

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	Third quarter ended		Cumulative 9 months ended	
	30-Sep-20 RM'000	30-Sep-19 RM'000	30-Sep-20 RM'000	30-Sep-19 RM'000
Revenue	312,604	353,521	934,443	1,058,060
Operating expenses	(97,394)	(99,827)	(286,973)	(296,346)
<b>Operating profit</b>	<b>215,210</b>	<b>253,694</b>	<b>647,470</b>	<b>761,714</b>
Interest/profit income	4,438	7,914	16,969	22,351
Finance costs	(27,571)	(27,986)	(83,207)	(83,324)
Share of profit of an associate	3,374	1,614	10,318	8,112
<b>Profit before taxation</b>	<b>195,451</b>	<b>235,236</b>	<b>591,550</b>	<b>708,853</b>
Taxation	(21,047)	(25,067)	(63,242)	(78,358)
<b>Profit for the period, representing total comprehensive income</b>	<b>174,404</b>	<b>210,169</b>	<b>528,308</b>	<b>630,495</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	44,223	67,737	136,880	204,832
Non-controlling interests relating to KLCC Real Estate Investment Trust (KLCC REIT)	112,440	113,668	337,123	340,907
	<b>156,663</b>	<b>181,405</b>	<b>474,003</b>	<b>545,739</b>
Other non-controlling interests	17,741	28,764	54,305	84,756
	<b>174,404</b>	<b>210,169</b>	<b>528,308</b>	<b>630,495</b>
<b>Dividend/income distribution to stapled security holders:</b>				
<u>Quarter ended 30 September 2020/2019</u>				
Realised distributable income - KLCCP	44,223	67,737	136,880	204,832
Realised distributable income - KLCC REIT	111,530	112,789	334,054	338,715
Total realised distributable income	155,753	180,526	470,934	543,547
Unrealised distributable income - KLCC REIT	910	879	3,069	2,192
	<b>156,663</b>	<b>181,405</b>	<b>474,003</b>	<b>545,739</b>
Distribution rate (%) <sup>1</sup>	86.93%	88.00%	89.32%	87.68%
Dividend/income distribution	135,400	158,870	420,642	476,608
<b>Dividend/income distribution per stapled security (sen)</b>	<b>7.50</b>	<b>8.80</b>	<b>23.30</b>	<b>26.40</b>
<b>Earnings per stapled security (sen)</b>				
– Basic	8.68	10.05	26.26	30.23

<sup>1</sup> 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**

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(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2020**

	30-Sep-20 RM'000	31-Dec-19 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	647,918	671,690
Investment properties	15,904,281	15,894,180
Right-of-use assets	10,558	11,807
Investment in an associate	270,626	265,588
Deferred tax assets	1,343	1,330
Other receivables	428,714	426,488
	<u>17,263,440</u>	<u>17,271,083</u>
<b>Current assets</b>		
Inventories	1,517	1,810
Trade and other receivables	84,201	52,962
Tax recoverable	1,173	1,493
Cash and cash equivalents	847,324	883,908
	<u>934,215</u>	<u>940,173</u>
<b>TOTAL ASSETS</b>	<u>18,197,655</u>	<u>18,211,256</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	1,823,386	1,823,386
Capital reserve	3,015,397	3,015,397
Retained profits	270,249	299,821
	<u>5,109,032</u>	<u>5,138,604</u>
<b>Equity attributable to unit holders of the KLCC REIT</b>	<u>8,082,269</u>	<u>8,073,356</u>
<b>Total equity attributable to equity holders of KLCCP and KLCC REIT</b>	<u>13,191,301</u>	<u>13,211,960</u>
<b>Other non-controlling interests</b>	<u>2,086,583</u>	<u>2,081,478</u>
<b>Total equity</b>	<u>15,277,884</u>	<u>15,293,438</u>
<b>Non-current liabilities</b>		
Deferred revenue	43,863	46,947
Other long term liabilities	178,489	171,288
Long term borrowings	1,908,399	2,317,386
Deferred taxation	71,996	71,994
	<u>2,202,747</u>	<u>2,607,615</u>
<b>Current liabilities</b>		
Trade and other payables	200,547	257,843
Short term borrowings	452,559	29,210
Taxation	63,918	23,150
	<u>717,024</u>	<u>310,203</u>
<b>Total liabilities</b>	<u>2,919,771</u>	<u>2,917,818</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>18,197,655</u>	<u>18,211,256</u>
<b>Net asset value per stapled security (RM)</b>	7.31	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.)

