

KLCC PROPERTY HOLDINGS BERHAD

Registration No. 200401003073 (641576-U)

(Incorporated in Malaysia)

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

	Second quarter ended		Cumulative 6 months ended	
	30-Jun-20 RM'000	30-Jun-19 RM'000	30-Jun-20 RM'000	30-Jun-19 RM'000
Revenue	267,245	351,093	621,839	704,539
Operating expenses	(84,799)	(99,880)	(189,579)	(196,519)
Operating profit	182,446	251,213	432,260	508,020
Interest/profit income	5,453	7,491	12,531	14,437
Finance costs	(27,560)	(27,971)	(55,636)	(55,338)
Share of profit of an associate	3,493	3,289	6,944	6,498
Profit before taxation	163,832	234,022	396,099	473,617
Taxation	(14,535)	(26,326)	(42,195)	(53,291)
Profit for the period, representing total comprehensive income	149,297	207,696	353,904	420,326
Profit attributable to:				
Equity holders of the Company	29,489	67,039	92,657	137,095
Non-controlling interests relating to KLCC Real Estate Investment Trust (KLCC REIT)	110,971	113,337	224,683	227,239
	140,460	180,376	317,340	364,334
Other non-controlling interests	8,837	27,320	36,564	55,992
	149,297	207,696	353,904	420,326
Dividend/income distribution to stapled security holders:				
<u>Quarter ended 30 June 2020/2019</u>				
Realised distributable income - KLCCP	29,489	67,039	92,657	137,095
Realised distributable income - KLCC REIT	110,027	112,517	222,524	225,926
Total realised distributable income	139,516	179,556	315,181	363,021
Unrealised distributable income - KLCC REIT	944	820	2,159	1,313
	140,460	180,376	317,340	364,334
Distribution rate (%) ¹	97.05%	88.48%	90.50%	87.53%
Dividend/income distribution	135,400	158,869	285,242	317,738
Dividend/income distribution per stapled security (sen)	7.50	8.80	15.80	17.60
Earnings per stapled security (sen)				
– Basic	7.78	9.99	17.58	20.18

¹ Rounded to two decimal points.

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

KLCC PROPERTY HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	30-Jun-20	31-Dec-19
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	657,102	671,690
Investment properties	15,898,067	15,894,180
Right-of-use assets	9,644	11,807
Investment in an associate	267,252	265,588
Deferred tax assets	1,338	1,330
Other receivables	425,866	426,488
	<u>17,259,269</u>	<u>17,271,083</u>
Current assets		
Inventories	1,642	1,810
Trade and other receivables	66,023	52,962
Tax recoverable	1,321	1,493
Cash and cash equivalents	842,059	883,908
	<u>911,045</u>	<u>940,173</u>
TOTAL ASSETS	<u>18,170,314</u>	<u>18,211,256</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the company		
Share capital	1,823,386	1,823,386
Capital reserve	3,015,397	3,015,397
Retained profits	251,481	299,821
	<u>5,090,264</u>	<u>5,138,604</u>
Equity attributable to unit holders of the KLCC REIT	<u>8,079,774</u>	<u>8,073,356</u>
Total equity attributable to equity holders of KLCCP and KLCC REIT	<u>13,170,038</u>	<u>13,211,960</u>
Other non-controlling interests	<u>2,090,709</u>	<u>2,081,478</u>
Total equity	<u>15,260,747</u>	<u>15,293,438</u>
Non-current liabilities		
Deferred revenue	47,597	46,947
Other long term liabilities	173,313	171,288
Long term borrowings	1,908,076	2,317,386
Deferred taxation	71,996	71,994
	<u>2,200,982</u>	<u>2,607,615</u>
Current liabilities		
Trade and other payables	235,720	257,843
Short term borrowings	429,851	29,210
Taxation	43,014	23,150
	<u>708,585</u>	<u>310,203</u>
Total liabilities	<u>2,909,567</u>	<u>2,917,818</u>
TOTAL EQUITY AND LIABILITIES	<u>18,170,314</u>	<u>18,211,256</u>
Net asset value per stapled security (RM)	7.30	7.32

