

KLCC PROPERTY HOLDINGS BERHAD (641576-U)

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2018**

	First quarter ended		Cumulative 3 months ended	
	31-Mar-18 RM'000	31-Mar-17 RM'000	31-Mar-18 RM'000	31-Mar-17 RM'000
Revenue	345,112	336,657	345,112	336,657
Operating Expenses	(94,115)	(89,475)	(94,115)	(89,475)
Operating profit	250,997	247,182	250,997	247,182
Interest/profit income	6,275	8,473	6,275	8,473
Finance costs	(26,581)	(29,509)	(26,581)	(29,509)
Share of profit of an associate	3,196	3,234	3,196	3,234
Profit before taxation	233,887	229,380	233,887	229,380
Taxation	(25,215)	(25,943)	(25,215)	(25,943)
Profit for the period, representing total comprehensive income	208,672	203,437	208,672	203,437
Profit attributable to:				
Equity holders of the Company	67,924	66,597	67,924	66,597
Non-controlling interests relating to KLCC Real Estate Investment Trust (KLCC REIT)	112,747	110,128	112,747	110,128
Other non-controlling interests	28,001	26,712	28,001	26,712
	208,672	203,437	208,672	203,437
Dividend/income distribution to stapled security holders:				
<u>Quarter ended 31 March 2018/2017</u>				
Realised distributable income - KLCCP	67,924	66,597	67,924	66,597
Realised distributable income - KLCC REIT	103,316	99,363	103,316	99,363
Total realised distributable income	171,240	165,960	171,240	165,960
Distribution rate (%) ¹	91.72%	93.55%	91.72%	93.55%
Dividend/income distribution	157,064	155,258	157,064	155,258
Dividend/income distribution per stapled security (sen)	8.70	8.60	8.70	8.60
Earnings per stapled security (sen)				
– Basic	10.01	9.79	10.01	9.79

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 2017 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 2018**

	31-Mar-18	31-Dec-17
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	674,122	667,237
Investment properties	15,669,028	15,667,475
Investment in an associate	259,637	256,441
Deferred tax assets	690	690
Trade and other receivables	397,799	388,842
	<u>17,001,276</u>	<u>16,980,685</u>
Current assets		
Inventories	1,634	1,743
Trade and other receivables	64,636	57,888
Tax recoverable	1,816	1,984
Cash and cash equivalents	737,059	750,262
	<u>805,145</u>	<u>811,877</u>
TOTAL ASSETS	<u>17,806,421</u>	<u>17,792,562</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	1,823,386	1,823,386
Capital reserve	2,929,350	2,929,350
Retained profits	197,624	225,492
	<u>4,950,360</u>	<u>4,978,228</u>
Equity attributable to unit holders of the KLCC REIT	<u>8,071,842</u>	<u>8,050,264</u>
Total equity attributable to equity holders of KLCCP and KLCC REIT	<u>13,022,202</u>	<u>13,028,492</u>
Other non-controlling interests	<u>2,025,831</u>	<u>2,018,364</u>
Total equity	<u>15,048,033</u>	<u>15,046,856</u>
Non-current liabilities		
Deferred revenue	40,719	41,934
Other long term liabilities	135,008	133,945
Long term borrowings	2,225,666	2,225,666
Deferred taxation	27,834	27,935
	<u>2,429,227</u>	<u>2,429,480</u>
Current liabilities		
Trade and other payables	255,398	268,346
Short term borrowings	48,489	25,411
Taxation	25,274	22,469
	<u>329,161</u>	<u>316,226</u>
Total liabilities	<u>2,758,388</u>	<u>2,745,706</u>
TOTAL EQUITY AND LIABILITIES	<u>17,806,421</u>	<u>17,792,562</u>
Net assets value per stapled security (RM)	7.21	7.22

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2017 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 PERIOD ENDED 31 MARCH 2018**

