

# KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017

	INDIVIDUAL QUARTER THREE MONTHS ENDED		CUMULATIVE THREE MONTHS ENDED	
	31-Mar-17 RM'000	31-Mar-16 RM'000	31-Mar-17 RM'000	31-Mar-16 RM'000
Revenue	336,657	334,750	336,657	334,750
Operating Expenses	(89,475)	(82,480)	(89,475)	(82,480)
<b>Operating profit</b>	<b>247,182</b>	<b>252,270</b>	<b>247,182</b>	<b>252,270</b>
Interest/Profit income	8,473	10,843	8,473	10,843
Finance costs	(29,509)	(30,026)	(29,509)	(30,026)
Share of profit of associated company	3,234	3,013	3,234	3,013
<b>Profit before taxation</b>	<b>229,380</b>	<b>236,100</b>	<b>229,380</b>	<b>236,100</b>
Taxation	(25,943)	(26,698)	(25,943)	(26,698)
<b>Profit for the period, representing total comprehensive income</b>	<b>203,437</b>	<b>209,402</b>	<b>203,437</b>	<b>209,402</b>
<b>Profit attributable to:</b>				
Equity holders of the Company	66,597	68,155	66,597	68,155
Non-controlling interests (NCI) relating to KLCC Real Estate Investment Trust (KLCC REIT)	110,128	114,599	110,128	114,599
Other NCI	26,712	26,648	26,712	26,648
	<b>203,437</b>	<b>209,402</b>	<b>203,437</b>	<b>209,402</b>
<b>Dividend/Income distribution:</b>				
<b>Dividend/Income distribution to stapled security holders</b>				
<b>Quarter ended 31 March 2017/2016</b>				
Realised distributable income - KLCCP	66,597	68,155	66,597	68,155
Realised distributable income - KLCC REIT	99,363	103,848	99,363	103,848
Total realised distributable income	165,960	172,003	165,960	172,003
Distribution rate (%)	93.55% *	90.27% *	93.55% *	90.27% *
Dividend/Income distribution	155,258	155,271	155,258	155,271
Total dividend/income distribution	155,258	155,271	155,258	155,271
<b>Dividend/Income distribution per stapled security (sen)</b>	<b>8.60</b>	<b>8.60</b>	<b>8.60</b>	<b>8.60</b>
<b>Earnings per stapled security (sen)</b>				
<b>Basic</b>	<b>9.79</b>	<b>10.12</b>	<b>9.79</b>	<b>10.12</b>

\* 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 MARCH 2017**

	31-Mar-17 RM'000	31-Dec-16 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	642,013	636,674
Investment properties	15,465,681	15,454,001
Investment in associate	258,250	255,016
Deferred tax assets	247	247
Trade and other receivables	350,171	339,106
	<u>16,716,362</u>	<u>16,685,044</u>
<b>Current assets</b>		
Inventories	1,881	1,930
Trade and other receivables	55,541	58,849
Dividend receivables	-	21,070
Tax recoverable	21	12
Cash and cash equivalents	1,026,394	1,015,220
	<u>1,083,837</u>	<u>1,097,081</u>
<b>TOTAL ASSETS</b>	<u>17,800,199</u>	<u>17,782,125</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the company</b>		
Share capital	1,823,386	1,805,333
Capital redemption reserve	-	18,053
Capital reserve	2,854,041	2,854,041
Retained profits	195,870	204,555
	<u>4,873,297</u>	<u>4,881,982</u>
<b>Equity attributable to unit holders of the KLCC REIT</b>	<u>7,919,796</u>	<u>7,912,211</u>
<b>Total equity attributable to holders of KLCCP and KLCC REIT</b>	<u>12,793,093</u>	<u>12,794,193</u>
<b>Other non-controlling interests</b>	<u>1,983,211</u>	<u>1,983,832</u>
<b>Total Equity</b>	<u>14,776,304</u>	<u>14,778,025</u>
<b>Non-current liabilities</b>		
Deferred revenue	40,562	41,639
Other long term liabilities	69,694	78,477
Long term borrowings	2,233,166	2,233,166
Deferred taxation	29,715	29,728
	<u>2,373,137</u>	<u>2,383,010</u>
<b>Current liabilities</b>		
Trade and other payables	282,935	280,996
Short term borrowings	343,738	319,264
Taxation	24,085	20,830
	<u>650,758</u>	<u>621,090</u>
<b>Total Liabilities</b>	<u>3,023,895</u>	<u>3,004,100</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>17,800,199</u>	<u>17,782,125</u>
<b>Net assets per stapled security (RM)</b>	7.09	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)