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

KLCC PROPERTY HOLDINGS BERHAD

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2020

	← Attributable to equity holders of the Company →			Total equity attributable to equity holders of KLCCP RM'000	Equity attributable to unit holders of KLCC REIT ² RM'000	Other non- controlling interests RM'000	Total Equity RM'000
	Share capital RM'000	Retained profits RM'000	Capital reserve ¹ RM'000				
As at 1 January 2019	1,823,386	243,209	2,937,256	5,003,851	8,091,402	2,029,836	15,125,089
Adjustment on initial application of MFRS 16 ³	–	(55)	–	(55)	–	(11)	(66)
At 1 January 2019, restated	1,823,386	243,154	2,937,256	5,003,796	8,091,402	2,029,825	15,125,023
Total comprehensive income for the period	–	137,095	–	137,095	227,239	55,992	420,326
Dividends paid/declared	–	(129,081)	–	(129,081)	(226,569)	(51,933)	(407,583)
As at 30 June 2019	1,823,386	251,168	2,937,256	5,011,810	8,092,072	2,033,884	15,137,766
As at 1 January 2020	1,823,386	299,821	3,015,397	5,138,604	8,073,356	2,081,478	15,293,438
Total comprehensive income for the period	–	92,657	–	92,657	224,683	36,564	353,904
Dividends paid/declared	–	(140,997)	–	(140,997)	(218,265)	(27,333)	(386,595)
As at 30 June 2020	1,823,386	251,481	3,015,397	5,090,264	8,079,774	2,090,709	15,260,747

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

² Equity attributable to unit holders of KLCC REIT consists of Unitholders' Fund (RM7,212,684,000), Merger Reserve (RM6,212,000), Capital Reserve (RM392,367,000) and Retained Profit (RM468,511,000).

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

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

KLCC PROPERTY HOLDINGS BERHAD
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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2020

	Cumulative 6 months ended	
	30-Jun-20 RM'000	30-Jun-19 RM'000
Cash flows from operating activities		
Profit before tax	396,099	473,617
Adjustments for:		
Interest/profit income	(12,531)	(14,437)
Finance costs	55,636	55,338
Accrued rental income	(3,178)	(5,388)
Depreciation	24,694	20,853
Allowance for impairment losses	–	23
Loss on disposal of property, plant and equipment	35	44
Write off of property, plant and equipment	–	9
Share of results of an associate	(6,944)	(6,498)
	<u>57,712</u>	<u>49,944</u>
Operating profit before changes in working capital	453,811	523,561
Changes in working capital:		
Trade and other receivables	(4,562)	(2,052)
Amount due from/to ultimate holding company	10,155	486
Amount due from/to immediate holding company	(13,298)	(299)
Amount due from/to related companies	510	(238)
Trade and other payables	(23,924)	15,902
Inventories	168	(105)
	<u>(30,951)</u>	<u>13,694</u>
Interest/profit income received	13,271	15,032
Tax paid	(22,167)	(44,341)
Net cash generated from operating activities	<u>413,964</u>	<u>507,946</u>
Cash flows from investing activities		
Dividends received	5,280	–
Purchase of property, plant and equipment	(7,979)	(14,352)
Cost incurred for investment properties	(4,022)	(8,925)
Proceeds from disposal of property, plant and equipment	(3,335)	62
Net cash used in investing activities	<u>(10,056)</u>	<u>(23,215)</u>
Cash flows from financing activities		
Proceeds from drawdown of borrowings	4,983	500,000
Repayment of borrowings	(10,000)	(408,500)
Dividends paid to equity holders of the company	(140,997)	(129,081)
Dividends paid to non-controlling interests relating to KLCC REIT	(217,049)	(226,465)
Dividends paid to other non-controlling interests	(27,333)	(51,933)
Interest/profit expense paid	(53,022)	(51,981)
Payment of lease liabilities	(2,339)	(994)
Decrease in deposits restricted	(1,852)	777
Net cash used in financing activities	<u>(447,609)</u>	<u>(368,177)</u>