**KLCC PROPERTY HOLDINGS BERHAD**

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 SEPTEMBER 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 <sup>2</sup> RM'000	Other non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Retained profits RM'000	Capital reserve <sup>1</sup> RM'000				
<b>As at 1 January 2019</b>	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 <sup>3</sup>	–	(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	–	204,832	–	204,832	340,907	84,756	630,495
Dividends paid/declared	–	(175,478)	–	(175,478)	(339,042)	(77,900)	(592,420)
<b>As at 30 September 2019</b>	1,823,386	272,508	2,937,256	5,033,150	8,093,267	2,036,681	15,163,098
<b>As at 1 January 2020</b>	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	–	136,880	–	136,880	337,123	54,305	528,308
Dividends paid/declared	–	(166,452)	–	(166,452)	(328,210)	(49,200)	(543,862)
<b>As at 30 September 2020</b>	1,823,386	270,249	3,015,397	5,109,032	8,082,269	2,086,583	15,277,884

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

<sup>2</sup> Equity attributable to unit holders of KLCC REIT consists of Unitholders' Fund (RM7,212,684,000), Merger Reserve (RM6,212,000), Capital Reserve (RM392,366,000) and Retained Profit (RM471,007,000).

<sup>3</sup> 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 30 SEPTEMBER 2020**

	Cumulative 9 months ended	
	30-Sep-20 RM'000	30-Sep-19 RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	591,550	708,853
Adjustments for:		
Interest/profit income	(16,969)	(22,351)
Finance costs	83,207	83,324
Accrued rental income	(9,311)	(9,270)
Depreciation	38,029	32,314
Allowance for impairment losses	267	23
Loss on disposal of property, plant and equipment	35	43
Write off of property, plant and equipment	–	9
Share of results of an associate	(10,318)	(8,112)
	<u>84,940</u>	<u>75,980</u>
Operating profit before changes in working capital	676,490	784,833
Changes in working capital:		
Trade and other receivables	(21,738)	(903)
Amount due from/to ultimate holding company	6,236	11,590
Amount due from/to immediate holding company	(16,899)	131
Amount due from/to related companies	8,190	539
Trade and other payables	(56,892)	26,378
Inventories	293	(43)
	<u>(80,810)</u>	<u>37,692</u>
Interest/profit income received	17,177	22,810
Tax paid	(22,167)	(80,869)
<b>Net cash generated from operating activities</b>	<u>590,690</u>	<u>764,466</u>
<b>Cash flows from investing activities</b>		
Dividends received	5,280	–
Purchase of property, plant and equipment	(11,049)	(25,401)
Cost incurred for investment properties	(13,954)	(24,388)
Proceeds from disposal of property, plant and equipment	2	66
<b>Net cash used in investing activities</b>	<u>(19,721)</u>	<u>(49,723)</u>
<b>Cash flows from financing activities</b>		
Proceeds from drawdown of borrowings	4,983	500,000
Repayment of borrowings	(10,000)	(408,500)
Dividends paid to equity holders of the company	(166,452)	(129,081)
Dividends paid to non-controlling interests relating to KLCC REIT	(326,930)	(226,569)
Dividends paid to other non-controlling interests	(49,200)	(77,900)
Interest/profit expense paid	(56,446)	(63,388)
Payment of lease liabilities	(3,508)	(1,489)
Decrease in deposits restricted	(1,345)	(4,507)
<b>Net cash used in financing activities</b>	<u>(608,898)</u>	<u>(411,434)</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

