

KLCC PROPERTY HOLDINGS BERHAD
Registration No. 200401003073 (641576-U)
(Incorporated in Malaysia)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2020

	First quarter ended		Cumulative 3 months ended	
	31-Mar-20 RM'000	31-Mar-19 RM'000	31-Mar-20 RM'000	31-Mar-19 RM'000
Revenue	354,594	353,446	354,594	353,446
Operating expenses	(104,780)	(96,639)	(104,780)	(96,639)
Operating profit	249,814	256,807	249,814	256,807
Interest/profit income	7,078	6,946	7,078	6,946
Finance costs	(28,076)	(27,367)	(28,076)	(27,367)
Share of profit of an associate	3,451	3,209	3,451	3,209
Profit before taxation	232,267	239,595	232,267	239,595
Taxation	(27,660)	(26,965)	(27,660)	(26,965)
Profit for the period, representing total comprehensive income	204,607	212,630	204,607	212,630
Profit attributable to:				
Equity holders of the Company	63,168	70,056	63,168	70,056
Non-controlling interests relating to KLCC Real Estate Investment Trust (KLCC REIT)	113,712	113,902	113,712	113,902
	176,880	183,958	176,880	183,958
Other non-controlling interests	27,727	28,672	27,727	28,672
	204,607	212,630	204,607	212,630
Dividend/income distribution to stapled security holders:				
<u>Quarter ended 31 March 2020/2019</u>				
Realised distributable income - KLCCP	63,168	70,056	63,168	70,056
Realised distributable income - KLCC REIT	112,497	113,409	112,497	113,409
Total realised distributable income	175,665	183,465	175,665	183,465
Unrealised distributable income - KLCC REIT	1,215	493	1,215	493
	176,880	183,958	176,880	183,958
Distribution rate (%) ¹	85.30%	86.59%	85.30%	86.59%
Dividend/income distribution	149,842	158,869	149,842	158,869
Dividend/income distribution per stapled security (sen)	8.30	8.80	8.30	8.80
Earnings per stapled security (sen)				
– Basic	9.80	10.19	9.80	10.19

¹ Rounded to two decimal points.

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020**

	31-Mar-20 RM'000	31-Dec-19 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	666,535	671,690
Investment properties	15,895,827	15,894,180
Right-of-use assets	10,726	11,807
Investment in an associate	263,759	265,588
Deferred tax assets	1,335	1,330
Other receivables	427,421	426,488
	<u>17,265,603</u>	<u>17,271,083</u>
Current assets		
Inventories	1,697	1,810
Trade and other receivables	64,375	52,962
Tax recoverable	1,477	1,493
Cash and cash equivalents	854,035	883,908
	<u>921,584</u>	<u>940,173</u>
TOTAL ASSETS	<u>18,187,187</u>	<u>18,211,256</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	1,823,386	1,823,386
Capital reserve	3,015,397	3,015,397
Retained profits	266,404	299,821
	<u>5,105,187</u>	<u>5,138,604</u>
Equity attributable to unit holders of the KLCC REIT	<u>8,074,234</u>	<u>8,073,356</u>
Total equity attributable to equity holders of KLCCP and KLCC REIT	<u>13,179,421</u>	<u>13,211,960</u>
Other non-controlling interests	<u>2,081,872</u>	<u>2,081,478</u>
Total equity	<u>15,261,293</u>	<u>15,293,438</u>
Non-current liabilities		
Deferred revenue	46,007	46,947
Other long term liabilities	182,414	171,288
Long term borrowings	2,316,391	2,317,386
Deferred taxation	71,996	71,994
	<u>2,616,808</u>	<u>2,607,615</u>
Current liabilities		
Trade and other payables	229,463	257,843
Short term borrowings	50,959	29,210
Taxation	28,664	23,150
	<u>309,086</u>	<u>310,203</u>
Total liabilities	<u>2,925,894</u>	<u>2,917,818</u>
TOTAL EQUITY AND LIABILITIES	<u>18,187,187</u>	<u>18,211,256</u>
Net asset value per stapled security (RM)	7.30	7.32

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.)

