

KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Fourth quarter ended		Financial year ended	
	31-Dec-17 RM'000	31-Dec-16 RM'000	31-Dec-17 RM'000	31-Dec-16 RM'000
Revenue	352,072	344,689	1,366,751	1,343,546
Operating Expenses	(97,180)	(90,619)	(367,002)	(344,204)
Operating profit	254,892	254,070	999,749	999,342
Fair value adjustment to investment property	182,483	171,143	182,483	171,143
Interest/profit income	6,508	9,845	30,597	42,552
Finance costs	(24,919)	(30,019)	(110,963)	(121,220)
Share of profit of an associate	3,852	1,110	13,465	10,881
Profit before taxation	422,816	406,149	1,115,331	1,102,698
Taxation	(22,641)	(13,340)	(101,766)	(91,671)
Profit for the period, representing total comprehensive income	400,175	392,809	1,013,565	1,011,027
Profit attributable to:				
Equity holders of the Company	151,796	141,233	350,256	339,038
Non-controlling interests relating to KLCC Real Estate Investment Trust (KLCC REIT)	193,720	205,895	527,644	546,933
Other non-controlling interests	54,659	45,681	135,665	125,056
	400,175	392,809	1,013,565	1,011,027
Dividend/income distribution to stapled security holders:				
<u>Quarter ended 31 December 2017/2016</u>				
Realised distributable income - KLCCP	75,827	65,392	274,287	263,197
Realised distributable income - KLCC REIT	100,053	102,616	397,177	411,452
Total realised distributable income	175,880	168,008	671,464	674,649
Distribution rate (%) *	106.24%	105.84%	97.19%	95.40%
Dividend/Income distribution	186,852	177,825	652,628	643,601
Dividend/income distribution per stapled security (sen)	10.35	9.85	36.15	35.65
Earnings per stapled security (sen)				
Basic	19.14	19.23	48.63	49.08

* 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 2016 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 31 DECEMBER 2017**

	31-Dec-17 RM'000	31-Dec-16 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	667,237	636,674
Investment properties	15,667,475	15,454,001
Investment in an associate	256,441	255,016
Deferred tax assets	690	247
Trade and other receivables	388,842	339,106
	<u>16,980,685</u>	<u>16,685,044</u>
Current assets		
Inventories	1,743	1,930
Trade and other receivables	57,888	58,849
Dividend receivables	–	21,070
Tax recoverable	1,984	12
Cash and cash equivalents	750,262	1,015,220
	<u>811,877</u>	<u>1,097,081</u>
TOTAL ASSETS	<u>17,792,562</u>	<u>17,782,125</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	1,823,386	1,805,333
Capital redemption reserve	–	18,053
Capital reserve	2,929,350	2,854,041
Retained profits	225,492	204,555
	<u>4,978,228</u>	<u>4,881,982</u>
Equity attributable to unit holders of the KLCC REIT	<u>8,050,264</u>	<u>7,912,211</u>
Total equity attributable to equity holders of KLCCP and KLCC REIT	<u>13,028,492</u>	<u>12,794,193</u>
Other non-controlling interests	<u>2,018,364</u>	<u>1,983,832</u>
Total equity	<u>15,046,856</u>	<u>14,778,025</u>
Non-current liabilities		
Deferred revenue	41,934	41,639
Other long term liabilities	133,945	78,477
Long term borrowings	2,225,666	2,233,166
Deferred taxation	27,935	29,728
	<u>2,429,480</u>	<u>2,383,010</u>
Current liabilities		
Trade and other payables	268,346	280,996
Short term borrowings	25,411	319,264
Taxation	22,469	20,830
	<u>316,226</u>	<u>621,090</u>
Total liabilities	<u>2,745,706</u>	<u>3,004,100</u>
TOTAL EQUITY AND LIABILITIES	<u>17,792,562</u>	<u>17,782,125</u>
Net assets value per stapled security (RM)	7.22	7.09

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2016 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 YEAR ENDED 31 DECEMBER 2017**

