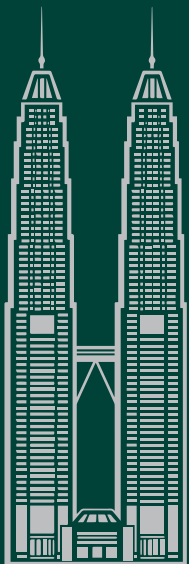




KLCCP STAPLED GROUP



# A GLOBAL ICON OF EXCELLENCE

---

THE PLACE

INTEGRATED REPORT 2024





A GLOBAL  
ICON OF  
EXCELLENCE







KLCCP Stapled Group represents more than just architectural structures; it embodies Malaysia's ambition to stand tall on the global stage. Anchored by the PETRONAS Twin Towers, a world-renowned icon of modernity and elegance, our portfolio demonstrates the pinnacle of planning, design, and sustainability.

As Malaysia's largest Real Estate Investment Trust (REIT), we are unwavering in our commitment to delivering long-term value to stakeholders, ensuring every development reflects our pursuit of excellence. We go beyond creating spaces; we create experiences that resonate with our communities, blending functionality, environmental responsibility, and thoughtful design.

Our global reputation is built on fostering innovation, setting new benchmarks in real estate, and aligning with global sustainability goals. Through our work, we not only shape the skyline but also reinforce Malaysia's status as a hub for excellence. KLCCP Stapled Group continues to lead; inspiring progress and ensuring that our assets and the experiences we create serve as a successful global icon of excellence.

*Recipient of the prestigious 2024 Global Icon Award for the PETRONAS Twin Towers, awarded by the Council on Tall Buildings and Urban Habitat.*





# AN EVERLASTING LEGACY

## THE RISE OF A GLOBAL ICON

Rising majestically above the Kuala Lumpur city skyline, the PETRONAS Twin Towers stands as a testament to Malaysia's extraordinary ascent. This architectural giant blends art, science, and heritage, embodying the nation's dreams and resilience. Within its striking presence, they house Petroliaam Nasional Berhad (PETRONAS), a symbol of Malaysia's global economic strength. The year 2024 marked the towers' 25<sup>th</sup> anniversary, highlighting a legacy of innovation and ambition.

From a racecourse to a global icon, the PETRONAS Twin Towers began as a bold vision to redefine Malaysia as a nation coming of age. In 1992, César Pelli's design took shape, drawing from Islamic geometry to create an architectural masterpiece. By 1994, the towers rose, built with steel and high-strength concrete suited to Malaysia's climate. The crowning moment came in 1996 with the installation of the pinnacles, officially making the twin towers the tallest buildings in the world. In 1998, global recognition followed, cementing Kuala Lumpur's place among the world's top ranked cities.



### 1999

#### A NATION'S PRIDE UNVEILED

On August 31, 1999, Malaysia's Independence Day, the PETRONAS Twin Towers was officially inaugurated by the then Prime Minister Tun Dr. Mahathir bin Mohamad. The moment was more than just the unveiling of a building – it was the realisation of a national vision. The towers became a beacon of progress, a symbol of modern Malaysia.

### 2004

#### DEFINING TALL

The PETRONAS Twin Towers remains a singular achievement, unchallenged as the world's tallest twin towers – a record it proudly holds to this day. Its iconic silhouette continues to define Kuala Lumpur's skyline, a symbol of Malaysia's ambition and architectural prowess.



### 2012

#### A NEW PERSPECTIVE FROM THE SKY

The Skybridge and observation deck underwent a transformative redesign in 2012. This upgrade went beyond aesthetics, enriching visitor's connection with the skyline. Enhanced facilities and immersive storytelling elements transformed the journey to the top into an unforgettable voyage through height, history and national ambition.

### 2014

#### SHAPING KLCC'S SKYLINE AND SUCCESS

The PETRONAS Twin Towers continued to shape KLCC's transformation, driving its rise as a vibrant business and lifestyle hub. Its presence attracted multinational corporations, luxury hotels, and high-end residences, in this pristine enclave – cementing KLCC as Malaysia's corporate and cosmopolitan heart.



*"A portal to the sky, a door to the infinite" César Pelli*

**2019**

**GLOBAL TRIUMPH**

The PETRONAS Twin Towers earned several notable awards. Recognised by the Council on Tall Buildings and Urban Habitat (CTBUH), it was named among the Top 50 Most Influential Tall Buildings of the Past 50 Years. The towers were also listed in the Top 10 Green Buildings of the Decade by the Green Building Council Malaysia. Additionally, PETRONAS Twin Towers attained GBI Gold Certification, underscoring its dedication to sustainability.

**2022**

**LIGHTS, ART, AND INNOVATION**

Technology has transformed the towers into a dynamic canvas, illuminating the skyline with displays of light and motion during a plethora of events. A symbol of collaboration and diplomacy, the towers light up in honour of visiting global dignitaries – a testament to Malaysia's international partnerships.

**2024**

**A QUARTER-CENTURY OF GRANDEUR**

Turning 25 is no small feat – in 2024, the PETRONAS Twin Towers celebrated a quarter-century of architectural brilliance, standing tall as a symbol of Malaysia's ambition, resilience, and global stature. The milestone was marked with breathtaking light shows, immersive exhibitions, and cultural performances.

Scan the QR code to watch  
PETRONAS Twin Towers: An Everlasting Legacy





# About Our Report

This information has been provided in a manner that is concise and impactful, with the aim of meeting regulatory requirements and supporting informed decision-making by our stakeholders.





In line with our commitment to sustainability, we have limited the production of physical reports and are making available downloads via [www.klcc.com.my](http://www.klcc.com.my). Paper used in this report is also Forest Stewardship Council (FSC) certified.

## SCOPE AND BOUNDARY

This Integrated Report (IR) covers the principal activities and operations of KLCCP Stapled Group, including our subsidiaries, for the financial year 1 January 2024 to 31 December 2024 (financial year 2024, or FY2024), unless stated otherwise. It addresses the material financial and non-financial risks and opportunities that impact value creation and strategy development. Any material events after year end, but before publication of this report, have been included.

### Our integrated reporting boundary

Covers the risks, opportunities and outcomes arising from our:

- Statement of Purpose, Shared Values and Cultural Beliefs  
 refer to pages 18 to 19
- Value Creation at KLCC  
 refer to pages 34 to 46
- Business and Performance review  
 refer to pages 94 to 151
- Governance  
 refer to pages 194 to 227

## MATERIALITY

KLCCP Stapled Group applies a Board-approved double materiality process to determine the matters relevant for reporting disclosure, which identifies the matters that impact our ability to create or preserve value and our impact on the environment, communities and society in the short (1.5 years), medium (1.5 years to five years) and long (five years and beyond) terms. The process takes into consideration macro trends, stakeholder expectations as well as the risks and opportunities we face that could impact our six capitals.

## BOARD RESPONSIBILITY STATEMENT

The Boards of Directors of KLCC Property Holdings Berhad (KLCCP) and KLCC REIT Management Sdn Bhd (KLCCRM) acknowledge their responsibility in ensuring the integrity of this Integrated Report which, to the best of the Boards' knowledge, addresses all key issues that are material to the Group's ability to create value and fairly present the integrated performance of KLCCP Stapled Group. This report was approved by the Boards on 5 February 2025.



**Datuk Ir. Annes Bin Md Ariff**  
Chairman



**Datuk Sr Mohd. Salem Bin Kailany**  
Chief Executive Officer

## STATEMENT OF ASSURANCE

The integrity of our financial and non-financial information is assured via a combination of monitoring and oversight by the Management and the Boards as well as the use of internal audit and external assurance providers. The entire report was prepared by the Management team adhering to well-defined procedures and controls, with a clear delegation of key responsibilities and activities. In accordance with their terms of reference, the Boards and its committees verified and approved certain information set out in the report. This multi-layered approach guarantees the accuracy, reliability and transparency of our reporting.

Elements of this IR were assured as follows:

Reporting Element	Assurance Provided
Financial information	Our financial information was provided by the Finance team with the approval of the Chief Financial Officer (CFO), and was audited by Ernst & Young PLT, ensuring adherence to relevant accounting standards.
Selected non-financial information	Non-financial information has been provided by the Sustainability team and vetted by the Sustainability Steering Committee. Selected non-financial information has been internally assured by the Group Internal Audit Department. The Statement of assurance in IR can be referred to on pages 122 to 123 of Sustainability Report 2024. <a href="#">SR</a>

## FORWARD LOOKING STATEMENTS

This report contains certain forward-looking statements relating to future performance. Such statements are premised on current assumptions and circumstances which could change, hence they necessarily involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements apply only as of the date on which they are made, and KLCCP Stapled Group does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

## HOW TO NAVIGATE OUR REPORT

### OUR CAPITALS

- FC** Financial Capital
- MC** Manufactured Capital
- HC** Human Capital
- IC** Intellectual Capital
- SR** Social and Relationship Capital
- NC** Natural Capital

### STAKEHOLDER GROUP

- S1** Shareholders, Investors and Business Partners
- S2** Employees
- S3** Government, Local Authorities and Regulators
- S4** Tenants, Customers and Guests
- S5** Suppliers and Service Providers
- S6** Community
- S7** Media

### STRATEGIC FOCUS AREAS

- MC** Maximising Cash Generator
- EB** Expanding Core Business
- SO** Stepping Out



## OUR REPORTING SUITE

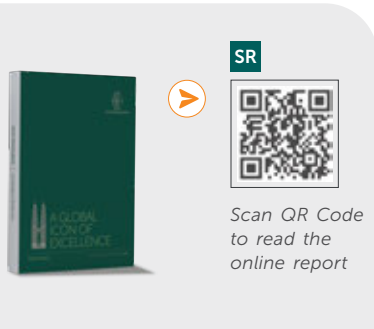
Our Integrated Report is our primary report for providers of financial capital, but is relevant to all stakeholders as it also contains non-financial disclosures relevant to value creation. This report is complemented by our Sustainability Report which provides additional details on our environmental, social and governance (ESG) strategy and outcomes.



IR



Scan QR Code to read the online report



SR



Scan QR Code to read the online report



### INTEGRATED REPORT 2024

In preparing our IR, we are guided by the following frameworks and regulations:

- International Integrated Reporting Framework (IIRF) by the IFRS Foundation
- Companies Act 2016
- Main Market Listing Requirements (MMLR) by Bursa Malaysia
- Corporate Governance Guidelines 4<sup>th</sup> Edition and MD&A Guidelines by Bursa Malaysia
- Listed REIT Guidelines by Securities Commission Malaysia
- Malaysian Code on Corporate Governance 2021 by Securities Commission Malaysia
- Guidelines on Islamic Capital Market Products and Services (ICMPS Guidelines) by Securities Commission Malaysia
- International Financial Reporting Standards (IFRS)
- Malaysian Financial Reporting Standards (MFRS)
- FTSE4Good themes and indicators for Real Estate Holdings and Development Sector

### SUSTAINABILITY REPORT 2024

This report is written in accordance with or in reference to the following:

#### Accordance with:

- Bursa Malaysia's Sustainability Reporting Guide, 3<sup>rd</sup> Edition 2022, and related toolkits
- World Economic Forum's Stakeholder Capitalism Metrics

#### Referenced to:

- Global Reporting Initiative (GRI) Universal Standards
- Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
- United Nations' Sustainable Development Goals (UNSDG)
- Task Force on Climate-related Financial Disclosures (TCFD) Recommendations
- FTSE4Good Themes and Indicators for the Real Estate Holdings and Development Sector
- Sustainability Accounting Standards Board (SASB) Sector-Specific Disclosures
- Dow Jones Sustainability Indices (DJSI) through S&P Global's Corporate Sustainability Assessment (CSA)

## FEEDBACK

Your feedback is important to us moving forward. We value and welcome all inputs and comments towards enhancing the quality of our IR disclosures. Please visit [www.klcc.com.my](http://www.klcc.com.my) for more information or contact us for any queries via email at [investor\\_relations@klcc.com.my](mailto:investor_relations@klcc.com.my).

### KEY RISKS

- R1** Financial Risk
- R2** Market Risk
- R3** Human Capital Risk
- R4** Health, Safety and Environment Risk
- R5** Security Risk
- R6** Asset Management Risk
- R7** Facility Management Risk
- R8** Supplier Risk

### MATERIAL SUSTAINABILITY MATTERS

#### PLANET

- M1** Climate Change and Energy Management
- M2** Environmental Management

#### PEOPLE

- M3** Human Capital Development
- M4** Human Rights
- M5** Labour Standard and Practices
- M6** Health, Safety and Security

#### PEACE

- M7** Corporate Governance
- M8** Business Ethics
- M9** Cyber Security and Data Privacy

#### PROSPERITY

- M10** Financial Sustainability
- M11** Customer and Tenant Management
- M12** Supply Chain Management
- M13** Corporate Social Responsibility

## CROSS REFERENCE



Tells you where you can find additional information within the Report



Link to corporate website at [www.klcc.com.my](http://www.klcc.com.my)

## UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UNSDG)

Contributing towards UNSDG to ensure environmentally, socially and economically sustainable business





# Inside *This Report*

An Everlasting Legacy – The Rise of a Global Icon  
About Our Report

## DRIVEN BY COMMITTED LEADERSHIP

- 8 Letter from the Chairman
- 12 From the Desk of the CEO

## ABOUT KLCCP STAPLED GROUP

- 18 We Are KLCCP Stapled Group
- 20 Our Investment Case
  - Our Investment Proposition
  - Financial Highlights
  - Business Highlights
  - Customer Centricity Highlights
  - Sustainability Highlights
  - Awards and Recognition
- 24 What We Offer
  - Our Iconic Portfolio in the Heart of Kuala Lumpur
- 32 How We Are Structured
  - Group Corporate Structure

## VALUE CREATION @ KLCC

- 34 Our Integrated Approach to Value Creation
- 36 Value Creation Model
- 38 Stakeholder Engagement and Value Creation
- 46 How We Distribute Value Created

## MANAGEMENT DISCUSSION AND ANALYSIS

### A. STRATEGIC REVIEW

- 47 Material Sustainability Matters
- 56 Operating Landscape
  - Economic & Market Review and Outlook
  - Key Market Trends
- 77 Understanding Our Principal Risks
- 88 Our Strategy
- 92 Key Performance Indicators

### B. BUSINESS REVIEW

- 94 Office
- 100 Retail
- 106 Hotel
- 112 Management Services

### C. PERFORMANCE REVIEW

#### KLCCP STAPLED GROUP

- 118 CFO's Review
- 120 Financial Review
- 125 5-Year Financial Summary
- 126 5-Year Financial Highlights
- 129 Value Added Statement
- 130 Capital Management
- 132 Investor Information

#### KLCC REIT

- 138 Manager's Financial and Operational Review
- 146 5-Year Financial Highlights
- 147 Value Added Statement
- 148 Fund Performance

## TOGETHER TOWARDS A SUSTAINABLE FUTURE

- 152 Sustainability Steering Committee Chairman's Message
- 154 Sustainability at KLCC
- 156 Sustainability Governance
- 158 Sustainability Framework
- 159 Sustainability Plan 2030
- 160 Our Contribution to UNSDG
- 164 Driving Sustainability through Partnership
- 166 Three Years Sustainability Performance Data

## LEADERSHIP

- 172 Corporate Information
- 174 The Board of Directors
  - Board Composition
- 176 Profiles of the Board of Directors
- 185 The Management Team
- 187 Profiles of the Management Team
- 192 Profile of Shariah Adviser
- 193 Organisation Structure

## BUILDING TRUST THROUGH THE STRENGTH OF OUR GOVERNANCE

- 194 Chairman's Introduction to Our Governance
- 196 Corporate Governance Overview Statement
- 209 Nomination and Remuneration Committees Report
- 217 Board Audit Committees Report
- 221 Board Risk Committees Report
- 223 Statement on Risk Management and Internal Control
- 227 Additional Compliance Information

## FINANCIAL STATEMENTS

- 228 KLCC Property Holdings Berhad
- 307 KLCC Real Estate Investment Trust

## OTHER INFORMATION

- 364 Analysis of Shareholdings and Unitholdings
- 367 List of Properties of KLCCP Stapled Group
- 369 Corporate Directory
- 370 Notice of Annual General Meeting
- 373 Administrative Details

Proxy Form








## ANNUAL GENERAL MEETINGS

KLCC PROPERTY HOLDINGS BERHAD

**22<sup>nd</sup>**

KLCC REAL ESTATE INVESTMENT TRUST

**12<sup>th</sup>**

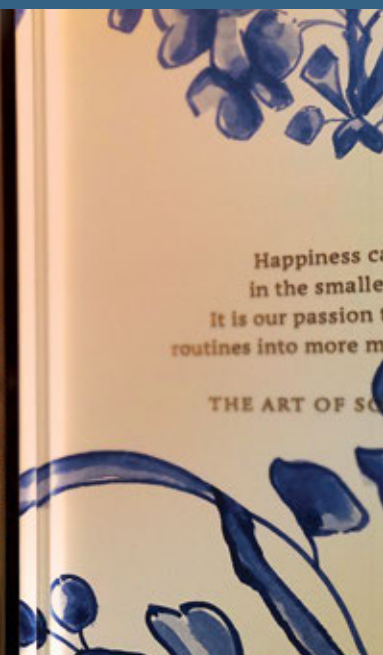
 Tuesday,  
29 April 2025

 10.30 a.m.

To be held physically at:

**Grand Ballroom**

Level 1, Mandarin Oriental, Kuala Lumpur,  
Kuala Lumpur City Centre,  
50088 Kuala Lumpur, Malaysia







# LETTER FROM THE CHAIRMAN

## Dear Stakeholders,

The global economy continued to grow in 2024, despite the ongoing geopolitical uncertainties. In Malaysia, various Government initiatives strengthened development, fostering a more equitable and balanced growth path. As a result, real gross domestic product (GDP) grew by 5% in 2024. Businesses across the country have stood to gain from the country's steady post-pandemic recovery, with KLCCP Stapled Group making its mark as amongst one of the top achievers, attaining record financial performance for the year.

Our performance aside, it is an honour to be elected Chairman to KLCCP Stapled Group. As the largest REIT, commanding no less than 30% of the Malaysian REIT market, the Group is responsible for the investments of countless Malaysians and others. Our asset portfolio includes the PETRONAS Twin Towers which houses one of Malaysia's best-known global brands, i.e. the Fortune 500 national oil company, PETRONAS. The towers themselves are the most recognisable architectural constructs in the country which in 2024 further entrenched their iconic status by being presented the Global Icon Award by the Council on Tall Buildings and Urban Habitat.

In assuming responsibility for this reputable company, I would like to reiterate my commitment to working closely with my fellow Board members as well as the Group's leadership to continue adding value to all our stakeholders.

## VALUE CREATION AT THE STAPLED GROUP

In 2024, both revenue and profit surpassed all expectations to hit new post-listing highs. We saw our revenue grow by 5.7% to RM1,710.9 million while profit attributable to equity holders (PATMI) – excluding fair value adjustments of RM234.7 million – increased by 7.4% to RM790.1 million. Based on these results, the Boards of KLCC Property Holdings Berhad (KLCCP) and KLCC REIT Management Sdn Bhd (KLCCRM) approved four interim dividends totalling 44.50 sen. This was yet another record and includes 16.80 sen from KLCCP together with 27.70 sen from KLCC REIT, bringing the total full-year dividend to RM803.4 million, compared to RM731.2 million in 2023. These commendable results, also translated to a distribution yield of 5.5% while total annual return improved significantly to 20.4% compared to 11.4% in the previous year.

Our performance was due to a confluence of factors but, most importantly, years of effective asset management and laser-focused efforts to maximise our occupancy rates while exploring new initiatives to increase footfall in KLCC The Place. In the office segment, we are fortunate to enjoy stable long-term agreements with anchor tenants; whereas in the hotel and retail space, a key element to maintaining consistently high occupancy and tenancy rates has been to engage with and understand our stakeholders. This, in turn, allows us not just to meet, but to exceed their expectations.







## Letter From The Chairman

In an increasingly competitive environment, we stand out by creating vibrant ecosystems where people and businesses can flourish. We invest significantly into technology and other upgrades to continuously refresh our assets for the physical comfort, convenience and safety of our tenants, while focusing on placemaking activities that reinvent the customer experience. With our business partners and suppliers, we collaborate to create synergies that can lead to cost savings and innovation.

Our employees are without doubt our most important asset and we invest substantially in their professional training and development while keeping them engaged in our KLCC culture. This has resulted in a highly motivated and productive workforce that is driving us towards our growth ambitions.

To the community, we offer KLCC Park, a 50-acre green lung in the middle of the city which presents an unrivalled venue for recreational activities and where we have hosted various events including KL Fashion Week. Like New York's Times Square, KLCC Park has become the place to be for the new year countdown in Kuala Lumpur. A people magnet from the start, the park has a growing legion of fans and has been recognised with numerous awards.

The Boards oversee all these value creation initiatives and ensure appropriate feedback mechanisms are in place to keep a pulse on their efficacy. Through frequent and transparent engagements, we are able to keep track of how satisfied stakeholders are with our efforts, and to fine-tune our strategies whenever needed. It is also through discussion and dialogue with our stakeholders that we broaden our understanding of trends that could impact the Group. Having identified our risks, the Boards ensure effective risk management across our operations to safeguard our investments and protect the interests of our shareholders, tenants, customers, employees and other stakeholders.

### CONTINUOUS GOVERNANCE ENHANCEMENT

Since joining the Boards, I have been impressed by the level of commitment to maintaining a consistently high level of corporate governance. The Boards continuously review the Group's processes and procedures to further strengthen transparency and accountability across the organisation. This builds greater trust with investors, shareholders and other stakeholders, ensuring their interests are always safeguarded.