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### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017

	← Attributable to Equity Holders of the Company →				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
	← Non-Distributable →	← Distributable →						
	Share Capital RM'000	Capital Redemption Reserve RM'000	Retained Profits RM'000	Capital Reserve @ RM'000				
<b>As at 1 January 2016</b>	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 period	-	-	68,155	-	68,155	114,599	26,648	209,402
Transfer of fair value surplus	-	-	-	-	-	-	-	-
Dividends paid	-	-	(74,560)	-	(74,560)	(102,723)	(25,557)	(202,840)
<b>As at 31 March 2016</b>	<b>1,805,333</b>	<b>18,053</b>	<b>166,577</b>	<b>2,778,200</b>	<b>4,768,163</b>	<b>7,788,589</b>	<b>1,960,864</b>	<b>14,517,616</b>
<b>As at 1 January 2017</b>	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 period	-	-	66,597	-	66,597	110,128	26,712	203,437
Transition in accordance with Section 618(2) of the Companies Act 2016 to no par value regime on 31 January 2017*	18,053	(18,053)	-	-	-	-	-	-
Transfer of fair value surplus	-	-	-	-	-	-	-	-
Dividends paid	-	-	(75,282)	-	(75,282)	(102,543)	(27,333)	(205,158)
<b>As at 31 March 2017</b>	<b>1,823,386</b>	<b>-</b>	<b>195,870</b>	<b>2,854,041</b>	<b>4,873,297</b>	<b>7,919,796</b>	<b>1,983,211</b>	<b>14,776,304</b>

\*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.

@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 (RM341,332,000) and Retained Profit (RM359,568,000).

**(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 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 CASH FLOWS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2017**

	<b>THREE MONTHS ENDED</b>	
	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit Before Tax</b>	<b>229,380</b>	<b>236,100</b>
<u>Adjustments for</u>		
Interest income	(8,473)	(10,843)
Interest expense	28,596	29,090
Accrued rental income (MFRS 117 and MFRS 139)	(11,229)	(11,614)
Depreciation	7,854	7,635
Share of results of an associate	(3,234)	(3,013)
Total Adjustments	<u>13,514</u>	<u>11,255</u>
<b>Operating before changes in working capital</b>	<b>242,894</b>	<b>247,355</b>
<u>Changes in working Capital</u>		
Increase in trade and other receivables	(10,299)	(6,107)
Decrease in ultimate holding companies	1,308	2,722
Decrease/(Increase) in related companies	3,526	(3,655)
Increase/(Decrease) trade and other payables	6,652	(15,356)
Others	49	268
Total changes in working capital	<u>1,236</u>	<u>(22,128)</u>
Interest received	10,447	11,104
Tax paid	<u>(22,710)</u>	<u>(22,984)</u>
	<u>(12,263)</u>	<u>(11,880)</u>
<b>Net cash generated from operating activities</b>	<b>231,867</b>	<b>213,347</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	21,070	-
Purchase of property, plant and equipment	(12,941)	(7,692)
Cost incurred for investment properties	(19,542)	(19,376)
Proceeds from disposal of property, plant and equipment	-	4
<b>Net cash used in investing activities</b>	<b>(11,413)</b>	<b>(27,064)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Dividends paid to equity holders of the company	(75,282)	(74,560)
Dividends paid to other non-controlling interests	(27,333)	(25,557)
Interest expenses paid	(4,122)	(4,455)
Dividends paid to non-controlling interests relating to KLCC REIT	(102,543)	(104,572)
Increase in deposits restricted	(5,274)	(4,628)
<b>Net cash used in financing activities</b>	<b>(214,554)</b>	<b>(213,772)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>5,900</b>	<b>(27,489)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>1,011,991</b>	<b>1,104,437</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>1,017,891</b>	<b>1,076,948</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD COMPRISE:</b>		
<b>CASH AND BANK BALANCES</b>	<b>53,137</b>	<b>54,103</b>
<b>DEPOSITS</b>	<b>973,257</b>	<b>1,033,893</b>
	<u>1,026,394</u>	<u>1,087,996</u>
<b>LESS: DEPOSITS RESTRICTED *</b>	<b>(8,503)</b>	<b>(11,048)</b>
	<u>1,017,891</u>	<u>1,076,948</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)**

## **KLCC PROPERTY HOLDINGS BERHAD**

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Notes on the quarterly report – 31 March 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 22 May 2017.

