

**KLCC PROPERTY HOLDINGS BERHAD (641576-U)**

(Incorporated in Malaysia)

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	INDIVIDUAL QUARTER		CUMULATIVE	
	THREE MONTHS ENDED		YEAR ENDED	
	31-Dec-12	31-Dec-11 Restated	31-Dec-12	31-Dec-11
	RM'000	RM'000	RM'000	RM'000
Revenue	330,985	260,774	1,178,311	974,737
Operating Expenses	(73,059)	(83,541)	(300,016)	(287,068)
<b>Operating profit</b>	<b>257,926</b>	<b>177,233</b>	<b>878,295</b>	<b>687,669</b>
Fair value adjustment	-	1,140,004	1,378,730	1,344,816
Other income	11,371	-	11,371	-
Interest income	6,898	5,579	25,682	20,557
Finance costs	(32,498)	(27,658)	(124,236)	(117,214)
Share of profit of associated company	2,723	2,687	23,654	10,631
<b>Profit before taxation</b>	<b>246,420</b>	<b>1,297,845</b>	<b>2,193,496</b>	<b>1,946,459</b>
Taxation	(76,947)	(41,721)	(209,067)	(208,200)
<b>Profit for the period, representing total comprehensive income</b>	<b>169,473</b>	<b>1,256,124</b>	<b>1,984,429</b>	<b>1,738,259</b>
<b>Profit attributable to:</b>				
Equity holders of the company	99,599	668,159	1,464,097	973,403
Non-controlling interests	69,874	587,965	520,332	764,856
	<b>169,473</b>	<b>1,256,124</b>	<b>1,984,429</b>	<b>1,738,259</b>
<b>Earnings per share attributable to equity holders of the company (sen):</b>				
<b>Basic</b>	<b>10.66</b>	<b>71.53</b>	<b>156.74</b>	<b>104.21</b>
<b>Diluted</b>	<b>7.72</b>	<b>51.62</b>	<b>113.20</b>	<b>75.31</b>

(The condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the period ended 31 December 2011 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 DECEMBER 2012

	31-Dec-12 RM'000	Restated 31-Dec-11 RM'000	Restated 1-Apr-11 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	598,235	609,476	611,460
Investment properties	13,807,130	12,364,831	10,975,082
Investment in associate	260,846	244,931	241,244
Deferred tax assets	783	1,513	7,762
	<u>14,666,994</u>	<u>13,220,751</u>	<u>11,835,548</u>
<b>Current assets</b>			
Inventories	1,333	1,445	1,390
Trade and other receivables	101,875	73,255	56,070
Cash and bank balances	1,020,422	700,418	674,947
	<u>1,123,630</u>	<u>775,118</u>	<u>732,407</u>
<b>TOTAL ASSETS</b>	<u>15,790,624</u>	<u>13,995,869</u>	<u>12,567,955</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the company</b>			
Share capital	934,074	934,074	934,074
Share premium	562,324	562,324	562,324
Revaluation reserve	-	-	5,665
Redeemable convertible unsecured loan stocks (RCULS)	687,990	687,990	687,990
Capital reserve	5,025,915	3,943,749	3,340,273
Retained profits	1,223,761	1,000,623	903,474
	<u>8,434,064</u>	<u>7,128,760</u>	<u>6,433,800</u>
<b>Non-controlling interests</b>	<u>4,558,241</u>	<u>4,185,599</u>	<u>3,665,512</u>
<b>Total Equity</b>	<u>12,992,305</u>	<u>11,314,359</u>	<u>10,099,312</u>
<b>Non-current liabilities</b>			
Redeemable convertible unsecured loan stocks (RCULS)	12,870	18,479	24,503
Other long term liabilities	76,509	57,176	54,912
Long term borrowings	2,298,577	2,291,797	1,908,493
Deferred taxation	35,628	3,032	5,687
	<u>2,423,584</u>	<u>2,370,484</u>	<u>1,993,595</u>
<b>Current liabilities</b>			
Trade and other payables	246,881	216,706	214,711
Short term borrowings	48,548	48,021	227,039
Taxation	79,306	46,299	33,298
	<u>374,735</u>	<u>311,026</u>	<u>475,048</u>
<b>Total Liabilities</b>	<u>2,798,319</u>	<u>2,681,510</u>	<u>2,468,643</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>15,790,624</u>	<u>13,995,869</u>	<u>12,567,955</u>
<b>Net assets (excl. RCULS) per share (RM)</b>	<b>8.29</b>	<b>6.90</b>	<b>6.15</b>
<b>Diluted net assets per share (RM)</b>	<b>6.52</b>	<b>5.52</b>	<b>4.99</b>