Good governance at KLCCP Stapled Group is reflected in the Boards' composition and the diversity we have established in terms of experience, skills and competencies. Specifically, we seek to maintain a high level of independence to ensure objectivity and safeguard the rights of all stakeholders, as well as fostering diversity for broader perspectives. Towards these ends, I am pleased to share that currently 56% of our directors are women and an equal number are independent.



Succession planning was an important topic of discussion by the Boards in 2024, especially with the appointments of the two most important positions at the executive and governance levels, namely that of our Chief Executive Officer (CEO) and Chairman. In this regard, the Boards have been assisted by our Nomination and Remuneration Committee (NRC) which monitors directors' tenures and maintains a pool of potential directors who have the experience, skills and knowledge that match our needs. With the NRC's support, Boards continuity and diversity are maintained in line with the Group's strategy.

### SUSTAINABILITY

Having spent most of my career in Government service, my belief system is naturally aligned with national development, hence also the principles of sustainability which are geared towards the greater good of people and the planet. I feel reassured by having a like-minded leadership in KLCCP Stapled Group that has nurtured a very strong culture of sustainability in the organisation. This is reflected in the manner in which environmental, social and governance (ESG) principles are firmly embedded in the Group's business operations.

The Boards guide the Group's sustainability policies and strategies. This year, the Boards approved the KLCCP Stapled Group Sustainability Plan 2030, to steer the direction for the Group in the coming years. Climate change remains a top priority, driving more concerted efforts to enhance our climate-related strategies and programmes. We were also encouraged by progress made in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.





Following a comprehensive climate-related risks and opportunities assessment, we have integrated the identified risks and opportunities into the Group's corporate governance, strategy, risk management, metrics and targets. For more information on this, I encourage you to read our first climate-related disclosure in our Sustainability Report. Having successfully embarked on climate-related reporting, we are well positioned to fulfil the requirements of the National Sustainability Reporting Framework when it is enforced.

Going forward, the Boards will continue to monitor and guide the Group's sustainability endeavours as environmental and social issues become more critical and urgent.

**SR** To read more on the Group's sustainability efforts and disclosures, please refer to the Sustainability Report 2024

## ACKNOWLEDGEMENTS

I would like to express my gratitude to the Boards for their trust and confidence in appointing me as Chairman. I would also like to welcome our new CEO, Datuk Sr Mohd. Salem Bin Kailany. On behalf of the Boards, I would like to acknowledge the invaluable contributions of our former Chairman Tan Sri Ahmad Nizam Bin Salleh and CEO Datuk Md. Shah Bin Mahmood, for their leadership and dedication in guiding the Group through a period of significant and meaningful changes. Their vision and strategic direction have laid a solid foundation for continued growth and success.

## DISTRIBUTION PER STAPLED SECURITY

**44.50 sen**

(2023: 40.50 sen)

## TOTAL ANNUAL RETURN

**20.4%**

(2023: 11.4%)

More recently, the Boards have appointed Puan Freida binti Amat as a Non-Independent Non-Executive Director. We extend a warm welcome to her and look forward to her contributions at our meetings. To all our Board members, thank you for your guidance, insights and unwavering support which have been instrumental in driving the Group forward. My gratitude extends to the entire KLCC family – it is thanks to your commitment, resilience and hard work that we have achieved another record-breaking year.

Meanwhile, it would be incomplete without acknowledging our many external stakeholders, from our shareholders to our business partners, tenants, customers, suppliers and community at large. Your contributions and support are deeply appreciated. Rooted in our legacy, KLCCP Stapled Group remains committed to shaping vibrant urban landscapes that drive economic growth, strengthen community connections, and empower future generations. As we uphold our iconic presence, we will continue to have your interests at heart, creating spaces that add value to your lives which reflect our enduring Statement of Purpose.

**Datuk Ir. Annies Bin Md Ariff**  
Chairman









# FROM THE DESK OF THE CEO

## Dear Stakeholders,

I am honoured to present an account of the year 2024 for KLCCP Stapled Group as its newly appointed CEO. Having assumed my position as of 1 November, I cannot lay claim to orchestrating the Group's performance. If anything, this only magnifies how privileged and humbled I feel to be entrusted with leading the largest REIT in the country. It also reinforces my resolve to add further value to the Group as we continue to raise the bar of excellence in the industry, while leading in the ever more critical area of sustainability.

**DATUK SR MOHD. SALEM BIN KAILANY**  
Chief Executive Officer





## From the Desk of the CEO

### A LANDMARK YEAR

The year was monumental for KLCC Stapled Group on several counts. Financially, we achieved our best results since our listing, with record-breaking revenue and profit demonstrating the strength and resilience of the Group. We were fortunate in that the market provided a conducive backdrop for continued growth of all three core businesses, namely retail, hotel and office, as well as our ancillary management services. Nevertheless, concerted efforts by the KLCC team to maintain our assets in pristine condition, nurture relationships with our tenants, and place customers at the heart of everything we do also contributed significantly to this end.

A landmark achievement was PETRONAS Twin Towers receiving the Global Icon Award 2024 by the Council on Tall Buildings and Urban Habitat (CTBUH). The last recipient of this award was the Burj Khalifa, over a decade ago, indicating the exceptionally high standards that guide the judging panel. Being conferred this recognition underlines the towers' magnificent architecture while also validating the continuous investments made into its maintenance and infrastructure upgrades. As a bonus, the award came as we celebrated 25 years of the PETRONAS Twin Towers' iconic presence.

Although the PETRONAS Twin Towers received this award, our commitment at KLCCP Stapled Group is to constantly rejuvenate all our properties to create a safe, ergonomic and sustainable environment. This, in turn, has been instrumental in enhancing the value of our assets, translating into higher occupancy, rentals and footfall leading to robust results. In 2024 itself, our revenue increased by 5.7% to hit a record of RM1,710.9 million, our profit before tax (PBT) excluding fair value adjustments, was the highest at RM967.1 million and we delivered the highest dividend of 44.50 sen per stapled security, representing over 50% growth from the time the Group was listed in 2013. Meanwhile, the strength of our properties continue to grow with a RM234.7 million increase in their valuation to RM16.2 billion.

We also demonstrated our ability in deploying the right strategies to deliver consistent returns, even in challenging times. This was translated with KLCCP Stapled Group winning The Edge Billion Ringgit Club 2024 award for the highest growth in PAT over three years in the REIT category.

Over the years, the Group has refined its strategies based on an enterprise model, focusing on commercial, project and operational excellence with a customer centric approach. The model is supported by our culture and digital-driven capabilities together with unrelenting focus on HSE and sustainability. In the capable hands of our leadership, these translate into a Winning Formula positioning the Group for ongoing success.



**Over the years, the Group has refined its strategies based on an enterprise model, focusing on commercial, project and operational excellence with a customer centric approach //**







**// At the height of the summer travel season, the hotel broke several records, achieving its highest room revenue at RM15.8 million, highest average room rate (ARR) exceeding RM1,000 and highest revenue per available room (RevPAR) ever recorded //**

### MAINTAINING OUR LEADERSHIP

Our exemplary performance notwithstanding, we operate in a very challenging and competitive environment, further exacerbated by shifting consumer expectations. This is especially true in the retail and hospitality segments with the emergence of new malls and hotels.

Addressing these challenges at Suria KLCC, we reinforced our position as Malaysia's iconic retail destination that delivers exceptional value by constantly reinventing our portfolio of innovative and flagship brands as well as curating exciting placemaking activities. This year, the team introduced no less than 28 new retail and dining brands including several first-to-market names such as the French luxury leather goods boutique Fauré Le Page. At the same time, existing tenants such as Marks & Spencer, Levi's, Coach and Yves Saint Laurent Beauté expanded and revamped their outlets to elevate the shopping experience.

Thinking out of the box, several creative campaigns were launched that were successful in attracting a dynamic mix of tourists and local consumers. Some of these leveraged the mall's most distinctive differentiator – KLCC Park. Building on our signature Picnic in the Park, this year we organised various other events in collaboration with our retailers, such as the Hoka Flylab, while adding a touch of glamour by hosting the KL Fashion Week 2024, which was a runway success. These events not only increased our footfall by one million, but also generated significant public relations (PR) value.

For the Mandarin Oriental, Kuala Lumpur hotel (MOKUL Hotel), the focus was on entrenching our leadership in exclusive luxury. The marketing team engaged celebrities and influencers to accentuate the exceptional dining experience at the hotel. A great deal of effort was also made to attract large group stays from the affluent segment across Asia Pacific, which accounted for over 20,000 room nights and drove record-high banqueting revenue of RM41.3 million. Among the different tourist nationalities, the Group saw a significant increase in number of guests from China and India, representing 15.5% of the total guest contribution.

In July 2024, at the height of the summer travel season, the hotel broke several records, achieving its highest room revenue at RM15.8 million, highest average room rate (ARR) exceeding RM1,000 and highest revenue per available room (RevPAR) ever recorded. Building on these commendable results, we are determined to drive further growth.





## From the Desk of the CEO

### STRATEGY FOR SUCCESS

The Group's steadfast performance, even during the exceptionally challenging market, demonstrates that our current 3-pronged growth strategy is both relevant and effective. Maintaining this strategy is critical to ensuring continuity in our overall business direction, enabling us to build on past achievements to grow to the next level. Moving forward, we will remain strategic and disciplined in our pursuit of long-term value creation, driving progress, and embracing new opportunities.

At the same time, we continue to keep abreast of the evolving marketplace by constantly reviewing and refining our initiatives. The ultimate objective is to maximise our returns and continue enhancing our property valuations in order to provide our shareholders with sustainable dividends.

In line with Expanding Core Business, we attained full equity of Suria KLCC by acquiring the 40% stake held by Ocmador (Malaysia) City Retail Centre Sdn Bhd, Port Moresby Investments Limited and Bold Peak Sdn Bhd. The decision was validated by earnings derived from the mall which added substantially to our profit margins. The year also saw us secure over 900 parking lots to be managed under our Management Services, adding to our overall revenue.

### OUR WINNING TEAM

At the time of preparing this report, I have crossed my 100-day mark at KLCCP Stapled Group. Yet, during this relatively short period, I have been impressed by the quality of our people. Admittedly, this does not come as a surprise as, at the heart of the Group's Winning Formula, is a strong focus on talent development to drive innovation and customer centricity leveraging digitalisation.

Employees across the Group are the true engines of our growth; they transform our strategies into initiatives, ensuring our approach remains dynamic, relevant and effective. Recognising the critical role they play, we invest significantly into building a culture that is performance-driven, collaborative and that empowers as well as inspires our people to drive real value for our business, customers and unitholders.

In recent years, we have been enhancing our capability management to strengthen the Group's collective capabilities and competencies. To date, 71% of KLCC Group's executives and managers have completed their capability assessments while 83% have embarked on their Personal Development Plans. At the same time, we continue to identify competency gaps and fill these with relevant training and intervention programmes targeted at all levels from executives to senior management. Specifically for leadership competencies, we have integrated the assessment into the MyCareerX system to facilitate conversation, gap closure and evidence tracking which will support management in making key talent decisions.

### DRIVING SUSTAINABILITY

Sustainability is close to my heart as I believe it is our duty to leave a healthy and sustainable planet for future generations. It is therefore very encouraging to note that the KLCCP Stapled Group was one of the earliest adopters of sustainability programmes in the REIT industry and continues to lead in this regard. We are guided in our initiatives by increasingly more structured plans, with our latest Sustainability Plan 2030 – launched in 2024 – encompassing a more measurable approach to make it easier to monitor progress against set targets.

We have set 10 goals to be achieved by 2030, aligned with the United Nations Sustainable Development Goals (UNSDG). Key among these are targets to reduce our Greenhouse Gas (GHG) emissions towards becoming a net zero organisation by 2050. In 2024 itself, we managed to reduce our Scopes 1 and 2 emissions based on equity share by 11% against our 2019 baseline, which is encouraging given business growth in this period. While we are on track with our 2030 targets, we continue to innovate on lower carbon initiatives and are advancing our Asset-by-Asset decarbonisation efforts to ensure we meet our net zero aspiration.

I am pleased to share that the Group has also released our maiden climate-related disclosure in line with the Task Force on climate-related Financial Disclosures (TCFD) recommendations. This provides an understanding of the Group's climate-related risks and opportunities, and how they are managed across the four pillars of governance, strategy, risk management, as well as metrics and targets. Having established this reporting foundation, we are prepared to transition to the IFRS S1 and S2 requirements as well as the National Sustainability Reporting Framework issued by Securities Commission Malaysia.

**SR** To read more on the Group's climate-related disclosure, please refer to the Planet section in the Sustainability Report 2024 on pages 54 to 67

### LOOKING FORWARD

The year 2025 promises to be exciting for the retail and hospitality sectors given Malaysia's ascension to the Chair of ASEAN and an anticipated surge in tourist arrivals as the country prepares for Visit Malaysia 2026.

Our focus will be to optimise our existing portfolio while driving growth in key areas. For our retail assets, we will continue to innovate and enhance our customer engagement, ensuring we maintain our position as Malaysia's leading retail destination. We plan to integrate experiential elements that blend entertainment, retail and digital interaction, creating a unique shopping experience that truly resonates with today's consumers.





On the hospitality front, we will build on the momentum of large-scale Meetings, Incentives, Conferences, and Exhibitions (MICE) events as well as Visit Malaysia 2026. Our priority will be to elevate the guest experience by relaunching newly refurbished hotel areas and expanding our offerings to meet demand. Additionally, we seek to collaborate with our partners in the precinct to bring more business and events.

In terms of our office portfolio, we will continue to enhance the tenant experience. With long-term leases in place, we have a stable base of high-quality tenants, and will look to further strengthening our relationships with them. Emphasis will be placed on continued rejuvenation of our office space to meet the evolving needs of businesses while enhancing elements of sustainability.

In line with our strategic growth agenda, we are also exploring strategic acquisitions in key markets that support our long-term growth goals, while maintaining strong capital discipline.

Sustainability will remain a top priority for us across all segments. As we continue our journey towards net zero carbon emissions by 2050, we will be stepping up our focus on energy efficiency and strengthening our overall sustainability efforts.

After a very successful 2024, we look forward to an even better 2025. With the dedication of our committed team, the guidance of our highly experienced Boards, and the steady support of our stakeholders, we will navigate the challenges that come our way to accomplish our goals and much more.

I would like to take this opportunity to express my gratitude to the Boards of the KLCCP and KLCCRM for their confidence in electing me as CEO. In turn, I would like to assure them of my commitment to working with the team to take the Group to greater heights.

**Datuk Sr Mohd. Salem Bin Kailany**  
Chief Executive Officer






## We Are KLCCP Stapled Group


### WHO WE ARE

Malaysia's largest REIT and only Stapled Security in the country, comprising KLCCP and KLCC REIT. KLCC REIT focuses on active asset management and acquisition growth strategies, whilst KLCCP is the development arm of the Stapled Group. At the forefront of Malaysia's real estate industry, our unique structure allows us to maximise the value we create for all our stakeholders.

 To read more, please refer to How We Are Structured: Group Corporate Structure on pages 32 to 33


### WHAT WE DO

We own, manage, develop and invest in a portfolio of premium assets comprising office, retail and hotel properties in the heart of Kuala Lumpur. This is complemented by our award winning asset management services provided by KLCC Urusharta Sdn Bhd (KLCCUH) and KLCC Parking Management Sdn Bhd (KPM). This synergy of property investment and asset management strengthens the earning potential of our stable of iconic properties.

 To read more, please refer to Business Review on pages 94 to 117

### HOW WE DO IT

We are committed to creating a progressive lifestyle experience within the KLCC Precinct while enhancing the value of our property portfolio. We are focused on optimising sustainable value creation through a strategic approach that capitalises on our unique Stapled Group structure and our competitive differentiators, well positioned for the future.

 To read more, please refer to Our Strategy on pages 88 to 91 and Value Creation Model on pages 36 to 37

### STATEMENT OF PURPOSE

A PROGRESSIVE  
ENERGY AND  
SOLUTIONS PARTNER  
ENRICHING LIVES FOR A  
SUSTAINABLE FUTURE

OFFICE

RETAIL

HOTEL

OFFICE AND RETAIL







## CULTURAL BELIEFS

- ✔ **CUSTOMER FOCUSED**  
I deliver solutions from the customer lens
- ✔ **BE ENTERPRISING**  
I seek opportunities and make them happen
- ✔ **INNOVATE NOW**  
I challenge norms and push boundaries
- ✔ **SPEAK UP**  
I express my views openly
- ✔ **COURAGE TO ACT**  
I take action to progress with pace



## SHARED VALUES

- ✔ **LOYALTY**  
Loyal to corporation
- ✔ **INTEGRITY**  
Honest and upright
- ✔ **PROFESSIONALISM**  
Strive for excellence
- ✔ **COHESIVENESS**  
United, trust and respect for each other



Property Value  
**RM16.2 billion**

Market Capitalisation  
**RM14.7 billion**

Gross Floor Area  
**12.0 million (sq. ft.)**

PETRONAS Twin Towers

KLCCP owns a 33% stake in Menara Maxis

Menara Maxis

Menara 3 PETRONAS

Mandarin Oriental, Kuala Lumpur

Suria KLCC

Located beyond the KLCC Precinct

Kompleks Dayabumi





## Our Investment Case

### LARGEST REIT in Malaysia

(constitutes 30% of Bursa Malaysia's Real Estate Investment Trust (REIT) Index)

### PROVEN PORTFOLIO STRENGTH

a solid asset base that consistently delivers stable earnings and sustainable value

### SOLID FINANCIAL POSITION

backed by RM18.7 billion in total assets, ensuring financial strength and flexibility

## OUR INVESTMENT PROPOSITION

### 3-PRONGED GROWTH STRATEGY

focused on strategic, purposeful expansion, creating value for our customers and stakeholders

### GOVERNANCE WITH INTEGRITY

a steadfast commitment to ethical conduct and accountability

### SUSTAINABILITY PLAN 2030

advancing net zero by 2050 for lasting environmental and community impact

### FINANCIAL HIGHLIGHTS



REVENUE  
**RM1.7 billion**

2023: RM1.6 billion



PROPERTY VALUE  
**RM16.2 billion**

2023: RM16.0 billion



PROFIT FOR THE YEAR  
**RM1.1 billion**

2023: RM1.1 billion



DISTRIBUTION PER STAPLED SECURITY  
**44.50 sen**

2023: 40.50 sen



NET ASSET VALUE PER STAPLED SECURITY

**RM7.57**

2023: RM7.39

### BUSINESS HIGHLIGHTS

**Acquisition** of remaining **40% equity in Suria KLCC**, enhancing strategic control and operational flexibility

Recorded **highest Revenue per Available Room (RevPAR)** and **Banquet revenue** since MOKUL Hotel opened in 1998

**Expanded** Management Services into **retail facilities management**

Secured car parking management operations of **926 new parking bays**

### CUSTOMER CENTRICITY HIGHLIGHTS

Brought in **28 new retail** and dining experiences including **first-to-market brands** – French luxury leather goods boutique Fauré Le Page, Acqua Di Parma, Maison Francis Kurkdjian

Curated **engaging experiences** with **unique "retailtainment"** within KLCC Park – **KL Fashion Week** and Suria KLCC signature event, **Picnic in the Park**

Achieved overall **average customer satisfaction score of 88%** from our office tenants, hotel guests and car park customers

### SUSTAINABILITY HIGHLIGHTS

Launched **Sustainability Plan 2030**, stronger alignment to the four pillars –Planet, People, Peace and Prosperity

Published our **first climate-related disclosure** in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

Achieved **11% reduction in Scopes 1 and 2 emissions** (vs. base year 2019), on track for net zero by 2050

FTSE ESG Rating – **Scored 3.4/5**, outperforming the peer average of 2.9

GRESB – **Scored 94/100**, Rating A for public disclosure





## Our Investment Case

### AWARDS AND RECOGNITION



Scan QR code to view the full list of Awards and Recognition on our corporate website

#### KLCCP Stapled Group

- 1 **The Edge Billion Ringgit Club Awards 2024**  
Award: Highest Growth in Profit After Tax over Three Years
- 2 **The Asset ESG Corporate Awards 2024**  
Award: Platinum
- 3 **National Annual Corporate Report Awards (NACRA) 2024**  
Award: Silver
- 4 **Australasian Reporting Award (ARA) 2024**  
Award: Silver
- 5 **ARC Awards 2024 Combined Annual & Sustainability Report, Traditional**  
Award: Gold

#### KLCC REIT

- 1 **Global Icon Award 2024 at the Council on Tall Buildings and Urban Habitat (CTBUH)**  
Award: PETRONAS Twin Towers

#### Suria KLCC

- 1 **PPK Malaysia 'Best Experiential Marketing' Awards 2023-2024**  
Award: Platinum  
**Category:**  
Recognised for the groundbreaking Mental Health Awareness Campaign: Self-Care: Your Mind, Your Journey x Biggest Inflatable Floral Installation







## KLCC Urusharta

### 1 The Edge's Best Managed and Sustainable Property Awards 2024

#### Awards:

- Editor's Choice Awards: Timeless Excellence (PETRONAS Twin Towers)
- 10 Years and Above – Non-Strata Office Category: Gold (PETRONAS Twin Towers)
- Editor's Choice Awards: Exemplary Community Magnet (KLCC Park)
- 10 Years and Above – Specialised Category: Gold (KLCC Park)
- ILAM Sustainable Landscape Awards Landscape Planning: Gold (KLCC Park)

### 2 Anugerah Khas Datuk Bandar Kuala Lumpur

#### Awards:

- Pencahayaan Bangunan-Bangunan Ikonik Terbaik (PETRONAS Twin Towers)
- Pencahayaan Bangunan Teknologi Inovatif (PETRONAS Twin Towers)

## Mandarin Oriental, Kuala Lumpur

### 1 DestinAsian Readers' Choice Awards 2024

Award: Ranked No. 10 for Best City Hotels in Malaysia

### 2 Travel+Leisure World's Best Awards

#### Awards:

- Best City Hotels in Kuala Lumpur 2024
- Best Hotel Spas in Malaysia 2024

### 3 World Travel Awards

#### Awards:

- Malaysia's Leading Business Hotel
- Malaysia's Leading City Hotel
- Malaysia's Best Hotel Restaurant 2024 (Lai Po Heen)
- Malaysia's Leading Hotel Suite

### 4 TTG Travel Awards

Award: Best Business Hotel (Malaysia)

### 5 World Spa Awards™

Award: Malaysia's Best Hotel Spa

### 6 Forbes Travel Guide 2024

Award: Forbes Four-Star Spa

### 7 Trip.Gourmet Platinum Awards 2024

Award: Platinum

### 8 Trip.Best 2024

Award: Best Luxury Hotel







## What We Offer



*A World-Class Portfolio*

**TIMELESS ICONIC**

**STRUCTURES** which

**RESONATE** with the

**UNIQUE FEATURES** of their

**SURROUNDING  
COMMUNITIES**





## OUR ICONIC PORTFOLIO in the Heart of Kuala Lumpur

# PETRONAS TWIN TOWERS

An iconic landmark and the world's tallest twin towers. The corporate headquarters of PETRONAS, the national petroleum company

### 3,195,544

Net Lettable Area (sq. ft.)