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 MARCH 2020**

	← 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 ² RM'000	Other non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Retained profits RM'000	Capital reserve ¹ RM'000				
As at 1 January 2019	1,823,386	243,209	2,937,256	5,003,851	8,091,402	2,029,836	15,125,089
Adjustment on initial application of MFRS 16 ³	–	(55)	–	(55)	–	(11)	(66)
At 1 January 2019, restated	1,823,386	243,154	2,937,256	5,003,796	8,091,402	2,029,825	15,125,023
Total comprehensive income for the period	–	70,056	–	70,056	113,902	28,672	212,630
Dividends paid/declared	–	(83,587)	–	(83,587)	(113,194)	(25,967)	(222,748)
As at 31 March 2019	1,823,386	229,623	2,937,256	4,990,265	8,092,110	2,032,530	15,114,905
As at 1 January 2020	1,823,386	299,821	3,015,397	5,138,604	8,073,356	2,081,478	15,293,438
Total comprehensive income for the period	–	63,168	–	63,168	113,712	27,727	204,607
Dividends paid/declared	–	(96,585)	–	(96,585)	(112,834)	(27,333)	(236,752)
As at 31 March 2020	1,823,386	266,404	3,015,397	5,105,187	8,074,234	2,081,872	15,261,293

¹ Capital reserve arises from the surplus of revaluation of investment properties that will be distributed upon the sale of investment properties.

² Equity attributable to unit holders of KLCC REIT consists of Unitholders' Fund (RM7,212,684,000), Merger Reserve (RM6,212,000), Capital Reserve (RM392,367,000) and Retained Profit (RM462,971,000).

³ Cumulative effect of initial application of MFRS 16 under modified retrospective approach.

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2019 and the accompanying explanatory notes attached to this interim financial report.)

KLCC PROPERTY HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020

	Cumulative 3 months ended	
	31-Mar-20 RM'000	31-Mar-19 RM'000
Cash flows from operating activities		
Profit before tax	232,267	239,595
Adjustments for:		
Interest/profit income	(7,078)	(6,946)
Finance costs	28,076	27,367
Accrued rental income	(2,906)	(2,773)
Depreciation	12,625	10,411
Allowance for impairment losses	-	23
Loss on disposal of property, plant and equipment	35	5
Share of results of an associate	(3,451)	(3,209)
	<u>27,301</u>	<u>24,878</u>
Operating profit before changes in working capital	<u>259,568</u>	<u>264,473</u>
Changes in working capital:		
Trade and other receivables	(1,643)	(3,605)
Amount due from/to ultimate holding company	(1,724)	1,883
Amount due from/to immediate holding company	(6,681)	57
Amount due from/to related companies	(3,074)	(1,388)
Trade and other payables	(15,442)	13,791
Inventories	113	(11)
	<u>(28,451)</u>	<u>10,727</u>
Interest/profit income received	6,399	5,691
Tax paid	(22,135)	(22,445)
Net cash generated from operating activities	<u>215,381</u>	<u>258,446</u>
Cash flows from investing activities		
Dividends received	5,280	-
Purchase of property, plant and equipment	(5,028)	(5,551)
Cost incurred for investment properties	(1,892)	(2,060)
Proceeds from disposal of property, plant and equipment	2	35
Net cash used in investing activities	<u>(1,638)</u>	<u>(7,576)</u>
Cash flows from financing activities		
Dividends paid to equity holders of the company	(96,585)	(83,587)
Dividends paid to non-controlling interests relating to KLCC REIT	(114,468)	(114,783)
Dividends paid to other non-controlling interests	(27,333)	(25,967)
Interest/profit expense paid	(4,060)	(3,582)
Payment of lease liabilities	(1,170)	(487)
Decrease in deposits restricted	966	(1,502)
Net cash used in financing activities	<u>(242,650)</u>	<u>(229,908)</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2020

	Cumulative 3 months ended	
	31-Mar-20	31-Mar-19
	RM'000	RM'000
Net (decrease)/increase in cash and cash equivalents	(28,907)	20,962
Cash and cash equivalents at the beginning of the year	881,586	730,431
Cash and cash equivalents at the end of period	<u>852,679</u>	<u>751,393</u>
Cash and cash equivalents at the end of period comprises:		
Cash and bank balances	510,668	410,201
Deposits	343,367	347,987
	<u>854,035</u>	<u>758,188</u>
Less: Deposits restricted ¹	<u>(1,356)</u>	<u>(6,795)</u>
	<u>852,679</u>	<u>751,393</u>

¹ *Deposits restricted relate 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 2019 and the accompanying explanatory notes attached to this interim financial report.)