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

	Cumulative 6 months ended	
	30-Jun-20 RM'000	30-Jun-19 RM'000
Net (decrease)/increase in cash and cash equivalents	(43,701)	116,554
Cash and cash equivalents at the beginning of the year	881,586	730,431
Cash and cash equivalents at the end of period	<u>837,885</u>	<u>846,985</u>
Cash and cash equivalents at the end of period comprises:		
Cash and bank balances	556,993	502,121
Deposits	<u>285,066</u>	<u>349,380</u>
	842,059	851,501
Less: Deposits restricted ¹	<u>(4,174)</u>	<u>(4,516)</u>
	<u>837,885</u>	<u>846,985</u>

¹ Deposits restricted relate to monies held on behalf of clients in designated accounts which represent cash calls less payments in the course of rendering management services on behalf of clients.

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

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NOTES ON THE QUARTERLY REPORT — 30 JUNE 2020

A EXPLANATORY NOTES PURSUANT TO MFRS 134

A1 Corporate information

KLCC Property Holdings Berhad (“KLCCP”) is a public limited liability company incorporated and domiciled in Malaysia. One ordinary share of KLCCP is stapled with one unit of KLCC Real Estate Investment Trust (“KLCC REIT”) to create the stapled securities. These stapled securities are listed on Bursa Malaysia Securities Berhad.

By virtue of KLCCP and KLCC REIT agreeing to combine their business by contract (i.e. Stapling Deed between KLCCP and KLCC REIT even though KLCCP owns no units in KLCC REIT and vice versa), KLCCP is deemed to be the controlling entity (i.e. parent) for accounting purposes as it is identified to be the party with power to govern the financial and operating policies of KLCC REIT. Therefore, the consolidated accounts of KLCCP will reflect 100% non-controlling interest relating to KLCC REIT.

These condensed consolidated interim financial statements were approved by the Board of Directors on 5 August 2020.

A2 Basis of preparation

These condensed consolidated interim financial statements, for the period ended 30 June 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 JUNE 2020

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information

	Second quarter ended			Cumulative 6 months ended		
	30-Jun-20			30-Jun-20		
	KLCCP	KLCC REIT	Group	KLCCP	KLCC REIT	Group
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Property investment:						
Office	10,068	139,053	149,121	20,384	278,694	299,078
Retail	69,153	5,732	74,885	193,849	14,894	208,743
Hotel operations	3,458	-	3,458	31,539	-	31,539
Management services	56,907	-	56,907	118,682	-	118,682
	139,586	144,785	284,371	364,454	293,588	658,042
Eliminations			(17,126)			(36,203)
			267,245			621,839
Operating profit						
Property investment:						
Office	7,931	123,813	131,744	16,287	247,270	263,557
Retail	52,570	2,418	54,988	157,179	7,971	165,150
Hotel operations	(16,825)	-	(16,825)	(21,967)	-	(21,967)
Management services	15,526	-	15,526	32,287	-	32,287
	59,202	126,231	185,433	183,786	255,241	439,027
Eliminations			(2,987)			(6,767)
			182,446			432,260
Interest/profit income	4,859	594	5,453	11,332	1,199	12,531
Finance cost	(11,706)	(15,854)	(27,560)	(23,879)	(31,757)	(55,636)
Share of profit of an associate company	3,493	-	3,493	6,944	-	6,944
Taxation	(14,535)	-	(14,535)	(42,195)	-	(42,195)
Profit for the period / Total comprehensive income for the period			149,297			353,904

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NOTES ON THE QUARTERLY REPORT — 30 JUNE 2020

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A5 Segmental information (Contd.)