### 234,007

Land Area (sq. ft.)

### 5,499,468

Gross Floor Area (sq. ft.)

### 100%

Occupancy (31 December 2024)

### 4,858\*

Car Park bays

\* North West Development Car Park, shared by PETRONAS Twin Towers, Suria KLCC and Menara Maxis

**TENURE:**

Freehold

**ACQUISITION DATE:**

10 April 2013

**AGE OF BUILDING:**

27 years

**LOCATION:**

Kuala Lumpur City Centre,  
50088 Kuala Lumpur

**ACQUISITION PRICE:**

RM6,500,000,000

**ENCUMBRANCES:**

Nil

**TITLE:**

GRN 43697, Lot 169, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

**LEASE/TENANCY PROFILE:**

Leased to a single lessee, Petroliam Nasional Berhad (PETRONAS) vide a Triple Net Lease Agreement for a term of 15 years, expiring on 30 September 2027. PETRONAS has exercised its option to extend the lease to 30 September 2042, for a further term of 15 years

**NET BOOK VALUE****AS AT 31 DECEMBER 2024:**

RM6,828,295,885

**APPRAISED VALUE:**

RM6,950,000,000

**DATE OF VALUATION:**

31 December 2024

**INDEPENDENT VALUER:**

CBRE WTW Valuation & Advisory Sdn Bhd

**GREEN BUILDING CERTIFICATION**

Green Building Index – Gold

**MSC STATUS**

MSC Cyberjaya @ KLCC





## What We Offer

### OUR ICONIC PORTFOLIO in the Heart of Kuala Lumpur

# MENARA 3 PETRONAS

A premium Grade-A, 58-storey office tower with exclusive retail and sky dining

**816,377** (Office)

Net Lettable Area (sq. ft.)

**133,146** (Retail)

Net Lettable Area (sq. ft.)

**46,306**

Land Area (sq. ft.)

**1,500,814**

Gross Floor Area (sq. ft.)

**100%** (Office)

Occupancy (31 December 2024)

**80%** (Retail)

Occupancy (31 December 2024)

**195**

Car Park bays



#### TENURE:

Freehold

#### ACQUISITION DATE:

10 April 2013

#### AGE OF BUILDING:

13 years

#### LOCATION:

Kuala Lumpur City Centre,  
50088 Kuala Lumpur

#### ACQUISITION PRICE:

RM1,790,000,000

#### ENCUMBRANCES:

Nil

#### TITLE:

GRN 43699, Lot 171, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

#### LEASE/TENANCY PROFILE:

Leased to a single lessee, Petroliam Nasional Berhad (PETRONAS) vide a Triple Net Lease Agreement for a term of 15 years, expiring on 14 December 2026. PETRONAS has exercised its option to extend the lease to 14 December 2041, for a further term of 15 years

#### NET BOOK VALUE

##### AS AT 31 DECEMBER 2024:

RM1,985,411,535

#### APPRAISED VALUE:

RM2,040,000,000

#### DATE OF VALUATION:

31 December 2024

#### INDEPENDENT VALUER:

CBRE WTW Valuation & Advisory Sdn Bhd

#### GREEN BUILDING CERTIFICATION

Green Building Index – Silver





## OUR ICONIC PORTFOLIO in the Heart of Kuala Lumpur

### MENARA EXXONMOBIL

29-storey office building strategically located at the south-eastern portion of the KLCC Development and is home to major oil and gas corporations

**406,932**

Net Lettable Area (sq. ft.)

**43,045**

Land Area (sq. ft.)

**562,064**

Gross Floor Area (sq. ft.)

**100%**

Occupancy (31 December 2024)

**528**

Car Park bays

**TENURE:**

Freehold

**ACQUISITION DATE:**

10 April 2013

**AGE OF BUILDING:**

28 years

**LOCATION:**

Kuala Lumpur City Centre,  
50088 Kuala Lumpur

**ACQUISITION PRICE:**

RM450,000,000

**ENCUMBRANCES:**

Nil

**TITLE:**

GRN 43685, Lot 157, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

**LEASE/TENANCY PROFILE:**

Leased to ExxonMobil Exploration and Production Malaysia Inc for an initial period of 9 years with an option to renew for 3 successive terms of 3 years each; and Tenancy to Petroliam Nasional Berhad (PETRONAS) for an initial period of 3 years with an option to renew for 5 successive terms of 3 years each

**NET BOOK VALUE****AS AT 31 DECEMBER 2024:**

RM540,000,000

**APPRAISED VALUE:**

RM540,000,000

**DATE OF VALUATION:**

31 December 2024

**INDEPENDENT VALUER:**

CBRE WTW Valuation & Advisory Sdn Bhd

**MSC STATUS**

MSC Cybercity @ KLCC





## What We Offer

### OUR ICONIC PORTFOLIO in the Heart of Kuala Lumpur

## KOMPLEKS DAYABUMI

An integrated office development with retail podium located within the former city centre of Kuala Lumpur

**648,790**

Net Lettable Area (sq. ft.)

**315,802**

Land Area (sq. ft.)

**1,040,108**

Gross Floor Area (sq. ft.)

**100%**

Occupancy (31 December 2024)

**731**

Car Park bays



#### TENURE:

99 years leasehold interest expiring on 16 October 2123 (lot 45), 5 June 2122 (lot 38), 5 September 2123 (lot 39) and 98 years leasehold interest expiring on 5 June 2121 (lot 51)

#### ACQUISITION DATE:

31 May 2004

#### AGE OF BUILDING:

40 years

#### LOCATION:

Kuala Lumpur City Centre, 50050 Kuala Lumpur

#### ENCUMBRANCES:

Nil

#### TITLE:

Lot 38: HS(D) 123344, Lot 39: PN 54859, Lot 45: HS(D) 123693, Lot 51: HS(D) 123343 Seksyen 70, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur

#### LEASE/TENANCY PROFILE:

Leased to a single lessee, Petroliam Nasional Berhad (PETRONAS) vide TNL agreement for a term of 6 years expiring on 31 December 2025. The Lessee further agrees to exercise Option to Extend Term as stipulated under TNL Agreement for a further term of six (6) years commencing from 1 January 2026 until 31 December 2031.

#### NET BOOK VALUE

#### AS AT 31 DECEMBER 2024:

RM754,000,000

#### APPRAISED VALUE:

RM755,894,250

#### DATE OF VALUATION:

31 December 2024

#### INDEPENDENT VALUER:

Cheston International (KL) Sdn Bhd



## OUR ICONIC PORTFOLIO in the Heart of Kuala Lumpur

### SURIA KLCC

Premier shopping destination in Malaysia with exclusive specialty stores, making it the best place for shopping, dining and entertainment

**947,254**

Net Lettable Area (sq. ft.)

**303,112**

Land Area (sq. ft.)

**1,545,361**

Gross Floor Area (sq. ft.)

**99%**

Occupancy (31 December 2024)

**TENURE:**

Freehold

**ACQUISITION DATE:**

31 May 2004

**AGE OF BUILDING:**

26 years

**LOCATION:**

Kuala Lumpur City Centre,  
50088 Kuala Lumpur

**ENCUMBRANCES:**

Nil

**TITLE:**

GRN 43698, Lot 170, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

**LEASE/TENANCY PROFILE:**

Tenanted to various retailers on a 3 to 5-year  
term tenancy

**NET BOOK VALUE****AS AT 31 DECEMBER 2024:**

RM5,780,054,349

**APPRAISED VALUE:**

RM5,800,000,000

**DATE OF VALUATION:**

31 December 2024

**INDEPENDENT VALUER:**

Cheston International (KL) Sdn Bhd





## What We Offer

### OUR ICONIC PORTFOLIO in the Heart of Kuala Lumpur

# MANDARIN ORIENTAL, KUALA LUMPUR

A five-star luxury hotel in the heart of Kuala Lumpur, offering impressive views with elegant interiors, spacious rooms, fabulous facilities and a wealth of dining options

## 629

No. of rooms

## 87,123

Land Area (sq. ft.)

## 998,705

Gross Floor Area (sq. ft.)

## 58%

Occupancy (31 December 2024)

## 544

Car Park bays



#### TENURE:

Freehold

#### ACQUISITION DATE:

31 May 2004

#### AGE OF BUILDING:

26 years

#### LOCATION:

Kuala Lumpur City Centre,  
50088 Kuala Lumpur

#### ENCUMBRANCES:

Charged by Asas Klasik Sdn Bhd to Public Bank Berhad registered on 12 June 2008

#### TITLE:

GRN 43700, Lot 172, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

#### NET BOOK VALUE

**AS AT 31 DECEMBER 2024:**

RM529,393,110

#### APPRAISED VALUE:

RM821,000,000

#### DATE OF VALUATION:

31 December 2024

#### INDEPENDENT VALUER:

Cheston International (KL) Sdn Bhd





## OUR ICONIC PORTFOLIO in the Heart of Kuala Lumpur

### MENARA MAXIS

49-storey office tower with unique and distinctive architecture. Houses one of the leading communications service providers in Malaysia and its associate companies

**537,085**

Net Lettable Area (sq. ft.)

**46,597**

Land Area (sq. ft.)

**814,741**

Gross Floor Area (sq. ft.)

**100%**

Occupancy (31 December 2024)

**TENURE:**

Freehold

**ACQUISITION DATE:**

31 May 2004

**AGE OF BUILDING:**

26 years

**LOCATION:**

Kuala Lumpur City Centre,  
50088 Kuala Lumpur

**ENCUMBRANCES:**

Nil

**TITLE:**

GRN 43696, Lot 168, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

**LEASE/TENANCY PROFILE:**

Leased to Tanjong City Centre Property Management Sdn Bhd vide a Triple Net Lease Agreement for a term of 15 years, expiring on 31 May 2028

**GREEN BUILDING CERTIFICATION:**

Green Building Index – Silver  
LEED 4.1 Gold Certification

**Note:**

KLCCP owns a 33% stake in  
Menara Maxis





## How We Are Structured

### GROUP CORPORATE STRUCTURE



Each ordinary share is stapled to each unit (Stapled Securities)

#### KLCC PROPERTY HOLDINGS BERHAD ("KLCCP")

100%

**KOMPLEKS DAYABUMI SDN BHD**  
(Kompleks Dayabumi)

100%

**SURIA KLCC SDN BHD**  
(Suria KLCC)

100%

**KLCC URUSHARTA SDN BHD**  
(Facilities Management)

100%

**KLCC PARKING MANAGEMENT SDN BHD**  
(Car Parking Management)

100%

**KLCC REIT MANAGEMENT SDN BHD**  
(Manager of KLCC REIT)

100%

**IMPIAN CEMERLANG SDN BHD**  
(Vacant Land – Lot D1)

75%

**ASAS KLASIK SDN BHD**  
(Mandarin Oriental, Kuala Lumpur)

33%

**IMPIAN KLASIK SDN BHD**  
(Menara Maxis)

**Note:**

Inactive companies have been excluded from this corporate structure. The detailed corporate structure of the Group can be found on the KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my)

Management Fee



**MANAGER**  
KLCC REIT Management  
Sdn Bhd

Management  
Services



#### KLCC REIT SALIENT FEATURES

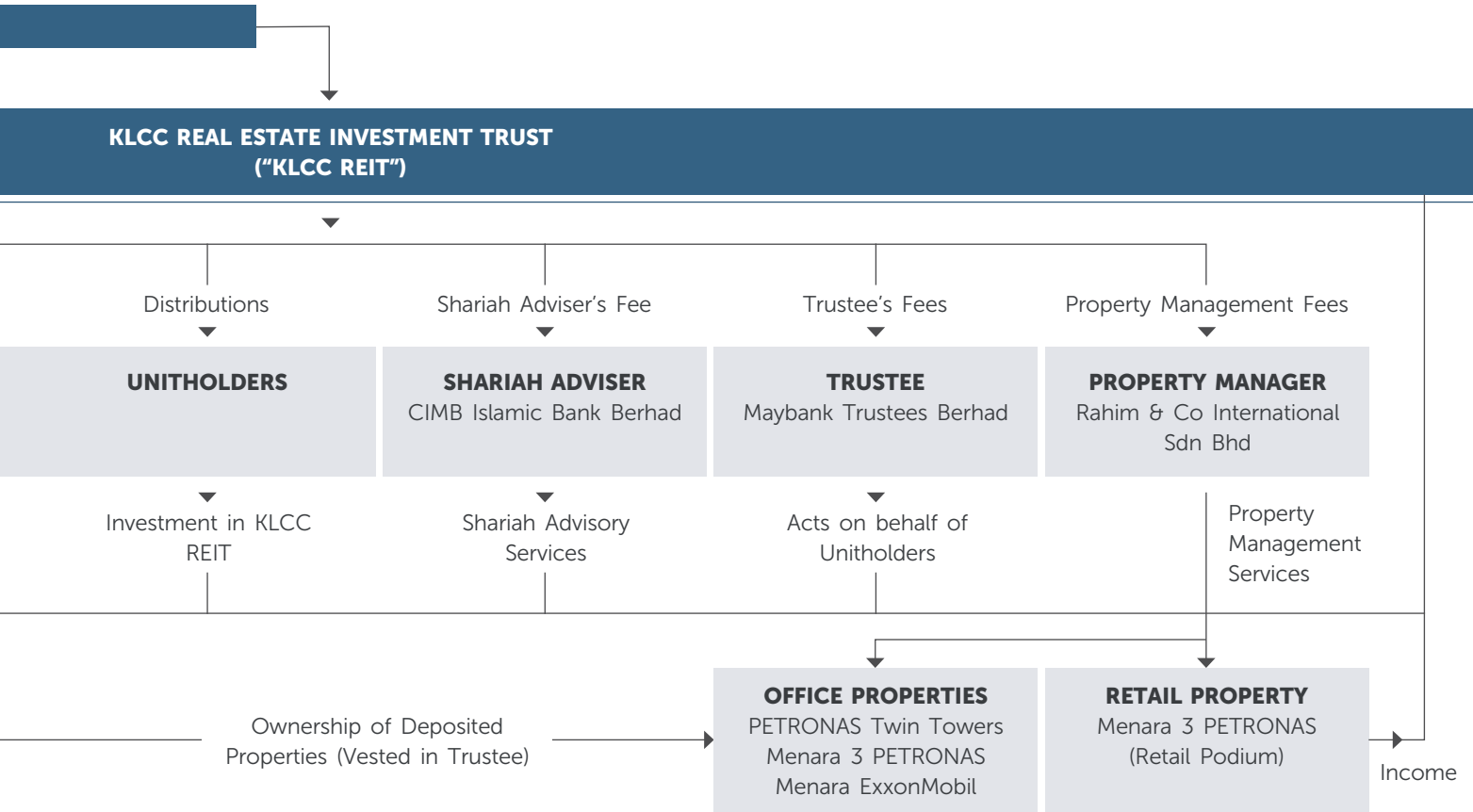
**Name of Fund**

KLCC REAL ESTATE INVESTMENT TRUST ("KLCC REIT")

**Duration of Fund/Termination Date**

The earlier of:

- 999 years falling on 8 April 3012
- The date on which KLCC REIT is terminated by the Trustee or the Manager, in circumstances as set out under provisions of the Trust Deed dated 2 April 2013 (as amended and restated by the Amended and Restated Trust Deed dated 3 September 2019)



Fund Type	Fund Category	Listing Date	Stock Name & Code
Income and Growth	Islamic Real Estate Investment Trust	9 May 2013	KLCC & 5235SS

**Approved Fund Size**

1,805,333,085 units

**Market Capitalisation**

RM14,713,464,626 (as at 31 December 2024)

**Investment Objective**

To provide the unitholders with regular and stable distributions, improving returns from property portfolio and capital growth, while maintaining an appropriate capital structure

**Investment Policy**

To invest, directly and indirectly, in a Shariah-compliant portfolio of income producing Real Estate used primarily for office and retail purposes in Malaysia and overseas

**Distribution Policy**

95% of KLCC REIT's distributable income for FY2013 and FY2014 and at least 90% for each subsequent financial year

Distributions can be on a quarterly basis or such other intervals

**Gearing Policy**

Up to 50% of total asset value of the Fund





## Our Integrated Approach to Value Creation

At KLCCP Stapled Group, value creation is an integral part of our business model. We regularly assess various elements that might impact our ability to create value for the Group and our stakeholders in the short, medium, and long term. By evaluating our operating environment and understanding the needs of our stakeholders, we develop strategies to achieve our goals.

### Assessing Our Context

### Identify and Prioritise Our Material Issues

#### EVALUATE OUR OPERATING ENVIRONMENT

See pages 71 to 76

We analyse our operating environment and identify mega trends, risks and opportunities which have the greatest impact on our ability to create value in the short, medium and long terms. These include global and local economic activity, property trends, market volatilities, geopolitical tensions, competition, changing customer expectations, as well as increasing social, regulatory and environmental requirements.

#### STRENGTHEN STAKEHOLDER ENGAGEMENT

See pages 38 to 45

Proactive engagement with key stakeholders allows us to understand their needs and be responsive to their expectations, prioritising what each stakeholder group values the most. In the process of delivering sustained value to all our stakeholders, we develop quality relationships with them which contribute to the continued growth and sustainability of our business.

- |   |  |   |
|---|--|---|
| <b>S1</b> Shareholders, Investors and Business Partners | <b>S3</b> Government, Local Authorities and Regulators | <b>S5</b> Suppliers and Service Providers |
| <b>S2</b> Employees                                     | <b>S4</b> Tenants, Customers and Guests                | <b>S6</b> Community                       |
|   | <b>S7</b> Media  |   |

#### IDENTIFY RISKS & OPPORTUNITIES

See pages 77 to 87

Our ability to create value is impacted by risks that could derail the attainment of our goals; and opportunities that could accelerate or accentuate positive outcomes. We have in place a comprehensive risk management framework that allows us to identify these risks and opportunities, and manage them as we pursue our strategic and business objectives.

- |   |                                    |
|---|------------------------------------|
| <b>R1</b> Financial Risk                      | <b>R5</b> Security Risk            |
| <b>R2</b> Market Risk                         | <b>R6</b> Asset Management Risk    |
| <b>R3</b> Human Capital Risk                  | <b>R7</b> Facility Management Risk |
| <b>R4</b> Health, Safety and Environment Risk | <b>R8</b> Supplier Risk            |

#### IDENTIFY OUR MATERIAL SUSTAINABILITY MATTERS

See pages 47 to 55

Material sustainability matters are those that could impact our ability to deliver value in the short, medium and long term. These are identified through an analysis of the macro-environment, our operating context, the resources we rely on, as well as feedback from our stakeholders. Our 13 material sustainability matters inform our strategy to manage our risks and leverage our opportunities.

##### PLANET

- |  |                                    |
|--|------------------------------------|
| <b>M1</b> Climate Change and Energy Management | <b>M2</b> Environmental Management |
|--|------------------------------------|

##### PEOPLE

- |                                     |   |
|-------------------------------------|---|
| <b>M3</b> Human Capital Development | <b>M5</b> Labour Standard and Practices |
| <b>M4</b> Human Rights              | <b>M6</b> Health, Safety and Security   |

##### PEACE

- |                                |   |
|--------------------------------|---|
| <b>M7</b> Corporate Governance | <b>M9</b> Cyber Security and Data Privacy |
| <b>M8</b> Business Ethics      |   |

##### PROSPERITY

- |   |  |
|---|--|
| <b>M10</b> Financial Sustainability       | <b>M12</b> Supply Chain Management         |
| <b>M11</b> Customer and Tenant Management | <b>M13</b> Corporate Social Responsibility |

#### REINFORCE OUR ESG COMMITMENTS

We integrate sustainability into our business by aligning operations with key ESG factors. By analysing trends, regulatory shifts, and stakeholder expectations, we identify risks and opportunities to enhance resilience and resource efficiency. Our risk management and governance frameworks enable proactive responses, while our Sustainability Plan 2030 focuses on contributing to a sustainable world across the pillars of Planet, People, Peace, and Prosperity, with clear ESG goals and performance indicators.

Formulate Our Strategy → Allocate our Resources → Integrate Into our Business Model **Creating Value**

**OUTLINE OUR STRATEGY**

See pages 88 to 91

Our 3-pronged growth strategy focuses on:



By concentrating on these three areas of focus, we will strengthen our business viability and performance through enhanced efficiencies across our operations and expansion of our asset portfolio to stay in tune with evolving needs and trends.

**ALLOCATE OUR CAPITAL**

See page 36

The execution of our strategy relies on the disciplined allocation of the six capitals:

- FC** Financial Capital
- HC** Human Capital
- SR** Social and Relationship Capital
- MC** Manufactured Capital
- IC** Intellectual Capital
- NC** Natural Capital

We deploy our resources optimally and align our relationships to drive growth, reinforce resilience and deliver sustainable value for all our stakeholders.