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NOTES ON THE QUARTERLY REPORT — 31 MARCH 2020

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. One ordinary share of KLCCP is stapled with one unit of KLCC Real Estate Investment Trust (“KLCC REIT”) 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 5 May 2020.

A2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 March 2020, are unaudited and have been prepared in compliance with the requirements of paragraph 9.22 and 9.44 of the *Main Market Listing Requirements* of Bursa Malaysia Securities Berhad, MFRS 134 *Interim Financial Reporting* issued by Malaysian Accounting Standards Board (“MASB”) 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 2019 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 2020 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 2019 was not qualified.

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NOTES ON THE QUARTERLY REPORT — 31 MARCH 2020

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information

	First quarter ended			Cumulative 3 months ended		
	31-Mar-20			31-Mar-20		
	KLCCP	KLCC	Group	KLCCP	KLCC	Group
	RM'000	REIT RM'000	RM'000	RM'000	REIT RM'000	RM'000
Revenue						
Property investment:						
Office	10,316	139,641	149,957	10,316	139,641	149,957
Retail	124,696	9,162	133,858	124,696	9,162	133,858
Hotel operations	28,081	-	28,081	28,081	-	28,081
Management services	61,775	-	61,775	61,775	-	61,775
	<u>224,868</u>	<u>148,803</u>	<u>373,671</u>	<u>224,868</u>	<u>148,803</u>	<u>373,671</u>
Eliminations			(19,077)			(19,077)
			<u>354,594</u>			<u>354,594</u>
Operating profit						
Property investment:						
Office	8,356	123,457	131,813	8,356	123,457	131,813
Retail	104,609	5,553	110,162	104,609	5,553	110,162
Hotel operations	(5,142)	-	(5,142)	(5,142)	-	(5,142)
Management services	16,761	-	16,761	16,761	-	16,761
	<u>124,584</u>	<u>129,010</u>	<u>253,594</u>	<u>124,584</u>	<u>129,010</u>	<u>253,594</u>
Eliminations			(3,780)			(3,780)
			<u>249,814</u>			<u>249,814</u>
Interest/profit income	6,473	605	7,078	6,473	605	7,078
Finance cost	(12,173)	(15,903)	(28,076)	(12,173)	(15,903)	(28,076)
Share of profit of an associate company	3,451	-	3,451	3,451	-	3,451
Taxation	(27,660)	-	(27,660)	(27,660)	-	(27,660)
Profit for the period /						
Total comprehensive income for the period			<u>204,607</u>			<u>204,607</u>

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A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information (Contd.)

	As at 31-Mar-20		
	KLCCP RM'000	KLCC REIT RM'000	Group RM'000
Total assets			
Property investment — Office	1,163,401	9,187,997	10,351,398
Property investment — Retail	5,842,662	522,046	6,364,708
Hotel operations	660,541	—	660,541
Management services	233,744	—	233,744
	<u>7,900,348</u>	<u>9,710,043</u>	<u>17,610,391</u>
Eliminations and adjustments			<u>576,796</u>
			<u>18,187,187</u>
Total liabilities			
Property investment — Office	26,550	1,619,331	1,645,881
Property investment — Retail	814,610	16,477	831,087
Hotel operations	408,641	—	408,641
Management services	57,364	—	57,364
	<u>1,307,165</u>	<u>1,635,808</u>	<u>2,942,973</u>
Eliminations and adjustments			<u>(17,079)</u>
			<u>2,925,894</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.

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NOTES ON THE QUARTERLY REPORT — 31 MARCH 2020

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A10 Dividends paid

The Board of Directors declared interim dividends comprising 5.35 sen and 6.25 sen relating to KLCCP and KLCC REIT respectively in respect of the three month period ended 31 December 2019 totaling 11.60 sen per stapled security.

The KLCCP dividend of 5.35 sen per share (tax exempt under the single-tier tax system) amounting to RM96.6 million and the KLCC REIT income distribution of 6.25 sen per unit amounting to RM112.8 million were paid on 28 February 2020.

