

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2019**

	First quarter ended		Cumulative 3 months ended	
	31-Mar-19 RM'000	31-Mar-18 RM'000	31-Mar-19 RM'000	31-Mar-18 RM'000
Revenue	353,446	345,112	353,446	345,112
Operating expenses	(96,639)	(94,115)	(96,639)	(94,115)
Operating profit	256,807	250,997	256,807	250,997
Interest/profit income	6,946	6,275	6,946	6,275
Finance costs	(27,367)	(26,581)	(27,367)	(26,581)
Share of profit of an associate	3,209	3,196	3,209	3,196
Profit before taxation	239,595	233,887	239,595	233,887
Taxation	(26,965)	(25,215)	(26,965)	(25,215)
Profit for the period, representing total comprehensive income	212,630	208,672	212,630	208,672
Profit attributable to:				
Equity holders of the Company	70,056	67,924	70,056	67,924
Non-controlling interests relating to KLCC Real Estate Investment Trust (KLCC REIT)	113,902	112,747	113,902	112,747
	183,958	180,671	183,958	180,671
Other non-controlling interests	28,672	28,001	28,672	28,001
	212,630	208,672	212,630	208,672
Dividend/income distribution to stapled security holders:				
<u>Quarter ended 31 March 2019/2018</u>				
Realised distributable income - KLCCP	70,056	67,924	70,056	67,924
Realised distributable income - KLCC REIT	113,409	103,316	113,409	103,316
Total realised distributable income	183,465	171,240	183,465	171,240
Unrealised distributable income - KLCCP	-	-	-	-
Unrealised distributable income - KLCC REIT	493	9,431	493	9,431
	183,958	180,671	183,958	180,671
Distribution rate (%) ¹	86.59%	91.72%	86.59%	91.72%
Dividend/income distribution	158,869	157,064	158,869	157,064
Dividend/income distribution per stapled security (sen)	8.80	8.70	8.80	8.70
Earnings per stapled security (sen)				
- Basic	10.19	10.01	10.19	10.01

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 2018 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 2019**

	31-Mar-19 RM'000	31-Dec-18 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	671,279	673,620
Investment properties	15,716,631	15,714,934
Investment in an associate	256,182	252,973
Deferred tax assets	1,215	1,225
Other receivables	419,741	418,939
	<u>17,065,048</u>	<u>17,061,691</u>
Current assets		
Inventories	1,624	1,613
Trade and other receivables	62,242	59,980
Tax recoverable	1,215	1,321
Cash and cash equivalents	758,188	735,724
	<u>823,269</u>	<u>798,638</u>
TOTAL ASSETS	<u>17,888,317</u>	<u>17,860,329</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	1,823,386	1,823,386
Capital reserve	2,937,256	2,937,256
Retained profits	229,623	243,209
	<u>4,990,265</u>	<u>5,003,851</u>
Equity attributable to unit holders of the KLCC REIT	<u>8,092,110</u>	<u>8,091,402</u>
Total equity attributable to equity holders of KLCCP and KLCC REIT	<u>13,082,375</u>	<u>13,095,253</u>
Other non-controlling interests	<u>2,032,530</u>	<u>2,029,836</u>
Total equity	<u>15,114,905</u>	<u>15,125,089</u>
Non-current liabilities		
Deferred revenue	49,122	48,266
Other long term liabilities	165,569	156,132
Long term borrowings	1,817,828	1,817,166
Deferred taxation	49,078	49,180
	<u>2,081,597</u>	<u>2,070,744</u>
Current liabilities		
Trade and other payables	213,779	214,362
Short term borrowings	450,942	427,548
Taxation	27,094	22,586
	<u>691,815</u>	<u>664,496</u>
Total liabilities	<u>2,773,412</u>	<u>2,735,240</u>
TOTAL EQUITY AND LIABILITIES	<u>17,888,317</u>	<u>17,860,329</u>
Net asset value per stapled security (RM)	7.25	7.25

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2018 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 2019**

	← Attributable to equity holders of the Company →							
	← Non-distributable →	← Distributable →						
	Share capital RM'000	Capital redemption reserve RM'000	Retained profits RM'000	Capital reserve ¹ RM'000	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
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
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 ⁴	–	–	(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

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 (RM413,127,000) and Retained Profit (RM460,087,000).