	As at 30-Jun-20		
	KLCCP RM'000	KLCC REIT RM'000	Group RM'000
Total assets			
Property investment — Office	1,168,209	9,173,031	10,341,240
Property investment — Retail	5,889,291	526,496	6,415,787
Hotel operations	631,222	–	631,222
Management services	229,434	–	229,434
	<u>7,918,156</u>	<u>9,699,527</u>	<u>17,617,683</u>
Eliminations and adjustments			<u>552,631</u>
			<u>18,170,314</u>
Total liabilities			
Property investment — Office	25,331	1,595,970	1,621,301
Property investment — Retail	826,420	23,782	850,202
Hotel operations	399,771	–	399,771
Management services	56,861	–	56,861
	<u>1,308,383</u>	<u>1,619,752</u>	<u>2,928,135</u>
Eliminations and adjustments			<u>(18,568)</u>
			<u>2,909,567</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 JUNE 2020

A EXPLANATORY NOTES PURSUANT TO MFRS 134 (CONTD.)

A10 Dividends paid

The Board of Directors declared interim dividends comprising 2.46 sen and 5.84 sen relating to KLCCP and KLCC REIT respectively in respect of the three month period ended 31 March 2020 totaling 8.30 sen per stapled security.

The KLCCP dividend of 2.46 sen per share (tax exempt under the single-tier tax system) amounting to RM44.4 million and the KLCC REIT income distribution of 5.84 sen per unit amounting to RM105.4 million were paid on 18 June 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 June 2020 is as follows:

	RM'000
Approved and contracted for	192,338
Approved but not contracted for	231,851
	<u>424,189</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.

KLCC PROPERTY HOLDINGS BERHAD

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NOTES ON THE QUARTERLY REPORT — 30 JUNE 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

	Second quarter ended			Cumulative 6 months ended		
	30-Jun-20 RM'000	30-Jun-19 RM'000	Change %	30-Jun-20 RM'000	30-Jun-19 RM'000	Change %
Revenue:						
Property investment:						
Office	149,121	149,672	(0.37)	299,078	299,004	0.02
Retail	74,885	127,701	(41.36)	208,743	257,656	(18.98)
Hotel operations	3,458	41,834	(91.73)	31,539	84,254	(62.57)
Management services	56,907	50,045	13.71	118,682	99,970	18.72
Eliminations/Adjustments	(17,126)	(18,159)		(36,203)	(36,345)	
	<u>267,245</u>	<u>351,093</u>	(23.88)	<u>621,839</u>	<u>704,539</u>	(11.74)
Profit before tax ("PBT"):						
Property investment:						
Office *	121,110	120,925	0.15	242,183	242,347	(0.07)
Retail	47,490	94,917	(49.97)	150,590	193,563	(22.20)
Hotel operations	(20,449)	(816)	>100	(29,286)	(1,208)	>100
Management services	15,840	19,198	(17.49)	32,906	38,086	(13.60)
Eliminations/Adjustments	(159)	(202)		(294)	829	
	<u>163,832</u>	<u>234,022</u>	(29.99)	<u>396,099</u>	<u>473,617</u>	(16.37)

* 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.

Slight variation against quarter and YTD was mostly due to utilisation and recoverability of utilities and timing differences in incurring maintenance expenses.

Property investment — Retail

Revenue and PBT in Q2 2020 declined by 41.4% and 50.0% respectively mainly due to the provision of rental assistance to the tenants in response to the Movement Control Order (MCO) imposed by the government in curbing the spread of Covid-19.

Other revenue streams such as the advertising income also deteriorated given the current sentiments due to the pandemic.

As for YTD, retail segment dropped by 19.0% and 22.2% in revenue and PBT mostly due to the rental assistance in Q2, however slightly mitigated by better results reported in the previous quarter.

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

B1 Performance review (contd.)

Hotel operations

The hotel's performance was significantly affected by the pandemic resulting to the decline in revenue by RM38.4 million with a loss recorded at RM20.4 million during the quarter. Total decline in revenue for the period amounted to RM52.7 million while accumulated loss was RM29.3 million.

Management services

Higher revenue observed during the quarter and YTD by 13.7% and 18.7% respectively mostly due to the new business approach in the facility management services.

However, PBT was impacted due to lower profit margin and declining carpark income due to the lower transient parking during the various phases of MCO period.

