

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

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2014**

	INDIVIDUAL QUARTER		CUMULATIVE	
	THREE MONTHS ENDED 30-Jun-14	30-Jun-13 <sup>^</sup>	SIX MONTHS ENDED 30-Jun-14	30-Jun-13 <sup>^</sup>
	RM'000	RM'000	RM'000	RM'000
Revenue	332,814	316,929	673,696	628,925
Operating Expenses	(85,920)	(77,238)	(164,082)	(152,070)
<b>Operating profit</b>	<b>246,894</b>	<b>239,691</b>	<b>509,614</b>	<b>476,855</b>
Other expense	-	-	-	(11,371)
Interest/Profit income	8,205	8,709	16,573	17,123
Finance costs	(54,484)	(30,396)	(84,791)	(60,810)
Share of profit of associated company	2,873	2,743	5,779	5,461
<b>Profit before taxation</b>	<b>203,488</b>	<b>220,747</b>	<b>447,175</b>	<b>427,258</b>
Taxation	(27,719)	(7,032)	(58,251)	(63,430)
<b>Profit for the period, representing total comprehensive income</b>	<b>175,769</b>	<b>213,715</b>	<b>388,924</b>	<b>363,828</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	62,450	112,574	133,412	200,536
Non-controlling interests (NCI) relating to KLCC Real Estate Investment Trust (KLCC REIT)	88,445	74,063	201,446	74,063
Other NCI	24,874	27,078	54,066	89,229
	<b>175,769</b>	<b>213,715</b>	<b>388,924</b>	<b>363,828</b>
<b>Dividend/Income distribution:</b>				
<b>Dividend/Income distribution to stapled security holders</b>				
<b><u>Quarter ended 31 March 2013</u></b>				
Realised distributable income - KLCCP	-	-	-	87,962
Distribution rate (%)	-	-	-	92.36% *
Dividend	-	-	-	<b>81,240</b>
<b><u>Quarter ended 31 March 2014 and 30 June 2014/2013</u></b>				
Realised distributable income - KLCCP	62,450	80,998	133,412	80,998
Realised distributable income - KLCC REIT	86,026	60,499	179,434	60,499
Total realised distributable income	148,476	141,497	312,846	141,497
Distribution rate (%)	97.90%	95.00%	96.38%	95.00%
Dividend/Income distribution	<b>145,359</b>	<b>134,422</b>	<b>301,521</b>	<b>134,422</b>
Total dividend/income distribution	<b>145,359</b>	<b>134,422</b>	<b>301,521</b>	<b>215,662</b>
<b>Dividend/Income distribution per stapled security (sen)</b>	<b>8.05</b>	<b>7.45</b>	<b>16.70</b>	<b>11.95</b>
<b>Earnings per stapled security (sen)</b>				
Basic	8.36	10.86	18.55	20.67

<sup>^</sup> Certain comparative have been reclassified to conform with current year presentation.

\* Rounded to two decimal point.

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014

	30-Jun-14 RM'000	31-Dec-13 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	603,559	611,735
Investment properties	14,114,030	14,108,652
Investment in associate	273,083	273,754
Deferred tax assets	852	911
	<u>14,991,524</u>	<u>14,995,052</u>
<b>Current assets</b>		
Inventories	1,591	1,568
Trade and other receivables	248,564	186,153
Cash and cash equivalents	993,869	1,081,870
	<u>1,244,024</u>	<u>1,269,591</u>
<b>TOTAL ASSETS</b>	<u>16,235,548</u>	<u>16,264,643</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	1,805,333	1,805,333
Capital redemption reserve	18,053	18,053
Capital reserve	2,300,729	2,300,729
Retained profits	126,768	130,561
	<u>4,250,883</u>	<u>4,254,676</u>
<b>Equity attributable to unit holders of the KLCC REIT</b>	<u>7,465,225</u>	<u>7,439,979</u>
<b>Total equity attributable to holders of KLCCP and KLCC REIT</b>	<u>11,716,108</u>	<u>11,694,655</u>
<b>Other non-controlling interests</b>	<u>1,714,527</u>	<u>1,711,711</u>
<b>Total Equity</b>	<u>13,430,635</u>	<u>13,406,366</u>
<b>Non-current liabilities</b>		
Deferred revenue	51,113	52,951
Other long term liabilities	128,421	124,204
Long term borrowings	1,555,000	1,569,449
Deferred taxation	29,954	25,138
	<u>1,764,488</u>	<u>1,771,742</u>
<b>Current liabilities</b>		
Trade and other payables	271,101	299,214
Short term borrowings	730,838	756,563
Dividend payable	-	1,961
Taxation	38,486	28,797
	<u>1,040,425</u>	<u>1,086,535</u>
<b>Total Liabilities</b>	<u>2,804,913</u>	<u>2,858,277</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>16,235,548</u>	<u>16,264,643</u>
<b>Net assets per stapled security (RM)</b>	6.49	6.48