	← Attributable to equity holders of the Company →				Total equity attributable to equity holders of KLCCP RM'000	Equity attributable to unit holders of KLCC REIT ³ RM'000	Other non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Capital redemption reserve RM'000	Retained profits RM'000	Capital reserve ² RM'000				
As at 1 January 2016	1,805,333	18,053	172,982	2,778,200	4,774,568	7,776,713	1,959,773	14,511,054
Total comprehensive income for the year	–	–	339,038	–	339,038	546,933	125,056	1,011,027
Transfer of fair value surplus	–	–	(75,841)	75,841	–	–	–	–
Dividends paid/declared	–	–	(231,624)	–	(231,624)	(411,435)	(100,997)	(744,056)
As at 31 December 2016	1,805,333	18,053	204,555	2,854,041	4,881,982	7,912,211	1,983,832	14,778,025
As at 1 January 2017	1,805,333	18,053	204,555	2,854,041	4,881,982	7,912,211	1,983,832	14,778,025
Total comprehensive income for the year	–	–	350,256	–	350,256	527,644	135,665	1,013,565
Transition in accordance with Section 618(2) of the Companies Act 2016 to no par value regime on 31 January 2017 ¹	18,053	(18,053)	–	–	–	–	–	–
Transfer of fair value surplus	–	–	(75,309)	75,309	–	–	–	–
Dividends paid/declared	–	–	(254,010)	–	(254,010)	(389,591)	(101,133)	(744,734)
As at 31 December 2017	1,823,386	–	225,492	2,929,350	4,978,228	8,050,264	2,018,364	15,046,856

¹ Pursuant to Section 74 of the Companies Act 2016 ('the Act'), the Company's shares no longer have a par or nominal value with effect from 31 January 2017. In accordance with the transitional provision set out in Section 618 of the Act, the capital redemption reserve now becomes part of the Company's share capital. There are no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

² Capital reserve arises from the surplus of revaluation of investment properties that will be distributed upon the sale of investment properties.

³ Equity attributable to unit holders of KLCC REIT consists of Unitholders' Fund (RM7,212,684,000), Merger Reserve (RM6,212,000), Capital Reserve (RM422,828,000) and Retained Profit (RM408,540,000).

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2016 and the accompanying explanatory notes attached to this interim financial report.)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Financial year ended	
	31-Dec-17 RM'000	31-Dec-16 RM'000
Cash flows from operating activities		
Profit before tax	1,115,331	1,102,698
Adjustments for:		
Interest/profit income	(30,597)	(42,552)
Finance costs	110,963	121,220
Accrued rental income (MFRS 117 and MFRS 139)	(54,987)	(54,087)
Fair value adjustments on investment properties	(182,483)	(171,143)
Depreciation	33,152	33,146
Allowance for impairment losses	214	468
Write off of receivables	6	186
Loss on disposal of property, plant and equipment	359	508
Write off of property, plant and equipment	-	2,720
Share of results of an associate	(13,465)	(10,881)
	<u>(136,838)</u>	<u>(120,415)</u>
Operating profit before changes in working capital	978,493	982,283
Changes in working capital:		
Changes in trade and other receivables	(4,589)	(7,473)
Changes in ultimate holding company's balances	(2,429)	9,907
Changes in immediate holding company's balances	(663)	(598)
Changes in related companies' balances	3,924	(2,350)
Changes trade and other payables	50,618	(764)
Other changes	187	(93)
	<u>47,048</u>	<u>(1,371)</u>
Interest/profit income received	32,943	42,294
Tax paid	(104,353)	(106,853)
Tax refund received	18	-
Net cash generated from operating activities	<u>954,149</u>	<u>916,353</u>
Cash flows from investing activities		
Dividends received	33,110	-
Purchase of property, plant and equipment	(63,723)	(43,788)
Cost incurred for investment properties	(37,556)	(97,727)
Proceeds from disposal of property, plant and equipment	199	206
Net cash used in investing activities	<u>(67,970)</u>	<u>(141,309)</u>
Cash flows from financing activities		
Proceeds from drawdown of borrowings	-	1,000
Repayment of borrowings	(300,000)	(11,400)
Dividends paid to equity holders of the company	(254,010)	(231,624)
Dividends paid to non-controlling interests relating to KLCC REIT	(388,158)	(413,284)
Dividends paid to other non-controlling interests	(101,133)	(100,997)
Interest/Profit expense paid	(107,836)	(114,376)
(Increase)/Decrease in deposits restricted	(10,016)	3,191
Net cash used in financing activities	<u>(1,161,153)</u>	<u>(867,490)</u>

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(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Financial year ended	
	31-Dec-17 RM'000	31-Dec-16 RM'000
Net decrease in cash and cash equivalents	(274,974)	(92,446)
Cash and cash equivalents at the beginning of the year	1,011,991	1,104,437
Cash and cash equivalents at the end of the year	<u>737,017</u>	<u>1,011,991</u>
Cash and cash equivalents at the end of the period comprise of:		
Cash and bank balances	446,441	60,853
Deposits	<u>303,821</u>	<u>954,367</u>
	750,262	1,015,220
Less: Deposits restricted *	<u>(13,245)</u>	<u>(3,229)</u>
	<u>737,017</u>	<u>1,011,991</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 2016 and the accompanying explanatory notes attached to this interim financial report.)