**INTEGRATE OUR BUSINESS MODEL**

See pages 36 to 37

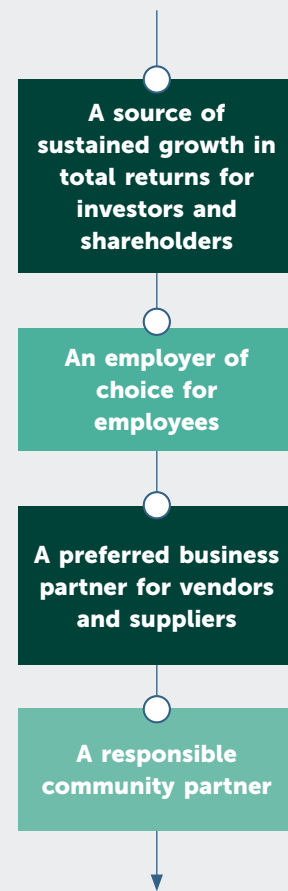
We seek to actively manage our activities and their impact to ensure we enhance the positive and minimise the negative outcomes of our business model, thereby sustaining value for all our stakeholders.



See pages 92 to 93

**Enhance Our Value**

Ultimately, KLCCP Stapled Group seeks to create long-term value for the Group as well as our shareholders and other stakeholders. We track our operational outcomes through various Key Performance Indicators which are measured against our strategies and strategic performance.



# VALUE CREATION MODEL

We are driven to grow our business sustainably, and in the process create value for KLCCP Stapled Group as well as our stakeholders. Value creation is embedded in our business model and is anchored on leveraging our capitals, guided by our operating landscape, to deliver optimum economic, social and environmental outcomes, underpinned by good governance.



STATEMENT OF PURPOSE

**A PROGRESSIVE ENERGY AND SOLUTIONS PARTNER ENRICHING LIVES FOR A SUSTAINABLE FUTURE**

UNDERPINNED BY: OUR SHARED VALUES

**LOYALTY**  
Loyal to corporation

**INTEGRITY**  
Honest and upright

**PROFESSIONALISM**  
Strive for excellence

**COHESIVENESS**  
United, trust and respect for each other





## OUR CAPITALS...

### INPUTS

#### FC Financial Capital

- The pool of funds available to us including debt, retained earnings and sukuk/equity funding.
- Total Equity Attributable to Holders of Stapled Securities: RM13.7 billion
  - Total Financing: RM4.3 billion
  - Share Capital: RM1.8 billion
  - Cash Generated from Operations: RM1.2 billion
  - Total Assets: RM18.7 billion
  - Managing financial resources through the implementation of a disciplined investment strategy

#### MC Manufactured Capital

- We are a diversified REIT with a portfolio of 7 properties in Malaysia
- Iconic and High-quality assets:
  - 5 Offices (3 GBI-Certified) | 2 Retails | 1 Hotel
- State-of-the-Art Infrastructure & Facilities to ensure best-in-class products and services

#### IC Intellectual Capital

- Intangible assets – knowledge and capability intrinsic to our organisation, our systems and processes – reputation and brand.
- Digital enablers to create value through innovation
  - Specialised facilities management expertise
  - Boards and Manager's deep industry knowledge
  - Efficient business processes and robust management systems
  - Robust governance structures centred on ethical conduct
  - Integrated risk management culture and framework

#### HC Human Capital

- Our Board members and employees, each of whom plays an important role in our operations and in ensuring the success of our strategies.
- Total full time employees: 1,048
  - RM2.2 million invested in Learning & Development
  - High performing talents and future-driven culture
  - Implementation of Human Right policies
  - Reward structures linked to performance and value drivers
  - Investing in training programmes and workshops to upskill employees towards a stronger workforce
  - Strong monitoring of HSE operations discipline on the ground, driven by leadership at all levels to uphold the HSE Policy

#### SR Social and Relationship Capital

- We have built strong relationships with stakeholders, including tenants, investors, regulators, and the community.
- High integrity, trust and transparent communication with our key stakeholders
  - Local Procurement:
    - Local Procurement: 99% | International Procurement: 1%
  - Embracing sustainable development as well as responsible ESG practices
  - Building strong public awareness and brand leadership commitments towards sustainability
  - Continual engagements with all key stakeholders to understand their business strategies and needs

#### NC Natural Capital

- The renewable and non-renewable resources that are used throughout the Group, including fuel, water and land, among others.
- Energy consumption: 136,419 MWh
  - Initiatives to reduce consumption of natural resources
  - Solidified carbon emissions inventory
  - Digitalisation efforts and initiatives to reduce environmental footprint
  - 50 acres of KLCC Park (green lung) with 1,700 trees

### Material Sustainability Matters

#### PLANET

- M1** Climate Change and Energy Management
- M2** Environmental Management

#### PEOPLE

- M3** Human Capital Development
- M4** Human Rights
- M5** Labour Standard and Practices
- M6** Health, Safety and Security

#### PEACE

- M7** Corporate Governance
- M8** Business Ethics
- M9** Cyber Security and Data Privacy

#### PROSPERITY

- M10** Financial Sustainability
- M11** Customer and Tenant Management
- M12** Supply Chain Management
- M13** Corporate Social Responsibility

See pages 47 to 55

#### Market Trends

- Tourism Revival Boosting Growth
- Thriving in Competitive Market
- Digital Transformation Reshaping Business
- Adapting to Consumer Shifts
- Accelerating Sustainability Agenda
- Regulatory Landscape

See pages 71 to 76

## ENABLE VALUE-ADDING ACTIVITIES

### Sustainability Pillars

- Planet**
- People**
- Peace**
- Prosperity**

See pages 154 to 165

### OUR 3-PRONGED GROWTH STRATEGY

#### Strategic Pillars

- MC** Maximising Cash Generator
- EB** Expanding Core Business
- SO** Stepping Out

See pages 88 to 91

### Key Risks

- R1** Financial Risk
- R2** Market Risk
- R3** Human Capital Risk
- R4** Health, Safety and Environment Risk
- R5** Security Risk
- R6** Asset Management Risk
- R7** Facility Management Risk
- R8** Supplier Risk

See pages 77 to 87



### OUTPUTS

#### OUR PRODUCTS

- KLCCP Stapled Group's core output is quality real estate assets. Through our business activities in developing and managing these properties to recycle capital, we aim to create value across our capitals, while recognising that some capitals are negatively affected through this process, despite our best efforts
- Quality real estate investments that add value to society and deliver sustained cash flow. Our end products include:
  - Office: 5.6 million sq. ft. NLA
  - Retail: 1.1 million sq. ft. NLA
  - Hotel: 629 rooms
  - Facilities Managed: 25
  - Car Park Bays Managed: 17,421
  - Total Directly & Indirectly held Portfolio GFA of 12.0 million sq. ft.

#### OUR WASTE AND EMISSIONS

- Total GHG Emissions of: 102,513 tCO<sub>2</sub>e (2023: 97,577 tCO<sub>2</sub>e)
- 7,806 tonnes of non-hazardous waste generated from the Group's operation, with 11% diverted from landfill 6,708 (2023: 21%)

### OUTCOMES

#### FC Financial Capital

- Ranked 1<sup>st</sup> place in the MREITs Industry
- By Market Capitalisation: RM14.7 billion (2023: RM12.8 billion)
- By Property Value: RM16.2 billion (2023: RM16.0 billion)
- Annual Total Return: 20.4% (2023: 11.4%)
- Revenue: RM1.7 billion (2023: RM1.6 billion)

#### MC Manufactured Capital

- Increased fair value adjustment to RM234.7 million (2023: RM221.9 million)
- Average Occupancy Rate
  - Office: 100% (2023: 100%)
  - Retail: 99% (2023: 96%)
  - Hotel: 58% (2023: 55%)

#### IC Intellectual Capital

- Strong governance structure and transparency
- Enhanced IT security systems with zero incidents of cybersecurity breaches
- To-date 56% Women Directors on Boards (2023: 50%)
- Conferred with 22 awards and accolades

#### HC Human Capital

- 48 hours employee training hours (2023: 41 hours)
- Enhanced employee skillset and capabilities, 40 employees graduated from Marketing & Sales Accelerator Programme

#### SR Social and Relationship Capital

- RM5.3 million spent on Corporate Social Responsibility (2023: RM4.6 million)
- KLCC The Place Instagram & TikTok followers increased to 35,256 (2023: 18,186) (94% growth)
- Employee volunteerism: 3,582 hours
- Optimum customer and tenant satisfaction achieved through excellent customer service delivered by a highly skilled workforce

#### NC Natural Capital

- Minimised environmental impact
- Achievement of Sustainability Roadmap
- 11.3% (2023: 15.9%) reduction in total electricity consumption vs. base year 2019

Value Enhanced Value Preserved Value Diminished



THAT CREATE VALUE FOR OUR STAKEHOLDERS

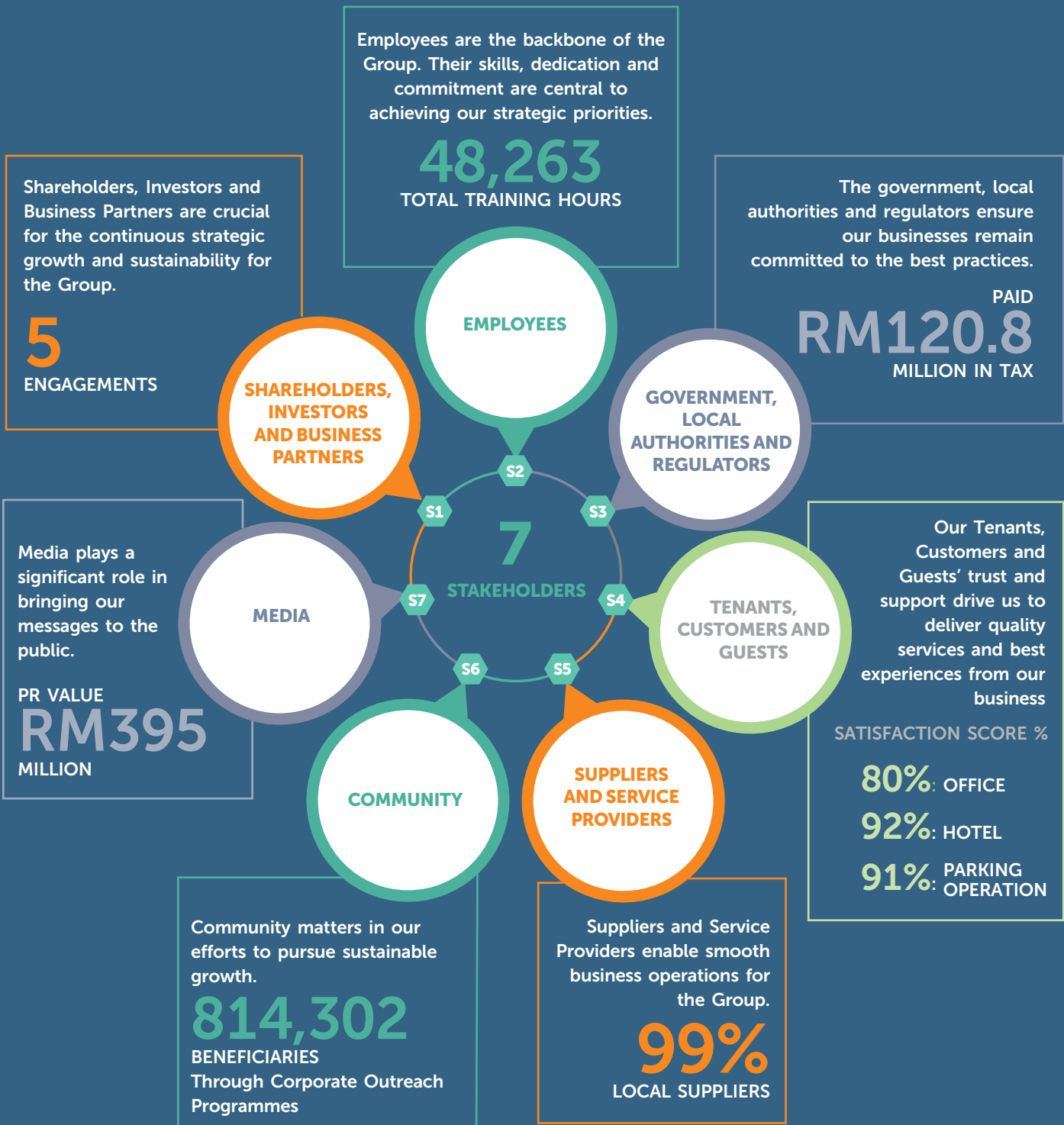
	ACTIONS TO ENHANCE OUTCOMES	STAKEHOLDERS	UNSDG	TRADE-OFFS
<ul style="list-style-type: none"> <li>+ PATMI (excluding fair value adjustments): RM0.8 billion (2023: RM0.7 billion)</li> <li>= Maintained RAM Rating AAA/ Stable outlook for KLCCP, KLCC REIT and Suria KLCC</li> </ul>	<ul style="list-style-type: none"> <li>• Maintain discipline in credit management, operating expenses and financing costs</li> <li>• Maintain healthy liquidity and a robust balance sheet</li> <li>• Enhance efficiencies leveraging technology</li> <li>• Manage financing and re-financing efficiently</li> </ul>			<p>We apply our financial capital to enhance the performance of our assets and execute our growth strategy, which increases our manufactured capital. It is important to balance the allocation of our financial capital prudently to maintain healthy cash flow and capital position without impeding our growth aspirations. In a stable and growing environment, we can enhance our intellectual, social &amp; relationship capital.</p>
<ul style="list-style-type: none"> <li>+ Secured operations of 926 car park bays within Putrajaya</li> </ul>	<ul style="list-style-type: none"> <li>• Constant maintenance of properties to keep them in pristine condition</li> <li>• Modernisation and refurbishment of office, retail and hotel spaces to enhance property value</li> <li>• Retrofitting with energy-efficient electrical and mechanical systems for lower carbon footprint and costs</li> </ul>			<p>Investments into optimal maintenance of our physical properties decreases our financial capital in the short term but increases our property value in the long term, as reflected in their increased valuation. These investments result in enhanced energy efficiency and other environmentally-friendly initiatives (natural capital), increased tenant and customer satisfaction (social and relationship capital) and a stronger brand (intellectual capital).</p>
<ul style="list-style-type: none"> <li>= Robust corporate governance backed by board leadership and effectiveness</li> <li>= Continuous oversight of Risk Management and Internal Controls</li> </ul>	<ul style="list-style-type: none"> <li>• Maintenance of good corporate governance, including Board diversity</li> <li>• Investment into digital infrastructure and cybersecurity protocols</li> <li>• Robust enterprise risk management framework incorporating three-line defense model</li> <li>• KLCC brand building for continued visibility</li> </ul>			<p>Increasing our intellectual capital involves investing into our digital platforms and technologies, building the knowledge and expertise of our talents, and continuously enhancing our organisational processes and procedures. The use of our financial capital for this purpose will reap long-term benefits as we maintain quality assets (manufactured capital), satisfy customers' and tenants' needs (social &amp; relationship), increase our organisational capabilities (human capital), and reduce our carbon footprint (natural capital).</p>
<ul style="list-style-type: none"> <li>+ Improvement on Health and Safety Performance with zero non-compliance with all relevant laws and regulations</li> <li>+ Improvement in Organisational Culture Survey Index Score to 80 (2023: 78)</li> </ul>	<ul style="list-style-type: none"> <li>• Continuous training and development of employees to enhance capabilities and competencies</li> <li>• Develop pool of Subject Matter Experts (SMEs) to contribute to business excellence</li> <li>• Commitment to the highest standards of safety, maintaining ISO 45001 OSH management system certification</li> <li>• Competitive remuneration and benefits</li> <li>• Awareness and understanding of Human Rights Policy</li> </ul>			<p>Our people are key to our sustained success, hence it is important to channel sufficient resources into their training and development, engagement, remuneration and benefits. This results in stronger organisational expertise and brand equity (intellectual capital) leading to improvement in the quality of our assets (manufactured capital), reduction of our carbon footprint (natural capital), the development of better stakeholder relationships (social &amp; relationship capital), and better performance and enhanced profits.</p>
<ul style="list-style-type: none"> <li>+ Community investment beneficiaries: 814,302 (2023: 16,983)</li> </ul>	<ul style="list-style-type: none"> <li>• Constant engagement with tenants and customers</li> <li>• Encourage feedback and timely response to customers</li> <li>• Strong CSR platform and spirit of volunteerism amongst employees</li> <li>• Leverage KLCC Park for community events, ensuring the highest level of safety</li> </ul>			<p>We invest into building strong relationships with key stakeholders including our customers, tenants, suppliers and the community. This helps build our brand equity and maintain tenant loyalty (intellectual capital). We are best in class in managing our facilities (manufactured and natural capitals) thereby continuously improving our property valuation (financial capital).</p>
<ul style="list-style-type: none"> <li>+ Total reduction in Scope 1 and Scope 2 GHG emissions vs. base year 2019: 11.0% (2023: 13.3%)</li> </ul>	<ul style="list-style-type: none"> <li>• More focused initiatives to reduce carbon footprint</li> <li>• Enhanced efforts to reduce waste to landfills via recycling and use of food waste digester</li> <li>• Adoption of responsible hazardous waste management</li> <li>• Responsible water consumption practices including adoption of water-efficient systems and behaviours</li> </ul>			<p>Through increased use of energy-efficient technologies (financial &amp; intellectual capital), we are able to reduce our energy consumption (natural capital) and therefore our carbon emissions are in line with our corporate agenda to attain net zero carbon status by 2050. This demonstrates our commitment to the carbon transition, safeguarding our reputation (intellectual capital) while saving costs and enhancing our business in the long term (financial capital).</p>





# Stakeholder Engagement and Value Creation

Our key stakeholders are those who have an impact on our operations and/or are impacted by what we do. Premised on their relationship with KLCCP Stapled Group, we seek to understand our stakeholders' expectations of us, and address their interests. This is integral to our value creation process.



**Legend:**

- D – Daily
- W – Weekly
- M – Monthly
- T – Bi-monthly
- B – Bi-annually
- Q – Quarterly
- A – Annually
- R – As required

**S1 SHAREHOLDERS, INVESTORS AND BUSINESS PARTNERS**

**WHY WE ENGAGE**

Our shareholders, investors and business partners define the trust, reputation and credibility of our organisation and provide access to funding to grow our business

**CHANNEL AND FREQUENCY OF ENGAGEMENT**

- Annual General Meetings (AGMs) A
- Corporate website R
- Business partners' board meetings Q
- Annual Report A
- Investor and analyst briefings Q
- Sustainability Report A
- Results announcements Q
- Press Releases R

**KEY CONCERNS RAISED**

- Financial management
- Business resilience and sustainability
- Environmental, Social and Governance (ESG) practices
- Business strategy and long-term growth
- Governance practices
- Negative reports

**OUR RESPONSE**

- Quarterly results announcements, analyst briefings, one-on-one video conferences, Board meetings, AGMs and news coverage
- Communication of our ESG practices through our Sustainability Report, corporate website, emails and online ESG World Platform, and awards participation
- Strong corporate strategies that provide clear business direction
- Engagement with investors through ESG themed site visits

**VALUE CREATED FOR STAKEHOLDER**

- Stable returns to holders of Stapled Securities
- Strong brand positioning to sustain competitive advantage
- Enhance decision making due to Group's transparency and timely performance updates
- Strong ESG values to attract established and strategic business partners

**VALUE CREATED FOR KLCCP STAPLED GROUP**

- Access to funds/capital from shareholders and investors
- Provision of consistently high returns enhances KLCCP Stapled Group's credit rating and attracts more investors
- Business partners' technical skills and expertise strengthen the Group's intellectual capital, hence performance
- Recognition by the industry, e.g. The Asset Platinum Award on ESG Excellence

**RISKS**

- Underperformance resulting in lower share price
- Resistance from shareholders to corporate plans or strategies, hampering the attainment of corporate objectives
- Non-alignment in values or strategic objectives with business partners creating friction in operations

**OPPORTUNITIES**

- Reinforce the trust and confidence of shareholders, investors and business partners through transparency and integrity
- Engage constantly with shareholders, investors and business partners to share the Group's goals and objectives, and align their expectations with our objectives and strategies
- Conduct due diligence on business partners to ascertain their integrity and values, in addition to their skills and expertise

**BUSINESS INITIATIVES**

- Frequent engagement with investing community
- Participation in investor conferences
- Provision of timely and relevant information to shareholders, e.g. quarterly briefings and press releases, production of annual reports
- Update of IR site on corporate website
- Strong governance and culture of integrity to enhance Group's performance
- Participation in industry peers' meetings

**VALUE CREATION INDICATORS AND HIGHLIGHTS**

- Paid out RM754.6 million in 2024 based on total dividend of 44.50 sen
- Maintained our credit rating of AAA/Stable rating by RAM Ratings for Suria KLCC and KLCC REIT Sukuk Murabahah Programmes
- Increased property value to RM16.2 billion

**Links**

Capitals: FC MC HC IC SR NC

Material Sustainability Matters: M1 M2 M5 M6 M7 M8 M9  
M10 M11 M12

UNSDG:





# Stakeholder Engagement and Value Creation

## S2 EMPLOYEES

### WHY WE ENGAGE

Our employees are the Group's greatest asset. Through their dedication, passion and belief in our shared values, we deliver desired results with the commitment for excellence

### CHANNEL AND FREQUENCY OF ENGAGEMENT

- CEO Townhall sessions providing updates on financial performance, growth plans and employee matters
- Dialogues and engagements with Leadership Team
- Training, workshop, teambuilding, sharing sessions