**(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2013 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 2014**

	← 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 Unsecured Loan Stocks RM'000	Retained Profits RM'000	Capital Reserve @ RM'000	RM'000				
As at 1 January 2013	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>
<b>As at 1 January 2014</b>	<b>1,805,333</b>	<b>-</b>	<b>-</b>	<b>18,053</b>	<b>-</b>	<b>130,561</b>	<b>2,300,729</b>	<b>4,254,676</b>	<b>7,439,979</b>	<b>1,711,711</b>	<b>13,406,366</b>
Total comprehensive income for the period	-	-	-	-	-	133,412	-	133,412	201,446	54,066	388,924
Dividends paid	-	-	-	-	-	(137,205)	-	(137,205)	(176,200)	(51,250)	(364,655)
<b>As at 30 June 2014</b>	<b>1,805,333</b>	<b>-</b>	<b>-</b>	<b>18,053</b>	<b>-</b>	<b>126,768</b>	<b>2,300,729</b>	<b>4,250,883</b>	<b>7,465,225</b>	<b>1,714,527</b>	<b>13,430,635</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' Fund (RM7,212,684,000), Merger Reserve (RM6,212,000), Capital Reserve (RM67,249,000) and Retained Profit (RM179,080,000).

**(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 2013 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 2014**

	<b>SIX MONTHS ENDED</b>	
	<b>30-Jun-14</b>	<b>30-Jun-13</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	609,209	642,408
Cash payments to suppliers and employees	(151,682)	(127,326)
Interest income from fund and other investments	16,266	16,039
Tax paid	(43,450)	(58,090)
<b>Net cash generated from operating activities</b>	<u>430,343</u>	<u>473,031</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	6,450	-
Purchase of property, plant and equipment	(8,406)	(21,688)
Cost incurred for investment properties	(31,755)	(20,189)
Proceeds from disposal of property, plant and equipment	8	11
<b>Net cash used in investing activities</b>	<u>(33,703)</u>	<u>(41,866)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	1,566,000	-
Repayment of borrowings	(1,628,000)	(28,000)
Dividends paid to equity holders of the company	(137,205)	(123,273)
Dividends paid to non-controlling interests	(51,250)	(88,485)
Interest expenses paid	(56,025)	(60,392)
Dividends paid to non-controlling interests relating to KLCC REIT	(178,161)	-
Stapled securities associated cost incurred	-	(11,091)
(Increase)/Decrease in deposits restricted	2,142	5,816
<b>Net cash used in financing activities</b>	<u>(482,499)</u>	<u>(305,425)</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(85,859)</b>	<b>125,740</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE BEGINNING OF THE PERIOD</b>	<b>1,074,277</b>	<b>1,010,370</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE END OF THE PERIOD</b>	<u><b>988,418</b></u>	<u><b>1,136,110</b></u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:</b>		
<b>CASH AND BANK BALANCES</b>	<b>20,957</b>	<b>10,399</b>
<b>DEPOSITS</b>	<u><b>972,912</b></u>	<u><b>1,129,947</b></u>
	<b>993,869</b>	<b>1,140,346</b>
<b>LESS: DEPOSITS RESTRICTED *</b>	<u><b>(5,451)</b></u>	<u><b>(4,236)</b></u>
	<u><b>988,418</b></u>	<u><b>1,136,110</b></u>

*\* 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 2013 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 2014

## **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 11 August 2014.

### **A2. Basis of Preparation**

These condensed consolidated interim financial statements, for the period ended 30 June 2014 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 2013 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.