B2 Variation of results against preceding quarter

	Quarter ended		Change %
	30-Jun-20 RM'000	31-Mar-20 RM'000	
Revenue:			
Property investment:			
Office	149,121	149,957	(0.56)
Retail	74,885	133,858	(44.06)
Hotel operations	3,458	28,081	(87.69)
Management services	56,907	61,775	(7.88)
Eliminations/Adjustments	(17,126)	(19,077)	
	<u>267,245</u>	<u>354,594</u>	(24.63)
Profit before tax:			
Property investment:			
Office *	121,110	121,073	0.03
Retail	47,490	103,100	(53.94)
Hotel operations	(20,449)	(8,837)	>100
Management services	15,840	17,066	(7.18)
Eliminations/Adjustments	(159)	(135)	
	<u>163,832</u>	<u>232,267</u>	(29.46)

* Includes share of profit of an associate.

Quarter 2 financial performance recorded the 3 months impact of the pandemic as well as the several phases of MCO. Overall revenue and PBT decreased by 24.6% and 29.5% respectively, mainly due to the sluggish performance in the retail and hotel segments.

The declined in retail segment was mainly from the provision of rental assistance to the tenants, whilst the hotel segment is still impacted by the global travel restrictions.

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NOTES ON THE QUARTERLY REPORT — 30 JUNE 2020

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

B3 Prospects for financial year 2020

The Covid-19 pandemic and the various phases of MCO have significantly affected the Malaysian economy.

All tenants of Suria KLCC have since reconvened business. Customer counts improved in June 2020 as MCO eased up gradually. The Directors however remained cautious, noting the diminishing consumer's spending power as a result of increasing unemployment rate and the offices surrounding the mall have yet to fully reopened as companies are implementing flexible working arrangement. The Directors opine that the retail segment will remain challenging for the rest of the year.

Hospitality and tourism industries will continue to be affected as Malaysia's border remained close and large public events are discouraged. As such, the Directors anticipate that the hotel segment will continue to be adversely affected.

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:

	Second quarter ended		Cumulative 6 months ended	
	30-Jun-20 RM'000	30-Jun-19 RM'000	30-Jun-20 RM'000	30-Jun-19 RM'000
In respect of the current period:				
Malaysian income tax	14,539	26,429	42,204	53,488
Deferred tax	(4)	(103)	(9)	(197)
	<u>14,535</u>	<u>26,326</u>	<u>42,195</u>	<u>53,291</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. Effective tax rate of 9% during the current quarter mainly due to lower profit achieved in KLCCP.

B6 Sales of unquoted investments and/or properties

There was no disposal of unquoted investments or properties during the quarter under review.

B7 Quoted and marketable securities

There was no purchase or disposal of quoted and marketable securities during the quarter under review.

B8 Status of corporate proposal announced

There was no corporate proposal announced but not completed as at the date of this report.

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NOTES ON THE QUARTERLY REPORT — 30 JUNE 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-Jun-20		Group RM'000
	KLCCP RM'000	KLCC REIT RM'000	
Short term:			
<u>Secured</u>			
Term loans	11,703	–	11,703
Sukuk Murabahah	–	414,319	414,319
Lease liabilities	3,829	–	3,829
	<u>15,532</u>	<u>414,319</u>	<u>429,851</u>
Long term:			
<u>Secured</u>			
Term loans	347,166	–	347,166
Sukuk Murabahah	600,000	955,000	1,555,000
Lease liabilities	5,910	–	5,910
	<u>953,076</u>	<u>955,000</u>	<u>1,908,076</u>
	<u>968,608</u>	<u>1,369,319</u>	<u>2,337,927</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	11,703	7,500	22,500	317,166	358,869
Sukuk Murabahah	–	–	600,000	–	600,000
Lease liabilities	3,829	2,902	3,008	–	9,739
	<u>15,532</u>	<u>10,402</u>	<u>625,508</u>	<u>317,166</u>	<u>968,608</u>
<u>KLCC REIT</u>					
Sukuk Murabahah	414,319	–	455,000	500,000	1,369,319
	<u>429,851</u>	<u>10,402</u>	<u>1,080,508</u>	<u>817,166</u>	<u>2,337,927</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 of Directors has declared the following dividend/income distribution for the quarter ended 30 June 2020:

