

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2013**

	INDIVIDUAL QUARTER		CUMULATIVE	
	THREE MONTHS ENDED		SIX MONTHS ENDED	
	30-Jun-13	30-Jun-12	30-Jun-13	30-Jun-12
	RM'000	RM'000	RM'000	RM'000
Revenue	315,786	288,607	626,218	564,449
Operating Expenses	(76,095)	(82,118)	(149,363)	(154,292)
<b>Operating profit</b>	<b>239,691</b>	<b>206,489</b>	<b>476,855</b>	<b>410,157</b>
Other expense	-	-	(11,371)	-
Interest/Profit income	8,709	6,357	17,123	12,074
Finance costs	(30,396)	(31,105)	(60,810)	(61,238)
Share of profit of associated company	2,743	2,704	5,461	18,196
<b>Profit before taxation</b>	<b>220,747</b>	<b>184,445</b>	<b>427,258</b>	<b>379,189</b>
Taxation	(7,032)	(44,916)	(63,430)	(90,828)
<b>Profit for the period, representing total comprehensive income</b>	<b>213,715</b>	<b>139,529</b>	<b>363,828</b>	<b>288,361</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	112,574	91,650	200,536	193,114
Non-controlling interests (NCI) relating to				
KLCC Real Estate Investment Trust (KLCC REIT) *	74,063	-	74,063	-
Other NCI	27,078	47,879	89,229	95,247
	<b>213,715</b>	<b>139,529</b>	<b>363,828</b>	<b>288,361</b>
<b>Dividend/Income distribution:</b>				
<b>Dividend/Income distribution to stapled security holders</b>				
<b>Quarter ended 31 March 2013</b>				
Realised distributable income - KLCCP	-	-	87,962	-
Distribution rate (%)	-	-	92.36% **	-
Dividend	-	-	<b>81,240</b>	-
<b>Quarter ended 30 June 2013</b>				
Adjusted realised distributable income - KLCCP	80,998	-	80,998	-
Realised distributable income - KLCC REIT	60,499	-	60,499	-
Total realised distributable income	141,497	-	141,497	-
Distribution rate (%)	95%	-	95%	-
Dividend/Income distribution	<b>134,422</b>	-	<b>134,422</b>	-
Total dividend/income distribution	<b>134,422</b>	-	<b>215,662</b>	-
<b>Dividend/Income distribution per stapled security (sen)</b>	<b>7.45</b>	-	<b>11.95</b>	-
<b>Earnings per stapled security (sen) ***</b>				
<b>Basic</b>	<b>10.86</b>	<b>9.81</b>	<b>20.67</b>	<b>20.67</b>
<b>Diluted</b>	<b>10.86</b>	<b>7.11</b>	<b>20.67</b>	<b>14.98</b>

\* No corresponding comparative figure for KLCC REIT as it was constituted only on 2 April 2013. This is the first quarterly result of the stapled group being reported.

\*\* Rounded to two decimal point.

\*\*\* The comparative figures for Basic and Diluted Earnings per stapled security refer to Basic and Diluted Earnings per share of KLCCP prior to the formation of the stapled group.