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

These condensed consolidated interim financial statements, for the period ended 31 March 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. Audit report**

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

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**A5. Segmental Information**

<b>Business segments</b>	<b>Individual Quarter Ended</b>			<b>Cumulative Period Ended</b>		
	<b>31-Mar-17</b>			<b>31-Mar-17</b>		
	<b>Revenue</b>					
	<b>KLCCP</b>	<b>KLCC REIT</b>	<b>Total</b>	<b>KLCCP</b>	<b>KLCC REIT</b>	<b>Total</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Property investment - Office	10,277	135,471	145,748	10,277	135,471	145,748
Property investment - Retail	113,057	8,754	121,811	113,057	8,754	121,811
Hotel operations	39,086	-	39,086	39,086	-	39,086
Management services	47,667	-	47,667	47,667	-	47,667
	<u>210,087</u>	<u>144,225</u>	<u>354,312</u>	<u>210,087</u>	<u>144,225</u>	<u>354,312</u>
Eliminations / Adjustments			(17,655)			(17,655)
<b>Revenue</b>			<u>336,657</u>			<u>336,657</u>

<b>Business segments</b>	<b>Individual Quarter Ended</b>			<b>Cumulative Period Ended</b>		
	<b>31-Mar-17</b>			<b>31-Mar-17</b>		
	<b>Total Comprehensive Income</b>					
	<b>KLCCP</b>	<b>KLCC REIT</b>	<b>Total</b>	<b>KLCCP</b>	<b>KLCC REIT</b>	<b>Total</b>
			<b>RM'000</b>			<b>RM'000</b>
Property investment - Office	8,681	120,696	129,377	8,681	120,696	129,377
Property investment - Retail	93,847	5,376	99,223	93,847	5,376	99,223
Hotel operations	3,654	-	3,654	3,654	-	3,654
Management services	18,374	-	18,374	18,374	-	18,374
	<u>124,556</u>	<u>126,072</u>	<u>250,628</u>	<u>124,556</u>	<u>126,072</u>	<u>250,628</u>
Eliminations / Adjustments			(3,446)			(3,446)
<b>Operating profit</b>			247,182			247,182
Other expenses	-	-	-	-	-	-
Interest income	6,215	2,258	8,473	6,215	2,258	8,473
Finance cost	(11,307)	(18,202)	(29,509)	(11,307)	(18,202)	(29,509)
Share of profit of associated company	3,234	-	3,234	3,234	-	3,234
Taxation	(25,943)	-	(25,943)	(25,943)	-	(25,943)
<b>Profit for the period / Total comprehensive income for the period</b>			<u>203,437</u>			<u>203,437</u>

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**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.

**A10. Dividends paid**

The Board has declared interim dividends comprising 4.17 sen and 5.68 sen relating to KLCCP and KLCC REIT respectively in respect of 3 months period ended 31 December 2016 totalling 9.85 sen per stapled securities. The KLCCP dividend of 4.17 sen per share (tax exempt under the single tier tax system) amounting to RM75.28 million and the KLCC REIT income distribution of 5.68 sen per unit were paid on 28 February 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 March 2017 is as follows:-

	<b>RM'000</b>
Approved and contracted for	516,735
Approved but not contracted for	188,136
	<u>704,871</u>

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**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**

The Group have, subsequent to quarter end, paid its RM300 million Islamic Medium Term Note upon maturity on 25 April 2017.