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2017

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 24 January 2018.

A2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 December 2017 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 2016 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 2017 did not give rise to any significant effects on the financial statements of the Group and the Company.

A4 Basis of preparation

The auditors’ report on the financial statements for the year ended 31 December 2016 was not qualified.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2017

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information

	Fourth quarter ended			Financial year ended		
	31-Dec-17			31-Dec-17		
	KLCCP	KLCC REIT	Group	KLCCP	KLCC REIT	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Property investment:						
Office	9,992	138,832	148,824	40,104	551,735	591,839
Retail	115,895	9,124	125,019	454,709	33,735	488,444
Hotel operation	48,277	–	48,277	167,200	–	167,200
Management services	48,744	–	48,744	192,758	–	192,758
	<u>222,908</u>	<u>147,956</u>	<u>370,864</u>	<u>854,771</u>	<u>585,470</u>	<u>1,440,241</u>
Elimination			(18,792)			(73,490)
			<u>352,072</u>			<u>1,366,751</u>
Operating profit						
Property investment:						
Office	8,721	122,361	131,082	33,968	489,026	522,994
Retail	94,699	5,517	100,216	377,426	20,468	397,894
Hotel operation	8,099	–	8,099	19,824	–	19,824
Management services	19,007	–	19,007	74,229	–	74,229
	<u>130,526</u>	<u>127,878</u>	<u>258,404</u>	<u>505,447</u>	<u>509,494</u>	<u>1,014,941</u>
Elimination			(3,512)			(15,192)
			<u>254,892</u>			<u>999,749</u>
Interest income	5,874	634	6,508	25,864	4,733	30,597
Finance cost	(11,431)	(13,488)	(24,919)	(45,684)	(65,279)	(110,963)
Fair value adjustment on investment properties	100,986	81,497	182,483	100,986	81,497	182,483
Share of profit of an associate company	3,852	–	3,852	13,465	–	13,465
Taxation	(22,641)	–	(22,641)	(101,766)	–	(101,766)
Profit for the period / Total comprehensive income for the period			<u>400,175</u>			<u>1,013,565</u>

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2017

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information (Contd.)

	As at 31-Dec-17		
	KLCCP RM'000	KLCC REIT RM'000	Group RM'000
Total assets			
Property investment — Office	1,102,881	9,101,653	10,204,534
Property investment — Retail	5,640,284	530,068	6,170,352
Hotel operation	705,821		705,821
Management services	327,774		327,774
	<u>7,776,760</u>	<u>9,631,721</u>	<u>17,408,481</u>
Elimination			<u>384,081</u>
			<u>17,792,562</u>
Total liabilities			
Property investment — Office	28,188	1,560,891	1,589,079
Property investment — Retail	775,869	20,566	796,435
Hotel operation	445,704		445,704
Management services	36,750		36,750
	<u>1,286,511</u>	<u>1,581,457</u>	<u>2,867,968</u>
Elimination			<u>(122,262)</u>
			<u>2,745,706</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.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2017

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A10 Dividends paid

The Board of Directors has declared interim dividends comprising 3.64 sen and 4.96 sen relating to KLCCP and KLCC REIT respectively in respect of three months period ended 30 September 2017 totaling 8.60 sen per stapled security.

The KLCCP dividend of 3.64 sen per share (tax exempt under the single-tier tax system) amounting to RM65.71 million and the KLCC REIT income distribution of 4.96 sen per unit amounting to RM89.55 million were paid on 4 December 2017.

A11 Debt and equity securities

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.