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 operations

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 March 2020 is as follows:

	RM'000
Approved and contracted for	195,290
Approved but not contracted for	227,678
	<u>422,968</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 Property development activities

KLCC REIT did not undertake any property development activities during the quarter under review.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2020

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A17 Material and subsequent events

In order to contain the Covid-19 pandemic, Malaysia implemented the Movement Control Order ("MCO") which prohibits all government and private premises from operating except those providing essential services. The MCO which came into force on 18 March 2020 is currently in its fourth phase. On 4 May 2020, the government enforced a conditional MCO to ease the partial lockdown implemented in March 2020. This allows almost all businesses to open with conditions.

The Group has been focusing on complying with the Government's directive on MCO in order to contain the spread of the virus. During the MCO period from 18 March 2020 till 3 May 2020, our hotel, MOKL, was temporarily closed to new guests and only continued to serve long-stay guests. All its food and beverage outlets were closed. Suria KLCC mall was also closed with the exception of essential services such as pharmacies, supermarkets, banks and money changers which remained accessible to the public.

With the imposition of the conditional MCO from 4 May 2020 till 12 May 2020, Suria KLCC mall and MOKL have opened their businesses with strict adherence to the guidelines issued by the government. With the safety of our tenants, shoppers, customers and hotel guests as our top priority, additional safety measures such as temperature checks, sanitization and social distancing have been put in place at all our properties, including office buildings.

Public health remains important to the Group even after the MCO period. Hence, the Group will continue to implement and improve all the safety measures where necessary, in accordance to the guidelines by the Ministry of Health.

The performance of the office segment remains stable backed by the triple net lease agreements and long term leases. Based on the current assessment, it is anticipated that the Covid-19 pandemic will impact customer confidence and behaviour and thus, the hotel and retail segments may take a longer period to recover. This will invariably impact the Group's financial performance in these segments for the year.

The Directors and Management are monitoring the current situation closely and will take appropriate action accordingly to mitigate the impact of the pandemic on the businesses of the Group.

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NOTES ON THE QUARTERLY REPORT — 31 MARCH 2020

B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1 Performance review

	First quarter ended			Cumulative 3 months ended		
	31-Mar-20 RM'000	31-Mar-19 RM'000	Change %	31-Mar-20 RM'000	31-Mar-19 RM'000	Change %
Revenue:						
Property investment:						
Office	149,957	149,332	0.42	149,957	149,332	0.42
Retail	133,858	129,955	3.00	133,858	129,955	3.00
Hotel operations	28,081	42,420	(33.80)	28,081	42,420	(33.80)
Management services	61,775	49,925	23.74	61,775	49,925	23.74
Eliminations/Adjustments	(19,077)	(18,186)		(19,077)	(18,186)	
	354,594	353,446	0.32	354,594	353,446	0.32
Profit before tax ("PBT"):						
Property investment:						
Office *	121,073	121,422	(0.29)	121,073	121,422	(0.29)
Retail	103,100	98,646	4.52	103,100	98,646	4.52
Hotel operations	(8,837)	(392)	>100	(8,837)	(392)	>100
Management services	17,066	18,888	(9.65)	17,066	18,888	(9.65)
Eliminations/Adjustments	(135)	1,031		(135)	1,031	
	232,267	239,595	(3.06)	232,267	239,595	(3.06)

* Includes share of profit of an associate.

Variance analysis by segment

Property investment — Office

Office segment remained stable backed by the triple net lease agreements (TNL) and long term leases.

Marginal decrease in PBT by 0.3% mainly due to higher one-off repair and maintenance during the quarter.

Property investment — Retail

Revenue and PBT in Q1 2020 recorded an increase by 3.0% and 4.5% respectively mainly as a result of improved occupancy from partial completion of the reconfiguration exercise.

However, this was partially off-set by a decline in other revenue stream such as the advertising income due to the Covid-19 pandemic.

Hotel operations

The hotel's performance was badly affected by the pandemic resulting to the decline in revenue and PBT by RM14.3 million and RM8.4 million respectively during the quarter due to cancellation of events and MCO.

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NOTES ON THE QUARTERLY REPORT — 31 MARCH 2020

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

B1 Performance review (contd.)