### **A3. Accounting Policies**

The new and revised MFRSs, Amendments to MFRS and IC Interpretations which are mandatory for companies with financial periods beginning on or after 1 January 2014 did not give rise to any significant effects on the financial statements of the Group and the Company.

### **A4. Audit report**

The auditors’ report on the financial statements for the year ended 31 December 2013 was not qualified.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2014

## A5. Segmental Information

<u>Business segments</u>	Individual Quarter Ended 30-Jun-14			Cumulative Period Ended 30-Jun-14		
	<u>Revenue</u>					
	<u>KLCCP</u>	<u>KLCC RET</u>	<u>Total</u>	<u>KLCCP</u>	<u>KLCC RET</u>	<u>Total</u>
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property investment - Office	9,925	138,676	148,601	20,027	277,345	297,372
Property investment - Retail	105,620	9,315	114,935	218,633	18,944	237,577
Hotel operations	44,300	-	44,300	93,715	-	93,715
Management services	41,234	-	41,234	78,955	-	78,955
	<u>201,079</u>	<u>147,991</u>	<u>349,070</u>	<u>411,330</u>	<u>296,289</u>	<u>707,619</u>
Eliminations / Adjustments			(16,256)			(33,923)
<b>Revenue</b>			<u><u>332,814</u></u>			<u><u>673,696</u></u>

<u>Business segments</u>	Individual Quarter Ended 30-Jun-14			Cumulative Period Ended 30-Jun-14		
	<u>Total Comprehensive Income</u>					
	<u>KLCCP</u>	<u>KLCC RET</u>	<u>Total</u>	<u>KLCCP</u>	<u>KLCC RET</u>	<u>Total</u>
	RM'000			RM'000		
Property investment - Office	7,478	124,912	132,390	15,174	249,106	264,280
Property investment - Retail	87,738	5,292	93,030	186,584	11,868	198,452
Hotel operations	7,292	-	7,292	19,622	-	19,622
Management services	17,190	-	17,190	33,906	-	33,906
	<u>119,698</u>	<u>130,204</u>	<u>249,902</u>	<u>255,286</u>	<u>260,974</u>	<u>516,260</u>
Eliminations / Adjustments			(3,008)			(6,646)
<b>Operating profit</b>			246,894			509,614
Interest income	6,515	1,690	8,205	12,781	3,792	16,573
Finance cost	(11,026)	(43,458)	(54,484)	(21,462)	(63,329)	(84,791)
Share of profit of associated company	2,873	-	2,873	5,779	-	5,779
Taxation	(27,728)	9	(27,719)	(58,260)	9	(58,251)
<b>Profit for the period / Total comprehensive income for the period</b>			<u><u>175,769</u></u>			<u><u>388,924</u></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.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)  
Incorporated in Malaysia

Notes on the quarterly report – 30 June 2014

## 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.

## A10. Dividends paid

The Board has declared interim dividends comprising 3.73 sen and 4.92 sen relating to KLCCP and KLCC REIT respectively in respect of 3 months period ended 31 March 2014 totalling 8.65 sen per stapled securities. The KLCCP dividend of 3.73 sen per share (tax exempt under the single tier tax system) amounting to RM67.34 million and the KLCC REIT income distribution of 4.92 sen per unit were paid on 18 June 2014.

## A11. Debt and equity securities

On 25 April 2014, KLCC REIT through its beneficially-owned subsidiary, Midciti Sukuk Berhad ("Midciti") has established Sukuk Murabahah Programmes (the "Programmes") comprising an Islamic Commercial Papers Programme and an Islamic Medium Term Notes Programme with a combined limit of RM3.0 billion. Please refer to KLCC REIT's announcements on 10 April 2014 and 25 April 2014 for further details of the Programmes.