	<b>Cumulative 9 months ended</b>	
	<b>30-Sep-20</b>	<b>30-Sep-19</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(37,929)</b>	303,309
<b>Cash and cash equivalents at the beginning of the year</b>	<b>881,586</b>	730,431
<b>Cash and cash equivalents at the end of period</b>	<b><u>843,657</u></b>	<b><u>1,033,740</u></b>
<b>Cash and cash equivalents at the end of period comprises:</b>		
Cash and bank balances	<b>564,830</b>	543,978
Deposits	<b><u>282,494</u></b>	<u>499,562</u>
	<b>847,324</b>	1,043,540
Less: Deposits restricted <sup>1</sup>	<b><u>(3,667)</u></b>	<u>(9,800)</u>
	<b><u>843,657</u></b>	<b><u>1,033,740</u></b>

<sup>1</sup> 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 — 30 SEPTEMBER 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 10 November 2020.

**A2 Basis of preparation**

These condensed consolidated interim financial statements, for the period ended 30 September 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 — 30 SEPTEMBER 2020**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)**

**A5 Segmental information**

	Third quarter ended			Cumulative 9 months ended		
	30-Sep-20			30-Sep-20		
	KLCCP	KLCC	Group	KLCCP	KLCC	Group
	REIT	REIT		REIT	REIT	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
<b>Revenue</b>						
Property investment:						
Office	10,351	139,370	<b>149,721</b>	30,735	418,064	<b>448,799</b>
Retail	98,966	7,452	<b>106,418</b>	292,815	22,346	<b>315,161</b>
Hotel operations	11,667	-	<b>11,667</b>	43,206	-	<b>43,206</b>
Management services	63,060	-	<b>63,060</b>	181,742	-	<b>181,742</b>
	184,044	146,822	<b>330,866</b>	548,498	440,410	<b>988,908</b>
Eliminations			<b>(18,262)</b>			<b>(54,465)</b>
			<b>312,604</b>			<b>934,443</b>
<b>Operating profit</b>						
Property investment:						
Office	8,579	124,004	<b>132,583</b>	24,866	371,274	<b>396,140</b>
Retail	78,857	3,955	<b>82,812</b>	236,036	11,926	<b>247,962</b>
Hotel operations	(12,915)	-	<b>(12,915)</b>	(34,882)	-	<b>(34,882)</b>
Management services	16,681	-	<b>16,681</b>	48,968	-	<b>48,968</b>
	91,202	127,959	<b>219,161</b>	274,988	383,200	<b>658,188</b>
Eliminations			<b>(3,951)</b>			<b>(10,718)</b>
			<b>215,210</b>			<b>647,470</b>
Interest/profit income	3,930	508	<b>4,438</b>	15,262	1,707	<b>16,969</b>
Finance cost	(11,544)	(16,027)	<b>(27,571)</b>	(35,423)	(47,784)	<b>(83,207)</b>
Share of profit of an associate company	3,374	-	<b>3,374</b>	10,318	-	<b>10,318</b>
Taxation	(21,047)	-	<b>(21,047)</b>	(63,242)	-	<b>(63,242)</b>
<b>Profit for the period / Total comprehensive income for the period</b>			<b>174,404</b>			<b>528,308</b>

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**NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2020**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)**