Management services

Higher revenue observed during the quarter by 23.7% mostly due to the new business approach in the facility management services. However, PBT was impacted due to lower profit margin.

In addition, lower PBT by 9.7% from management services were also affected by lower carpark income due to the lower transient parking during the Covid-19 pandemic as well as higher depreciation and IT cost from the digital initiatives commenced by KLCC Parking Management last year.

B2 Variation of results against preceding quarter

	Quarter ended		
	31-Mar-20	31-Dec-19	Change
	RM'000	RM'000	%
Revenue:			
Property investment:			
Office	149,957	148,799	0.78
Retail	133,858	131,879	1.50
Hotel operations	28,081	49,101	(42.81)
Management services	61,775	53,435	15.61
Eliminations/Adjustments	(19,077)	(18,253)	
	354,594	364,961	(2.84)
Profit before tax:			
Property investment:			
Office *	121,073	118,313	2.33
Retail	103,100	101,268	1.81
Hotel operations	(8,837)	2,303	(>100)
Management services	17,066	19,938	(14.40)
Eliminations/Adjustments	(135)	2,175	
	232,267	243,997	(4.81)
Fair value adjustments on investment properties	–	118,471	
	232,267	362,468	(35.92)

* Includes share of profit of an associate.

Excluding the fair value adjustments, overall revenue and PBT decreased by 2.8% and 4.8% respectively as the year-end holidays and festive season traditionally contribute to better performance in the hotel segment.

Due to the Covid-19 outbreak at end of January 2020, overall performance especially the hotel segment started to decline and further deteriorate by the declaration of Covid-19 as pandemic on March 11 and MCO imposed by the government on March 18.

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NOTES ON THE QUARTERLY REPORT — 31 MARCH 2020

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

B3 Prospects for financial year 2020

The Directors expect the performance of the office segment to remain stable backed by the triple net lease agreements and long term leases.

The Covid-19 pandemic has significantly affected the Malaysian economy and consequently the retail and hotel segments of the Group. Arising therefrom, the Directors anticipate that the hotel segment will be adversely affected for the rest of the year.

For retail segment, the Directors remain cautious as Suria continues to operate in a challenging environment, taking into consideration the potential changes in consumer behaviour and sentiments upon the up-lift of the Movement Control Order.

B4 Profit forecast

No profit forecast was issued for the financial period.

B5 Taxation

Taxation comprises the following:

	First quarter ended		Cumulative 3 months ended	
	31-Mar-20 RM'000	31-Mar-19 RM'000	31-Mar-20 RM'000	31-Mar-19 RM'000
In respect of the current period:				
Malaysian income tax	27,665	27,059	27,665	27,059
Deferred tax	(5)	(94)	(5)	(94)
	27,660	26,965	27,660	26,965

Overall effective tax rate of 12% is lower as income from KLCC REIT is not 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.

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NOTES ON THE QUARTERLY REPORT — 31 MARCH 2020**B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD (CONTD.)****B9 Borrowings**

	As at 31-Mar-20		
	KLCCP RM'000	KLCC REIT RM'000	Group RM'000
Short term:			
<u>Secured</u>			
Term loans	9,317	–	9,317
Sukuk Murabahah	7,076	30,501	37,577
Lease liabilities	4,065	–	4,065
	<u>20,458</u>	<u>30,501</u>	<u>50,959</u>
Long term:			
<u>Secured</u>			
Term loans	354,666	–	354,666
Sukuk Murabahah	600,000	1,355,000	1,955,000
Lease liabilities	6,725	–	6,725
	<u>961,391</u>	<u>1,355,000</u>	<u>2,316,391</u>
	<u>981,849</u>	<u>1,385,501</u>	<u>2,367,350</u>

Repayment schedule:

	Within 1 year RM'000	1–2 years RM'000	2–5 years RM'000	More than 5 years RM'000	Group total RM'000
<u>KLCCP</u>					
Term loans	9,317	7,500	22,500	324,666	363,983
Sukuk Murabahah	7,076	–	600,000	–	607,076
Lease liabilities	4,065	3,717	3,008	–	10,790
	<u>20,458</u>	<u>11,217</u>	<u>625,508</u>	<u>324,666</u>	<u>981,849</u>
<u>KLCC REIT</u>					
Sukuk Murabahah	30,501	400,000	455,000	500,000	1,385,501
	<u>50,959</u>	<u>411,217</u>	<u>1,080,508</u>	<u>824,666</u>	<u>2,367,350</u>