- A** • Performance reviews where career progression is discussed
- R** • Intranet, emails, HR Careline, memos
- R** • Employee satisfaction survey, Organisational Culture Survey
- R** • Health and recreational activities
- D** • Thoughtfull App

- Q**
- R**
- A**
- R**
- D**

### KEY CONCERNS RAISED

- Group's performance
- Skills and capability development
- Career progression
- Employee benefits and compensation
- Security, safety, health and well-being
- Work-life balance
- Job security

### OUR RESPONSE

- Embrace technology, leverage communication channels and participate change management programmes to stay ahead of the curve and increase skills and experience to remain relevant
- Transform our workforce with the right mindset and culture; and maintain organisational resilience with satisfied and competent employees
- Reduce cost of hiring and training from lower employee turnover
- Elevate women leadership in line with the nation's aspiration
- Maintain a safe workplace and healthy workforce for a sustainable business
- Efficient and sustainable management systems and work processes

### VALUE CREATED FOR STAKEHOLDER

- Equal employment opportunities and attractive career progression
- Healthy and safe work environment that promotes sustainability
- Opportunities for learning, development and growth
- Competitive remuneration and benefits
- Opportunities to take part in sports, recreational and environmental conservation activities, and volunteerism activities

### VALUE CREATED FOR KLCCP STAPLED GROUP

- Energised and engaged employees that contribute to growth and prospects
- Innovative, up-to-date and competent workforce contribute to the Group's competitive edge
- High-performance and customer-focused work culture

### RISKS

- Failure to retain employees due to unmet requirements
- Failure to equip employees with skillsets
- Emotional stress or anxiety leading to lack of productivity
- Reputational damage if perceived to practice discrimination or violate labour laws

### OPPORTUNITIES

- Embrace technology, leverage communication channels and participate change management programmes to stay ahead of the curve. Increase skills and experience to remain relevant
- Transform our workforce with the right mindset and culture; and maintain organisational resilience with satisfied and competent employees
- Reduce cost of hiring and training from lower employee turnover
- Elevate women leadership in line with the nation's aspiration
- Maintain a safe workplace and healthy workforce for a sustainable business
- Efficient and sustainable management systems and work processes

### BUSINESS INITIATIVES

- Leverage e-learning platforms to empower employees to upskill themselves
- Evaluate core capabilities ensuring talents are equipped with the right skills
- Enhance organisational performance and sustainability via robust succession plans
- Offer diverse activities through KLCC Sports and Recreation Club (KSRC) for work-life integration
- Organise wellness talks and health checks to encourage a healthier lifestyle
- Connect regularly with employees to establish meaningful relationships
- Practice Equality, Diversity and Inclusion
- Establish grievance mechanism for human rights issues
- Provide attractive remuneration and benefits to attract and retain top talent
- Promote Generative HSE Culture

### VALUE CREATION INDICATORS AND HIGHLIGHTS

- RM2.2 million spent on learning and development
- 3.6:1 succession ratio of ready talents per critical position
- 48,263 total training hours clocked in 2024 at an average 48 hours of online digital self-learning and physical training session per staff
- Organisational Culture Survey index score of 80
- 31% of Top Management are women
- Zero substantiated incident of discrimination in the workplace

#### Links

Capitals:



Material Sustainability Matters:



UNSDG:



**D** – Daily   **W** – Weekly   **M** – Monthly   **T** – Bi-monthly   **B** – Bi-annually   **Q** – Quarterly   **A** – Annually   **R** – As required

### S3 GOVERNMENT, LOCAL AUTHORITIES AND REGULATORS

#### WHY WE ENGAGE

The government, local authorities and regulators provide the regulatory framework and guidelines in which we operate in respect to compliance and risk mitigation

#### CHANNEL AND FREQUENCY OF ENGAGEMENT

- Emails, letters to provide feedback, updates, and queries **R**
- Formal meetings, briefings, forums, visits, and consultations **R**
- HSE inspections of business premises **M**

- Collaboration with local authorities in managing KLCC Precinct’s safety and security **R**
- Emergency simulations **A**

#### KEY CONCERNS RAISED

- Contribution to economic and industry growth
- Compliance with government policies, laws and regulatory requirements
- Ethical business practices
- Report on carbon emissions data

#### OUR RESPONSE

- Contribute to economic and industry growth through payment of taxes, employment opportunities and corporate social responsibilities
- Compliance with government policies, laws and regulatory requirements
- Promote ethical business practices within and outside of organisation
- Report on carbon emissions data via Sustainability Report and response to queries

#### VALUE CREATED FOR STAKEHOLDER

- Compliance to policies, regulations, guidelines, and standards relevant to the industry
- Contributed to payment of taxes
- Advanced industry standards through adoption of best practices across our operations
- Contribution to government’s low-carbon transition

#### VALUE CREATED FOR KLCCP STAPLED GROUP

- Excellent rapport with the investment community through regular feedback and data submission to regulators for analysis and in promoting the REIT industry
- Establish the trust of government and relevant agencies, building strong working relationship

#### RISKS

- Non-compliance with laws, regulations or licenses could result in reputational damage and financial loss

#### OPPORTUNITIES

- Regular engagement with regulatory bodies to keep updated on policies and guidelines allows us to keep risks in check and assures sound and stable business operations

#### BUSINESS INITIATIVES

- Adhere to ISO37001 ABMS guidelines to maintain high level of integrity, corporate governance, transparency and best practices
- Emissions reduction initiatives supporting government’s ambition to achieve net zero carbon emissions by 2050
- Continuously review and enhance risk and crisis management

#### VALUE CREATION INDICATORS AND HIGHLIGHTS

- Paid RM120.8 million to the Government in taxes for the year
- Achieved carbon emissions reduction of 11% compared to 2019 (base year)
- Achieved zero non-compliance with all relevant regulatory requirements

#### Links

Capitals:



Material Sustainability Matters:



UNSDG:







# Stakeholder Engagement and Value Creation

## S4 TENANTS, CUSTOMERS AND GUESTS

### WHY WE ENGAGE

Our tenants, customers and guests drive market dynamics that underpin the growth and success of our business

### CHANNEL AND FREQUENCY OF ENGAGEMENT

- Hotline, surveys, and emails to manage queries, customers/tenants' feedback **R**
- Environmental campaigns, i.e., energy conservation, water use, promoting digital platforms **R**
- Loyalty programmes for shoppers and hotel guests **R**
- Dialogue and engagement sessions **R**
- Social media and other online platforms to promote products & services **R**
- Website **R**

### KEY CONCERNS RAISED

- Security within the KLCC Precinct
- Customer satisfaction on products and services
- Product safety
- Condition of amenities provided in our properties
- Promotions and rewards

### OUR RESPONSE

- Provide safe and comfortable environment
- Offer a diverse retail mix catering to lifestyle and trends
- Conduct promotional and reward programmes at our hotel and malls
- Improve customer/guest experience via digital lifestyle products and self-service customer care solutions
- Conducted "Be Kind Online" in increasing the awareness on cyberbullying

### VALUE CREATED FOR STAKEHOLDER

- Reliable professional services, safe shopping environment and innovative trendsetting products and services
- High level of hotel maintenance will enhance asset value
- Vibrant and exciting spaces to visit, shop, dine and stay

### VALUE CREATED FOR KLCCP STAPLED GROUP

- Higher occupancy for office, retail and hotel
- Increased revenue and income from retail and hotel segments
- Safeguard reputation for premier office, retail and hotel spaces
- Continuously enhance value of property portfolio
- Increase footfalls to our mall and hotel

### RISKS

- Failure to keep up with the rapid changes in customer expectations and digital revolution
- Loss of market leadership due to intensifying competition and disruption to business operations

### OPPORTUNITIES

- Reimagine office spaces to meet evolving tenant needs
- Restategise retail with refreshing tenant mix to drive footfall
- Differentiate consumer offerings with a focus on experience
- Innovate hotel's services and offerings to adapt to market demands and provide quality guest experience
- Partnership and collaboration with retail tenants to understand shopper's behaviour and preferences
- Boost shopper traffic, guest arrivals and sales through special offerings and collaborations with retailers

### BUSINESS INITIATIVES

- Excellent tenancy management, marketing support and customer and facilities management services
- Increasing digitalisation, automation and adoption of smart technologies
- Adoption of energy and water saving practices to lower our environmental impact
- Employment of a waste management hierarchy to prevent, reduce and minimise waste

### VALUE CREATION INDICATORS AND HIGHLIGHTS

- Achieved customer satisfaction score of 80%, 92% and 91% for office, hotel and parking operations respectively
- Achieved retail Net Promoter Score (NPS) of 65
- Increased property portfolio value from RM16.1 billion to RM16.3 billion
- Achieved record occupancy 70% for MOKUL Hotel in July 2024

#### Links

Capitals:



Material Sustainability Matters:



UNSDG:



Legend:

- D – Daily
- W – Weekly
- M – Monthly
- T – Bi-monthly
- B – Bi-annually
- Q – Quarterly
- A – Annually
- R – As required

SS **SUPPLIERS AND SERVICE PROVIDERS**

➤ **WHY WE ENGAGE**

Our suppliers and service providers drive our value chain with expertise and support, contributing to the quality of our products and services

➤ **CHANNEL AND FREQUENCY OF ENGAGEMENT**

- Meetings and workshops R
- Safety, procurement procedures and Anti-Bribery Management System (ABMS) briefings R
- Evaluations and performance reviews and audits A
- Corporate presentations R
- Supplier training programmes R

➤ **KEY CONCERNS RAISED**

- Fair competition and compliance with procurement guidelines
- Transparency of tender processes
- Compliance with laws and regulations
- Contract extensions and expiration
- Prompt issuance of payments
- Equal opportunities to participate in tender exercise

➤ **OUR RESPONSE**

- Provide equal opportunities to eligible suppliers
- Request for information to meet project/service requirements
- Engage with suppliers on HSE matters, procurement procedures and ABMS
- Support local employment through our supply chain

➤ **VALUE CREATED FOR STAKEHOLDER**

- Growth and business expansion opportunities for local suppliers
- Assurance of fair and ethical treatment as the Group's procurement complies with the Code of Conduct and Business Ethics (CoBE)
- Enhanced ESG awareness and practices in line with KLCCP Stapled Group's ESG values

➤ **VALUE CREATED FOR KLCCP STAPLED GROUP**

- Reliable supply of quality products and services
- Develop sustainable practices along the entire value chain
- Maintain a reliable supply chain
- Cost efficiency and savings due to scalability of services

➤ **RISKS**

- Potential conflicts of interest, corruption and unethical practices
- Quality and safety of products and services not meeting standard
- Potential ESG risk in the supply chain
- Over dependence on foreign suppliers may result in cost escalation and increase in carbon emissions

➤ **OPPORTUNITIES**

- Create a database of reputable and reliable suppliers, and continuously enhance the pool of quality suppliers
- Collaborate with reputable suppliers to strengthen relationships hence reliability
- Build capability in ESG practices amongst local suppliers

➤ **BUSINESS INITIATIVES**

- Contractually mandate adherence to our CoBE for our suppliers and service providers
- Conduct annual supplier audit to ensure suppliers' adherence to CoBE
- Conduct SMART GEP workshops

➤ **VALUE CREATION INDICATORS AND HIGHLIGHTS**

- Spent RM466.9 million on suppliers and service providers
- 99% of total procurement spent on local suppliers

**Links**

Capitals: FC MC HC IC SR NC

Material Sustainability Matters: M1 M2 M4 M5 M6  
M7 M8 M9 M10 M12

UNSDG:





# Stakeholder Engagement and Value Creation

## S6 COMMUNITY

### WHY WE ENGAGE

Our community defines our social relevance, and plays an essential role in driving demand. By actively listening to and collaborating with our community, we can build trust and enhance our brand image and reputation

### CHANNEL AND FREQUENCY OF ENGAGEMENT

- Corporate Social Responsibility (CSR) programmes
- News portals, emails, websites, leaflets, kiosks, posters
- Events held at KLCC Park



### KEY CONCERNS RAISED

- Environmental and social benefits and impact from our business activities
- Potential health and safety issues in our business operations

### OUR RESPONSE

- Participation in CSR programmes, (e.g. donations and sponsorships, and environmental conservation programmes)
- Enhanced security measures in KLCC Precinct through 24/7 monitoring via CCTV with analytics
- Contributed to welfare fund of the local authorities
- Contributed to maintenance of public infrastructure e.g., KLCC Park and pedestrian walkways

### VALUE CREATED FOR STAKEHOLDER

- Safe and secure environment for tenants, shoppers and guests in KLCC Precinct
- A broad spectrum of our communities benefitted from our various CSR initiatives

### VALUE CREATED FOR KLCCP STAPLED GROUP

- Community investments cultivate positive relationships with stakeholders, establishing the Group's long-term relevance in the industry
- Social responsibility drives our brand, enhancing our reputation and the market's perception

### RISKS

- Disregarding community programmes diminishes our corporate responsibility and our standing in the community
- Lack of public support leading to a degradation of our business performance

### OPPORTUNITIES

- Enhance brand as a social responsible entity
- Increase employee awareness of social inequities and involvement in initiatives to create a positive and lasting impact on the community

### BUSINESS INITIATIVES

- "Be Kind Online" campaign to increase awareness on cyberbullying
- Charity drive via PETRONITA Orchid Run & Ride
- Welfare fund of Kuala Lumpur City Hall, Royal Malaysian Police and Fire Department
- Financial support for home of underprivileged children
- Sustainable September (a month-long activation of sustainability programmes)
- KLCC Precinct activation- Art in the Park, Wellness at KLCC, Kuala Lumpur Fashion Week, Picnic in the Park, KLCC Park festive lighting, Light and Fountain show

### VALUE CREATION INDICATORS AND HIGHLIGHTS

- Contributed RM5.3 million towards corporate social responsibility
- Benefitted 814,302 individuals through corporate outreach programmes

#### Links

Capitals:



Material Sustainability Matters:



UNSDG:



Legend:

- D – Daily
- W – Weekly
- M – Monthly
- T – Bi-monthly
- B – Bi-annually
- Q – Quarterly
- A – Annually
- R – As required

S7 MEDIA

➤ **WHY WE ENGAGE**

The media shapes market perception and is a key multiplier of information to the public, helping to build positive dialogue with our organisation

➤ **CHANNEL AND FREQUENCY OF ENGAGEMENT**

- Press releases R
- Media events R
- Emails R
- Advertorial R
- Press conferences R
- Press advertisement R
- Interviews R

➤ **KEY CONCERNS RAISED**

- Financial performance, growth strategy and plans
- Transparent communication
- Project development updates and new development

➤ **OUR RESPONSE**

- Release quarterly results, events and announcement notifications
- Participation in media events and interviews
- Maintain communication with media through media interviews, press conferences and provision of relevant information when requested
- Collaborate on press advertorial to promote positive corporate milestones and achievements

➤ **VALUE CREATED FOR STAKEHOLDER**

- Timely updates on our financial performance, growth strategy and plans to aid media's reporting
- Advertising support through advertising spend and subscription of media services
- Strong media relations and enhanced collaborations

➤ **VALUE CREATED FOR KLCCP STAPLED GROUP**

- Good relationship with the media
- Positive media coverage to enhance brand equity and public confidence
- Increase exposure and visibility of the Group's brand
- Strengthen trust in KLCC brand

➤ **RISKS**

- Poor visibility due to insufficient media coverage
- Occurrence of inaccurate or false representation of the Group

➤ **OPPORTUNITIES**

- Build stronger media relationship at top level
- Expand our network of media friends to be able to disseminate information when required
- Communicate transparently with media to establish stakeholders' trust and confidence in KLCCP Stapled Group

➤ **BUSINESS INITIATIVES**

- Press releases on quarterly results, events and announcement notifications
- Participation in media events and interviews
- Collaborate on press advertorial, media initiatives, and event coverage in selected media publications

➤ **VALUE CREATION INDICATORS AND HIGHLIGHTS**

- Achieved RM395 million PR Value from coverage in conventional media
- Achieved positive coverage of 62% for conventional media

**Links**

Capitals: HC IC SR NC

Material Sustainability Matters: M1 M2 M6 M7 M8 M9

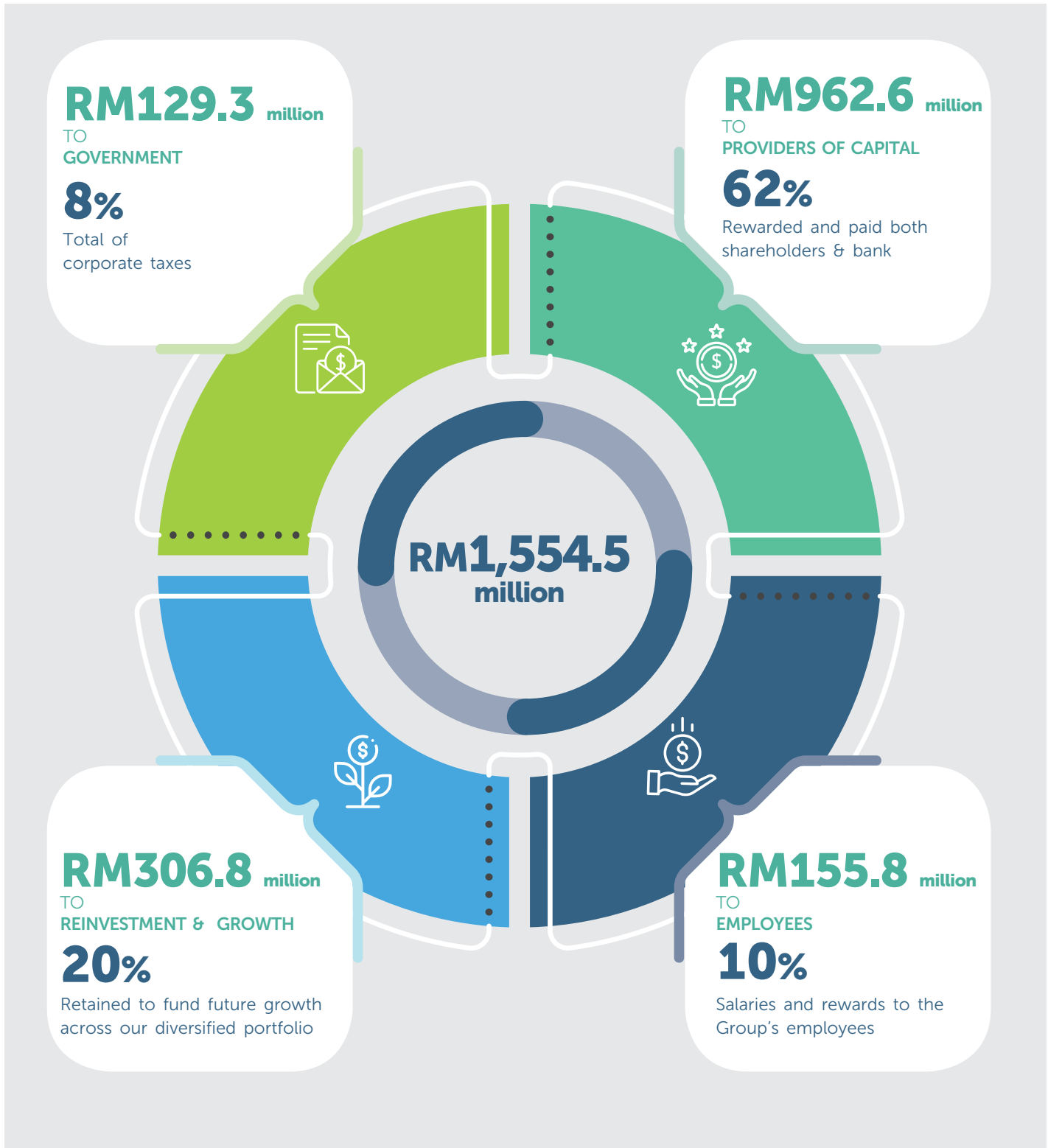
UNSDG:





## How We Distribute Value Created

KLCCP Stapled Group distributes the value we create in ways that are both relevant and impactful, sometimes extending beyond financial rewards. Stakeholders benefit from intangible contributions such as employee development programmes and various community initiatives, all aimed at fostering a more sustainable future. The value generated in 2024 was distributed as follows:



# Material Sustainability Matters

At KLCCP Stapled Group, sustainability is deeply embedded within our strategic planning, risk management, and is a fundamental aspect across all facets of our business and value chain. As a diversified entity engaged in property development, investment, and management, we identify prospects to generate enduring value while mitigating external trade-offs associated with our operations and value chain.

We formulate our sustainability agenda to tackle issues that hold significance for both our internal and external stakeholders. Consequently, obtaining input and addressing sustainability matters considered material to our key stakeholders is an essential component of our sustainability management strategy.