(The condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the period ended 31 December 2011 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 YEAR ENDED 31 DECEMBER 2012**

	← Attributable to Equity Holders of the Company →							Total Equity RM'000
	← Non-Distributable →			← Distributable →				
	Share Capital RM'000	Share Premium RM'000	Revaluation Reserve RM'000	Redeemable Convertible Unsecured Loan Stocks RM'000	Retained Profits RM'000	Capital Reserve © RM'000	Non - controlling Interests RM'000	
<b>As at 1 January 2011</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>839,730</b>	<b>2,719,426</b>	<b>3,213,713</b>	<b>8,962,922</b>
Total comprehensive income for the period	-	-	-	-	166,354	-	91,842	258,196
Transfer	-	-	-	-	(102,610)	102,610	-	-
<b>As at 31 March 2011</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>903,474</b>	<b>2,822,036</b>	<b>3,305,555</b>	<b>9,221,118</b>
<b>As at 1 April 2011</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>903,474</b>	<b>2,822,036</b>	<b>3,305,555</b>	<b>9,221,118</b>
Effects of adopting MFRS 112	-	-	-	-	-	518,237	359,957	878,194
<b>As at 1 April 2011 (restated)</b>	<b>934,074</b>	<b>562,324</b>	<b>5,665</b>	<b>687,990</b>	<b>903,474</b>	<b>3,340,273</b>	<b>3,665,512</b>	<b>10,099,312</b>
Total comprehensive income for the period	-	-	-	-	807,049	-	673,014	1,480,063
Transfer	-	-	(5,665)	-	(597,811)	603,476	-	-
Dividends paid	-	-	-	-	(112,089)	-	(152,927)	(265,016)
<b>As at 31 December 2011 (restated)</b>	<b>934,074</b>	<b>562,324</b>	<b>-</b>	<b>687,990</b>	<b>1,000,623</b>	<b>3,943,749</b>	<b>4,185,599</b>	<b>11,314,359</b>
<b>As at 1 January 2012</b>	<b>934,074</b>	<b>562,324</b>	<b>-</b>	<b>687,990</b>	<b>1,000,623</b>	<b>3,943,749</b>	<b>4,185,599</b>	<b>11,314,359</b>
Total comprehensive income for the year	-	-	-	-	1,464,097	-	520,332	1,984,429
Transfer	-	-	-	-	(1,082,166)	1,082,166	-	-
Dividends paid	-	-	-	-	(158,793)	-	(147,690)	(306,483)
<b>As at 31 December 2012</b>	<b>934,074</b>	<b>562,324</b>	<b>-</b>	<b>687,990</b>	<b>1,223,761</b>	<b>5,025,915</b>	<b>4,558,241</b>	<b>12,992,305</b>

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

**(The unaudited condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the period ended 31 December 2011 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 YEAR ENDED 31 DECEMBER 2012**