**A5 Segmental information (Contd.)**

	As at 30-Sep-20		Group
	KLCCP	KLCC REIT	
	RM'000	RM'000	RM'000
<b>Total assets</b>			
Property investment — Office	1,174,964	9,137,942	<b>10,312,906</b>
Property investment — Retail	5,927,311	530,154	<b>6,457,465</b>
Hotel operations	616,684	—	<b>616,684</b>
Management services	247,696	—	<b>247,696</b>
	<u>7,966,655</u>	<u>9,668,096</u>	<u><b>17,634,751</b></u>
Eliminations and adjustments			<u><b>562,904</b></u>
			<u><b>18,197,655</b></u>
<b>Total liabilities</b>			
Property investment — Office	25,817	1,559,610	<b>1,585,427</b>
Property investment — Retail	864,621	26,216	<b>890,837</b>
Hotel operations	401,525	—	<b>401,525</b>
Management services	60,532	—	<b>60,532</b>
	<u>1,352,495</u>	<u>1,585,826</u>	<u><b>2,938,321</b></u>
Eliminations and adjustments			<u><b>(18,550)</b></u>
			<u><b>2,919,771</b></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 other than as explained in Note B1.

**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, whilst the other segments are not affected by seasonal or cyclical factors.



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**NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2020**

**A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)**

**A10 Dividends paid**

The Board of Directors declared interim dividends comprising 1.41 sen and 6.09 sen relating to KLCCP and KLCC REIT respectively in respect of the three month period ended 30 June 2020 totaling 7.50 sen per stapled security.

The KLCCP dividend of 1.41 sen per share (tax exempt under the single-tier tax system) amounting to RM25.5 million and the KLCC REIT income distribution of 6.09 sen per unit amounting to RM109.9 million were paid on 23 September 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 30 September 2020 is as follows:

	<b>RM'000</b>
Approved and contracted for	206,450
Approved but not contracted for	230,644
	<u>437,094</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.

**A17 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 — 30 SEPTEMBER 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**

	Third quarter ended			Cumulative 9 months ended		
	30-Sep-20 RM'000	30-Sep-19 RM'000	Change %	30-Sep-20 RM'000	30-Sep-19 RM'000	Change %
Revenue:						
Property investment:						
Office	149,721	149,521	0.13	448,799	448,525	0.06
Retail	106,418	125,172	(14.98)	315,161	382,828	(17.68)
Hotel operations	11,667	44,126	(73.56)	43,206	128,380	(66.35)
Management services	63,060	53,525	17.81	181,742	153,495	18.40
Eliminations/Adjustments	(18,262)	(18,823)		(54,465)	(55,168)	
	<b>312,604</b>	<b>353,521</b>	<b>(11.57)</b>	<b>934,443</b>	<b>1,058,060</b>	<b>(11.68)</b>
Profit before tax ("PBT"):						
Property investment:						
Office *	121,564	119,108	2.06	363,747	361,455	0.63
Retail	74,894	97,316	(23.04)	225,484	290,879	(22.48)
Hotel operations	(16,292)	(424)	(>100)	(45,578)	(1,632)	(>100)
Management services	16,931	18,628	(9.11)	49,837	56,714	(12.13)
Eliminations/Adjustments	(1,646)	608		(1,940)	1,437	
	<b>195,451</b>	<b>235,236</b>	<b>(16.91)</b>	<b>591,550</b>	<b>708,853</b>	<b>(16.55)</b>

\* 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.

Compared to Q3 2019, PBT increased slightly by 2.1% mainly due to higher share of profit received from associate company.

**Property investment — Retail**

Revenue and PBT in Q3 2020 declined by 15.0% and 23.0% respectively mainly due to the provision of rental assistance to the tenants considering the fragile consumer sentiments surrounding the retail market due to the pandemic.

As for YTD, retail segment dropped by 17.7% and 22.5% in revenue and PBT mostly due to the rental assistance in Q2 and Q3, however slightly mitigated by better results reported in Q1.

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(Incorporated in Malaysia)

## NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 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.)

##### Hotel operations

The hotel's performance remain adversely affected by the pandemic as the country keep its borders closed to international tourists, resulting in a decrease of 73.5% in the revenue compared to corresponding quarter last year.

Subsequently, the hotel reported a loss before tax of RM16.3 million and RM45.6 million respectively for the quarter and as of YTD.

##### Management services

Higher revenue observed during the quarter and YTD by 17.8% and 18.4% respectively mostly due to the new business approach in the facility management services.