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

⁴ 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 2018 and the accompanying explanatory notes attached to this interim financial report.)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2019**

	Cumulative 3 months ended	
	31-Mar-19 RM'000	31-Mar-18 RM'000
Cash flows from operating activities		
Profit before tax	239,595	233,887
Adjustments for:		
Interest/profit income	(6,946)	(6,275)
Finance costs	27,367	26,581
Accrued rental income	(2,773)	(10,172)
Depreciation	10,411	9,365
Allowance for impairment losses	23	212
Loss on disposal of property, plant and equipment	5	49
Share of results of an associate	(3,209)	(3,196)
	<u>24,878</u>	<u>16,564</u>
Operating profit before changes in working capital	264,473	250,451
Changes in working capital:		
Trade and other receivables	(3,605)	(2,272)
Amount due from/to ultimate holding company	1,883	7,144
Amount due from/to immediate holding company	57	(1,145)
Amount due from/to related companies	(1,388)	(7,056)
Trade and other payables	13,791	(9,445)
Inventories	(11)	109
	<u>10,727</u>	<u>(12,665)</u>
Interest/profit income received	5,691	6,142
Tax paid	(22,445)	(22,343)
Net cash generated from operating activities	<u>258,446</u>	<u>221,585</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,551)	(16,103)
Cost incurred for investment properties	(2,060)	(7,231)
Proceeds from disposal of property, plant and equipment	35	82
Net cash used in investing activities	<u>(7,576)</u>	<u>(23,252)</u>
Cash flows from financing activities		
Dividends paid to equity holders of the company	(83,587)	(95,683)
Dividends paid to non-controlling interests relating to KLCC REIT	(114,783)	(91,169)
Dividends paid to other non-controlling interests	(25,967)	(20,500)
Interest/profit expense paid	(3,582)	(4,184)
Payment of lease liabilities	(487)	-
(Increase)/Decrease in deposits restricted	(1,502)	1,983
Net cash used in financing activities	<u>(229,908)</u>	<u>(209,553)</u>

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2019**

	Cumulative 3 months ended	
	31-Mar-19 RM'000	31-Mar-18 RM'000
Net increase/(decrease) in cash and cash equivalents	20,962	(11,220)
Cash and cash equivalents at the beginning of the year	730,431	737,017
Cash and cash equivalents at the end of the year	<u>751,393</u>	<u>725,797</u>
 Cash and cash equivalents at the end of the year comprises:		
Cash and bank balances	410,201	392,916
Deposits	<u>347,987</u>	<u>344,143</u>
	<u>758,188</u>	<u>737,059</u>
Less: Deposits restricted ¹	<u>(6,795)</u>	<u>(11,262)</u>
	<u>751,393</u>	<u>725,797</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 2018 and the accompanying explanatory notes attached to this interim financial report.)

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

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 7 May 2019.

A2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 31 March 2019, 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 2018 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 2018, except MFRS 16 Leases which the Group adopted from 1 January 2019.

MFRS 16 supersedes MFRS 117 *Leases*, IC Interpretation 4, *Determining whether an Arrangement contains a Lease*, IC Interpretation 115, *Operating Leases—Incentives* and IC Interpretation 127, *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.

The Group has applied the standard using the modified retrospective approach, under which the cumulative effect of initial recognition is recognised in the retained earnings.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A3 Accounting policies (Contd.)

Lessor accounting under MFRS 16 is substantially unchanged from MFRS 117, therefore did not have an impact for lease where the Group is the lessor.

As for lessee accounting, the adoption of MFRS 16 does not have a material effect on the Group's financial statements. Minor adjustments arising from the initial application of the new lease model in the opening balances as at 1 January 2019 are disclosed as below:

	Impact of adoption of MFRS 16 to opening balance at 1 January 2019 RM'000
Property, Plant and Equipment	
- Right of use asset	2,592
Borrowings	
- Lease liabilities	<u>(2,658)</u>
	<u>(66)</u>
Retained earnings attributable to:	
- Equity holders of KLCCP	(55)
- Other non-controlling interests	<u>(11)</u>
	<u>(66)</u>

Any other revised MFRSs, amendments to MFRS and IC Interpretations which are mandatory for companies with financial periods beginning on or after 1 January 2019 did not give rise to any significant effects on the financial statements of the Group.

