 December 2011 (Audited) RM'000	Investment In Associate RM'000	Capital Reserve RM'000	Non- Controlling Interests RM'000	MFRS as at 31 December 2011 (Restated) RM'000
<b>Assets</b>					
Investment in Associate	229,673	15,258	-	-	244,931
<b>Equity</b>					
Capital Reserve	(3,276,059)	(15,258)	(652,432)	-	(3,943,749)
Non-Controlling Interests	(3,690,093)	-	-	(495,506)	(4,185,599)
<b>Liabilities</b>					
Deferred Taxation	(1,150,970)	-	652,432	495,506	(3,032)

## A3.3 Reconciliation of Total Comprehensive Income for the period ended 31 December 2011

	FRS as at 31 December 2011 RM'000	Deferred Tax RM'000	Equity Holders of the Company RM'000	Non- Controlling Interests RM'000	MFRS as at 31 December 2011 RM'000
Revenue	745,894				745,894
Operating Expenses	(224,048)				(224,048)
<b>Operating profit</b>	<b>521,846</b>				<b>521,846</b>
Fair value adjustment	1,140,004				1,140,004
Interest income	16,371				16,371
Finance costs	(87,583)				(87,583)
Share of profit of associated company	7,987				7,987
<b>Profit before taxation</b>	<b>1,598,625</b>				<b>1,598,625</b>
Taxation	(403,564)	285,002			(118,562)
<b>Profit for the period, representing total comprehensive income</b>	<b>1,195,061</b>				<b>1,480,063</b>
<b>Profit attributable to:</b>					
Equity holders of the company	657,596		149,453		807,049
Non-controlling interests	537,465			135,549	673,014
	<b>1,195,061</b>				<b>1,480,063</b>

There is no impact to the total comprehensive income for the quarter ended 31 March 2011 as it represents amounts prepared under FRS prior to the date of transition to MFRS of 1 April 2011.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

## A4. Audit report

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

## A5. Segmental Information

<u>Business segments</u>	<b>Individual Quarter</b>		<b>Cumulative</b>	
	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>30-Jun-12</b>		<b>30-Jun-12</b>	
	<u>Revenue</u>	<u>Total</u>	<u>Revenue</u>	<u>Total</u>
		<u>comprehensive</u>		<u>comprehensive</u>
		<u>income</u>		<u>income</u>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property investment - Office	125,968	116,927	248,206	230,921
Property investment - Retail	91,599	73,457	182,902	147,949
Hotel operations	47,627	12,671	88,994	22,284
Management services	26,277	7,631	50,395	15,390
	<u>291,471</u>	<u>210,686</u>	<u>570,497</u>	<u>416,544</u>
Eliminations / Adjustments	<u>(2,864)</u>	<u>(4,197)</u>	<u>(6,048)</u>	<u>(6,387)</u>
<b>Revenue /</b>				
<b>Operating profit</b>	<u>288,607</u>	206,489	<u>564,449</u>	410,157
Interest income		6,357		12,074
Finance cost		(31,105)		(61,238)
Fair value adjustment on investment properties		-		-
Share of profit of associated company		2,704		18,196
Taxation		<u>(44,916)</u>		<u>(90,828)</u>
<b>Profit for the period /</b>				
<b>Total comprehensive income for the period</b>		<u>139,529</u>		<u>288,361</u>

## A6. 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.

## A7. 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.



# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

## A8. Changes in statutory tax rate

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

## A9. 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.

## A10. Dividends paid

An interim dividend in respect of the 3 month period ended 31 March 2012, of 4.0 sen per share, tax exempt under the single tier tax system on 934,074,279 amounting to RM37.36 million was paid on 22 June 2012.

## A11. Debt and equity securities

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

## A12. Changes in the composition of the Group

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

## A13. Discontinued operation

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

## A14. Capital commitments

The amount of capital commitments not provided for in the interim financial statements as at 30 June 2012 is as follows:-

	<b>RM'000</b>
Approved and contracted for	126,554
Approved but not contracted for	321,131
	<u>447,685</u>