	← 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	Capital redemption reserve RM'000	Retained profits RM'000	Capital reserve ¹ RM'000				
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 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)	–	–	–	–	–	–
Dividends paid/declared	–	–	(75,282)	–	(75,282)	(102,543)	(27,333)	(205,158)
As at 31 March 2017	1,823,386	–	195,870	2,854,041	4,873,297	7,919,796	1,983,211	14,776,304
As at 1 January 2018	1,823,386	–	225,492	2,929,350	4,978,228	8,050,264	2,018,364	15,046,856
Adjustment on initial application of MFRS 9 ³	–	–	(109)	–	(109)	–	(34)	(143)
At 1 January 2018, restated	1,823,386	–	225,383	2,929,350	4,978,119	8,050,264	2,018,330	15,046,713
Total comprehensive income for the period	–	–	67,924	–	67,924	112,747	28,001	208,672
Dividends paid/declared	–	–	(95,683)	–	(95,683)	(91,169)	(20,500)	(207,352)
As at 31 March 2018	1,823,386	–	197,624	2,929,350	4,950,360	8,071,842	2,025,831	15,048,033

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 (RM422,828,000) and Retained Profit (RM430,118,000).

³ Recognition of expected credit losses ('ECL') on trade receivables balances.

(The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2017 and the accompanying explanatory notes attached to this interim financial report.)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2018**

	Cumulative 3 months ended	
	31-Mar-18 RM'000	31-Mar-17 RM'000
Cash flows from operating activities		
Profit before tax	233,887	229,380
Adjustments for:		
Interest/profit income	(6,275)	(8,473)
Finance costs	26,581	29,509
Accrued rental income	(10,172)	(11,229)
Depreciation	9,365	7,854
Allowance for impairment losses	212	-
Loss on disposal of property, plant and equipment	49	-
Share of results of an associate	(3,196)	(3,234)
	<u>16,564</u>	<u>14,427</u>
Operating profit before changes in working capital	250,451	243,807
Changes in working capital:		
Trade and other receivables	(2,272)	(10,299)
Amount due from/to ultimate holding company	7,144	1,308
Amount due from/to immediate holding company	(1,145)	-
Amount due from/to related companies	(7,056)	3,526
Trade and other payables	(9,445)	5,739
Inventories	109	49
	<u>(12,665)</u>	<u>323</u>
Interest/profit income received	6,142	10,447
Tax paid	(22,343)	(22,710)
Net cash generated from operating activities	<u>221,585</u>	<u>231,867</u>
Cash flows from investing activities		
Dividends received	-	21,070
Purchase of property, plant and equipment	(16,103)	(12,941)
Cost incurred for investment properties	(7,231)	(19,542)
Proceeds from disposal of property, plant and equipment	82	-
Net cash used in investing activities	<u>(23,252)</u>	<u>(11,413)</u>
Cash flows from financing activities		
Dividends paid to equity holders of the company	(95,683)	(75,282)
Dividends paid to non-controlling interests relating to KLCC REIT	(91,169)	(102,543)
Dividends paid to other non-controlling interests	(20,500)	(27,333)
Interest/profit expense paid	(4,184)	(4,122)
Decrease/(increase) in deposits restricted	1,983	(5,274)
Net cash used in financing activities	<u>(209,553)</u>	<u>(214,554)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2018**

	Cumulative 3 months ended	
	31-Mar-18 RM'000	31-Mar-17 RM'000
Net decrease in cash and cash equivalents	(11,220)	5,900
Cash and cash equivalents at the beginning of the year	737,017	1,011,991
Cash and cash equivalents at the end of the year	<u>725,797</u>	<u>1,017,891</u>
 Cash and cash equivalents at the end of the period comprise of:		
Cash and bank balances	392,916	53,137
Deposits	<u>344,143</u>	<u>973,257</u>
	<u>737,059</u>	<u>1,026,394</u>
Less: Deposits restricted ¹	<u>(11,262)</u>	<u>(8,503)</u>
	<u>725,797</u>	<u>1,017,891</u>

¹ *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 2017 and the accompanying explanatory notes attached to this interim financial report.)

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2018

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 16 May 2018.

A2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 March 2018 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, 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 2017 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 accounting policies applied in this interim financial report are the same as those applied in the Group’s consolidated financial statements as at and for the year ended 31 December 2017, except as described below.