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**B. EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD****B1. Performance Review**

Financial Highlights	Individual Quarter			Cummulative		
	3 Months Ended		%	Period Ended		%
	31-Mar-17	31-Mar-16	Change	31-Mar-17	31-Mar-16	Change
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>						
Property investment - Office	145,748	147,763	(1.36)	145,748	147,763	(1.36)
Property investment - Retail	121,811	123,480	(1.35)	121,811	123,480	(1.35)
Hotel operations	39,086	36,556	6.92	39,086	36,556	6.92
Management services	47,667	44,378	7.41	47,667	44,378	7.41
Intercompany Eliminations/ Adjustments	(17,655)	(17,427)	-	(17,655)	(17,427)	-
<b>Total</b>	<b>336,657</b>	<b>334,750</b>	<b>0.57</b>	<b>336,657</b>	<b>334,750</b>	<b>0.57</b>
<b>Profit/(Loss) Before Tax</b>						
Property investment - Office*	117,675	118,422	(0.63)	117,675	118,422	(0.63)
Property investment - Retail	92,813	94,540	(1.83)	92,813	94,540	(1.83)
Hotel operations	175	239	(26.78)	175	239	(26.78)
Management services	18,594	19,654	(5.39)	18,594	19,654	(5.39)
Intercompany Eliminations/ Adjustments	123	3,245	-	123	3,245	-
	<b>229,380</b>	<b>236,100</b>	<b>(2.85)</b>	<b>229,380</b>	<b>236,100</b>	<b>(2.85)</b>
* includes Share of Associate						

**Variance Analysis by Segments – Quarter and Period Ended****Property Investment – Office**

The Office Segment recorded a marginal decrease of approximately 1.4% in Revenue and 0.6% in PBT respectively as a result of the release of approximately 40% of the leased area in Menara Exxonmobil in January 2017.

**Property Investment - Retail**

Revenue and PBT of the retail segment decreased by 1.4% and 1.8% respectively as a result of lower occupancy at 95% as compared to Q1 2016 of 97%.

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**Hotel Operations**

Notwithstanding the current room refurbishment works, revenue from the hotel operations increased by 6.9% as compared to Q1 2016 at the back of higher occupancy at 54% (Q1 2016 : 48%). Despite the increase in revenue, the PBT recorded a decline by approximately RM64,000 as a result of the impact of minimum wage that became effective on 1 June 2016.

**Management Services**

Revenue from management services increased by 7.4% with one off facility management works and facility management works on Kerteh commercial properties which only commenced June 2016. Despite the increase in revenue, the PBT decreased by 5.4% due to the lower interest income.

**B2. Variation of results against preceding quarter**

<b>Financial Highlights</b>	<b>Individual Quarter</b>		<b>% Change</b>
	<b>31-Mar-17</b>	<b>31-Dec-16</b>	
	<b>RM'000</b>	<b>RM'000</b>	
<b>Revenue</b>			
Property investment - Office	145,748	147,074	(0.90)
Property investment - Retail	121,811	125,590	(3.01)
Hotel operations	39,086	43,367	(9.87)
Management services	47,667	46,859	1.72
Intercompany Eliminations/ Adjustments	(17,655)	(17,427)	-
<b>Total</b>	<b>336,657</b>	<b>344,689</b>	<b>(2.33)</b>
<b>Profit/(Loss) Before Tax</b>			
Property investment - Office*	117,675	117,402	0.23
Property investment - Retail	92,813	95,461	(2.77)
Hotel operations	175	2,947	(94.06)
Management services	18,594	17,623	5.51
Intercompany Eliminations/ Adjustments	123	1,573	-
	<b>229,380</b>	<b>235,006</b>	<b>(2.39)</b>
Fair Value Adjustment	-	171,143	
<b>Total</b>	<b>229,380</b>	<b>406,149</b>	
* includes Share of Associate			

PBT reported a decline of 2.4% (RM5.6 million) as compared to Q4 2016 (excluding fair value adjustments) as a result of reduced contribution from Hotel and Retail Segment.

The retail segment reported a lower PBT as a result of lower occupancy in Q1 2017.

Despite the higher occupancy in the hotel (Q1 2017 54% vs Q4 2016 50%), there are lesser banqueting events in Q1 2017, resulting in a lower profit from the hotel operations.

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**B3. Prospects for financial year 2017**

The Directors expect the Group to continue benefitting from the long term lease arrangements of the office segment which currently record occupancy of 97%.

However, the retail and hotel segments will continue to trade in challenging market conditions and are not expected to report any significant improvement. The hotel performance will be impacted with the ongoing refurbishment of the rooms which is scheduled for completion by end of 2018.

**B4. Profit forecast**

No profit forecast was issued for the financial period.