	YEAR ENDED	
	31-Dec-12	31-Dec-11
	RM'000	RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash receipts from customers	1,149,691	955,311
Cash payments to suppliers and employees	(243,621)	(246,820)
Interest income from fund and other investments	25,108	20,255
Tax paid	(142,732)	(131,548)
<b>Net cash generated from operating activities</b>	<b>788,446</b>	<b>597,198</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Dividends received	7,739	7,203
Purchase of property, plant and equipment	(19,744)	(35,449)
Cost incurred for investment properties	(32,472)	(312,403)
Proceeds from disposal of property, plant and equipment	1,437	26
<b>Net cash used in investing activities</b>	<b>(43,040)</b>	<b>(340,623)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of borrowings	28,000	1,137,000
Repayment of borrowings	(28,000)	(827,000)
Payment of early redemption	-	(36,407)
Dividends paid to shareholders	(158,793)	(112,089)
Dividends paid to non-controlling interests	(147,690)	(152,927)
Interest expenses paid	(118,919)	(114,327)
(Increase)/Decrease in deposits restricted	(9,326)	1,649
<b>Net cash used in financing activities</b>	<b>(434,728)</b>	<b>(104,101)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>310,678</b>	<b>152,474</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE BEGINNING OF THE YEAR</b>	<b>699,692</b>	<b>547,218</b>
<b>CASH AND CASH EQUIVALENTS</b>		
<b>AT THE END OF THE YEAR</b>	<b>1,010,370</b>	<b>699,692</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR COMPRISE:</b>		
<b>CASH AND BANK BALANCES</b>	<b>12,641</b>	<b>4,411</b>
<b>DEPOSITS</b>	<b>1,007,781</b>	<b>696,007</b>
	<b>1,020,422</b>	<b>700,418</b>
<b>LESS: DEPOSITS RESTRICTED *</b>	<b>(10,052)</b>	<b>(726)</b>
	<b>1,010,370</b>	<b>699,692</b>

\* Monies held on behalf of clients relate to restricted monies held 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 period ended 31 December 2011 and the accompanying explanatory notes attached to this interim financial report)**

# KLCC PROPERTY HOLDINGS BERHAD

(Company No.: 641576-U)

Incorporated in Malaysia

Notes on the quarterly report – 31 December 2012

## A. EXPLANATORY NOTES PURSUANT TO MFRS 134

### A1. Corporate Information

KLCC Property Holdings Berhad is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad.

These condensed consolidated interim financial statements were approved by the Board of Directors on 21 February 2013.

### A2. First Time Adoption of Malaysian Financial Reporting Standards (“MFRS”)

#### A2.1 Basis of Preparation

These condensed consolidated interim financial statements, for the year ended 31 December 2012 are unaudited and have been prepared in compliance with the requirements of paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad and MFRS 134: Interim Financial Reporting (except for the comparatives as stated in A2.2 below) and with IAS 34: Interim Financial Reporting issued by the International Accounting Standards Board. With the first adoption of MFRS, MFRS 1: First Time Adoption of Malaysian Financial Reporting Standards has been applied.

For the periods up to and including the period ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”).

The consolidated financial statements of the Group for the period ended 31 December 2011 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.

#### A2.2 Comparative Information

During the financial period ended 31 December 2011, the Group changed its year end from 31 March to 31 December so as to be consistent with the year end of its holding company. The date of transition from FRS to MFRS is 1 April 2011. Comparative amounts (i.e. for the 12 month period ended 31 December 2011) presented for the Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the related notes:

- (i) are not for the comparable interim periods (current and year-to-date) of the immediately preceding financial year as required by MFRS 134 per table below;

	Actual	Comparative
Current Quarter	Q4, FY2012	Q3, FP2011
Year to Date	Q1, Q2, Q3 and Q4, FY2012	Q4, FY2010/11, Q1, Q2 and Q3, FP2011

- (ii) represent amounts prepared under FRS for period beginning 1 January 2011 to 31 March 2011 and amounts prepared under MFRS beginning 1 April 2011 to 31 December 2011.

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Accordingly, these comparative amounts are not comparable to the amounts presented in MFRS for the year ended 31 December 2012. The above departure from the requirement to MFRS 134 is unavoidable due to the fact that the Group has changed its financial year end.

The comparative amount for period ended 31 December 2011 was used to provide the relevant comparative information to enable fair assessment of the Group's performance given the nature of the Group's business. The impact on the comparatives is temporary and would be resolved by the quarter ended 31 March 2013.

## A3. Significant Accounting Policies and Adoption of MFRS 1

The audited financial statements of the Group for the period ended 31 December 2011 were prepared in accordance with FRS. Except for certain differences, the requirements under FRS and MFRS are similar. The significant accounting policies adopted in preparing these condensed consolidated interim financial statements are consistent with those of the audited financial statements for the period ended 31 December 2011 except for MFRS 112: Income Taxes.