On the same date, the first issuance of RM1.555 billion under the Programmes was made to Petroliam Nasional Berhad, the proceeds of which were mainly utilised to early settle KLCC REIT's existing debts. The impact of the transaction on the accounts of KLCC REIT has been reflected in the current quarter.

## 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 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 2014 is as follows:-

	<b>RM'000</b>
Approved and contracted for	47,240
Approved but not contracted for	85,584
	<u>132,824</u>

# KLCC PROPERTY HOLDINGS BERHAD

*(Company No.: 641576-U)*

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2014

## **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 other 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 2014

## 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		%	Period Ended		%
	30-Jun-14	30-Jun-13		30-Jun-14	30-Jun-13	
	RM'000	RM'000	Change	RM'000	RM'000	Change
<b>Revenue</b>						
Property investment - Office	148,601	148,043	0.4	297,372	297,254	0.0
Property investment - Retail	114,935	105,035	9.4	237,577	223,286	6.4
Hotel operations	44,300	43,704	1.4	93,715	80,324	16.7
Management services	41,234	34,387	19.9	78,955	61,133	29.2
Intercompany Eliminations/ Adjustments	(16,256)	(14,240)	-	(33,923)	(33,072)	-
<b>Total</b>	<b>332,814</b>	<b>316,929</b>	<b>5.0</b>	<b>673,696</b>	<b>628,925</b>	<b>7.1</b>
Profit Before Tax	203,488	220,747	(7.8)	447,175	427,258	4.7
Less: Fair Value Adjustment ^	-	-	-	-	-	-
<b>Adjusted Profit Before Tax</b>	<b>203,488</b>	<b>220,747</b>	<b>(7.8)</b>	<b>447,175</b>	<b>427,258</b>	<b>4.7</b>
<b>Analysis of Adjusted Profit Before Tax</b>						
Property investment - Office*	94,316	112,567	(16.2)	211,559	229,682	(7.9)
Property investment - Retail	84,469	80,061	5.5	181,893	172,812	5.3
Hotel operations	4,118	6,879	(40.1)	13,686	9,955	37.5
Management services	17,182	14,207	20.9	33,771	21,252	58.9
Intercompany Eliminations/ Adjustments	3,403	7,033	-	6,266	(6,443)	-
	<b>203,488</b>	<b>220,747</b>	<b>(7.8)</b>	<b>447,175</b>	<b>427,258</b>	<b>4.7</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 office rental for Q2, FY 2014 benefited from implementation of new triple net lease (TNL) for the Menara Dayabumi which was effective 1 January 2014.

#### Property Investment - Retail

Revenue from retail rental increased by RM9.9 million (9.4%) in Q2, FY 2014 resulting from higher rental rates, and rent reviews.

#### Hotel Operations

Revenue from hotel operations increased by RM0.6 million in Q2, FY 2014 from Food & Beverage Segment. For the period ended June 2014, revenue has shown higher increase as the ballroom facilities were reopened after the completion of renovation.

#### Management Services

Management Services recorded higher revenue in Q2, FY 2014 mainly due to first time contribution for managing the properties under KLCC REIT from May 2013 onwards.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)  
Incorporated in Malaysia

Notes on the quarterly report – 30 June 2014

## B2. Variation of results against preceding quarter

RM'000	30-Jun-14	31-Mar-14	Variance
Profit Before Taxation	203,488	243,687	(40,199)

Profit before taxation of RM203.4 million achieved in this quarter was lower mainly due to a one off cost incurred in current quarter arising from debt refinancing as per Note A11.

## B3. Prospects for financial year 2014

The Directors expect continued improvement of overall group performance during 2014.

Revenue from office and retail segments will remain stable. The hotel segment, however, will continue to trade in a challenging environment. Additionally, costs will remain within expectation.