## A15. 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.

## A16. 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.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

## B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

### B1. Performance Review

Financial Highlights	Individual Quarter			Cumulative		
	3 Months Ended		%	6 Months Ended		%
	30-Jun-12	30-Jun-11	Change	30-Jun-12	30-Jun-11	Change
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>						
Property investment - Office	125,968	103,713	21.5	248,206	205,980	20.5
Property investment - Retail	91,599	76,952	19.0	182,902	150,141	21.8
Hotel operations	47,627	38,566	23.5	88,994	76,404	16.5
Management services	26,277	24,865	5.7	50,395	42,696	18.0
Intercompany Eliminations/ Adjustments	(2,864)	(3,801)	-	(6,048)	(6,083)	-
<b>Total</b>	<b>288,607</b>	<b>240,295</b>	<b>20.1</b>	<b>564,449</b>	<b>469,138</b>	<b>20.3</b>
<b>Profit Before Tax</b>						
As Per Announcement	184,445	148,407	24.3	379,189	496,241	(23.6)
Less: Fair Value Adjustment ^	-	-	-	(12,757)	(204,812)	-
<b>Adjusted Profit Before Tax</b>	<b>184,445</b>	<b>148,407</b>	<b>24.3</b>	<b>366,432</b>	<b>291,429</b>	<b>25.7</b>
<b>Analysis of Adjusted Profit Before Tax</b>						
Property investment - Office*	103,266	83,686	23.4	205,124	164,291	24.9
Property investment - Retail	66,269	56,595	17.1	132,838	109,035	21.8
Hotel operations	9,191	5,239	75.4	15,256	10,543	44.7
Management services	7,903	5,809	36.0	15,863	12,638	25.5
Intercompany Eliminations/ Adjustments	(2,184)	(2,922)	-	(2,649)	(5,078)	-
	<b>184,445</b>	<b>148,407</b>	<b>24.3</b>	<b>366,432</b>	<b>291,429</b>	<b>25.7</b>
* includes Share of Associate						
^ includes fair value adjustment of Investment Property in an associated company.						

### Variance Analysis by Segments – Quarter and Period Ended

#### Property Investment – Office

Revenue from property investment increased by RM22.3 million (21.5%) to RM126.0 million in Q2, 2012 and RM42.2 million (20.5%) for the period ended primarily due to the maiden recognition of rental revenue from Menara 3 PETRONAS and upward rent revisions in Menara Dayabumi and Menara ExxonMobil.

This segment also benefited from lower finance cost primarily due to the Midciti refinancing undertaken in October 2011. This was however partially offset by finance costs incurred on Menara 3 PETRONAS which was previously capitalised during the construction stage.

#### Property Investment - Retail

Retail posted a strong revenue increase of RM14.6 million (19%) in Q2, 2012 and RM32.8 million (21.8%) for the period ended due to improved revenue from Suria KLCC arising from space reconfiguration and higher rental rates secured for renewals.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

The increase was further complemented by higher revenue registered by Menara 3 PETRONAS retail space as a result of improved tenants occupancy.

## Hotel Operations

Improved revenue recorded from hotel operations of RM9.1 million (23.5%) in Q2, 2012 and RM12.6 million (16.5%) for the period ended was due to overall better performance achieved from the Rooms segment and stronger demand from F&B.

This was partially offset by higher operating costs in line with the improved revenue. However, margins have improved over the previous year.

## Management Services

Management Services recorded higher revenue by RM1.4 million (5.7%) in Q2, 2012 and RM7.7 million (18%) for the period ended mainly due to the combination of first time facilities management services at Menara 3 PETRONAS and inclusion of new car parking locations. Higher traffic volume achieved from existing parking operations also contributed to better performance under this segment.

Despite an increase in operating costs in the car park in line with the increase in revenue, margins were better than last year.

## B2. Variation of results against preceding quarter

RM'000	30-Jun-12	31-Mar-12	Variance
<b>Profit Before Taxation</b>			
As Per Announcement	184,445	194,744	(10,299)
Fair Value Adjustment ^	-	(12,757)	12,757
Adjusted Profit Before Tax	184,445	181,987	2,458

^ includes fair value adjustment of Investment Property in an associated company.

Profit before taxation of RM184.4 million achieved in this quarter was up by RM2.5 million or 1.4% higher than the preceding quarter mainly due to improved operating profit.

The Group's revenue for the quarter of RM288.6 million increased by RM12.8 million when compared to the preceding quarter attributable mainly to the higher revenue from hotel, the Menara 3 PETRONAS office and improved revenue from retail segment (Suria KLCC and Menara 3 PETRONAS).