The Group has adopted MFRS 15 *Revenue from Contracts with Customers* and MFRS 9 *Financial Instruments* from 1 January 2018. Other new standards with effective date from 1 January 2018 do not have material effect on the Group’s financial statements. The changes arising from these adoptions are as described below:

(a) MFRS 15 *Revenue from Contracts with Customers*

MFRS 15 replaces the guidance in MFRS 111 *Construction Contracts*, MFRS 118 *Revenue*, IC Interpretation 13, *Customer Loyalty Programmes*, IC Interpretation 15, *Agreements for Construction of Real Estate*, IC Interpretation 18, *Transfers of Assets from Customers* and IC Interpretation 131, *Revenue – Barter Transactions Involving Advertising Services*. The standard provides a single model for accounting for revenue arising from contracts with customers, focusing on the identification and satisfaction of performance obligations.

The application of MFRS 15 does not have a material effect on the Group’s financial statements.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2018

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A3 Accounting policies (Contd.)

(b) MFRS 9 *Financial Instruments*

MFRS 9 replaces the guidance in MFRS 139 *Financial Instruments: Recognition and Measurement* on the classification and measurement of financial assets and financial liabilities, impairment of financial assets, and on hedge accounting.

MFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

MFRS 9 contains three principal classifications categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The standard eliminates the existing MFRS 139 categories of held to maturity, loans and receivables and available for sale.

There was no material impact on the accounting for the Group's financial assets upon initial application of the new classification requirements.

MFRS 9 also replaces the incurred loss model in MFRS 139 with a forward-looking expected credit loss (ECL) model. Under MFRS 9, loss allowances will be measured on either 12 month ECLs or Lifetime ECLs. As allowed by the transitional provision for MFRS 9, the Group has elected not to restate the comparatives. Adjustments arising from the initial application of the new impairment model has been recognised in the opening balance of the retained profits, equity attributable to non-controlling interests and the carrying amount of the financial assets as at 1 January 2018 as disclosed below:

	Impact of adoption of MFRS 9 to opening balance at 1 January 2018 RM'000
Decrease in retained profits	(109)
Decrease in equity attributable to non-controlling interests	(34)
Decrease in trade receivables	<u>(143)</u>

A4 Audit Report

The auditors' report on the financial statements for the year ended 31 December 2017 was not qualified.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2018

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information

	First quarter ended			Cumulative 3 months ended		
	31-Mar-18			31-Mar-18		
	KLCCP	KLCC REIT	Group	KLCCP	KLCC REIT	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Property investment:						
Office	9,872	138,911	148,783	9,872	138,911	148,783
Retail	115,510	8,189	123,699	115,510	8,189	123,699
Hotel operation	43,892	–	43,892	43,892	–	43,892
Management services	47,462	–	47,462	47,462	–	47,462
	216,736	147,100	363,836	216,736	147,100	363,836
Elimination			(18,724)			(18,724)
			345,112			345,112
Operating profit						
Property investment:						
Office	8,044	123,559	131,603	8,044	123,559	131,603
Retail	95,639	4,656	100,295	95,639	4,656	100,295
Hotel operation	6,231	–	6,231	6,231	–	6,231
Management services	17,515	–	17,515	17,515	–	17,515
	127,429	128,215	255,644	127,429	128,215	255,644
Elimination			(4,647)			(4,647)
			250,997			250,997
Interest income	5,721	554	6,275	5,721	554	6,275
Finance cost	(11,567)	(15,014)	(26,581)	(11,567)	(15,014)	(26,581)
Share of profit of an associate company	3,196	–	3,196	3,196	–	3,196
Taxation	(25,215)	–	(25,215)	(25,215)	–	(25,215)
Profit for the period / Total comprehensive income for the period			208,672			208,672

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2018

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information (Contd.)