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013**

	30-Jun-13 RM'000	31-Dec-12 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	605,666	598,235
Investment properties	13,818,186	13,807,130
Investment in associate	266,307	260,846
Deferred tax assets	453	783
	<u>14,690,612</u>	<u>14,666,994</u>
<b>Current assets</b>		
Inventories	1,196	1,333
Trade and other receivables	140,872	101,875
Cash and cash equivalents	1,140,346	1,020,422
	<u>1,282,414</u>	<u>1,123,630</u>
<b>TOTAL ASSETS</b>	<u>15,973,026</u>	<u>15,790,624</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	1,805,333	934,074
Share premium	-	562,324
Redeemable convertible unsecured loan stocks (RCULS)	-	687,990
Capital redemption reserve	18,053	-
Capital reserve	2,180,740	5,025,915
Retained profits	130,974	1,223,761
	<u>4,135,100</u>	<u>8,434,064</u>
<b>Equity attributable to unit holders of the KLCC REIT</b>	<u>7,292,401</u>	-
<b>Total equity attributable to holders of KLCCP and KLCC REIT</b>	<u>11,427,501</u>	<u>8,434,064</u>
<b>Other non-controlling interests</b>	<u>1,705,451</u>	<u>4,558,241</u>
<b>Total Equity</b>	<u>13,132,952</u>	<u>12,992,305</u>
<b>Non-current liabilities</b>		
Redeemable convertible unsecured loan stocks (RCULS)	-	12,870
Other long term liabilities	78,536	76,509
Long term borrowings	2,205,170	2,298,577
Deferred taxation	18,540	35,628
	<u>2,302,246</u>	<u>2,423,584</u>
<b>Current liabilities</b>		
Trade and other payables	319,125	246,881
Short term borrowings	117,298	48,548
Taxation	101,405	79,306
	<u>537,828</u>	<u>374,735</u>
<b>Total Liabilities</b>	<u>2,840,074</u>	<u>2,798,319</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>15,973,026</u>	<u>15,790,624</u>
<b>Net assets (excl. RCULS) per stapled security (RM)</b>	<b>6.33</b>	<b>8.29</b>

**(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013**

	← Attributable to Equity Holders of the Company →										
	← Non-Distributable →				← Distributable →			Total equity attributable to holders of KLCCP RM'000	Equity attributable to unit holders of KLCC REIT # RM'000	Other non - controlling Interests RM'000	Total Equity RM'000
Share Capital RM'000	Redeemable Preference Share RM'000	Share Premium RM'000	Capital Redemption Reserve RM'000	Redeemable Convertible Unsecured Loan Stocks RM'000	Retained Profits RM'000	Capital Reserve @ RM'000					
<b>As at 1 January 2012</b>	934,074	-	562,324	-	687,990	1,000,623	3,943,749	7,128,760	-	4,185,599	11,314,359
Total comprehensive income for the period	-	-	-	-	-	193,114	-	193,114	-	95,247	288,361
Transfer	-	-	-	-	-	(12,756)	12,756	-	-	-	-
Dividends paid	-	-	-	-	-	(84,066)	-	(84,066)	-	(79,357)	(163,423)
<b>As at 30 June 2012</b>	<b>934,074</b>	<b>-</b>	<b>562,324</b>	<b>-</b>	<b>687,990</b>	<b>1,096,915</b>	<b>3,956,505</b>	<b>7,237,808</b>	<b>-</b>	<b>4,201,489</b>	<b>11,439,297</b>
<b>As at 1 January 2013</b>	934,074	-	562,324	-	687,990	1,223,761	5,025,915	8,434,064	-	4,558,241	12,992,305
Conversion of Redeemable Convertible Unsecured Loan Stocks	360,662	-	335,641	-	(687,990)	-	-	8,313	-	- #	8,313
Acquisition of non-controlling interest	510,597	-	2,348,746	-	-	(14,454)	-	2,844,889	-	(2,853,534)	(8,645)
Bonus issue of Redeemable Preference Share	-	18,053	-	-	-	(18,053)	-	-	-	-	-
Redemption of Redeemable Preference Share	-	(18,053)	(3,246,711)	18,053	-	(3,976,837)	-	(7,223,548)	7,223,548	- #	-
Effect of transactions with NCI-KLCC REIT	-	-	-	-	-	(5,881)	-	(5,881)	5,881	-	-
Stapled securities associated costs	-	-	-	-	-	-	-	-	(11,091)	- #	(11,091)
Total comprehensive income for the period	-	-	-	-	-	200,536	-	200,536	74,063	89,229	363,828
Realisation of fair value surplus upon disposal of investment properties	-	-	-	-	-	2,845,175	(2,845,175)	-	-	-	-
Dividends paid	-	-	-	-	-	(123,273)	-	(123,273)	-	(88,485)	(211,758)
<b>As at 30 June 2013</b>	<b>1,805,333</b>	<b>-</b>	<b>-</b>	<b>18,053</b>	<b>-</b>	<b>130,974</b>	<b>2,180,740</b>	<b>4,135,100</b>	<b>7,292,401</b>	<b>1,705,451</b>	<b>13,132,952</b>

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

# Equity attributable to unit holders of KLCC REIT consist of Unitholders (RM7,212,457,000), Merger Reserve (RM5,881,000) and Realised profit (RM74,063,000).