## 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-14 RM'000	30-Jun-13 RM'000	30-Jun-14 RM'000	30-Jun-13 RM'000
Within Malaysia In respect of the current period:				
Taxation	25,952	33,120	53,377	80,188
Deferred taxation	1,767	(26,088)	4,874	(16,758)
	<u>27,719</u>	<u>7,032</u>	<u>58,251</u>	<u>63,430</u>

The tax expense for the Qtr. 2 FY2014 were higher than the respective comparative periods mainly due to the reversal of deferred tax in previous quarter. Overall the tax expenses is lower due to income from KLCC REIT is not subject to tax as the REIT Manager intends to distribute 95% of the distributable income for 2014, hence qualifying for exemption under S61A of the ITA.

## B6. Sale of unquoted investments and/or properties

There was no disposal of unquoted investments or properties during the quarter under review.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2014

## 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>		
<u>KLCCP</u>		
Term loans		707,044
<u>Unsecured</u>		
<u>KLCCP</u>		
Revolving credit	11,400	
<u>KLCC REIT</u>		
Private debt securities	12,394	23,794
Total short term		<u>730,838</u>
<b>Long term :</b>		
<u>Unsecured</u>		
<u>KLCC REIT</u>		
Private debt securities		1,555,000
Total long term		<u>1,555,000</u>
Total borrowings		<u>2,285,838</u>

## B10. Material litigation

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

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2014

## B11. Dividend/Income Distribution

The Board has declared the following dividend/income distribution for the quarter ended 30 June 2014:

	Total stapled securities	Dividend/Income Distribution per stapled security (sen)	Total dividend payable (RM'000)
KLCCP	1,805,333,083	3.29	59,395 <sup>1</sup>
KLCC REIT	1,805,333,083	4.76	85,934 <sup>2</sup>
Total		8.05	145,329

<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:

Unitholders	Withholding tax rate
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 18 September 2014. The book closure date in respect of both the aforesaid interim dividend and income distribution is 26 August 2014.

## B12. Profit for the Period

	3 Months Ended		Cumulative Period Ended	
	30-Jun-14 RM'000	30-Jun-13 RM'000	30-Jun-14 RM'000	30-Jun-13 RM'000
Profit for the period is arrived at after charging:				
Depreciation of property, plant and equipment	7,423	7,062	15,183	14,246

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.

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2014

## B13. Realised and Unrealised Profit

The breakdown of the retained profits of the Group as at 30 June 2014 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	432,026	179,080	611,106
- Unrealised	28,064	-	28,064
	<u>460,090</u>	<u>179,080</u>	<u>639,170</u>
Total share of retained profits from associate:			
- Realised	84,778	-	84,778
- Unrealised	-	-	-
	<u>84,778</u>	<u>-</u>	<u>84,778</u>
Total Group retained profits	544,868	179,080	723,948
Less: Consolidation adjustments			(597,180)
Total Group retained profits as per consolidated accounts			<u>126,768</u>

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

## B14. Summary of NAV

	As at 30 June 2014	
	KLCC REIT	KLCCP Stapled Group
Number of units listed	1,805,333,083	1,805,333,083
Net Asset Value (RM'000)	7,465,225	11,716,108
Net Asset Value per unit holder (RM)	4.1351	6.4897

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 30 June 2014

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

	3 Months Ended		Period Ended	
	30-Jun-14	30-Jun-13	30-Jun-14	30-Jun-13
<b>Basic earnings per stapled security</b>				
Profit attributable to ordinary equity holders of the company (RM'000)	62,450	112,574	133,412	200,536
Profit attributable to unit holders of KLCC REIT (RM'000)	<u>88,445</u>	<u>74,063</u>	<u>201,446</u>	<u>74,063</u>
	<u>150,895</u>	<u>186,637</u>	<u>334,858</u>	<u>274,599</u>
Weighted average number of stapled securities in issue ('000)	1,805,333	1,719,165	1,805,333	1,328,788
Basic earnings per stapled security (sen)	<u>8.36</u>	<u>10.86</u>	<u>18.55</u>	<u>20.67</u>

## BY ORDER OF THE BOARD

Abd Aziz Bin Abd Kadir (LS0001718)

Yeap Kok Leong (MAICSA0862549)

Company Secretaries

Kuala Lumpur