A4 Audit Report

The auditors' report on the financial statements for the year ended 31 December 2018 was not qualified.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information

	First quarter ended			Cumulative 3 months ended		
	31-Mar-19			31-Mar-19		
	KLCCP	KLCC REIT	Group	KLCCP	KLCC REIT	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Property investment:						
Office	9,943	139,389	149,332	9,943	139,389	149,332
Retail	121,504	8,451	129,955	121,504	8,451	129,955
Hotel operations	42,420	–	42,420	42,420	–	42,420
Management services	49,925	–	49,925	49,925	–	49,925
	223,792	147,840	371,632	223,792	147,840	371,632
Eliminations			(18,186)			(18,186)
			353,446			353,446
Operating profit						
Property investment:						
Office	8,346	124,274	132,620	8,346	124,274	132,620
Retail	100,052	5,011	105,063	100,052	5,011	105,063
Hotel operations	3,722	–	3,722	3,722	–	3,722
Management services	18,618	–	18,618	18,618	–	18,618
	130,738	129,285	260,023	130,738	129,285	260,023
Eliminations			(3,216)			(3,216)
			256,807			256,807
Interest/profit income	6,188	758	6,946	6,188	758	6,946
Finance cost	(12,234)	(15,133)	(27,367)	(12,234)	(15,133)	(27,367)
Share of profit of an associate company	3,209	–	3,209	3,209	–	3,209
Taxation	(26,965)	–	(26,965)	(26,965)	–	(26,965)
Profit for the period / Total comprehensive income for the period			212,630			212,630

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information (Contd.)

	As at 31-Mar-19		
	KLCCP RM'000	KLCC REIT RM'000	Group RM'000
Total assets			
Property investment — Office	1,116,177	9,176,503	10,292,680
Property investment — Retail	5,690,779	533,849	6,224,628
Hotel operations	683,457	—	683,457
Management services	196,833	—	196,833
	<u>7,687,246</u>	<u>9,710,352</u>	<u>17,397,598</u>
Eliminations and adjustments			<u>490,719</u>
			<u>17,888,317</u>
Total liabilities			
Property investment — Office	18,811	1,591,665	1,610,476
Property investment — Retail	790,677	26,576	817,253
Hotel operations	423,783	—	423,783
Management services	37,658	—	37,658
	<u>1,270,929</u>	<u>1,618,241</u>	<u>2,889,170</u>
Eliminations and adjustments			<u>(115,758)</u>
			<u>2,773,412</u>

A6 Unusual items

During the quarter under review, there were no items or events that arose, which affected assets, liabilities, equity, net income or cash flows, that are unusual by reason of their nature, size or incidence.

A7 Changes in estimates

There were no changes in the estimates of amounts reported that have a material effect on the results in the quarter under review.

A8 Changes in statutory tax rate

There were no changes to the corporate tax rate during the quarter under review. However, Section 61A of the Malaysian Income Tax Act 1967 exempts KLCC REIT from the normal corporate tax in a year of assessment (“YA”) if KLCC REIT distributes at least 90% of its total taxable income in the same YA.

A9 Seasonal or cyclical factors

The Group’s hotel operations were impacted by the seasonal or cyclical factors affecting the occupancy rate and food and beverage business of the hotel.

The other segments are not affected by seasonal or cyclical factors.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A10 Dividends paid

The Board of Directors declared interim dividends comprising 4.63 sen and 6.27 sen relating to KLCCP and KLCC REIT respectively in respect of the three month period ended 31 December 2018 totaling 10.90 sen per stapled security.

The KLCCP dividend of 4.63 sen per share (tax exempt under the single-tier tax system) amounting to RM83.59 million and the KLCC REIT income distribution of 6.27 sen per unit amounting to RM113.19 million were paid on 28 February 2019.

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 2019 is as follows:

	RM'000
Approved and contracted for	74,967
Approved but not contracted for	273,843
	<u>348,810</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

The Group have, subsequent to quarter end, refinanced its two tranches of the Islamic Medium Term Note upon maturity on 25 April 2019.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