**(The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2012 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 2013**

	<b>SIX MONTHS ENDED</b>	
	<b>30-Jun-13</b>	<b>30-Jun-12</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	642,408	597,021
Cash payments to suppliers and employees	(127,326)	(124,169)
Interest income from fund and other investments	16,039	11,890
Tax paid	(58,090)	(70,203)
<b>Net cash generated from operating activities</b>	<b>473,031</b>	<b>414,539</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(21,688)	(8,045)
Cost incurred for investment properties	(20,189)	(26,419)
Proceeds from disposal of property, plant and equipment	11	-
<b>Net cash used in investing activities</b>	<b>(41,866)</b>	<b>(34,464)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	-	14,000
Repayment of borrowings	(28,000)	(28,000)
Dividends paid to shareholders	(123,273)	(84,067)
Dividends paid to non-controlling interests	(88,485)	(79,357)
Interest expenses paid	(60,392)	(57,390)
Stapled securities associated costs	(11,091)	-
(Increase)/Decrease in deposits restricted	5,816	(4,565)
<b>Net cash used in financing activities</b>	<b>(305,425)</b>	<b>(239,379)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>125,740</b>	<b>140,696</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE BEGINNING OF THE PERIOD</b>	<b>1,010,370</b>	<b>699,692</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE END OF THE PERIOD</b>	<b>1,136,110</b>	<b>840,388</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:</b>		
<b>CASH AND BANK BALANCES</b>	<b>10,399</b>	<b>20,102</b>
<b>DEPOSITS</b>	<b>1,129,947</b>	<b>825,578</b>
	<b>1,140,346</b>	<b>845,680</b>
<b>LESS: DEPOSITS RESTRICTED *</b>	<b>(4,236)</b>	<b>(5,292)</b>
	<b>1,136,110</b>	<b>840,388</b>

\* Relates to monies held on behalf of clients 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 December 2012 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 2013

## A. EXPLANATORY NOTES PURSUANT TO MFRS 134

### A1. Corporate Information

KLCC Property Holdings Berhad ("KLCCP") is a public limited liability company incorporated and domiciled in Malaysia. As part of the corporate exercise, the ordinary shares of KLCCP and the units of the newly created KLCC REIT are stapled together to create the stapled securities. These stapled securities are listed on Bursa Malaysia Securities Berhad.

By virtue of KLCCP and KLCC REIT agreeing to combine their business by contract (i.e. Stapling Deed between KLCCP and KLCC REIT even though KLCCP owns no units in KLCC REIT and vice versa), KLCCP is deemed to be the controlling entity (i.e. Parent) for accounting purposes as it is identified to be the party with power to govern the financial and operating policies of KLCC REIT. Therefore, the consolidated accounts of KLCCP will reflect 100% non-controlling interest relating to KLCC REIT.

These condensed consolidated interim financial statements were approved by the Board of Directors on 21 August 2013.

### A2. Basis of Preparation

These condensed consolidated interim financial statements, for the period ended 30 June 2013 are unaudited and have been prepared in compliance with the requirements of paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134: Interim Financial Reporting and with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board.