The adoption of MFRS 112 from date of transition has resulted in the derecognition of prior years' Deferred Tax Liability provision on valuation gains previously reported in the financial statements prepared in accordance with previous FRSs. The following extract from the Statement of Financial Position illustrates the impact of adopting MFRS 112.

### A3.1 Restatement of Statement of Financial Position as at MFRS transition date of 1 April 2011

	FRS as at 1 April 2011 (Audited) RM'000	Investment In Associate RM'000	Capital Reserve RM'000	Non- Controlling Interests RM'000	MFRS as at 1 April 2011 (Restated) RM'000
<b>Assets</b>					
Investment in Associate	225,986	15,258	-	-	241,244
<b>Equity</b>					
Capital Reserve	(2,822,036)	(15,258)	(502,979)	-	(3,340,273)
Non-Controlling Interests	(3,305,555)	-	-	(359,957)	(3,665,512)
<b>Liabilities</b>					
Deferred Taxation	(868,623)	-	502,979	359,957	(5,687)

# KLCC PROPERTY HOLDINGS BERHAD

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Notes on the quarterly report – 31 December 2012

## A3.2 Restatement of Statement of Financial Position as at 31 December 2011

	FRS as at 31 December 2011 (Audited) RM'000	Investment In Associate RM'000	Capital Reserve RM'000	Non- Controlling Interests RM'000	MFRS as at 31 December 2011 (Restated) RM'000
<b>Assets</b>					
Investment in Associate	229,673	15,258	-	-	244,931
<b>Equity</b>					
Capital Reserve	(3,276,059)	(15,258)	(652,432)	-	(3,943,749)
Non-Controlling Interests	(3,690,093)	-	-	(495,506)	(4,185,599)
<b>Liabilities</b>					
Deferred Taxation	(1,150,970)	-	652,432	495,506	(3,032)

## A3.3 Reconciliation of Total Comprehensive Income for the period ended 31 December 2011

	FRS as at 31 December 2011 RM'000	Deferred Tax RM'000	Equity Holders of the Company RM'000	Non- Controlling Interests RM'000	MFRS as at 31 December 2011 RM'000
Revenue	745,894				745,894
Operating Expenses	(224,048)				(224,048)
<b>Operating profit</b>	<b>521,846</b>				<b>521,846</b>
Fair value adjustment	1,140,004				1,140,004
Interest income	16,371				16,371
Finance costs	(87,583)				(87,583)
Share of profit of associated company	7,987				7,987
<b>Profit before taxation</b>	<b>1,598,625</b>				<b>1,598,625</b>
Taxation	(403,564)	285,002			(118,562)
<b>Profit for the period, representing total comprehensive income</b>	<b>1,195,061</b>				<b>1,480,063</b>
<b>Profit attributable to:</b>					
Equity holders of the company	657,596		149,453		807,049
Non-controlling interests	537,465			135,549	673,014
	<b>1,195,061</b>				<b>1,480,063</b>

There is no impact to the total comprehensive income for the quarter ended 31 March 2011 as it represents amounts prepared under FRS prior to the date of transition to MFRS of 1 April 2011.

# KLCC PROPERTY HOLDINGS BERHAD

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Notes on the quarterly report – 31 December 2012

## A4. Audit report

The auditors' report on the financial statements for the period ended 31 December 2011 was not qualified.

## A5. Segmental Information

<u>Business segments</u>	Individual Quarter		Cumulative	
	3 Months Ended		Year Ended	
	31-Dec-12		31-Dec-12	
	<u>Revenue</u>	<u>Total comprehensive income</u>	<u>Revenue</u>	<u>Total comprehensive income</u>
RM'000	RM'000	RM'000	RM'000	
Property investment - Office	147,659	142,517	521,399	489,526
Property investment - Retail	113,418	99,587	390,642	325,663
Hotel operations	45,008	10,640	174,326	40,755
Management services	28,527	7,883	105,798	32,196
	<u>334,612</u>	<u>260,627</u>	<u>1,192,165</u>	<u>888,140</u>
Eliminations / Adjustments	<u>(3,627)</u>	<u>(2,701)</u>	<u>(13,854)</u>	<u>(9,845)</u>
<b>Revenue /</b>				
<b>Operating profit</b>	<u>330,985</u>	257,926	<u>1,178,311</u>	878,295
Interest income		6,898		25,682
Finance cost		(32,498)		(124,236)
Fair value adjustment				
on investment properties		-		1,378,730
Other income		11,371		11,371
Share of profit of associated company		2,723		23,654
Taxation		<u>(76,947)</u>		<u>(209,067)</u>
<b>Profit for the period /</b>				
<b>Total comprehensive income for the period</b>		<u>169,473</u>		<u>1,984,429</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.