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-19 RM'000	31-Mar-18 RM'000	Change %	31-Mar-19 RM'000	31-Mar-18 RM'000	Change %
Revenue:						
Property investment:						
Office	149,332	148,783	0.37	149,332	148,783	0.37
Retail	129,955	123,699	5.06	129,955	123,699	5.06
Hotel operations	42,420	43,892	(3.35)	42,420	43,892	(3.35)
Management services	49,925	47,462	5.19	49,925	47,462	5.19
Eliminations/Adjustments	(18,186)	(18,724)		(18,186)	(18,724)	
	<u>353,446</u>	<u>345,112</u>	2.41	<u>353,446</u>	<u>345,112</u>	2.41
Profit before tax ("PBT"):						
Property investment:						
Office *	121,422	120,304	0.93	121,422	120,304	0.93
Retail	98,646	94,263	4.65	98,646	94,263	4.65
Hotel operations	(392)	2,379	(116.48)	(392)	2,379	(116.48)
Management services	18,888	17,670	6.89	18,888	17,670	6.89
Eliminations/Adjustments	1,031	(729)		1,031	(729)	
	<u>239,595</u>	<u>233,887</u>	2.44	<u>239,595</u>	<u>233,887</u>	2.44

* Includes share of profit of an associate.

Variance analysis by segment

Property investment — Office

Q1 2019 revenue and PBT remained relatively stable.

PBT increased by 0.9% compared to Q1 2018 due to lower repair and maintenance expenses and higher recovery of utility charges.

Property investment — Retail

Revenue and PBT increased by 5.1% and 4.7% respectively mainly as a result of higher rental rates and improved occupancy observed during the quarter.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

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

Occupancy increased to 64% compared to 53% in Q1 2018 with the newly refurbished rooms. However, revenue dropped by 3.4% due to intense competition in the banqueting market which affected the performance of the Food & Beverage segment.

In addition, higher depreciation on the fully refurbished rooms resulted in a loss before tax reported for the hotel segment.

Management services

The Q1 2019 revenue and PBT increased by 5.2% and 6.9% respectively contributed by additional revenue from one-off projects under the facilities management operations.

B2 Variation of results against preceding quarter

	Quarter ended		
	31-Mar-19	31-Dec-18	Change
	RM'000	RM'000	%
Revenue:			
Property investment:			
Office	149,332	150,096	(0.51)
Retail	129,955	132,284	(1.76)
Hotel operations	42,420	45,735	(7.25)
Management services	49,925	56,760	(12.04)
Eliminations/Adjustments	(18,186)	(18,527)	
	353,446	366,348	(3.52)
Profit before tax:			
Property investment:			
Office *	121,422	121,101	0.27
Retail	98,646	101,535	(2.85)
Hotel operations	(392)	295	(232.88)
Management services	18,888	19,341	(2.34)
Eliminations/Adjustments	1,031	633	
	239,595	242,905	(1.36)
Fair value adjustments on investment properties	–	20,050	
	239,595	262,955	(8.88)

* Includes share of profit of an associate.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

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

B2 Variation of results against preceding quarter (Contd.)

Excluding the fair value adjustments, overall revenue and PBT decreased by 3.5% and 1.4% respectively as the year-end holidays and festive season traditionally contribute to better performance in the hotel segment. In addition, advertising income in the retail segment was lower during the quarter under review compared to Q4 2018.

Management services recorded higher revenue in Q4 2018 compared to Q1 2019 with higher one-off projects undertaken in the said period.

B3 Prospects for financial year 2019

The Directors expect that overall performance of the Group for the year will remain stable primarily on the back of long term office tenancy agreements.

The performance of the retail segment is expected to be slightly impacted in the following quarters as the mall is undertaking reconfiguration exercise to refresh its offerings with more specialty shops and food outlets in order to improve its competitiveness which is expected to augur well in the long term.

Hotel is expected to continue to operate under challenging market condition.

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-19	31-Mar-18	31-Mar-19	31-Mar-18
	RM'000	RM'000	RM'000	RM'000
In respect of the current period:				
Malaysian income tax	27,059	25,316	27,059	25,316
Deferred tax	(94)	(101)	(94)	(101)
	26,965	25,215	26,965	25,215

Overall effective tax rate 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.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

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

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.