The consolidated financial statements of the Group for the year ended 31 December 2012 are available upon request from the Company's registered office at Level 54, Tower 2, PETRONASTwinTowers, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

### A3. Accounting Policies

The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the year ended 31 December 2012 except for the following:

#### Effective for annual periods beginning on or after 1 July 2012

Amendments to MFRS 101 Presentation of Items of Other Comprehensive Income

#### Effective for annual periods beginning on or after 1 January 2013

MFRS 10	Consolidated Financial Statements
MFRS 11	Joint Arrangements
MFRS 12	Disclosure of Interests in Other Entities
MFRS 13	Fair Value Measurement
MFRS 119	Employee Benefits (revised)
MFRS 127	Separate Financial Statements
MFRS 128	Investments in Associates and Joint Ventures
Amendments to MFRS 7	Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards - Government Loans
Amendments to MFRS 1	First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2009-2011 Cycle)

# KLCC PROPERTY HOLDINGS BERHAD

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Notes on the quarterly report – 30 June 2013

Amendments to MFRS 101	Presentation of Financial Statements (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 116	Property, Plant and Equipment (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 132	Financial Instruments: Presentation (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 134	Interim Financial Reporting (Annual Improvements 2009-2011 Cycle)
Amendments to MFRS 10	Consolidated Financial Statements: Transition Guidance
Amendments to MFRS 11	Joint Arrangements: Transition Guidance
Amendments to MFRS 12	Disclosure of Interests in Other Entities: Transition Guidance

The adoption of the above MFRSs and Amendments to MFRSs did not have any significant financial impact to the Group and the Company.

## A4. Audit report

The auditors' report on the financial statements for the year ended 31 December 2012 was not qualified.

## A5. Segmental Information

<u>Business segments</u>	Individual Quarter Ended			Cumulative Period Ended		
	30-Jun-13			30-Jun-13		
	<u>Revenue</u>					
	<u>KLCCP</u>	<u>KLCC REIT</u>	<u>Total</u>	<u>KLCCP</u>	<u>KLCC REIT</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property investment - Office	54,985	91,927	146,912	203,102	91,927	295,029
Property investment - Retail	96,787	5,563	102,350	213,149	5,563	218,712
Hotel operations	42,899	-	42,899	78,737	-	78,737
Management services	34,387	-	34,387	61,133	-	61,133
	<u>229,058</u>	<u>97,490</u>	<u>326,548</u>	<u>556,121</u>	<u>97,490</u>	<u>653,611</u>
Eliminations / Adjustments			(10,762)			(27,393)
<b>Revenue</b>			<u>315,786</u>			<u>626,218</u>

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2013

<u>Business segments</u>	Individual Quarter Ended			Cumulative Period Ended		
	30-Jun-13			30-Jun-13		
	<u>Total Comprehensive Income</u>					
	<u>KLCCP</u>	<u>KLCC</u>	<u>Total</u>	<u>KLCCP</u>	<u>KLCC</u>	<u>Total</u>
	<u>RM'000</u>	<u>REIT</u>	<u>RM'000</u>	<u>RM'000</u>	<u>REIT</u>	<u>RM'000</u>
Property investment - Office	48,817	82,720	131,537	189,255	82,720	271,975
Property investment - Retail	83,061	3,798	86,859	182,807	3,798	186,605
Hotel operations	9,981	-	9,981	16,156	-	16,156
Management services	14,199	-	14,199	21,155	-	21,155
	<u>156,058</u>	<u>86,518</u>	<u>242,576</u>	<u>409,373</u>	<u>86,518</u>	<u>495,891</u>
Eliminations / Adjustments			<u>(2,885)</u>			<u>(19,036)</u>
<b>Operating profit</b>			239,691			476,855
Other expenses	-	-	-	(11,371)	-	(11,371)
Interest income	8,189	520	8,709	16,603	520	17,123
Finance cost	(17,421)	(12,975)	(30,396)	(47,835)	(12,975)	(60,810)
Share of profit of associated company	2,743	-	2,743	5,461	-	5,461
Taxation	(7,032)	-	<u>(7,032)</u>	(63,430)	-	<u>(63,430)</u>
<b>Profit for the period / Total comprehensive income for the period</b>			<u>213,715</u>			<u>363,828</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.

## A8. Changes in statutory tax rate

There were no changes to the corporate tax rate during the quarter under review. However, Section 61A of the Malaysian Income Tax Act, 1967 exempts KLCC REIT from the normal corporate tax in a year of assessment ("YA") if KLCC REIT distributes at least 90% of its total taxable income in the same YA.