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## A8. Changes in statutory tax rate

There were no changes to the corporate tax rate during the quarter under review.

## 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.

## A10. Dividends paid

An interim dividend in respect of the 3 month period ended 30 September 2012, of 4.0 sen per share tax exempt under the single tier tax system on 934,074,279 amounting to RM37.36 million was paid on 24 December 2012.

## A11. Debt and equity securities

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the quarter under review.

## 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 December 2012 is as follows:-

	RM'000
Approved and contracted for	71,545
Approved but not contracted for	69,340
	<u>140,885</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 subsequent events

There were no material events subsequent to the end of the quarter under review that have not been reflected in the interim financial statements.

# KLCC PROPERTY HOLDINGS BERHAD

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Notes on the quarterly report – 31 December 2012

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

### B1. Performance Review

Financial Highlights	Individual Quarter			Cumulative		
	3 Months Ended		%	Year Ended		%
	31-Dec-12	31-Dec-11	Change	31-Dec-12	31-Dec-11	Change
	RM'000	RM'000		RM'000	RM'000	
<b>Revenue</b>						
Property investment - Office	147,659	106,135	39.1	521,399	415,901	25.4
Property investment - Retail	113,418	89,401	26.9	390,642	319,770	22.2
Hotel operations	45,008	47,111	(4.5)	174,326	163,828	6.4
Management services	28,527	23,971	19.0	105,798	89,914	17.7
Intercompany Eliminations/ Adjustments	(3,627)	(5,844)	-	(13,854)	(14,676)	-
<b>Total</b>	<b>330,985</b>	<b>260,774</b>	<b>26.9</b>	<b>1,178,311</b>	<b>974,737</b>	<b>20.9</b>
<b>Profit Before Tax</b>						
As Per Announcement	246,420	1,297,845	(81.0)	2,193,496	1,946,459	12.7
Less: Fair Value Adjustment ^	-	(1,140,004)	-	(1,391,486)	(1,344,816)	-
<b>Adjusted Profit Before Tax</b>	<b>246,420</b>	<b>157,841</b>	<b>56.1</b>	<b>802,010</b>	<b>601,643</b>	<b>33.3</b>
<b>Analysis of Adjusted Profit Before Tax</b>						
Property investment - Office*	139,070	87,907	58.2	447,183	334,957	33.5
Property investment - Retail	92,198	57,305	60.9	295,985	224,545	31.8
Hotel operations	7,385	6,863	7.6	27,065	23,964	12.9
Management services	7,900	6,371	24.0	32,153	24,272	32.5
Intercompany Eliminations/ Adjustments	(133)	(605)	-	(376)	(6,095)	-
	<b>246,420</b>	<b>157,841</b>	<b>56.1</b>	<b>802,010</b>	<b>601,643</b>	<b>33.3</b>
* includes Share of Associate						
^ includes fair value adjustment of Investment Property in an associated company.						

### Variance Analysis by Segments – Quarter and Year Ended

#### Property Investment – Office

Revenue from office rental increased by RM41.5 million (39.1%) in Q4, 2012 and RM105.5 million (25.4%) for the period ended primarily due to the recognition of rental revenue from Menara 3 PETRONAS and upward rent revisions in PETRONAS Twin Tower.

Additionally, operating expense for this quarter decreased due to a one off write back of provision amounting to RM1.1 million.

For year ended, this segment also benefited from lower finance cost primarily due to the Midciti refinancing undertaken in October 2011. This was however partially offset by finance costs incurred on Menara 3 PETRONAS which was previously capitalised during the construction stage.