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 31 December 2017 is as follows:

	RM'000
Approved and contracted for	122,565
Approved but not contracted for	173,904
	<u>296,469</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 and subsequent events

There was no other material event subsequent to the end of the quarter under review that has not been reflected in the interim financial statements.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2017

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

B1 Performance review

	Fourth quarter ended			Financial year ended		
	31-Dec-17 RM'000	31-Dec-16 RM'000	Change %	31-Dec-17 RM'000	31-Dec-16 RM'000	Change %
Revenue:						
Property investment:						
Office	148,824	147,937	0.60	591,839	591,304	0.09
Retail	125,019	125,590	(0.45)	488,444	488,309	0.03
Hotel operation	48,277	43,367	11.32	167,200	149,493	11.84
Management services	48,744	45,996	5.97	192,758	185,144	4.11
Elimination	(18,792)	(18,201)		(73,490)	(70,704)	
	352,072	344,689	2.14	1,366,751	1,343,546	1.73
Profit before tax ("PBT"):						
Property investment:						
Office *	120,143	117,402	2.33	476,660	472,091	0.97
Retail	94,389	95,461	(1.12)	374,170	375,645	(0.39)
Hotel operation	4,383	2,947	48.73	5,247	(3,238)	262.04
Management services	19,588	17,622	11.16	75,696	78,234	(3.24)
Elimination	1,830	1,574		1,075	8,823	
	240,333	235,006	2.27	932,848	931,555	0.14
Fair value adjustment on investment properties	182,483	171,143	6.63	182,483	171,143	6.63
	422,816	406,149	4.10	1,115,331	1,102,698	1.15

* Includes share of profit of an associate.

Variance analysis by segment

Property investment — Office

Revenue for Q4 and YTD remain relatively stable.

The PBT reports a marginal increase at the back of savings in finance cost upon the repayment of RM300 million Sukuk Murabahah.

Property investment — Retail

Revenue and PBT for Q4 reported a marginal decrease of RM0.6 million (0.5%) and RM1.1million (1.1%) respectively.

However, YTD revenue remain stable at RM488 million with PBT (excluding once-off back rental in 2016) reporting an increase of RM8.4 million (1.5%) on the back of higher rental rates arising from rental reviews and new tenants.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2017

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

Hotel operation

Q4 and YTD Revenue reported an increase by RM4.9 million (11.3%) and RM17.7 million (11.8%) respectively underpinned by higher room revenue as a result of higher occupancy and higher ARR.

2017 PBT reported a turnaround showing a PBT of RM5.3 million compared to a loss of RM3.2 million in 2016 on the back of higher occupancy of 51% (2016: 47%) and room rates.

Management services

Higher revenue by RM7.6 million (4.1%) recorded in 2017 as compared to 2016 contributed by the full year impact of the facilities management services undertaken last year for Kerteh properties and increase in revenue from car park operation. Despite the increase in revenue, PBT reported a decrease of RM2.5 million (3.2%) as a result of higher manpower costs and lower interest income.

B2 Variation of results against preceding quarter

	Quarter ended		
	31-Dec-17	30-Sep-17	Change
	RM'000	RM'000	%
Revenue:			
Property investment:			
Office	148,824	148,081	0.50
Retail	125,019	119,642	4.49
Hotel operation	48,277	43,288	11.53
Management services	48,744	48,225	1.08
Elimination	<u>(18,792)</u>	<u>(18,733)</u>	
	352,072	340,503	3.40
Profit before tax:			
Property investment:			
Office *	120,143	118,692	1.22
Retail	94,389	92,702	1.82
Hotel operation	4,383	2,359	85.80
Management services	19,588	19,539	0.25
Elimination	<u>1,830</u>	<u>(234)</u>	
	240,333	233,058	3.12
Fair value adjustment on investment properties	182,483	—	
	422,816	233,058	81.42

* Includes share of profit of an associate.

Revenue and PBT for the quarter grew by RM11.6 million (3.4%) and RM7.3 million (3.1%) respectively with all segments showing improvement as compared to Q3 2017 mainly contributed from hotel and retail segments.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2017

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

B3 Prospect for financial year 2017

The Directors expect that the overall Group performance will remain resilient supported by long term leases in the office segment, which contribute more than 50% of the Group's earnings, and the retail segment which will continue to benefit from its strategic location.

The Directors expect that the Mandarin Oriental Hotel will continue to benefit from enhancements to the property as has been indicated by its performance during the second half of 2017. However, this segment will continue to operate in a competitive environment as a result of the expected increase in rooms inventory in the market during the year.

B4 Profit forecast

No profit forecast was issued for the financial period.

B5 Taxation

Taxation comprises of the following:

	Fourth quarter ended		Financial year ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Malaysian income tax	24,668	25,157	104,002	103,184
Deferred tax	(2,027)	(11,817)	(2,236)	(11,513)
	22,641	13,340	101,766	91,671

Overall effective tax rate is lower as income from KLCC REIT is not being subject to tax in accordance with Section 61A of the Malaysian Income Tax Act 1967.