## 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.

The other segments are not affected by seasonal or cyclical factors.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

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Notes on the quarterly report – 30 June 2013

## A10. Dividends paid

An interim dividend in respect of period ended 31 March 2013, of 4.5 sen per share tax exempt under the single tier tax system on 1,805,333,083 shares amounting to RM81.24 million was paid on 20 June 2013.

## A11. Debt and equity securities

During the quarter under review, the paid up capital of the Company was increased from RM934 million to RM1.805 billion. The increase is due to the conversion of Redeemable Convertible Unsecured Loan Stocks (RCULS) and additional issuance of new shares in relation to the acquisition of Midciti Resources SdnBhd as part of the overall corporate exercise.

## A12. Changes in the composition of the Group

During the quarter under review, the corporate exercise involving the creation of Stapled Securities comprising units in a Real Estate Investment Trust to be stapled together with existing ordinary shares of KLCC Property Holdings Berhad ("KLCCP") has been completed.

With the completion of the exercise, the KLCC Stapled Group now comprises KLCCP group of companies and KLCC REIT. By the KLCC REIT Trust Deed dated 2 April 2013, KLCC REIT Management SdnBhd and Maybank Trustees Berhad have agreed to act as the Manager and Trustee of KLCC REIT respectively.

## A13. Discontinued operation

There were no discontinued operations 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 2013 is as follows:-

	<b>RM'000</b>
Approved and contracted for	48,948
Approved but not contracted for	88,640
	<u>137,588</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

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Notes on the quarterly report – 30 June 2013

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

### B1. Performance Review

Financial Highlights	Individual Quarter			Cumulative		
	3 Months Ended		%	Period Ended		%
	30-Jun-13	30-Jun-12	Change	30-Jun-13	30-Jun-12	Change
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>						
Property investment - Office	146,912	125,968	16.6	295,029	248,206	18.9
Property investment - Retail	102,350	91,599	11.7	218,712	182,902	19.6
Hotel operations	42,899	47,627	(9.9)	78,737	88,994	(11.5)
Management services	34,387	26,277	30.9	61,133	50,395	21.3
Intercompany Eliminations/ Adjustments	(10,762)	(2,864)	-	(27,393)	(6,048)	-
<b>Total</b>	<b>315,786</b>	<b>288,607</b>	<b>9.4</b>	<b>626,218</b>	<b>564,449</b>	<b>10.9</b>
<b>Profit Before Tax</b>	220,747	184,445	19.7	427,258	379,189	12.7
Less: Fair Value Adjustment ^	-	-	-	-	(12,757)	-
<b>Adjusted Profit Before Tax</b>	<b>220,747</b>	<b>184,445</b>	<b>19.7</b>	<b>427,258</b>	<b>366,432</b>	<b>16.6</b>
<b>Analysis of Adjusted Profit Before Tax</b>						
Property investment - Office*	112,567	103,266	9.0	229,682	205,124	12.0
Property investment - Retail	80,061	66,269	20.8	172,812	132,838	30.1
Hotel operations	6,879	9,191	(25.2)	9,955	15,256	(34.7)
Management services	14,207	7,903	79.8	21,252	15,863	34.0
Intercompany Eliminations/ Adjustments	7,033	(2,184)	-	(6,443)	(2,649)	-
	<b>220,747</b>	<b>184,445</b>	<b>19.7</b>	<b>427,258</b>	<b>366,432</b>	<b>16.6</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 office rental increased by RM20.9 million (16.6%) in Q2, FY 2013 primarily due to the renewal of the triple net lease for the PETRONAS Twin Towers for another 15 years effective 1 October 2012.

#### Property Investment - Retail

Revenue from retail rental increased by RM10.8 million in Q2 FY 2013 resulting from higher rates from renewals, improved occupancy and higher percentage rents.