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## Property Investment - Retail

Revenue from retail rental increased by RM24.0 million (26.9%) in Q4,2012 and RM70.9 million (22.2%) for the year ended due to improved revenue from Suria KLCC arising from better space utilisation, improved rental rates for renewals and higher percentage rent.

The increase was further complemented by higher revenue registered by Menara 3 PETRONAS retail space as a result of improved tenants occupancy.

In addition, similar to the office segment, operating expense for this quarter decreased due to a one off write back of provision amounting to RM5.1 million.

## Hotel Operations

Revenue from hotel operations slightly decreased by RM2.1 million in Q4, 2012 due to reduction in rooms revenue and lower demand from F&B. However, for the year ended, revenue showed an improvement of RM10.5 million due to overall better performance achieved from the Rooms segment and stronger demand from F&B.

This was partially offset by higher operating costs in line with the improved revenue for the year ended. However, margins for the year ended have improved over the previous year.

## Management Services

Management Services recorded higher revenue by RM4.6 million (19.0%) in Q4, 2012 and RM15.9 million (17.7%) for the year ended mainly due to the combination of first time facilities management services at Menara 3 PETRONAS and inclusion of new car parking locations. Higher traffic volume achieved from existing car parking operations also contributed to better performance under this segment.

Despite an increase in operating costs in the car park in line with the increase in revenue, margins were better than last year.

## B2. Variation of results against preceding quarter

RM'000	31-Dec-12	30-Sep-12	Variance
<b>Profit Before Taxation</b>			
As Per Announcement	246,420	1,567,887	(1,321,467)
Fair Value Adjustment	-	(1,378,730)	1,378,730
Adjusted Profit Before Tax	246,420	189,157	57,263

Profit before taxation of RM246.4 million achieved in this quarter was up by RM57.3 million or 30.3% higher than the preceding quarter mainly due to improved operating profit. In addition, there was also recognition of a one-off gain amounting to RM11.4 million in the current quarter relating to MFRS 139 fair value adjustment on long term deposit payable. At the same time, an equivalent amount will be amortised over the lease period as interest expense which will neutralize the impact of the gain at the end of the lease period.

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The Group's revenue for the quarter of RM331.0 million was higher by RM48.1 million when compared to the preceding quarter attributable mainly to the revision of rental rate for PETRONAS Twin Towers and increased revenue from hotel and retail segment (Suria KLCC and Menara 3 PETRONAS).

## B3. Prospects for financial year 2013

The Directors expect an improvement in office rental for 2013 arising from the full year recognition of the lease for PETRONAS Twin Towers, which was renewed in Q4, FY2012. Continued improvement is also expected from the retail segment with better occupancy and rates in 2013. However, the hotel segment is expected to continue to trade in a challenging environment.

## B4. Profit forecast

No profit forecast was issued for the financial period.

## B5. Tax expense

Taxation comprises the following:

	3 Months Ended		Cumulative Year Ended	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
	RM'000	RM'000	RM'000	RM'000
Within Malaysia				
In respect of the current period:				
Taxation	52,749	40,208	175,737	152,099
Deferred taxation	24,198	1,513	33,330	56,101
	<u>76,947</u>	<u>41,721</u>	<u>209,067</u>	<u>208,200</u>

The higher tax expense for the quarter compared to Qtr III, FP2011 is due to the following :-

- higher taxable income in line with improved revenue
- higher deferred tax from recognition of temporary difference of qualifying expenditure on investment property and on long term security deposit payable

The analysis of tax expense for year ended FY2012 against the 12 month period ended 31 December 2011 is as follows:

- higher income tax resulting from higher taxable income
- deferred tax – the amount reported for 2011 included deferred tax on fair value adjustment prepared under FRS 112.

## B6. Sale 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.

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## B8. Status of corporate proposal announced

The Company announced on 27 November 2012 the proposed creation of Stapled Securities comprising units in a Real Estate Investment Trust to be stapled together with the existing ordinary shares of the company to be listed on the main market of Bursa Malaysia Securities Berhad.