## APPROACH

KLCCP Stapled Group’s approach in identifying and prioritising material sustainability matters comprises four key steps

<p><b>Step 1</b> <b>Identification</b></p>	<ul style="list-style-type: none"> <li>• The process starts with a horizon scanning exercise, benchmarking against industry standards and identifying key risks and opportunities, resulting in the identification of material sustainability matters for the Company.</li> <li>• Subsequently, the list was consolidated to include Bursa Malaysia’s Prescribed Common Sustainability Matters. A total of 13 material matters were listed for the Group.</li> </ul>
<p><b>Step 2</b> <b>Prioritisation</b></p>	<ul style="list-style-type: none"> <li>• The Company reviewed the identified material sustainability matters considering:</li> <li>• Impact – The economic, environmental, or social significance, aligned with the Group’s Enterprise Risk Management guidelines.</li> <li>• Stakeholder Influence – Insights from a targeted stakeholder survey to gauge their assessments and decisions.</li> <li>• Additionally, stakeholder prioritisation was conducted based on their influence and dependence on KLCCP Stapled Group’s business, in line with Bursa Malaysia guidelines.</li> </ul>
<p><b>Step 3</b> <b>Validation</b></p>	<ul style="list-style-type: none"> <li>• Both the process and outcome of the materiality assessment undertaken were reviewed and approved by the KLCCP Stapled Group Sustainability Steering Committee and the Boards.</li> </ul>
<p><b>Step 4</b> <b>Matrix</b></p>	<ul style="list-style-type: none"> <li>• The results of all prior processes culminated in the Materiality Matrix for KLCCP Stapled Group.</li> </ul>





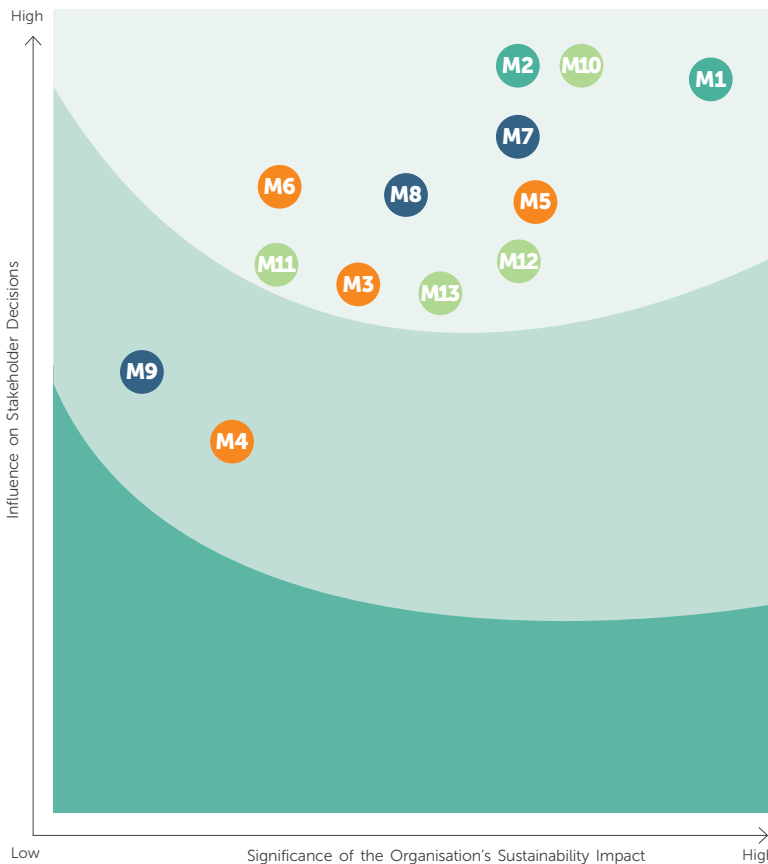
## Material Sustainability Matters

### MATERIALITY MATRIX

Thirteen (13) material matters identified for KLCCP Stapled Group according to the four sustainability pillars are assessed through the following steps:

- Stakeholder prioritisation was conducted based on their influence and dependency on the business. Five prioritised stakeholder groups were engaged to complete a material sustainability matter survey.
- When assessing the influence of the sustainability matter on stakeholders’ decisions, each stakeholder was given respective weightings based on the results of the stakeholder prioritisation process.
- The influence of the sustainability matter on stakeholders’ decisions is represented by the weighted score which best describes the influence of each sustainability matter on decisions by respective stakeholder groups.
- The significance of our sustainability impacts refers to risks or impacts caused by the business to the environment and external stakeholders. They are determined based on the Group’s Enterprise Risk Management Guideline, where risk rating is the result of likelihood times severity, from three sustainability aspects: economic, environmental, and social.

Based on the results of the assessment for each material sustainability matter, a materiality matrix was established.



- |  |  |
|--|--|
| <b>M1</b> Climate Change and Energy Management | <b>M7</b> Corporate Governance             |
| <b>M2</b> Environment Management               | <b>M8</b> Business Ethics                  |
| <b>M3</b> Human Capital Development            | <b>M9</b> Cyber Security and Data Privacy  |
| <b>M4</b> Human Rights                         | <b>M10</b> Financial Sustainability        |
| <b>M5</b> Labour Standard and Practices        | <b>M11</b> Customer and Tenant Management  |
| <b>M6</b> Health Safety and Security           | <b>M12</b> Supply Chain Management         |
|  | <b>M13</b> Corporate Social Responsibility |

### REVIEW OF MATERIAL SUSTAINABILITY MATTERS AND MATRIX

For the year under review, KLCCP Stapled Group conducted a limited review of its material sustainability matters and materiality matrix to ensure alignment with our operations and stakeholder priorities. The review confirmed that no significant changes in business operations or the external environment had impacted our existing material sustainability matters, risks, or opportunities.

As such, the Group has maintained its materiality matrix for 2024, reflecting the enduring relevance of our sustainability priorities. In line with our framework, the next full-scale review is planned for 2026, following the three-year review cycle established in 2023. However, should significant changes in business operations or legislative requirements occur, the Group will adjust this timeline and conduct a comprehensive review earlier to ensure that our sustainability approach remains relevant and responsive.

PLANET

01

CLIMATE CHANGE AND ENERGY MANAGEMENT

DESCRIPTION

The effects of climate change are becoming more evident in the increasing climate events, such as floods, typhoons, heat waves, forest fires, and droughts, among others. These necessarily have a negative impact on communities, often damaging homes and livelihoods.

WHY IS IT MATERIAL

For the KLCCP Staped Group, climate change, which is exacerbated by carbon emissions (from energy consumption among others), has the potential to damage our assets and communities and needs to be mitigated.

RISKS

- Potential worsening of global warming
- Potential business disruption due to severe weather conditions
- Increase in operation costs due to material/resource scarcity because of climate change
- Threats to human health – physical and psychological well-being
- Failure to meet increases in demand by investors for low carbon/climate resilient companies

OPPORTUNITIES

- Supporting the government’s efforts to transition to a low-carbon economy by 2050
- Reducing energy usage by adopting energy efficient practices
- Assessing climate risk helps to future proof our business operation
- Attracting investments by being a climate resilient business

RESPONSE/APPROACH

1. Climate-related Disclosure
2. Asset by Asset Decarbonisation Plan
3. Energy Management

Total Scope 1 and 2 Absolute GHG Emissions (tCO<sub>2</sub>e)



Links

Capitals: Strategy: Stakeholders: UNSDG:

ENVIRONMENT MANAGEMENT

DESCRIPTION

Our commitment to environmental management goes beyond strategy; it is a profound recognition of our role in building a sustainable future. Through conscientious, eco-friendly practices, we actively reduce our ecological footprint, positioning our properties as symbols of modernity and environmental responsibility.

WHY IS IT MATERIAL

Engaging stakeholders in environmentally conscious practices empowers individuals to contribute actively to global environmental preservation. Our commitment to improving the environmental quality of surrounding communities reflects a deep-seated belief that our actions today shape tomorrow’s world. In summary, our environmental management strategy serves as a testament to our dedication to creating a sustainable and responsible future.

RISKS

- Degradation of environmental quality caused by our operations
- Financial and reputational loss due to legal non-compliance
- Environmental pollution causing negative impacts to the community

OPPORTUNITIES

- Implementing good waste management practices
- Promoting circularity in environmental management
- Enhancing our credibility by being certified to the ISO 14001 Environmental Management System
- Saving costs by resource conservation

RESPONSE/APPROACH

1. Water Management
2. Waste Management

Total Water Consumption (m<sup>3</sup>)



Links

Capitals: Strategy: Stakeholders: UNSDG:





# Material Sustainability Matters

## PEOPLE

### HUMAN CAPITAL DEVELOPMENT

**DESCRIPTION**

Our unwavering dedication to developing human capital drives our strategy to maintain a perpetually prepared and highly skilled workforce.

**WHY IS IT MATERIAL**

Human capital development is pivotal in ensuring competence to execute essential strategies, underlining business sustainability across all facets of the triple bottom line.

**RISKS**

- Failure to retain employees
- Employees not equipped with the skillsets required for advancements in technology
- Financial and emotional stress leading to a lack of productivity

**OPPORTUNITIES**

- Transforming our workforce with the right mindset and culture
- Keeping a resilient organisation with satisfied and competent employees
- Reduced cost due to employee turnover

**RESPONSE/APPROACH**

1. Learning and Development
2. Workforce Sustainability and Capability Building
3. Workforce Engagement and Well-being

Total Annual Learning Hours Per Employee



**Links**



### HUMAN RIGHTS

**DESCRIPTION**

Human rights is about the freedom of every individual to live a life free from fear, harassment, or discrimination.

**WHY IS IT MATERIAL**

In the workplace, it is important to protect human rights in order to demonstrate the value placed on all employees and to nurture a culture in which everyone feels empowered to realise his or her true potential, thereby contributing to the long-term success and sustainability of the Group.

**RISKS**

- Failure to prevent reputational damage if perceived to practice discrimination
- Financial loss due to legal non-compliance

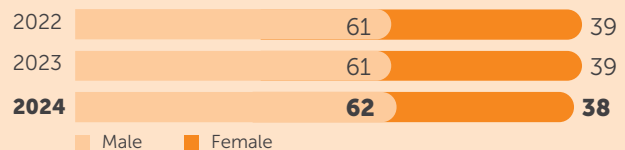
**OPPORTUNITIES**

- Elevating women leadership within the Group, in line with the nation’s aspiration
- Attracting and retaining customers who are concerned with human rights

**RESPONSE/APPROACH**

1. Human Rights Policy
2. Equality, Diversity, and Inclusion
3. Non-discrimination
4. Grievance Mechanism for Human Rights Issues
5. Strengthening Human Rights Practices through Social Risk Management

Percentage of Workforce by Gender (%)



**Links**



## LABOUR STANDARD AND PRACTICES

### DESCRIPTION

It is important to adhere to the country’s robust labour standards and practices to support our commitment to treating all employees with the respect and dignity they deserve.

### WHY IS IT MATERIAL

The Group views this adherence to Labour Standards and Practices, as being in line with our commitment to responsible and sustainable business operations, and serves as a strategic investment in our workforce, driving our competitive edge in the industry.

### RISKS

- Failure to prevent reputational damage due to perceived violation of labour practices
- Non-compliance with regulations

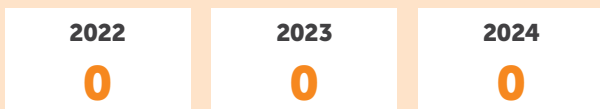
### OPPORTUNITIES

- Implement good grievance mechanisms and practices
- Enhance productivity and employee retention

### RESPONSE/APPROACH

1. Human Rights Policy
2. Equality, Diversity, and Inclusion
3. Non-discrimination
4. Grievance Mechanism for Human Rights Issues
5. Strengthening Human Rights Practices through Social Risk Management

#### Total Number of Employee Discrimination Incidents



#### Links

Capitals: Strategy: Stakeholders: UNSDG:

## HEALTH, SAFETY AND SECURITY

### DESCRIPTION

In the realm of sustainable business practices, the KLCCP Stapled Group recognises the vital role that Health, Safety, and Security management plays in fostering a resilient and responsible corporate environment. Our steadfast commitment to the well-being of all stakeholders, be they employees, partners, customers, or the communities we operate in, underscores our dedication to creating lasting value.

### WHY IS IT MATERIAL

We understand that our success hinges on the well-being of our people and the security of our operations. As such, we strive continually to elevate our Health and Safety (H&S) standards, ensuring our practices exceed industry benchmarks. The KLCCP Stapled Group believes that by prioritising Health, Safety, and Security, we not only mitigate risks but also fortify the foundation upon which sustainable business is built and thrives

### RISKS

- Threats to employees’ Health and Safety – work-related illnesses, and occupational hazards
- Threats to security of our guests, tenants, customers, and assets in relation to any global security threats
- Threats to employees’ mental health due to work stress, job security, and other personal issues

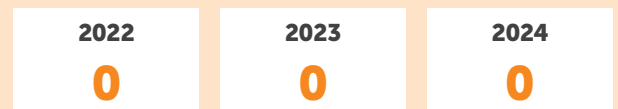
### OPPORTUNITIES

- Maintaining a healthy workforce and safe workplace for a sustainable business
- Ensuring leadership commitment in heightening health and safety standards
- Providing support to improve health and well-being for a sustainable work-life balance

### RESPONSE/APPROACH

1. Health and Safety Management
2. Proactive Hazards, Risks and Incident Management
3. Generative HSE Culture
4. Digitalising HSE
5. Corporate Security

#### Total Number of Work-related Fatalities



#### Links

Capitals: Strategy: Stakeholders: UNSDG:





# Material Sustainability Matters

## PEACE

### CORPORATE GOVERNANCE

**DESCRIPTION**

Corporate governance is crucial in shaping the trajectory of a company. Through well-structured corporate governance frameworks, companies can ensure that policies and procedures are adhered to across the entire value chain, protecting the organisation’s financial and non-financial well-being while protecting stakeholders’ interests and contributing positively to sustainability.

**WHY IS IT MATERIAL**

The Group’s sustained growth is reliant upon maintaining a robust and effective corporate governance, which includes identification and proactive management of risks that could impact the company’s ability to achieve its strategies, as well as transparent communication of these strategies, fostering stakeholder trust and confidence.

**RISKS**

- Heightened legal, regulatory, and reputational risks
- Business disruption due to lack of preparedness to face crises/emergencies

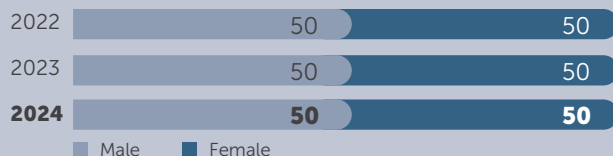
**OPPORTUNITIES**

- Promoting governance practices that contribute to growth and management stability.
- Engaging shareholders on investment decisions and promoting management transparency
- Ensuring business continuity and resilience

**RESPONSE/APPROACH**

1. Board Diversity and Capacity
2. Enterprise Risk Management

Board Diversity Profile (%)



**Links**



### BUSINESS ETHICS

**DESCRIPTION**

True to our commitment to transparency and responsible business practices, KLCCP Stapled Group places paramount emphasis on upholding rigorous standards of business ethics.

**WHY IS IT MATERIAL**

In an ever-evolving business landscape where stakeholders increasingly prioritise social responsibility, our commitment to business ethics becomes a key differentiator. As we strive for sustainable growth, we recognise that ethical behaviour is not just a compliance requirement but an essential element that ensures the resilience and longevity of the Group.

**RISKS**

- Lack of control and strategic alignment leading to corruption, negligence, fraud, and lack of accountability
- Potential corporate legal liability
- Reputational loss if perceived as a corrupt corporate

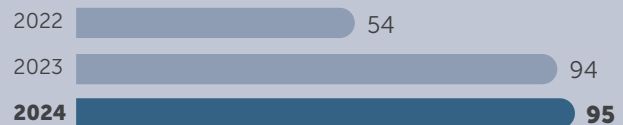
**OPPORTUNITIES**

- Improving organisational efficiency and effectiveness in managing bribery and corruption risks to foster trust and integrity.
- Enhancing the credibility of anti-corruption practices in the organisation by being certified with ISO 37001 ABMS

**RESPONSE/APPROACH**

1. Integrity and Corruption Management
2. Top Leadership Commitment
3. Anti-Bribery Management System

Percentage of Employees Receiving Anti-Corruption Training (%)



**Links**



## CYBER SECURITY AND DATA PRIVACY

### DESCRIPTION

Cyber security and data privacy encompass the measures and protocols implemented by KLCCP Stapled Group to safeguard its digital infrastructure and sensitive information from unauthorised access, breaches, and exploitation. These encompass robust technological defences, procedural guidelines, and adherence to regulatory standards, forming the foundational pillars of the company’s operational integrity.

### WHY IS IT MATERIAL

KLCCP Stapled Group prioritises the protection of our systems and data, recognising the critical role that cyber security and data privacy play in sustaining our business operations and fostering trust with our stakeholders. Our commitment to these principles underscores our dedication to maintaining the highest standards of security and privacy, ensuring the longevity and resilience of our Group.

### RISKS

- Threat to data security
- Financial loss for recovery of the system
- Potential corporate legal liability and financial loss due to data leakage

### OPPORTUNITIES

- Engaging with stakeholders and employees to create awareness on data protection and accountability
- Creating awareness on network and data protection to minimise cyber risks

### RESPONSE/APPROACH

1. Education and Awareness
2. Phishing Tests
3. Enterprise Cyber Security Governance Framework
4. Cyber Security Business Impact Assessment (CS-BIA)

Total Number of Substantiated Cyber Security Incidents



### Links

Capitals:



Strategy:



Stakeholders:



UNSDG:







## Material Sustainability Matters

### PROSPERITY

#### FINANCIAL SUSTAINABILITY

##### DESCRIPTION

Financial sustainability goes beyond mere financial metrics. It reflects the Group's resilience in navigating economic uncertainties, market fluctuations, and industry challenges, thus safeguarding its operational continuity, stakeholder confidence, and ability to pursue broader sustainability objectives effectively.

##### WHY IS IT MATERIAL

Financial sustainability is not merely a financial metric for KLCCP Stapled Group; it is a strategic imperative that underpins our commitment to responsible and enduring business practices. By prioritising financial health, we ensure not only our survival but also the continuity of our sustainability efforts, translating aspirations into tangible results that benefit our company, stakeholders, and the world at large.

##### RISKS

- Unexpected increase in costs due to global uncertainty and volatile markets
- Insufficient working capital leading to financial insolvency
- Inability to compete in a challenging market
- Lack of efficiency and competitiveness to survive in the digital era

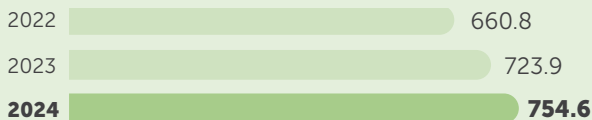
##### OPPORTUNITIES

- Reducing operating costs to conserve cash for survival
- Unlocking value through asset portfolio optimisation
- Leveraging core competencies to promote economic and industry growth.
- Improving operational efficiency and cost effectiveness through digitalisation and new technology

##### RESPONSE/APPROACH

1. Ensuring Business Resilience
2. Impactful Value Sharing
3. Ensuring Sustainability Aspirations
4. Supporting Socioeconomic Benefits

#### 3-Years Dividend (RM million)



#### Links



#### CUSTOMER AND TENANT MANAGEMENT

##### DESCRIPTION

Being a multifaceted concept, sustainability is addressed not only through environmental initiatives but also by emphasising strong relationships with customers and tenants. By understanding their needs, KLCCP Stapled Group builds trust and collaboration, positioning ourselves as reliable partners in the communities we serve.

##### WHY IS IT MATERIAL

Keeping customers and tenants, engaged and satisfied not only fosters brand loyalty but also contributes to positive social impact, creating vibrant and inclusive communities. Our dedication to providing the best customer experience ensures satisfaction, reinforcing our position as a responsible corporate citizen and driving positive change in the business ecosystem.

##### RISKS

- Failure to keep up with the rapid changes in customer expectations and digital revolution
- Impedes market leadership position due to intensifying competition and disruption to business trends

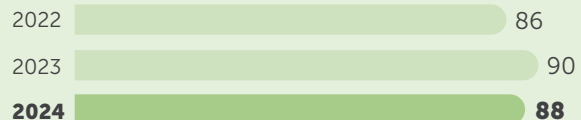
##### OPPORTUNITIES

- Reimagining office spaces to meet the evolving needs of our tenants
- Re-strategising retail with a refreshing tenant and trade mix to drive footfall
- Differentiating the consumer offering with a focus on experience

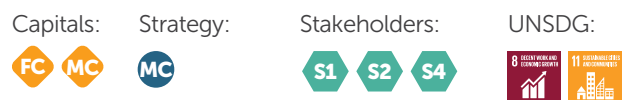
##### RESPONSE/APPROACH

1. Extensive Engagement
2. Feedback Mechanisms
3. Customer Satisfaction

#### Average Customer Satisfaction Score (%)



#### Links



## SUPPLY CHAIN MANAGEMENT

### DESCRIPTION

Beyond operational excellence, our supply chain is a vehicle for environmental and social impact. We actively seek suppliers who share our commitment to mitigate climate change, fair labour practices, diversity, and ethical standards.

### WHY IS IT MATERIAL

A more sustainable network of supply chain, contributes to positive outcomes for workers and communities, in line with our broader goal of being a responsible corporate citizen. Moreover, our streamlined and sustainable supply chain is designed to provide the best customer experience, exceeding expectations and reinforcing our reputation for excellence.

### RISKS

- Potential conflict of interest, corruption and unethical practices
- Poor supply chain management leading to failure in ensuring quality and safety of products and services
- Unmitigated ESG risk in the supply chain
- Overdependence on foreign suppliers may result in cost escalation and increase in carbon emissions

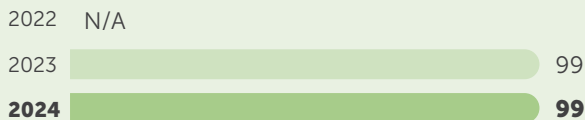
### OPPORTUNITIES

- Creating a database of reputable and reliable suppliers
- Collaborating with suppliers
- Enhancing the pool of suppliers for procurement of quality products and services
- Building capability in ESG practices amongst local suppliers

### RESPONSE/APPROACH

1. Supply Chain Management

#### Proportion of Spending on Local Supplier (%)



#### Links

Capitals: Strategy: Stakeholders: UNSDG:

## CORPORATE SOCIAL RESPONSIBILITY

### DESCRIPTION

Community enrichment and well-being emphasise a company's role in enhancing the communities it serves. Corporate Social Responsibility (CSR) through investments in local infrastructure, education, and healthcare not only foster sustainable growth but also cultivate positive relationships with stakeholders, demonstrating a genuine commitment to community development.

### WHY IS IT MATERIAL

Corporate Social Responsibility (CSR) is crucial to sustainable operations as it encompasses a commitment to social impact and community well-being. Social impact initiatives, such as philanthropy and sustainable practices, address societal challenges and contribute to community betterment.