#### Hotel Operations

Revenue from hotel operations decreased by RM4.7 million in Q2, FY 2013 mainly due to lower contribution from Food and Beverage as the corresponding quarter benefited from the once off World Gas Conference event which took place in June 2012.

The decrease in the segment was partially offset by lower operating costs, which is in line with the lower revenue generated for the quarter.

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## Management Services

Management Services recorded higher revenue in Q2, FY 2013 mainly due to first time contribution of RM7.2 million for managing the properties under KLCC REIT.

### B2. Variation of results against preceding quarter

RM'000	30-Jun-13	31-Mar-13	Variance
Profit Before Taxation	220,747	206,511	14,236
Fair Value Adjustment	-	-	-
Adjusted Profit Before Tax	<u>220,747</u>	<u>206,511</u>	<u>14,236</u>

Profit before taxation of RM220.7 million achieved in this quarter was higher by RM14.2 million or 6.9% than the preceding quarter mainly due to:

- non recurring expense of about RM11 million incurred in Q1 FY2013
- improvement in hotels earnings mainly arising from better food and beverages performance due to reopening of the ballrooms in April 2013 after undergoing renovation for three months.

### B3. Prospects for financial year 2013

The Directors are of the view that the performance for the remainder of FY 2013 will be in line with expectation. However, the hotel segment will continue to trade in a challenging environment.

### B4. Profit forecast

No profit forecast was issued for the financial period except for the information contained in the Prospectus – Stapled Securities dated 7 May 2013.

### B5. Tax expense

Taxation comprises the following:

	3 Months Ended		Cumulative Period Ended	
	30-Jun-13 RM'000	30-Jun-12 RM'000	30-Jun-13 RM'000	30-Jun-12 RM'000
Within Malaysia In respect of the current period:				
Taxation	33,120	41,658	80,188	82,851
Deferred taxation	<u>(26,088)</u>	<u>3,258</u>	<u>(16,758)</u>	<u>7,977</u>
	<u>7,032</u>	<u>44,916</u>	<u>63,430</u>	<u>90,828</u>

The above tax expense relates solely to KLCCP. No tax provision for KLCC REIT has been made for the quarter ended 30 June 2013 as the Manager intends to declare 95% of the distributable income of KLCC REIT to unitholders for the financial period ending 31 December 2013, hence qualifying for exemption under S61A of the ITA as explained in Section A8.

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## 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

The creation of Stapled Securities comprising units in a Real Estate Investment Trust to be stapled together with the existing ordinary shares of the company has been completed and listed on the main market of Bursa Malaysia Securities Berhad on 9 May 2013. Subsequently, there is no other corporate proposal that was announced.

## B9. Borrowings

	RM'000	RM'000
<b>Short term :</b>		
<u>Secured</u>		
<u>KLCCP</u>		
Term loans	11,497	
Revolving credit	400	
	<u>          </u>	11,897
<u>KLCC REIT</u>		
Term loans	79,093	
Islamic debt facility	1,437	
Private debt securities	24,871	
	<u>          </u>	105,401
Total short term		<u>117,298</u>
<b>Long term :</b>		
<u>Secured</u>		
<u>KLCCP</u>		
Term loans		705,493
<u>KLCC REIT</u>		
Islamic debt facility	660,000	
Private debt securities	839,677	
	<u>          </u>	1,499,677
Total long term		<u>2,205,170</u>
Total borrowings		<u>2,322,468</u>

## B10. Material litigation

The Group has no outstanding material litigation as at the date of this report.

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## B11. Dividend/Income Distribution

The Board has declared the following dividend/income distribution for the quarter ended 30 June 2013:

	<b>Total stapled securities</b>	<b>Dividend/Income distribution per stapled security (sen)</b>	<b>Total dividend payable (RM'000)</b>
KLCCP	1,805,333,083	4.26	76,907 <sup>1</sup>
KLCC REIT	1,805,333,083	3.19	57,590 <sup>2</sup>
Total		<u>7.45</u>	<u>134,497</u>

<sup>1</sup> Dividend declared under KLCCP is tax exempt under single tier system.