A new subsidiary which is the proposed management company of KLCC REIT, namely KLCC REIT Management Sdn Bhd, was incorporated on 5 December 2012. As at todate, various applications to the relevant authorities (Securities Commission Malaysia (SC), Bursa Malaysia Securities Berhad and Bank Negara Malaysia (BNM)) have been made for the Proposals, amongst others, application to the SC on 13 December 2012 for its approval of the Proposed REIT Establishment, Proposed Transfer, Proposed Stapling and Proposed Listing, the approval of which is still pending. Further, the Company has received an approval from BNM vide its letter dated 28 December 2012 for the issuance of the Redeemable Preference Shares to KLCCP's non-resident shareholders. The SC has also approved the General Offer Exemption vide its letter dated 11 January 2013.

## B9. Borrowings

	RM'000	RM'000
<b>Short term :</b>		
<u>Secured</u>		
Term loans	30,940	
Revolving credit	400	
Islamic debt facility	1,532	
Private debt securities	15,676	
		48,548
<b>Long term :</b>		
<u>Secured</u>		
Term loans	793,493	
Islamic debt facility	660,000	
Private debt securities	845,084	
		2,298,577
		<u>2,347,125</u>

## B10. Off balance sheet financial instruments

There were no off balance sheet financial instruments as at the date of this report.

## B11. Material litigation

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

## B12. Dividends

The Directors propose a fourth interim dividend of 4.50 sen per share, tax exempt under the single tier tax system on 934,074,279 ordinary shares amounting to RM42.0 million is payable on 20 March 2013. The book closure date in respect of the aforesaid interim dividend is 8 March 2013.

Inclusive of the above, the total dividend for the current financial year amounts to 16.50 sen.

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## B13. Profit for the Period

	3 Months Ended		Year Ended	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
	RM'000	RM'000	RM'000	RM'000
Profit for the period is arrived at after charging:				
Depreciation of property, plant and equipment	7,572	8,445	29,540	31,378
and after crediting:				
(Gain) / Loss on disposal of property, plant and equipment	-	(14)	8	(720)

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

## B14. Realised and Unrealised Profit

The breakdown of the retained profits of the Group as at 31 December 2012 into realised and unrealised profits is as follows:

Total retained profits of KLCCP Group and its subsidiaries:		
	31-Dec-12	31-Dec-11
	RM'000	RM'000
- Realised	2,899,480	2,499,629
- Unrealised	13,264	25,550
	<u>2,912,744</u>	<u>2,525,179</u>
Total share of retained profits from associate:		
- Realised	58,933	55,775
- Unrealised	-	-
	<u>58,933</u>	<u>55,775</u>
Total Group retained profits	2,971,677	2,580,954
Less: Consolidation adjustments	(1,747,916)	(1,580,331)
Total Group retained profits as per consolidated accounts	<u>1,223,761</u>	<u>1,000,623</u>

The fair value gain on the remeasurement of investment properties is regarded as an unrealised gain and has been charged under capital reserve in the financial statements.

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## B15. Earnings per share (“EPS”)

	3 Months Ended		Year Ended	
	31-Dec-12	31-Dec-11	31-Dec-12	31-Dec-11
<b>(i) Basic earnings per share</b>				
Total comprehensive income attributable to ordinary equity holders of the company (RM'000)	99,599	668,159	1,464,097	973,403
Weighted average number of ordinary shares in issue ('000)	934,074	934,074	934,074	934,074
Basic earnings per share (sen)	10.66	71.53	156.74	104.21
<b>(ii) Diluted earnings per share</b>				
Total comprehensive income attributable to ordinary equity holders of the company (RM'000)	99,599	668,159	1,464,097	973,403
Interest on RCULS (RM'000)	310	148	1,552	1,683
Total comprehensive income attributable to ordinary equity holders of the company including assumed conversion (RM'000)	99,909	668,307	1,465,649	975,086
Weighted average number of ordinary shares in issue ('000)	934,074	934,074	934,074	934,074
Effect of dilution – RCULS	360,662	360,662	360,662	360,662
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	1,294,736	1,294,736	1,294,736	1,294,736
Diluted earnings per share (sen)	7.72	51.62	113.20	75.31

### BY ORDER OF THE BOARD

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