### RISKS

- Unfavourable reputation due to lack of involvement in corporate social responsibility initiatives
- Preference for charitable beneficiaries

### OPPORTUNITIES

- Enhancing brand visibility to the wider community
- Increasing employee awareness and involvement
- Giving back and creating a positive and lasting impact on the community
- Creating value for society

### RESPONSE/APPROACH

1. Corporate Social Responsibility
2. Fostering a Culture of Volunteering
3. Contribution to Common Infrastructure Maintenance
4. KLCC Sustainable September

#### Total Number of Beneficiaries from Investment in Communities



#### Links

Capitals: Strategy: Stakeholders: UNSDG:



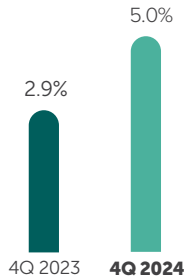


## Operating Landscape

### ECONOMIC & MARKET REVIEW AND OUTLOOK

#### ECONOMIC OVERVIEW

##### Gross Domestic Products



##### Unemployment Rate



##### Labour Force Participation Rate



##### Overnight Policy Rate



#### Office Market Overview

2024 saw the completion of the Merdeka 118, contributing approximately 1.7 million sq. ft. of new space to the total Purpose Build Offices (PBO) stock in Central Kuala Lumpur (CKL). As of 3Q 2024, the total PBO supply in CKL stood at 55.4 million sq. ft. The overall office occupancy rate in CKL stood at 73.7%, slightly declining from 74.8% in 3Q 2023. The moderation in occupancy rate was primarily attributed to the recent completion of Merdeka 118, which added 1.7 million sq. ft. of office space to the market. This temporary impact reflects the ongoing absorption of newly available office spaces as tenants gradually take up the additional supply.

Demand for high-quality, sustainable office spaces remains strong, partly driven by multinational corporations (MNCs) seeking competitive regional rents. This ongoing interest in premium offices could help take-up the increase in available office inventory. Green-certified offices with advanced amenities are particularly appealing, as they align with corporate sustainability goals and employee well-being priorities.

CKL Cumulative Supply as of 3Q 2024:

**55.4 million sq ft**

(3Q 2023: 53.8 million sq. ft.)

CKL Average Occupancy Rate as of 3Q 2024:

**73.7%**

(3Q 2023: 74.8%)

#### Retail Market Overview

Well-performing malls in CKL are expected to maintain their strong performance, with occupancy rates exceeding 95%, such as Suria KLCC. Rental rates for retail malls are expected to remain steady, as the competition to attract and retain tenants remains competitive.

Retail sales in the first nine months of 2024 improved compared to the same period in 2023, indicating a recovery in consumer spending. Retailers are more optimistic, as seen in more retail mall acquisitions, new store openings, and the arrival of international brands.

Sustainability initiatives are increasingly gaining traction, transforming malls into vibrant hubs for shopping and social interaction. This trend is evident in retail malls adopting strategies such as space rejuvenation and strategic retail placement to remain relevant in a competitive and evolving market. By integrating sustainable practices with innovative design and tenant curation, these malls are enhancing their appeal to modern consumers while addressing environmental and societal expectations.

CKL Cumulative Supply as of 3Q 2024:

**13.4 million sq ft**

(3Q 2023: 12.0 million sq. ft.)

CKL Average Occupancy Rate as of 3Q 2024:

**80.1%**

(3Q 2023: 78.8%)

#### Hotel Market Overview

Notable growth and improved market performance are driven by the rise in international tourist arrivals, bolstered by growing domestic tourism and more international flight options. These combined factors contribute to sustained growth and enhance the sector's economic impact.

In 2024, three new hotels were opened for businesses in CKL, with a combined 869 rooms. These include the Crowne Plaza Hotel (a 5-star hotel), Llyod's Inn (a 3-star hotel), and Imperial Lexis (serviced apartment). The Average Occupancy Rate (AOR) and Average Daily Rate (ADR) for hotels in the Kuala Lumpur have surpassed pre-pandemic benchmarks. In CKL, the AOR for 5-star hotels improved to 72% in 9M 2024, up from 66% in 9M 2023, while the ADR rose by 12% year-on-year, reaching RM719 in 9M 2024, compared to RM639 in 9M 2023.

The tourism industry is expected to continue its recovery. However, CKL is set to add 2,059 new 5-star hotel rooms by 2025. This increase in hotel supply is expected to moderate the growth rates of AOR and ADR in the short term.

CKL Cumulative Supply (5-star hotel) as of 9M 2024:

**11,693 rooms**

(3Q 2023: 10,860 rooms)

CKL Average Occupancy Rate (5-star hotel) as of 9M 2024:

**72%**

(9M 2023: 66%)

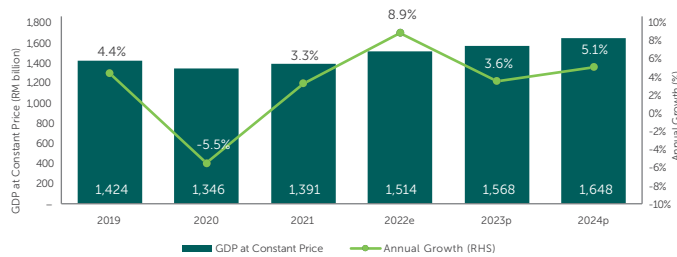


## ECONOMIC OVERVIEW

### Gross Domestic Product (GDP)

Malaysia’s economy grew by 5.1% in 2024, driven by strong domestic and a rebound in exports (2023: 3.6%). The economy valued at RM1,648 billion in 2024, compared to RM1,568 billion last year. Throughout the year, household spending remained robust, supported by a favourable labour market, policy measures, and healthy household balance sheets. On the external front, exports recovered amid steady global growth, a continued tech upcycle, as well as higher tourist arrivals and spending, contributing to the overall economic performance.

### Malaysia Quarterly Gross Domestic Product and Annual Growth at Constant 2015 Prices (2019 – 2024)



Abbreviation: GDP – Gross Domestic Product; RHS – refer to right-hand-side axis; e – estimate; p - preliminary  
 Source: Department of Statistics Malaysia

Several strategies and measures in implementation are also factors of strong economic growth. These include the National Energy Transition Roadmap (NETR), the New Industrial Master Plan 2030 (NIMP 2030), and the 12th Malaysia Plan, which aim to boost Malaysia’s economic growth by addressing key challenges and capitalising on opportunities for sustainable and inclusive development.

The NIMP 2030 targets increasing the manufacturing sector’s value-added to RM587.5 billion by 2030, growing by 6.5%, with key sectors like E&E, chemicals, EV, aerospace, pharmaceuticals, and advanced materials leading the way. Employment in manufacturing is expected to rise by 2.3%, creating 3.3 million jobs by 2030, with a shift toward more high-skilled roles. The median salary in manufacturing is projected to increase by 9.6%, from RM1,976 to RM4,510, reflecting a transition to higher value-added jobs.

The successful implementation of the NETR is expected to boost Malaysia’s GDP from RM25 billion in 2023 to RM220 billion by 2050, while generating 310,000 new jobs.

Additionally, state-level economic initiatives, including the Johor-Singapore Special Economic Zone, the Malaysia IC Design Park in Selangor, and the Blue Economy initiative on the East Coast, are expected to be key growth drivers within the regions.

Malaysia’s GDP is expected to continue expanding in 2025, with a projected growth rate of 4.5% to 5.5%, driven by robust domestic demand and improved external conditions. Growth will be supported by higher investments, strong exports, and expansion in household and tourist spending. Investment will be fuelled by ongoing public and private sector projects, increased implementation of approved investments, and the country’s initiatives. Exports will benefit from the global tech upcycle and sustained demand for non-E&E goods, while tourism spending is also expected to rise. Employment, wage growth, and supportive policies will further sustain household spending.

### Consumer Price Index and Inflation

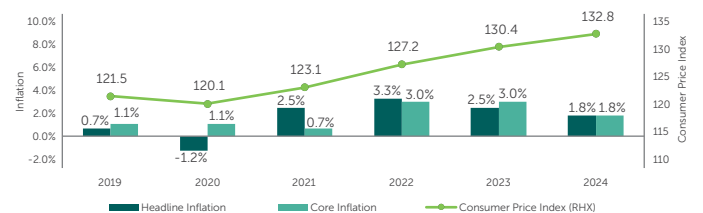
The consumer price index (CPI) for 2024 rose to 132.8, up from 130.4 in 2023 as the overall pricing of goods and services increased moderately throughout the year.

However, Malaysia’s headline inflation rate for the overall of 2024 has eased to 1.8% (2023: 2.5%). The stabilisation of price growth in the Food and Beverage, Transport, Household Equipment, and Restaurant & Accommodation Services sectors mainly drove this decline.

Meanwhile, the core inflation registered 1.8% in 2024 compared to 3.0% in 2023.

Headline inflation in 2025 is expected to range between 2.0% and 3.5%, due to upcoming domestic policy changes as announced in the Budget 2025, including targeted RON95 subsidies and an expanded scope of the SST.

### Consumer Price Index and Inflation



Abbreviation: RHS – refer to right-hand-side axis  
 Source: Department of Statistics Malaysia, Bank Negara Malaysia





# Operating Landscape

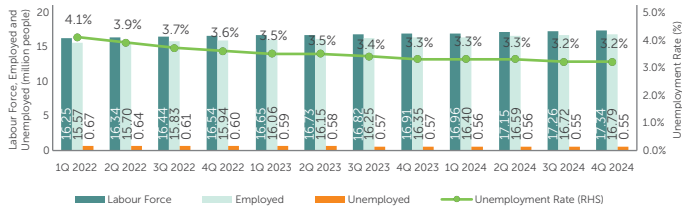
## Economic & Market Review and Outlook

### Labour Force and Employment

The labour market continued to improve in 4Q 2024, with the unemployment rate falling to 3.2% (4Q 2023: 3.3%), marking the lowest in the post-pandemic period, supporting economic growth and consumer confidence. This improvement was driven by higher employment growth compared to the labour force.

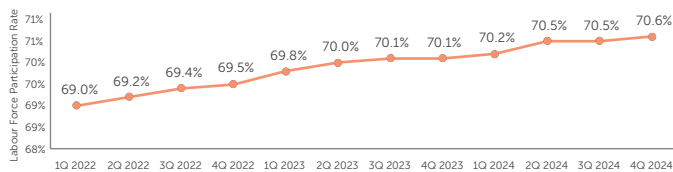
The number of employed individuals increased to 16.79 million, up from 16.35 million in 4Q 2023. Meanwhile, the total labour force grew to 17.34 million in 4Q 2024, compared to 16.91 million in the same period the previous year. The Labour Force Participation Rate (LFPR) in 4Q 2024 also improved to 70.6% from 70.1% registered in 4Q 2023. This trend highlights a recovery in the labour market, as employment growth continues to outpace the rise in the overall labour force along with the higher Labour Force Participant Rate.

### Labour Force, Employed, Unemployed and Unemployment Rate in Malaysia



Abbreviation: RHS – refer to right-hand-side axis  
Source: Department of Statistics Malaysia

### Labour Force Participation Rate in Malaysia



Source: Department of Statistics Malaysia

### Overnight Policy Rate (OPR)

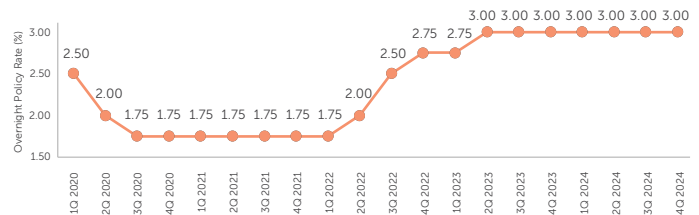
Bank Negara Malaysia has maintained the OPR at 3.0%, a level held since 2Q 2023. The rate has remained unchanged due to a balanced outlook on growth and inflation risks.

Domestic demand, particularly household consumption, remained robust. Higher disposable incomes, supported by favourable labour market conditions, contributed to continued growth in consumption. This helped counterbalance slower external demand due to global uncertainties. Meanwhile, the unemployment remained low, further bolstering consumer confidence and spending, which underpinned economic growth. This made drastic changes to the OPR less necessary, as the economy remained on a steady growth path without overheating.

The Malaysian Ringgit was one of Asia’s best-performing currencies in 2024, benefiting from narrowing interest rate differentials with the U.S. and strong economic fundamentals. Bank Negara Malaysia’s decision to keep the OPR steady contributed to this stability, supporting investor confidence.

With inflation remaining under control and a positive growth outlook, it is anticipated that Bank Negara Malaysia may maintain the current level of OPR throughout 2025. This would align with Bank Negara Malaysia’s balanced approach of supporting economic growth while managing inflation and ensuring financial stability. Bank Negara Malaysia remains cautious about the risks of currency volatility, which may be influenced by global economic policies and market developments. Bank Negara Malaysia has emphasised the importance of closely monitoring these external factors to safeguard financial stability. Looking ahead, Bank Negara Malaysia will continue to assess both domestic and global economic conditions and will adjust its policy stance as necessary to maintain macroeconomic stability.

### Overnight Policy Rate



Source: Bank Negara Malaysia

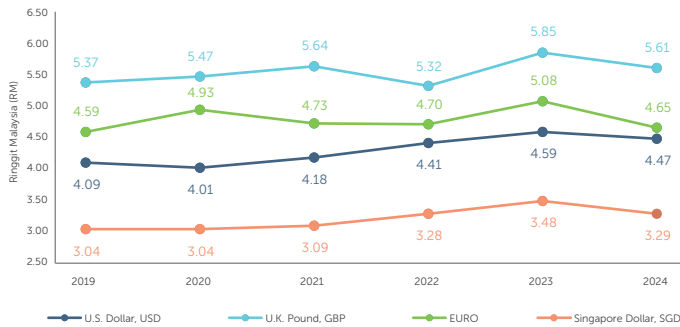
### Currency: Exchange Rate

Malaysia continues to make strong progress in its currency and financial markets, driven by a robust economy and external factors. In 2024, the Malaysian Ringgit was one of the best-performing currencies in Asia, outperforming major regional peers despite a challenging global economic environment.

The Malaysian Ringgit has demonstrated resilience against the US dollar throughout 2024, marking an overall appreciation of 2.6%. In March, the exchange rate stood at RM4.73, before slightly improving to RM4.72 in June. By September, the Ringgit had rebounded to RM4.11, and trading at RM4.47 in December 2024.

This appreciation was due to Malaysia’s positive economic outlook and the ongoing reforms by the Madani government, which helped support the ringgit throughout the year.

### Malaysian Ringgit Performance Against Major Currencies



Source: Bank Negara Malaysia

Looking ahead, the outlook for the Malaysian Ringgit remains positive, with expectations for sustained growth in the coming years. However, external challenges persist, including uncertainties surrounding global trade, potential shifts in US monetary policy, and the impact of US tariffs. These factors could influence the performance of the US Dollar, which in turn may affect the Malaysian Ringgit. As such, the global currency landscape will continue to evolve, and these external elements will play a key role in shaping the future trajectory of the Malaysian Ringgit.

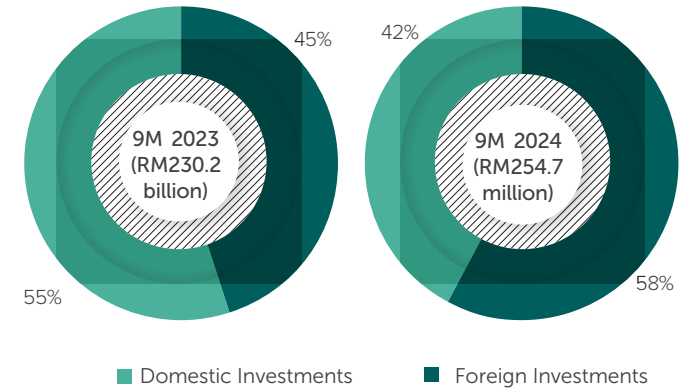
### Approved Investment

In the first nine months of 2024 (9M 2024), Malaysia secured approximately RM254.7 billion in capital investment, marking an increase of around 11% from RM230.2 billion recorded during the same period last year. This strong performance underscores Malaysia’s sustained economic growth, supported by the services, manufacturing, and primary sectors.

Domestic investments stepped up and accounted for 58.1% of total capital investment (RM148.0 billion, +44% y-o-y), while foreign investments contributed 41.9% (RM106.7 billion, -16% y-o-y).

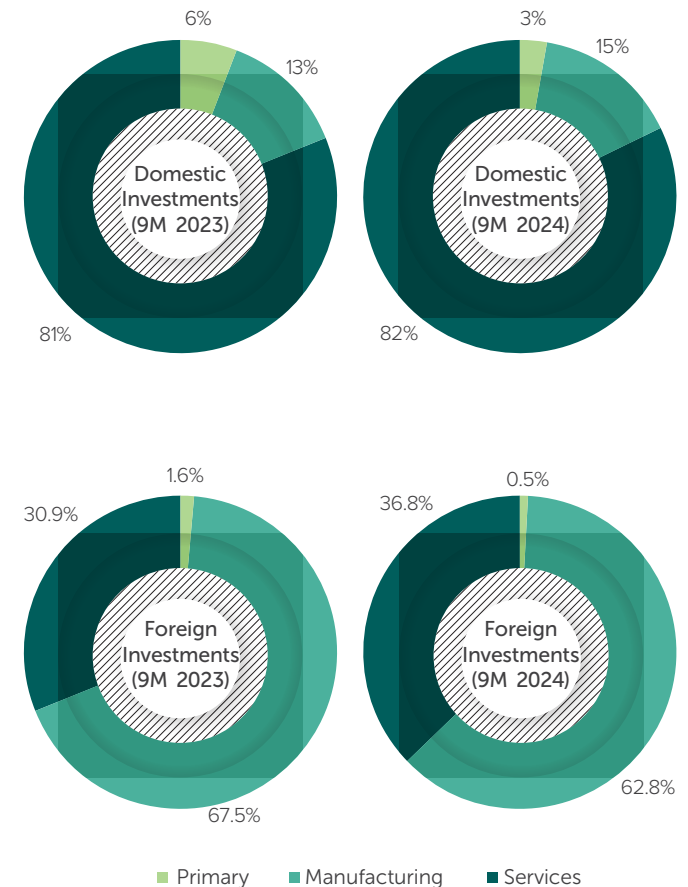
The growth in domestic investments highlights confidence in the government’s clear policy direction and the resilience of local businesses. This positive trajectory reinforces Malaysia’s reputation as a competitive and attractive investment destination, supporting a favourable economic outlook.

### Approved Capital Investments in Malaysia



Source: Malaysian Investment Development Authority

### Approved Capital Investments in Various Economic Sectors



Abbreviation: 9M – January to September  
Source: Malaysian Investment Development Authority





## Operating Landscape

### Economic & Market Review and Outlook

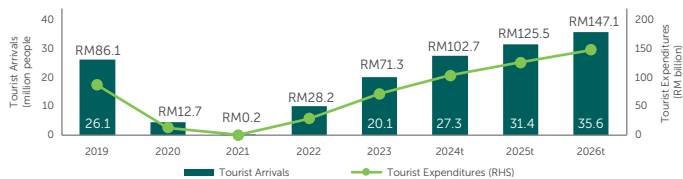
#### Tourist Arrivals

Malaysia's tourism industry saw a strong recovery in 2023, with international tourist arrivals doubling to 20.1 million, compared to 10.1 million in 2022. Tourist receipts also saw a significant rise, reaching RM71.3 billion, up from RM28.2 billion in 2022. The majority of these tourists came from Singapore (8.3 million), Indonesia (3.1 million), Thailand (1.6 million), China (1.5 million), and Brunei (0.8 million).

As of 9M 2024, Malaysia recorded 18.4 million international tourist arrivals, a 27% y-o-y increase from 14.5 million. Notably, Malaysia welcomed 2.5 million visitors from China between January and September 2024, a 144% increase y-o-y. This was supported by expanded direct charter flights and a 30-day entry visa-free policy, introduced in December 2023, which is set to remain in place until the end of 2026.

International tourist expenditure in Malaysia also saw a substantial rise, reflecting robust growth in tourism recovery. In 9M 2024, international tourist spending reached RM73.3 billion, marking a 49% increase compared to RM49.3 billion in 9M 2023. This positive trend underscores the strengthening of Malaysia's appeal as a global travel destination and the resurgence of international tourism activities.

#### International Tourist Arrivals and Receipts



Abbreviation: t – targeted figure; RHS – refers to right-hand-side axis  
Source: Tourism Malaysia, CBRE | WTW Research and Consulting

Domestic tourism also saw significant growth in 9M 2024, with approximately 193.3 million visitors recorded, generating RM77.8 billion in expenditures. This represents a 22% year-on-year increase in domestic visitors and a 27% year-on-year increase in tourist expenditures (9M 2023: 158.7 million visitors, RM61.2 billion expenditures).

Malaysia's domestic tourism saw a significant recovery in 2023, with total spending reaching RM84.9 billion, up from RM64.1 billion in 2022. The number of domestic visitors also surged by 25%, totalling 213.7 million, compared to 171.6 million in the previous year. Selangor was the most visited state, attracting 27.6 million domestic visitors, followed by W.P. Kuala Lumpur with 22.2 million, and Sarawak with 17.9 million visitors.

#### Domestic Visitors and Receipts



Abbreviation: 9M – January to September; RHS – refers to the right-hand-side axis

Source: Department of Statistics Malaysia, CBRE | WTW Research and Consulting

## OFFICE MARKET OVERVIEW

### Supply

The total purpose-built office (PBO<sup>1</sup>) supply in the Klang Valley stands at 125.5 million sq. ft. across all grades. Of this, 62.0 million sq. ft. is categorised as Prime PBOs<sup>2</sup> (Grade A and Premium A), reflecting the significant portion of premium office space available within the region.