However, PBT was impacted due to lower profit margin and decline carpark income due to the lower transient parking affected by the various phases of MCO.

#### B2 Variation of results against preceding quarter

	Quarter ended		Change
	30-Sep-20	30-Jun-20	%
	RM'000	RM'000	
Revenue:			
Property investment:			
Office	149,721	149,121	0.40
Retail	106,418	74,885	42.11
Hotel operations	11,667	3,458	>100
Management services	63,060	56,907	10.81
Eliminations/Adjustments	(18,262)	(17,126)	
	<b>312,604</b>	<b>267,245</b>	16.97
Profit before tax:			
Property investment:			
Office *	121,564	121,110	0.37
Retail	74,894	47,490	57.70
Hotel operations	(16,292)	(20,449)	20.33
Management services	16,931	15,840	6.89
Eliminations/Adjustments	(1,646)	(159)	
	<b>195,451</b>	<b>163,832</b>	19.30

\* Includes share of profit of an associate.

Overall revenue and PBT in Q3 2020 increased by 17.0% and 19.3% respectively as the retail and hotel segments improved during the quarter. Lower rental assistance were granted to the retail tenants during the quarter as tenant sales improved and consumer spending were encouraging amid the pandemic.

Hotel segment recorded better performance than the preceding quarter with restriction to operate being eased. Nonetheless, this segment continues to be challenging as the industry remains uncertain due to the global travel ban and sluggish market.

# KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

(Incorporated in Malaysia)

## NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 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

Although Suria KLCC experienced encouraging footfall and improvement in the consumer spending during the recovery MCO, it was quickly dampened by the recent spikes of Covid-19 cases especially at the malls in Klang Valley. The Directors noted the weak market and the recent re-imposed conditional MCO would most likely impact the retail segment in the last quarter of the year.

Hotels will be affected by low patronage as the border remained close. As such, the Directors anticipate that hotel segment will continue to be adversely affected for the remaining of the year.

The office segment is expected to remain stable on the back of long-term tenancies.

#### B4 Profit forecast

No profit forecast was issued for the financial period.

#### B5 Taxation

Taxation comprises the following:

	Third quarter ended		Cumulative 9 months ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Malaysian income tax	21,051	25,172	63,255	78,660
Deferred tax	(4)	(105)	(13)	(302)
	<u>21,047</u>	<u>25,067</u>	<u>63,242</u>	<u>78,358</u>

Overall effective tax rate of 11% 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.

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

**NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 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 30-Sep-20		
	KLCCP RM'000	KLCC REIT RM'000	Group RM'000
Short term:			
<u>Secured</u>			
Term loans	11,707	–	11,707
Sukuk Murabahah	7,153	429,233	436,386
Lease liabilities	4,466	–	4,466
	<u>23,326</u>	<u>429,233</u>	<u>452,559</u>
Long term:			
<u>Secured</u>			
Term loans	347,166	–	347,166
Sukuk Murabahah	600,000	955,000	1,555,000
Lease liabilities	6,233	–	6,233
	<u>953,399</u>	<u>955,000</u>	<u>1,908,399</u>
	<u>976,725</u>	<u>1,384,233</u>	<u>2,360,958</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	11,707	7,500	22,500	317,166	358,873
Sukuk Murabahah	7,153	–	600,000	–	607,153
Lease liabilities	4,466	3,225	3,008	–	10,699
	<u>23,326</u>	<u>10,725</u>	<u>625,508</u>	<u>317,166</u>	<u>976,725</u>
<u>KLCC REIT</u>					
Sukuk Murabahah	429,233	–	455,000	500,000	1,384,233
	<u>452,559</u>	<u>10,725</u>	<u>1,080,508</u>	<u>817,166</u>	<u>2,360,958</u>

**B10 Material litigation**

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

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

**NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2020**

**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 30 September 2020:

	<b>Total stapled securities</b>	<b>Dividend/ income distribution per stapled securities Sen</b>	<b>Total dividend/ income distribution payable RM'000</b>
KLCCP <sup>1</sup>	1,805,333,083	1.63	29,427
KLCC REIT <sup>2, 3</sup>	1,805,333,083	5.87	105,973
Group		7.50	135,400

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 18 December 2020. The book closure date in respect of both the aforesaid interim dividend and income distribution is 25 November 2020.