<sup>2</sup> Income distributions to unitholders will be subject to withholding tax at the following rates:

<b>Unitholders</b>	<b>Withholding tax rate</b>
Individuals & All Other Non-Corporate Investors such as institutional investors (resident and non-resident)	10%
Non-resident corporate investors	25%
Resident corporate investors	0%

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 19 September 2013 and 3 October 2013, respectively. The book closure date in respect of both the aforesaid interim dividend and income distribution is 5 September 2013.

## B12. Profit for the Period

	<b>3 Months Ended</b>		<b>Cumulative Period Ended</b>	
	<b>30-Jun-13</b>	<b>30-Jun-12</b>	<b>30-Jun-13</b>	<b>30-Jun-12</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period is arrived at after charging:				
Depreciation of property, plant and equipment	7,062	7,603	14,246	14,633
and after crediting:				
(Gain) / Loss on disposal of property, plant and equipment	-	(2,087)	-	(2,089)

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

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## B13. Realised and Unrealised Profit

The breakdown of the retained profits of the Group as at 30 June 2013 into realised and unrealised profits is as follows:

Total retained profits of KLCCP Group and its subsidiaries:			
	KLCCP RM'000	KLCC REIT RM'000	Total RM'000
- Realised	3,827,268	74,063	3,901,331
- Unrealised	9,213	-	9,213
	<u>3,836,481</u>	<u>74,063</u>	<u>3,910,544</u>
Total share of retained profits from associate:			
- Realised	79,652	-	79,652
- Unrealised	-	-	-
	<u>79,652</u>	<u>-</u>	<u>79,652</u>
Total Group retained profits	3,916,133	74,063	3,990,196
Less: Consolidation adjustments			(3,859,222)
Total Group retained profits as per consolidated accounts			<u>130,974</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.

## B14. Summary of NAV for KLCC REIT

	As at 30 June 2013
Number of units listed	1,805,333,083
Net Asset Value (RM'000)	7,292,401
Net Asset Value per unit holders (RM)	4.0394

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## B15. Earnings per stapled security (“EPSS”)

	3 Months Ended		Period Ended	
	30-Jun-13	30-Jun-12 *	30-Jun-13	30-Jun-12 *
<b>(i) Basic earnings per stapled security</b>				
Profit attributable to ordinary equity holders of the company (RM'000)	112,574	91,650	200,536	193,114
Profit attributable to unit holders of KLCC REIT (RM'000)	74,063	-	74,063	-
	<u>186,637</u>	<u>91,650</u>	<u>274,599</u>	<u>193,114</u>
Weighted average number of stapled securities in issue ('000)	1,719,165	934,074	1,328,788	934,074
Basic earnings per stapled security (sen)	<u>10.86</u>	<u>9.81</u>	<u>20.67</u>	<u>20.67</u>
<b>(ii) Diluted earnings per stapled security</b>				
Profit attributable to ordinary equity holders of the company (RM'000)	112,574	91,650	200,536	193,114
Profit attributable to unit holders of KLCC REIT (RM'000)	74,063	-	74,063	-
Interest on RCULS (RM'000)	-	444	-	888
	<u>186,637</u>	<u>92,094</u>	<u>274,599</u>	<u>194,002</u>
Profit attributable to ordinary equity holders of the company/ stapled security including assumed conversion (RM'000)	<u>186,637</u>	<u>92,094</u>	<u>274,599</u>	<u>194,002</u>
Weighted average number of stapled securities in issue ('000)	1,719,165	934,074	1,328,788	934,074
Effect of dilution – RCULS	-	360,662	-	360,662
Adjusted weighted average number of stapled securities in issue and issuable ('000)	<u>1,719,165</u>	<u>1,294,736</u>	<u>1,328,788</u>	<u>1,294,736</u>
Diluted earnings per stapled security (sen)	<u>10.86</u>	<u>7.11</u>	<u>20.67</u>	<u>14.98</u>

\*Refers to calculation of Basic Earnings per share

### BY ORDER OF THE BOARD

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