B6 Sales 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 was no corporate proposal announced but not completed as at the date of this report.

KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2017**B EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)****B9 Borrowings**

	As at 31-Dec-17		
	KLCCP	KLCC REIT	Group
	RM'000	RM'000	RM'000
Short term:			
<u>Secured</u>			
Term loans	9,385	–	9,385
Sukuk Murabahah	–	16,026	16,026
	<u>9,385</u>	<u>16,026</u>	<u>25,411</u>
Long term:			
<u>Secured</u>			
Term loans	370,666	–	370,666
Sukuk Murabahah	600,000	1,255,000	1,855,000
	<u>970,666</u>	<u>1,255,000</u>	<u>2,225,666</u>
	<u>980,051</u>	<u>1,271,026</u>	<u>2,251,077</u>

KLCC REIT paid its RM300 million Sukuk Murabahah upon maturity on 25 April 2017.

B10 Material litigation

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

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2017

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

B11 Dividend/income distribution

The Board of Directors has declared the following dividend/income distribution for the quarter ended 31 December 2017:

	Total stapled securities	Dividend/ income distribution per stapled securities Sen	Total dividend/ income distribution payable RM'000
KLCCP ¹	1,805,333,083	5.30	95,683
KLCC REIT ²	1,805,333,083	5.05	91,169
Group		<u>10.35</u>	<u>186,852</u>

¹ Dividend declared under KLCCP is tax exempt under single-tier system.

² Income distribution to unitholders will be subjected to withholding tax at the following rates:

<u>Unitholders</u>	Withholding tax rate
Individuals and all other non-corporate investors such as institutional investors (resident and non-resident)	10%
Non-resident corporate investors	24%
Resident corporate investors	0%

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 28 February 2018. The book closure date in respect of both the aforesaid interim dividend and income distribution is 12 February 2018.

B12 Profit for the period

	Fourth quarter ended		Financial year ended	
	31-Dec-17 RM'000	31-Dec-16 RM'000	31-Dec-17 RM'000	31-Dec-16 RM'000
Profit for the period is arrived after charging:				
Depreciation of property, plant and equipment	8,706	6,270	33,152	33,146
Allowance for/(reversal of) impairment losses	214	468	214	468
Write off of receivables	-	186	6	186
Loss on disposal of property, plant and equipment	359	508	359	508
Write off of property, plant and equipment	-	2,720	-	2,720

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.

NOTES ON THE QUARTERLY REPORT — 31 DECEMBER 2017

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

B13 Summary of Net Assets Value ("NAV")

	No. of units listed	NAV RM'000	NAV per unit RM
KLCC REIT	1,805,333,083	8,050,264	4.46
KLCCP Stapled Group	1,805,333,083	13,028,492	7.22

B14 Earnings per stapled securities ("EPSS")

	Fourth quarter ended		Financial year ended	
	31-Dec-17	31-Dec-16	31-Dec-17	31-Dec-16
With fair value adjustments				
Profit attributable to ordinary equity holders of the Company (RM'000)	151,796	141,233	350,256	339,038
Profit attributable to unitholders of KLCC REIT (RM'000)	193,720	205,895	527,644	546,933
	<u>345,516</u>	<u>347,128</u>	<u>877,900</u>	<u>885,971</u>
Weighted average number of stapled securities in issue ('000 units)	1,805,333	1,805,333	1,805,333	1,805,333
Basic EPSS (Sen)	<u>19.14</u>	<u>19.23</u>	<u>48.63</u>	<u>49.08</u>
Without fair value adjustments				
Profit attributable to ordinary equity holders of the Company (RM'000)	151,796	141,233	350,256	339,038
Profit attributable to unitholders of KLCC REIT (RM'000)	193,720	205,895	527,644	546,933
Less: Fair value adjustments	(157,466)	(166,946)	(157,466)	(166,946)
	<u>188,050</u>	<u>180,182</u>	<u>720,434</u>	<u>719,025</u>
Weighted average number of stapled securities in issue ('000 units)	1,805,333	1,805,333	1,805,333	1,805,333
Basic EPSS (Sen)	<u>10.42</u>	<u>9.98</u>	<u>39.91</u>	<u>39.83</u>

BY ORDER OF THE BOARD

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