	As at 31-Mar-18		
	KLCCP RM'000	KLCC REIT RM'000	Group RM'000
Total assets			
Property investment — Office	1,106,730	9,135,408	10,242,138
Property investment — Retail	5,667,369	529,189	6,196,558
Hotel operation	704,121		704,121
Management services	173,650		173,650
	<u>7,651,870</u>	<u>9,664,597</u>	<u>17,316,467</u>
Eliminations and adjustments			<u>489,954</u>
			<u>17,806,421</u>
Total liabilities			
Property investment — Office	25,584	1,572,427	1,598,011
Property investment — Retail	785,689	20,329	806,018
Hotel operation	441,625		441,625
Management services	35,925		35,925
	<u>1,288,823</u>	<u>1,592,756</u>	<u>2,881,579</u>
Eliminations and adjustments			<u>(123,191)</u>
			<u>2,758,388</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 except the impairment on financial assets under MFRS 9 explained under Note A3 Accounting Policies.

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 MARCH 2018

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A10 Dividends paid

The Board of Directors has declared interim dividends comprising 5.30 sen and 5.05 sen relating to KLCCP and KLCC REIT respectively in respect of three months period ended 31 December 2017 totaling 10.35 sen per stapled security.

The KLCCP dividend of 5.30 sen per share (tax exempt under the single-tier tax system) amounting to RM95.68 million and the KLCC REIT income distribution of 5.05 sen per unit amounting to RM91.17 million were paid on 12 February 2018.

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 2018 is as follows:

	RM'000
Approved and contracted for	116,865
Approved but not contracted for	<u>242,657</u>
	<u><u>359,522</u></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 MARCH 2018

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

B1 Performance review

	First quarter ended			Cumulative 3 months ended		
	31-Mar-18 RM'000	31-Mar-17 RM'000	Change %	31-Mar-18 RM'000	31-Mar-17 RM'000	Change %
Revenue:						
Property investment:						
Office	148,783	145,748	2.08	148,783	145,748	2.08
Retail	123,699	121,811	1.55	123,699	121,811	1.55
Hotel operation	43,892	39,086	12.30	43,892	39,086	12.30
Management services	47,462	47,667	(0.43)	47,462	47,667	(0.43)
Elimination	(18,724)	(17,655)		(18,724)	(17,655)	
	345,112	336,657	2.51	345,112	336,657	2.51
Profit before tax ("PBT"):						
Property investment:						
Office *	120,304	117,675	2.23	120,304	117,675	2.23
Retail	94,263	92,813	1.56	94,263	92,813	1.56
Hotel operation	2,379	175	1259.43	2,379	175	(1259.43)
Management services	17,670	18,594	(4.97)	17,670	18,594	(4.97)
Elimination	(729)	123		(729)	123	
	233,887	229,380	1.96	233,887	229,380	1.96

* Includes share of profit of an associate.

Variance analysis by segment

Property investment — Office

Revenue and PBT of the segment increased by 2.1% and 2.3% respectively as it reflects the full occupancy of Menara ExxonMobil as compared to Q1 2017 (which was 60% occupied) and lower finance costs as repayment of borrowings was made in April 2017.

Property investment — Retail

Higher revenue and PBT by 1.6% recorded by the segment during the current quarter as higher rental rates become effective.

Hotel operation

Revenue recorded an increase of 12.3% on the back of better rooms and food and beverages (F&B) revenue. Room revenues improved on the back of higher Average Room Rate (ARR) from the newly refurbished rooms. This in turn contributed to the improved PBT recorded at RM2.4 million.

Management services

PBT decreased by 5.0% in comparison as the quarter reflects the changes in the timing of the payment of manpower costs.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2018

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

B2 Variation of results against preceding quarter

	Quarter ended		Change %
	31-Mar-18 RM'000	31-Dec-17 RM'000	
Revenue:			
Property investment:			
Office	148,783	148,824	(0.03)
Retail	123,699	125,019	(1.06)
Hotel operation	43,892	48,277	(9.08)
Management services	47,462	48,744	(2.63)
Elimination	(18,724)	(18,792)	
	345,112	352,072	(1.98)
Profit before tax:			
Property investment:			
Office *	120,304	120,143	0.13
Retail	94,263	94,389	(0.13)
Hotel operation	2,379	4,383	(45.72)
Management services	17,670	19,588	(9.79)
Elimination	(729)	1,830	
	233,887	240,333	(2.68)
Fair value adjustment on investment properties	—	182,483	
	233,887	422,816	(44.68)

* Includes share of profit of an associate.