	Total stapled securities	Dividend/ income distribution per stapled securities Sen	Total dividend/ income distribution payable RM'000
KLCCP ¹	1,805,333,083	1.41	25,455
KLCC REIT ^{2,3}	1,805,333,083	6.09	109,945
Group		<u>7.50</u>	<u>135,400</u>

The dividend and income distribution for KLCCP and KLCC REIT will be paid on 23 September 2020. The book closure date in respect of both the aforesaid interim dividend and income distribution is 25 August 2020.

¹ Dividend declared under KLCCP is tax exempt under the single-tier system.

² Income distribution to unitholders will be subjected to withholding tax at the following rates:

<u>Unitholders</u>	Withholding tax rate
Individuals and all other non-corporate investors such as institutional investors (resident and non-resident)	10%
Non-resident corporate investors	24%
Resident corporate investors	0%

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B11 Dividend/income distribution (contd.)

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

	Second quarter ended		Cumulative 6 months ended	
	30-Jun-20 RM'000	30-Jun-19 RM'000	30-Jun-20 RM'000	30-Jun-19 RM'000
Revenue				
Property investment - Office	139,053	139,634	278,694	279,023
Property investment - Retail	5,732	8,262	14,894	16,713
	144,785	147,896	293,588	295,736
Profit income	594	1,063	1,199	1,821
	145,379	148,959	294,787	297,557
Less: Expenses	(34,408)	(35,622)	(70,104)	(70,318)
Profit for the period	110,971	113,337	224,683	227,239
Less: Non-cash items	(944)	(820)	(2,159)	(1,313)
Total realised income available for the period	110,027	112,517	222,524	225,926
Add: Brought forward undistributed realised income available for distribution	48,535	41,267	41,469	41,233
Total realised income available for distribution *	158,562	153,784	263,993	267,159
Less: Total income distributed for the period	–	–	(109,945)	(113,375)
Less: Income to be distributed for the quarter	(109,945)	(112,472)	(105,431)	(112,472)
Balance undistributed realised income available for distribution	48,617	41,312	48,617	41,312
Distribution per unit (sen)	6.09	6.23	11.93	12.51

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

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

B12 Summary of Net Asset Value ("NAV")

	No. of units listed	NAV RM'000	NAV per unit	
			before distribution RM	after distribution RM
KLCC REIT ¹	1,805,333,083	8,079,774	4.48	4.41
KLCCP Stapled Group	1,805,333,083	13,170,038	7.30	7.22

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

	As at 30-Jun-20	As at 31-Mar-20	Changes
NAV (after distribution) (RM'000)	7,969,829	7,968,803	1,026
NAV per unit (after distribution) (RM)	4.41	4.41	-

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

B13 Profit for the period

	Second quarter ended		Cumulative 6 months ended	
	30-Jun-20 RM'000	30-Jun-19 RM'000	30-Jun-20 RM'000	30-Jun-19 RM'000
Profit for the period is arrived after charging:				
Depreciation of property, plant and equipment ¹	12,069	10,442	24,694	20,853
Allowance for impairment losses	-	-	-	23
Loss on disposal of property, plant and equipment	-	39	35	44
Write off of property, plant and equipment	-	-	-	9

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

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

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B14 Earnings per stapled securities ("EPSS")

	Second quarter ended		Cumulative 6 months ended	
	30-Jun-20	30-Jun-19	30-Jun-20	30-Jun-19
Profit attributable to ordinary equity holders of the Company (RM'000)	29,489	67,039	92,657	137,095
Profit attributable to unitholders of KLCC REIT (RM'000)	110,971	113,337	224,683	227,239
	<u>140,460</u>	<u>180,376</u>	<u>317,340</u>	<u>364,334</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>7.78</u>	<u>9.99</u>	<u>17.58</u>	<u>20.18</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