B10 Material litigation

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

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B EXPLANATORY NOTES PURSUANT TO PART A AND PART D OF 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 March 2020:

	Total stapled securities	Dividend/ income distribution per stapled securities Sen	Total dividend/ income distribution payable RM'000
KLCCP ¹	1,805,333,083	2.46	44,411
KLCC REIT ^{2, 3}	1,805,333,083	5.84	105,431
Group		<u>8.30</u>	<u>149,842</u>

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 18 June 2020. The book closure date in respect of both the aforesaid interim dividend and income distribution is 22 May 2020.

¹ Dividend declared under KLCCP is tax exempt under the 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%

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

B11 Dividend/income distribution (contd.)

³ Distribution by KLCC REIT to unitholders are from the following sources:

	First quarter ended		Cumulative 3 months ended	
	31-Mar-20 RM'000	31-Mar-19 RM'000	31-Mar-20 RM'000	31-Mar-19 RM'000
Revenue				
Property investment - Office	139,641	139,389	139,641	139,389
Property investment - Retail	9,162	8,451	9,162	8,451
	148,803	147,840	148,803	147,840
Profit income	605	758	605	758
	149,408	148,598	149,408	148,598
Less: Expenses	(35,696)	(34,696)	(35,696)	(34,696)
Profit for the period	113,712	113,902	113,712	113,902
Less: Non-cash items	(1,215)	(493)	(1,215)	(493)
Total realised income available for the period	112,497	113,409	112,497	113,409
Add: Brought forward undistributed realised income available for distribution	41,469	41,233	41,469	41,233
Total realised income available for distribution *	153,966	154,642	153,966	154,642
Less: Income to be distributed for the quarter	(105,431)	(113,375)	(105,431)	(113,375)
Balance undistributed realised income available for distribution	48,535	41,267	48,535	41,267
Distribution per unit (sen)	5.84	6.28	5.84	6.28

* There are no unrealised losses arising during the period or brought forward from previous year.

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

B12 Summary of Net Asset Value ("NAV")

	No. of units listed	NAV RM'000	NAV per unit	
			before distribution RM	after distribution RM
KLCC REIT ¹	1,805,333,083	8,074,234	4.47	4.41
KLCCP Stapled Group	1,805,333,083	13,179,421	7.30	7.22

¹ An analysis of KLCC REIT's performance based on changes in NAV and NAV per unit, after distribution, since 31 December 2019 is as follows:

	As at 31-Mar-20	As at 31-Dec-19	Changes
NAV (after distribution) (RM'000)	7,968,803	7,960,523	8,280
NAV per unit (after distribution) (RM)	4.41	4.41	-

The NAV per unit (after distribution) remained at RM4.41.

B13 Profit for the period

	First quarter ended		Cumulative 3 months ended	
	31-Mar-20 RM'000	31-Mar-19 RM'000	31-Mar-20 RM'000	31-Mar-19 RM'000
Profit for the period is arrived after charging:				
Depreciation of property, plant and equipment ¹	12,625	10,411	12,625	10,411
Allowance for impairment losses	-	23	-	23
Loss on disposal of property, plant and equipment	35	5	35	5
Write off of property, plant and equipment	-	9	-	9

¹ Depreciation of property, plant and equipment is inclusive of depreciation resulting from MFRS 16: Leases.

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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B14 Earnings per stapled securities ("EPSS")

	First quarter ended		Cumulative 3 months ended	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Profit attributable to ordinary equity holders of the Company (RM'000)	63,168	70,056	63,168	70,056
Profit attributable to unitholders of KLCC REIT (RM'000)	113,712	113,902	113,712	113,902
	<u>176,880</u>	<u>183,958</u>	<u>176,880</u>	<u>183,958</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>9.80</u>	<u>10.19</u>	<u>9.80</u>	<u>10.19</u>

B15 Limits or restrictions imposed under the Guidelines on Listed REITs issued by Securities Commission Malaysia ("the Guidelines")

The Group is in compliance with the limits or restrictions imposed under the Guidelines.

BY ORDER OF THE BOARD

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