B9 Borrowings

	As at 31-Mar-19		Group RM'000
	KLCCP RM'000	KLCC REIT RM'000	
Short term:			
<u>Secured</u>			
Term loans	10,448	–	10,448
Sukuk Murabahah	6,998	431,964	438,962
Lease liabilities	1,532	–	1,532
	<u>18,978</u>	<u>431,964</u>	<u>450,942</u>
Long term:			
<u>Secured</u>			
Term loans	362,166	–	362,166
Sukuk Murabahah	600,000	855,000	1,455,000
Lease liabilities	662	–	662
	<u>962,828</u>	<u>855,000</u>	<u>1,817,828</u>
	<u>981,806</u>	<u>1,286,964</u>	<u>2,268,770</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	10,448	7,500	22,500	332,166	372,614
Sukuk Murabahah	6,998	–	–	600,000	606,998
Lease liabilities	1,532	662	–	–	2,194
	<u>18,978</u>	<u>8,162</u>	<u>22,500</u>	<u>932,166</u>	<u>981,806</u>
<u>KLCC REIT</u>					
Sukuk Murabahah	431,964	–	400,000	455,000	1,286,964
	<u>450,942</u>	<u>8,162</u>	<u>422,500</u>	<u>1,387,166</u>	<u>2,268,770</u>

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

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

B10 Material litigation

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

B11 Dividend/income distribution

The Board of Directors has declared the following dividend/income distribution for the quarter ended 31 March 2019:

	Total stapled securities	Dividend/ income distribution per stapled securities Sen	Total dividend/ income distribution payable RM'000
KLCCP ¹	1,805,333,083	2.52	45,494
KLCC REIT ^{2,3}	1,805,333,083	6.28	113,375
Group		<u>8.80</u>	<u>158,869</u>

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 20 June 2019. The book closure date in respect of both the aforesaid interim dividend and income distribution is 24 May 2019.

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%

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

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-19 RM'000	31-Mar-18 RM'000	31-Mar-19 RM'000	31-Mar-18 RM'000
Revenue				
Property investment - Office	139,389	138,911	139,389	138,911
Property investment - Retail	8,451	8,189	8,451	8,189
	147,840	147,100	147,840	147,100
Profit income	758	554	758	554
	148,598	147,654	148,598	147,654
Less: Expenses	(34,696)	(34,907)	(34,696)	(34,907)
Profit for the period	113,902	112,747	113,902	112,747
Less: Non-cash items	(493)	(9,431)	(493)	(9,431)
Total realised income available for the period	113,409	103,316	113,409	103,316
Add: Brought forward undistributed realised income available for distribution	41,233	40,850	41,233	40,850
Total realised income available for distribution *	154,642	144,166	154,642	144,166
Less: Income to be distributed for the quarter	(113,375)	(103,265)	(113,375)	(103,265)
Balance undistributed realised income available for distribution	41,267	40,901	41,267	40,901
Distribution per unit (sen)	6.28	5.72	6.28	5.72

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

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

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	8,092,110	4.48	4.42
KLCCP Stapled Group	1,805,333,083	13,082,375	7.25	7.16

¹ An analysis of KLCC REIT's performance based on changes in NAV and NAV per unit, after distribution, since 31 December 2018 is as follows:

	As at 31-Mar-19	As at 31-Dec-18	Changes
NAV (after distribution) (RM'000)	7,978,735	8,091,402	(112,667)
NAV per unit (after distribution) (RM)	4.42	4.48	(0.06)

The NAV per unit reduced by RM0.06 to RM4.42 after distribution.

B13 Profit for the period

	First quarter ended		Cumulative 3 months ended	
	31-Mar-19 RM'000	31-Mar-18 RM'000	31-Mar-19 RM'000	31-Mar-18 RM'000
Profit for the period is arrived after charging:				
Depreciation of property, plant and equipment ¹	10,411	9,365	10,410	9,365
Allowance for impairment losses	23	212	23	212
Loss on disposal of property, plant and equipment	5	49	5	49
Write off of property, plant and equipment	9	—	9	—

¹ Depreciation of property, plant and equipment for the period ended 31 March 2019 is inclusive of depreciation resulting from the new pronouncement, 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.

NOTES ON THE QUARTERLY REPORT — 31 MARCH 2019

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

B13 Earnings per stapled securities ("EPSS")

	First quarter ended		Cumulative 3 months ended	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Profit attributable to ordinary equity holders of the Company (RM'000)	70,056	67,924	70,056	67,924
Profit attributable to unitholders of KLCC REIT (RM'000)	113,902	112,747	113,902	112,747
	<u>183,958</u>	<u>180,671</u>	<u>183,958</u>	<u>180,671</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>10.19</u>	<u>10.01</u>	<u>10.19</u>	<u>10.01</u>

B14 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