## B3. Prospects for financial year 2012

The Directors are of the view that the results for the remaining 2012 period will remain stable due to long term office tenancies and expected improvement in retail occupancy. The hotel segment will continue to trade in a competitive environment.

## B4. Profit forecast

No profit forecast was issued for the financial period.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

## B5. Tax expense

Taxation comprises the following:

	3 Months Ended		Cumulative Period Ended	
	30-Jun-12	30-Jun-11	30-Jun-12	30-Jun-11
	RM'000	RM'000	RM'000	RM'000
Within Malaysia In respect of the current period:				
Taxation	41,658	36,629	82,851	73,760
Deferred taxation	3,258	1,427	7,977	53,934
	<u>44,916</u>	<u>38,056</u>	<u>90,828</u>	<u>127,694</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

On 28 June 2012, KLCC Property Holdings Berhad ("the Company") had announced a proposal to explore a corporate structure, including an appropriate Real Estate Investment Trust (REIT) or equivalent ("the Proposal").

As at the date of this report, the Management of the Company is still in the midst of exploring an appropriate structure for the Company. The Company will make the necessary announcement upon finalisation and approval of the Proposal by the Board of the Company."

## B9. Borrowings

	RM'000	RM'000
<b>Short term :</b>		
<u>Secured</u>		
Term loan	29,818	
Private debt securities	<u>-</u>	29,818
<b>Long term :</b>		
<u>Secured</u>		
Term loan	1,439,493	
Private debt securities	<u>857,251</u>	<u>2,296,744</u>
		<u>2,326,562</u>

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

## 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 three month period ended 30 June 2012, of 4.0 sen per share, tax exempt under the single tier tax system on 934,074,279 amounting to RM37.36 million is payable on 12 September 2012.

## B13. Profit for the Period

	3 Months Ended		6 Months Ended	
	30-Jun-12 RM'000	30-Jun-11 RM'000	30-Jun-12 RM'000	30-Jun-11 RM'000
Profit for the period is arrived at after charging:				
Depreciation of property, plant and equipment	7,603	7,577	14,633	15,273
and after crediting:				
(Gain) / Loss on disposal of property, plant and equipment	(2,087)	(405)	(2,089)	(706)

Other than the above, the items listed under Appendix 9B Note 16 of the Listing Requirements of Bursa Malaysia Securities Berhad are not applicable.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

## B14. Realised and Unrealised Profit

The breakdown of the retained profits of the Group as at 30 June 2012 into realised and unrealised profits is as follows:

Total retained profits of KLCCP Group and its subsidiaries:		
	30-Jun-12	30-Jun-11
	RM'000	RM'000
- Realised	2,602,114	2,547,187
- Unrealised	22,078	25,882
	<u>2,624,192</u>	<u>2,573,069</u>
Total share of retained profits from associate:		
- Realised	61,214	69,978
- Unrealised	-	-
	<u>61,214</u>	<u>69,978</u>
Total Group retained profits	<u>2,685,406</u>	<u>2,643,047</u>
Less: Consolidation adjustments	(1,588,491)	(1,671,679)
Total Group retained profits as per consolidated accounts	<u>1,096,915</u>	<u>971,368</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

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2012

## B15. Earnings per share (“EPS”)

	3 Months Ended		6 Months Ended	
	30-Jun-12	30-Jun-11	30-Jun-12	30-Jun-11
<b>(i) Basic earnings per share</b>				
Total comprehensive income attributable to ordinary equity holders of the company (RM'000)	91,650	67,894	193,114	234,248
Weighted average number of ordinary shares in issue ('000)	934,074	934,074	934,074	934,074
Basic earnings per share (sen)	<u>9.81</u>	<u>7.27</u>	<u>20.67</u>	<u>25.08</u>
<b>(ii) Diluted earnings per share</b>				
Total comprehensive income attributable to ordinary equity holders of the company (RM'000)	91,650	67,894	193,114	234,248
Interest on RCULS (RM'000)	444	566	888	1,092
Total comprehensive income attributable to ordinary equity holders of the company including assumed conversion (RM'000)	<u>92,094</u>	<u>68,460</u>	<u>194,002</u>	<u>235,340</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>7.11</u>	<u>5.28</u>	<u>14.98</u>	<u>18.18</u>

### BY ORDER OF THE BOARD

Abd Aziz Bin Abd Kadir (LS0001718)  
Yeap Kok Leong(MAICSA0862549)  
Company Secretaries  
Kuala Lumpur