**B5. Tax expense**

Taxation comprises the following:

	3 Months Ended		Cumulative Period Ended	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	RM'000	RM'000	RM'000	RM'000
Within Malaysia				
In respect of the current period:				
Taxation	25,954	26,602	25,954	26,602
Deferred taxation	(11)	96	(11)	96
	<u>25,943</u>	<u>26,698</u>	<u>25,943</u>	<u>26,698</u>

Overall the effective tax rate is lower as income from KLCC REIT is not being subject to tax in accordance with 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.

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**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	1,806	
Sukuk Murabahah	7,076	
<u>KLCC REIT</u>		
Sukuk Murabahah	334,856	
Total short term		343,738
<b>Long term :</b>		
<u>Secured</u>		
<u>KLCCP</u>		
Term loans	378,166	
Sukuk Murabahah	600,000	
<u>KLCC REIT</u>		
Sukuk Murabahah	1,255,000	
Total long term		2,233,166
Total borrowings		<u><u>2,576,904</u></u>

**B10. Material litigation**

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

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**B11. Dividend/Income Distribution**

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

	<b>Total stapled securities</b>	<b>Dividend/Income Distribution per stapled security (sen)</b>	<b>Total dividend payable (RM'000)</b>
KLCCP	1,805,333,083	3.10	55,965 <sup>1</sup>
KLCC REIT	1,805,333,083	5.50	99,293 <sup>2</sup>
<b>Total</b>		<b>8.60</b>	<b>155,258</b>

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

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

<b>Unitholders</b>	<b>Withholding tax rate</b>
Individuals & All Other Non-Corporate Investors such as institutional investors (resident and non-resident)	10%
Non-resident corporate investors	24%
Resident corporate investors	0%

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 5 July 2017. The book closure date in respect of both the aforesaid interim dividend and income distribution is 7 June 2017.

**B12. Profit for the Period**

	<b>3 Months Ended</b>		<b>Cumulative Period Ended</b>	
	<b>31-Mar-17</b>	<b>31-Mar-16</b>	<b>31-Mar-17</b>	<b>31-Mar-16</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Profit for the period is arrived after charging:				
Depreciation of property, plant and equipment	<u>12,228</u>	<u>7,635</u>	<u>12,228</u>	<u>7,635</u>

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

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**B13. Realised and Unrealised Profit**

The breakdown of the retained profits of the Group as at 31 March 2017 into realised and unrealised profits is as follows:

Total retained profits of KLCCP Group and its subsidiaries:-			
	<b>KLCCP RM'000</b>	<b>KLCC REIT RM'000</b>	<b>Total RM'000</b>
- Realised	463,058	359,568	822,626
- Unrealised	20,949	-	20,949
	<u>484,007</u>	<u>359,568</u>	<u>843,575</u>
Total share of retained profits from associate:			
- Realised	86,260	-	86,260
- Unrealised	-	-	-
	<u>86,260</u>	<u>-</u>	<u>86,260</u>
Total Group retained profits	570,267	359,568	929,835
Less: Consolidation adjustments			<u>(733,965)</u>
Total Group retained profits as per consolidated accounts			<u>195,870</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**

	<b>As at 31 March 2017</b>	
	<b>KLCC REIT</b>	<b>KLCCP Stapled Group</b>
Number of units listed	1,805,333,083	1,805,333,083
Net Asset Value ('000)	7,919,796	12,793,093
Net Asset Value per unit holder (RM)	4.39	7.09

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

	3 Months Ended		Cumulative Period Ended	
	31-Mar-17	31-Mar-16	31-Mar-17	31-Mar-16
	RM'000	RM'000	RM'000	RM'000
<b>Basic earnings per stapled security</b>				
Profit attributable to ordinary equity holders of the company (RM'000)	66,597	68,155	66,597	68,155
Profit attributable to unit holders of KLCC REIT (RM'000)	110,128	114,599	110,128	114,599
	<u>176,725</u>	<u>182,754</u>	<u>176,725</u>	<u>182,754</u>
Weighted average number of stapled securities in issue ('000)	1,805,333	1,805,333	1,805,333	1,805,333
Basic earnings per stapled security (sen)	<u>9.79</u>	<u>10.12</u>	<u>9.79</u>	<u>10.12</u>

**BY ORDER OF THE BOARD**

Abd Aziz Bin Abd Kadir (LS0001718)

Yeap Kok Leong (MAICSA0862549)

Company Secretaries

Kuala Lumpur