Overall revenue and PBT declined by 2.0% and 2.6% respectively mainly as a result of lower contribution from hotel operation and lower interest income.

The hotel performance for Q1 2018 was impacted by lower banqueting revenues as compared to Q4 2017 which traditionally records higher F&B revenues due to the year end holiday seasons and celebrations.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2018

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

B3 Prospect for financial year 2018

The Directors expect that the overall performance of the Group to remain stable as it continues to leverage on the long term profile of office leases. The retail segment will continue to trade in challenging market conditions and is not expected to report significant growth.

The hotel performance is expected to benefit from the refurbished rooms. The refurbishment of the rooms are currently still ongoing and is expected to complete by the end of 2018. However, this segment will continue to be impacted by competitive market conditions

B4 Profit forecast

No profit forecast was issued for the financial period.

B5 Taxation

Taxation comprises of the following:

	First quarter ended		Cumulative 3 months ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Malaysian income tax	25,316	25,954	25,316	25,954
Deferred tax	(101)	(11)	(101)	(11)
	25,215	25,943	25,215	25,943

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.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2018

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

B9 Borrowings

	As at 31-Mar-18		Group RM'000
	KLCCP RM'000	KLCC REIT RM'000	
Short term:			
<u>Secured</u>			
Term loans	9,504	–	9,504
Sukuk Murabahah	7,153	31,832	38,985
	<u>16,657</u>	<u>31,832</u>	48,489
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>	2,225,666
	<u>987,323</u>	<u>1,286,832</u>	2,274,155

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	9,504	7,500	22,500	340,666	380,170
Sukuk Murabahah	7,153	–	–	600,000	607,153
	<u>16,657</u>	<u>7,500</u>	<u>22,500</u>	<u>940,666</u>	987,323
<u>KLCC REIT</u>					
Sukuk Murabahah	31,832	400,000	400,000	455,000	1,286,832
	<u>48,489</u>	<u>407,500</u>	<u>422,500</u>	<u>1,395,666</u>	2,274,155

B10 Material litigation

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

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2018

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 March 2018:

	Total stapled securities	Dividend/ income distribution per stapled securities Sen	Total dividend/ income distribution payable RM'000
KLCCP ¹	1,805,333,083	2.98	53,799
KLCC REIT ²	1,805,333,083	5.72	103,265
Group		<u>8.70</u>	<u>157,064</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 29 June 2018. The book closure date in respect of both the aforesaid interim dividend and income distribution is 1 June 2018.

B12 Profit for the period

	First quarter ended		Cumulative 3 months ended	
	31-Mar-18 RM'000	31-Mar-17 RM'000	31-Mar-18 RM'000	31-Mar-17 RM'000
Profit for the period is arrived after charging:				
Depreciation of property, plant and equipment	9,365	7,854	9,365	7,854
Allowance for impairment losses	212	–	212	–
Loss on disposal of property, plant and equipment	49	–	49	–
	<u>49</u>	<u>–</u>	<u>49</u>	<u>–</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.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2018

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	8,071,842	4.47
KLCCP Stapled Group	1,805,333,083	<u>13,022,202</u>	<u>7.21</u>

B14 Earnings per stapled securities ("EPSS")

	First quarter ended		Cumulative 3 months ended	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
With fair value adjustments				
Profit attributable to ordinary equity holders of the Company (RM'000)	67,924	66,597	67,924	66,597
Profit attributable to unitholders of KLCC REIT (RM'000)	112,747	110,128	112,747	110,128
	<u>180,671</u>	<u>176,725</u>	<u>180,671</u>	<u>176,725</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>10.01</u>	<u>9.79</u>	<u>10.01</u>	<u>9.79</u>

BY ORDER OF THE BOARD

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