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

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

<u>Unitholders</u>	<b>Withholding tax rate</b>
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%

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

**NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2020**

**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.)**

<sup>3</sup> Distribution by KLCC REIT to unitholders are from the following sources:

	Third quarter ended		Cumulative 9 months ended	
	30-Sep-20 RM'000	30-Sep-19 RM'000	30-Sep-20 RM'000	30-Sep-19 RM'000
<b>Revenue</b>				
Property investment - Office	139,370	139,592	418,064	418,615
Property investment - Retail	7,452	8,504	22,346	25,217
	<b>146,822</b>	148,096	<b>440,410</b>	443,832
Profit income	508	905	1,707	2,726
	<b>147,330</b>	149,001	<b>442,117</b>	446,558
Less: Expenses	(34,890)	(35,333)	(104,994)	(105,651)
<b>Profit for the period</b>	<b>112,440</b>	113,668	<b>337,123</b>	340,907
Less: Non-cash items	(910)	(879)	(3,069)	(2,192)
<b>Total realised income available for the period</b>	<b>111,530</b>	112,789	<b>334,054</b>	338,715
Add: Brought forward undistributed realised income available for distribution	48,617	41,312	41,469	41,233
<b>Total realised income available for distribution *</b>	<b>160,147</b>	154,101	<b>375,523</b>	379,948
Less: Total income distributed for the period	—	—	(215,376)	(225,847)
Less: Income to be distributed for the quarter	(105,973)	(112,653)	(105,973)	(112,653)
<b>Balance undistributed realised income available for distribution</b>	<b>54,174</b>	41,448	<b>54,174</b>	41,448
<b>Distribution per unit (sen)</b>	<b>5.87</b>	6.24	<b>17.80</b>	18.75

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

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

**NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2020**

**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 <sup>1</sup>	1,805,333,083	8,082,269	4.48	4.42
KLCCP Stapled Group	1,805,333,083	13,191,301	7.31	7.23

<sup>1</sup> 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 30-Sep-20	As at 30-Jun-20	Changes
NAV (after distribution) (RM'000)	7,976,296	7,969,829	6,467
NAV per unit (after distribution) (RM)	4.42	4.41	0.01

The increase in NAV and NAV per unit (after distribution) primarily resulted from profit generated during the quarter of RM112.4 million, net-off against income distribution for the quarter of RM106.0 million.

**B13 Profit for the period**

	Third quarter ended		Cumulative 9 months ended	
	30-Sep-20 RM'000	30-Sep-19 RM'000	30-Sep-20 RM'000	30-Sep-19 RM'000
Profit for the period is arrived after charging:				
Depreciation of property, plant and equipment <sup>1</sup>	13,335	11,461	38,029	32,314
Allowance for impairment losses	267	—	267	23
Loss on disposal of property, plant and equipment	—	(1)	35	43
Write off of property, plant and equipment	—	—	—	9

<sup>1</sup> 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.



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

**NOTES ON THE QUARTERLY REPORT — 30 SEPTEMBER 2020**

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

**B14 Earnings per stapled securities ("EPSS")**

	Third quarter ended		Cumulative 9 months ended	
	30-Sep-20	30-Sep-19	30-Sep-20	30-Sep-19
Profit attributable to ordinary equity holders of the Company (RM'000)	44,223	67,737	136,880	204,832
Profit attributable to unitholders of KLCC REIT (RM'000)	112,440	113,668	337,123	340,907
	<u>156,663</u>	<u>181,405</u>	<u>474,003</u>	<u>545,739</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>8.68</u>	<u>10.05</u>	<u>26.26</u>	<u>30.23</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