In Kuala Lumpur (KL), the core areas continue to dominate, with CKL leading as the preferred business destination. The total office supply across all grades in CKL is recorded at 55.4 million sq. ft., with 29.0 million sq. ft. designated as Prime PBOs and 24.7 million sq. ft. are green-certified PBOs<sup>3</sup>. CKL is recognised as a mature and prestigious locality, demanded for its globally recognised address. This area not only holds a significant share of the city's total office supply but also houses a substantial concentration of prime office spaces, reflecting the demand for modern and high-quality work environments.

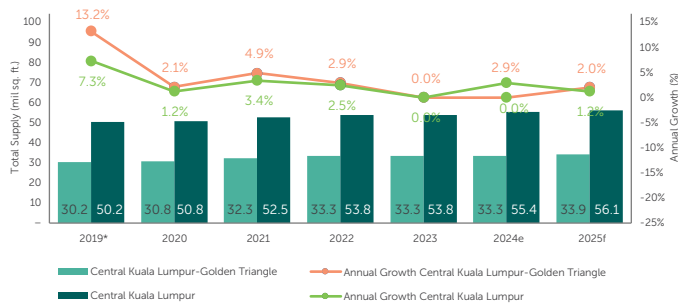
<sup>1</sup> Based on CBRE | WTW Research and Consulting, purpose-built offices (PBO) in the Klang Valley may be referred to as private modern and free-standing multi-storey buildings with present day conveniences, amenities and adequate car parking facilities for tenants/visitors and aged not more than 30 years although we may include offices which have undertaken major refurbishment works and office building(s) within an integrated commercial development, focusing on prime space. Prime PBO space refers to buildings with high quality modern space, largely column free and includes recent generation of building services and amenities. These buildings are situated in premier location and possibly in major suburban towns.

<sup>2</sup> Grade A/Premium A or Prime office building refers to high quality modern space, largely column free and includes recent generation of building services and amenities. These buildings are situated in premier location and possibly in major suburban towns.

<sup>3</sup> Green-certified office building refers to office building that have obtained recognised sustainability certifications, such as the Green Building Index (GBI), Leadership in Energy and Environmental Design (LEED), and GreenRE. These certifications reflect the growing emphasis on energy efficiency, environmental sustainability, and workplace wellness, aligning with corporate ESG commitments and evolving tenant preferences for greener, high-performance office spaces.

A notable highlight is the CKL-GT, which serves as the city’s commercial nucleus. The overall office supply in CKL-GT is 33.3 million sq. ft. across all grades, with prime PBOs comprising 23 million sq. ft and green-certified PBOs making up 20.3 million sq. ft. The CKL-GT’s office landscape is characterised by its strong presence of premium spaces, underscoring its appeal to multinational corporations and high-value businesses seeking strategic locations. The office spaces in the CKL-GT primarily house companies from key industries such as oil and gas, financial services, technology and telecommunications, as well as hospitality and retail headquarters.

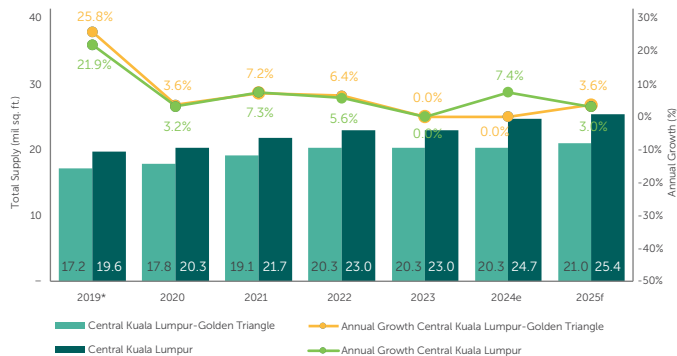
**Cumulative Supply of Purpose-Built Office in Central Kuala Lumpur (2019 – 2025)**



Abbreviation: mil sq. ft. – million square feet; e – estimate; f – forecast  
 \*Remark: The office supply in CKL-GT recorded an exceptional annual growth of 13.2%, driven by the bulk completion of nearly 3.5 million sq. ft., including The Exchange 106, Menara Prudential TRX and BB Tower.

Source: CBRE | WTW Research and Consulting

**Cumulative Supply of Green-Certified Purpose-Built Office in Central Kuala Lumpur (2019 – 2025)**



Abbreviation: mil sq. ft. – million square feet; e – estimate; f – forecast  
 \*Remark: The green-certified office supply in CKL-GT recorded an exceptional annual growth of 25.8%, driven by the bulk completion of nearly 2.9 million sq. ft., including The Exchange 106 and Menara Prudential TRX.

Source: CBRE | WTW Research and Consulting

In 2024, one new Prime PBO was added in CKL: Merdeka 118 (1.7 million sq. ft.). Merdeka 118, recognised as the world’s second tallest building (678.9 metres), holds the distinction of being the world’s second tallest tower and obtained a triple platinum rating for green building standards awarded by LEED, Green Real Estate (GreenRE), and Green Building Index (GBI). This prime PBO was completed in 1Q 2024. It boasts a pre-committed occupancy rate of 70%, secured by anchor tenants Permodalan Nasional Berhad (PNB) and Malayan Banking Berhad (Maybank). PNB has commenced its occupancy in the building in phases and is occupying 17 floors, while Maybank is set to occupy 33 floors (0.7 million sq. ft.) starting from 2025.

The upcoming development pipeline in CKL includes PNB 1194 (Jalan Sultan Ismail), Oxley Towers (Jalan Ampang), and Menara Golden Eagle (Jalan Tun Razak). These projects are scheduled for completion by end of 2025 and are expected to contribute an additional 0.7 million sq. ft. of new office space to the total PBO supply. These new projects will increase the office supply in CKL-GT, addressing the growing demand for modern, high-quality office spaces in prime locations. They are set to contribute to the region’s evolving office market, providing tenants with more options that combine strategic positioning, sustainability, and top-tier facilities.

**Future Supply in Central Kuala Lumpur (2025)**

Project	Area	Location	Estimated Net Lettable Area (million sq ft)
Menara Golden Eagle	Golden Triangle	Jalan Tun Razak	0.12
Oxley Tower @ KLCC	Golden Triangle	Jalan Ampang	0.35
PNB 1194	Golden Triangle	Jalan Sultan Ismail	0.20

Source: CBRE | WTW Research and Consulting





# Operating Landscape

## Economic & Market Review and Outlook

### Occupancy Rate

As of 3Q 2024, the overall office occupancy rate in CKL-GT stood at 75.1%, marking a significant improvement from 73.5% in 3Q 2023. This steady performance reflects sustained tenant demand across the region.

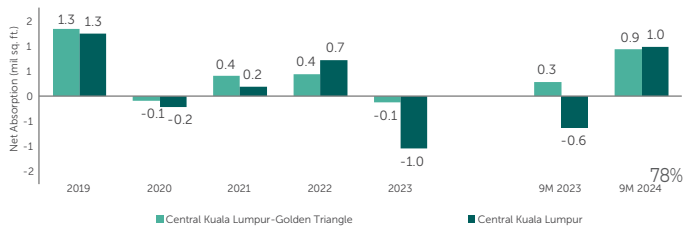
In contrast, CKL's occupancy rate slightly moderated to 73.7%, down from 74.8% in 3Q 2023. This change is primarily due to the recent completion of the Merdeka 118, which introduced new supply to the market. The addition of this space has temporarily affected occupancy levels as the market absorbs the newly available office spaces.

The occupancy rate for green-certified PBOs in CKL remained stable at 68.7% in 3Q 2024, slightly lower than 69.6% in 3Q 2023, primarily due to the bulk supply from Merdeka 118.

Meanwhile, green-certified PBOs in the CKL-GT continued to perform well, with occupancy strengthening to 74.6% in 3Q 2024, up from 70.8% in 3Q 2023, reflecting sustained demand for premium, sustainable office spaces in prime locations.

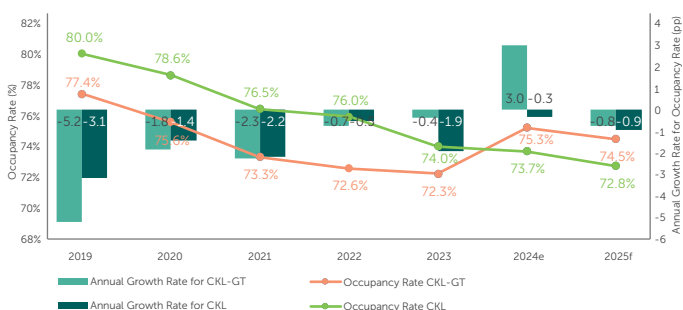
CKL-GT recorded positive net absorption with approximately 900,000 sq. ft. in 9M 2024 (9M 2023: approximately 300,000 sq. ft.). The market showed a steady demand for office space driven by relocation from other areas within the Klang Valley as well as new market entrants.

### Net Absorption of Purpose-Built Office in Central Kuala Lumpur (2019 – 2024)



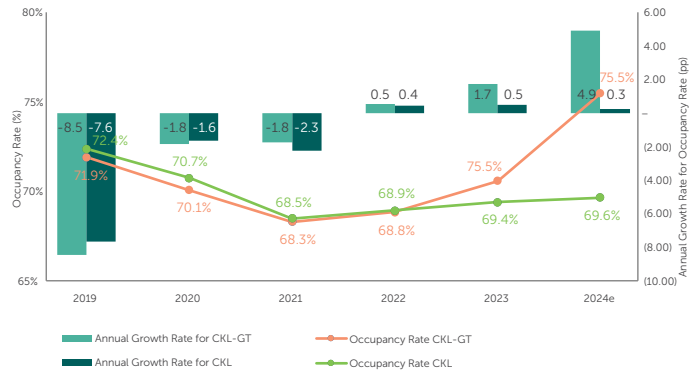
Abbreviation: mil sq. ft. – million square feet; e – estimate  
Source: CBRE | WTW Research and Consulting

### Occupancy Rate for Purpose-Built Office in Central Kuala Lumpur (2019 – 2025)



Abbreviation: CKL-GT – Central Kuala Lumpur Golden Triangle; CKL – Central Kuala Lumpur; e – estimate; f – forecast; pp – percentage points  
Source: CBRE | WTW Research and Consulting

### Occupancy Rate and Annual Growth Rate for Green-Certified Purpose-Built Office in Central Kuala Lumpur (2019 – 2024)



Abbreviation: CKL-GT – Central Kuala Lumpur Golden Triangle; CKL – Central Kuala Lumpur; e – estimate; pp – percentage points  
Source: CBRE | WTW Research and Consulting

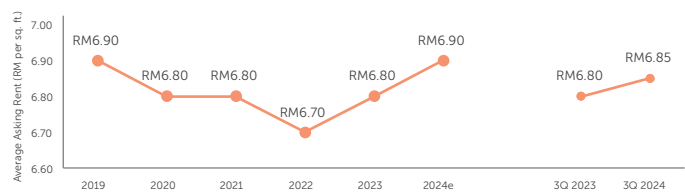
### Asking Rentals

On rental performance, CKL office rentals increased slightly to RM5.00 and RM14.30 per sq. ft. in 3Q 2024 (3Q 2023: RM5.00 – RM13.50 per sq. ft.).

In CKL-GT, the rental rates for office spaces range from RM6.00 to RM14.30 per sq. ft. (3Q 2023: RM6.00 – RM13.50 per sq. ft.), influenced by factors such as location, building quality, and available amenities. Higher rates are typically linked to newer Prime PBOs, located in prime areas, which boast enhanced features.

Green-certified offices commanded an average asking rental of RM7.00 to RM14.30 per sq. ft. (3Q 2023: RM7.00 – RM13.50). Their premium amenities, which promote tenant well-being and strengthen corporate reputation, continue to drive demand and sustain higher rental values.

### Average Rental Rate in Kuala Lumpur



Abbreviation: e – estimate  
Source: CBRE | WTW Research and Consulting



The average office rental rates across all grades in KL have exhibited fluctuations from 2019 to 2024. Starting with a monthly rate of RM6.90 per sq. ft. in 2019, it represents a stable pre-pandemic market with steady demand for office spaces in Kuala Lumpur. The onset of the COVID-19 pandemic then led to a decrease in rental rates to RM6.80 per sq. ft. in 2020, aligned with reduced demand for office space due to lockdowns, increased remote working, and economic uncertainty.

In 2022, the rental rate dipped further to RM6.70 per sq. ft. reflecting the long-term effects of the pandemic on the market which include permanent adoption of hybrid and remote work models by several businesses, and office space downsizing, leading to increased office space vacancies and tenant renegotiations for lower rents. Recovery started in 2023 with rental rates improved slightly to RM6.80 per sq. ft. as businesses resumed in-office operations and relocation or entry of new companies into the market.

As of 3Q 2024, the rental rate increased to RM6.85 per sq. ft., and it is projected to return to the pre-pandemic level of RM6.90 per sq. ft. by the end of the year. The ongoing economic recovery, coupled with the potential for new market entrants and active office relocations, is expected to sustain demand for office spaces in CKL-GT.

### Significant Transactions in Kuala Lumpur (2024)

Quarter	Building Name (Location)	Description	Seller	Buyer	Estimated Net Lettable Area (sq ft)	Consideration
2Q 2024	Solarvest Tower (Bangsar South)	Four levels of office space with 200 car parking bays and a rooftop retail unit with accessorised open area	BK Alliance Sdn Bhd	Solarvest Energy Sdn Bhd	Gross Floor Area: 39,375	RM48.7 million (RM1,238 per sq. ft.)
4Q 2024	Menara Southpoint (Mid Valley City)	Two office-suite parcels (Levels 8 and 9)	Mid Valley City Southpoint Sdn Bhd	IGB Commercial REIT	91,676	RM62.4 million (RM681 per sq. ft.)

Abbreviation: sq ft – square feet

Source: Bursa Malaysia Announcement, CBRE | WTW Research and Consulting

## Key Trends

### Sustained demand for quality office spaces

Cost efficiency, enhanced amenities, and favourable lease terms are at the forefront, guiding relocation decisions toward buildings that offer environmental, social, and governance (ESG) features and value.

The completion of high-quality office spaces in developments like Tun Razak Exchange (TRX), KL Eco City, and Pavilion Damansara Heights will continue to attract new businesses. Companies are increasingly looking for offices with better infrastructure, ESG features, and advanced technology. Many are moving from older buildings to newer ones, which offer improved workspaces that boost productivity and employee satisfaction. As a result, older buildings are becoming less desirable, leading to higher vacancies in those properties and greater occupancy in newer developments.

Furthermore, newly introduced incentives for companies to relocate their business base to TRX will enhance occupancy rates within the precinct. Corporate relocations and new entrants will be drawn to these new buildings, offering appealing leasing packages and incentives.

### Refurbishment and repurposing

Budget 2025 has proposed measures to repurpose vacant government and GLC-owned buildings as preschools, childcare centers, and Technical and Vocational Education and Training (TVET) training facilities. This initiative aims to reduce overall vacancy rates in the property market, including CKL-GT. These efforts collectively highlight the need for proactive market strategies to balance supply and demand dynamics in the area.



## Operating Landscape

### Economic & Market Review and Outlook

#### Office Market Outlook

In 2025, KLCCP Stapled Group's PBOs are set to continue showcasing robust performance, driven by consistently high occupancy rates and strong rental yields. This outstanding performance is supported by the Group's unwavering commitment to premium quality, strategic positioning in a prime location, and the prestige of its iconic address within Kuala Lumpur's central business district. The portfolio's super-premium office spaces, featuring state-of-the-art facilities and tailored to meet the needs of high-end tenants, remain highly sought after by multinational corporations and leading global enterprises. These businesses continue to choose the Group's office spaces for their prestigious and functional environments, solidifying the portfolio's status as a premier destination for top-tier office tenants in 2025.

The occupancy rate for quality office spaces in Klang Valley has been sustainable and will continue through 2025. This trend highlights the perennial demand for quality office environments even as businesses adapt to evolving work practices.

PBOs in CKL-GT are expected to see steady demand from occupiers prioritising accessibility and sustainability. The development's green-rated buildings align with the growing preference for environmentally certified office spaces, appealing particularly to businesses aiming to enhance their corporate sustainability practices. Its strategic location and integration with major transportation networks further strengthen its appeal, making CKL-GT a prime choice for tenants seeking modern, sustainable, and well-connected office environments.

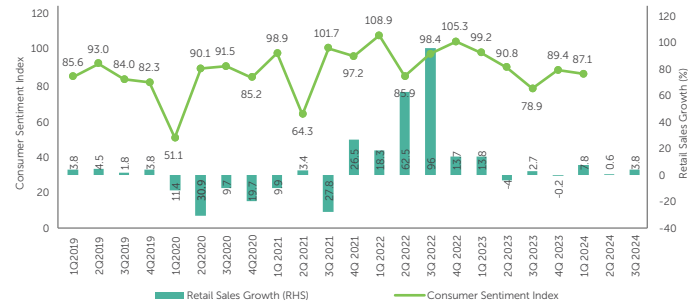
The availability of prime office space continues to attract occupants from non-prime offices, further driving down their occupancy rates. Non-prime offices with outdated layouts and services now face the decision to reinvent themselves, repurpose their spaces, or undergo redevelopment.

#### RETAIL MARKET OVERVIEW

In 2024, three retail projects were completed in the Klang Valley: Semua House refurbishment, New Ocean World Fine Food City, and Elmina Lakeside Mall. These additions have increased the total retail space in KV to 66.5 million sq. ft., while a further 1.6 million sq. ft. of retail supply is expected by 2025. The occupancy rate of newly completed retail malls is between 30% and 98%, depending on active pre-leasing activities. Retail malls with lower occupancy rates come from KL while higher occupancy rates are recorded in malls outside KL.

Tenant movement has been lively since early 2024, highlighted by prominent brand launches at The Exchange TRX Mall. Among the notable newcomers are France's Salomon, Hong Kong's Lukfook Joaillerie, and Malaysia's first Apple store from the United States. Additionally, the majority of new retail entries belong to the Food & Beverage and Fashion & Accessories sectors.

#### Consumer Sentiment Index and Retail Sales Growth



Note: Consumer Sentiment Index has yet to be released for 2Q 2024 and 3Q 2024

Abbreviation: RHS – refer to right-hand-side axis

Source: Malaysia Retailers Association (MRA), CBRE | WTW Research and Consulting

According to the Malaysia Retailers Association (MRA), the Consumer Sentiment Index for 1Q 2024 recorded a slight decline to 87.1 points, reflecting a y-o-y decrease of 12.1 points and a quarter-on-quarter drop of 2.3 points. The decline was attributed to concerns over rising living costs and uncertainties surrounding future job prospects. The Consumer Sentiment Index for 2Q 2024 and 3Q 2024 has yet to be released for these periods.

Retail sales in the first nine months of 2024 grew by 3.8% y-o-y, an improvement from the 2.7% growth recorded during the same period in 2023, indicating a recovery in consumer spending patterns. The low growth rate in 2023 was largely due to the high base effect from 2022 driven by pent-up demand following two years of lockdowns during the pandemic.

The retail sales are projected to reach 3.9% for the entire year of 2024, with a modest uptick anticipated in the final quarter. This growth is attributed to the return of the Malaysia Year-End Sale (MYES 2024), which commenced on 15 November. Additionally, the early celebration of Chinese New Year in 2025, which begins on 29 January, is expected to provide a further boost to year-end sales. Malaysian Chinese consumers are likely to begin their festive preparations and shopping activities as early as late December, adding to the positive momentum in retail performance.

Despite that, the rising cost of living remained the most significant challenge for Malaysia's retail industry during the third quarter of this year. It impacted consumers across all income levels, leaving many Malaysians more cautious with their spending as higher retail prices for various goods and services led to increased household expenses.

However, retail sales are projected to grow by 4.0% in 2025, supported by an expansion in employment and income, as well as ongoing policy measures such as salary increases for civil servants and adjustments to the minimum wage.





### Sales Value and Annual Growth Rate of Retail Trade (2023 – 3Q 2024)



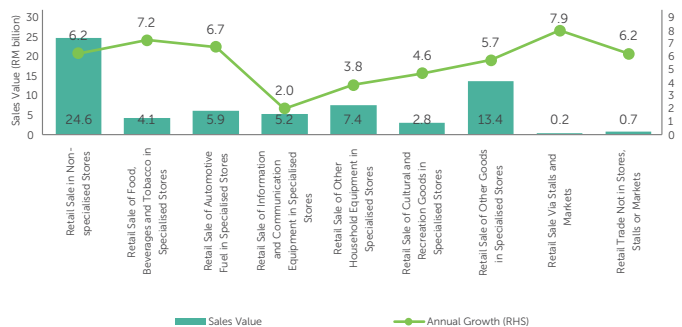
Abbreviation: \* preliminary; RHS – refer to right-hand-side axis  
 Source: Department of Statistic Malaysia (DOSM), CBRE | WTW Research and Consulting

The retail trade sector recorded a positive growth in sales value for the first nine months of 2024, reflecting an encouraging recovery in the sector despite external pressures.

As of September 2024, the sales value reached RM64.4 billion, representing an annual growth rate of 5.5%. Retail Sale in Non-Specialised Stores contributed the highest sales value, amounting to RM24.7 billion or 38% of the total sales. Retail Sale of Other Goods in Specialised Stores followed with RM12.7 billion, accounting for 21% of the total.

In terms of annual growth, Retail Sale via Stalls and Markets recorded the highest increase at 7.9% compared to the same period in the previous year. Retail Sale of Food, Beverages, and Tobacco in Specialised Stores ranked second with a growth rate of 7.2%, followed by Retail Sale of Automotive Fuel in Specialised Stores at 6.7%.

### Sales Value and Annual Growth of Retail Trade by Group (September 2024)



Abbreviation: RHS – refer to right-hand-side axis  
 Source: Department of Statistic Malaysia (DOSM), CBRE | WTW Research and Consulting

### Supply

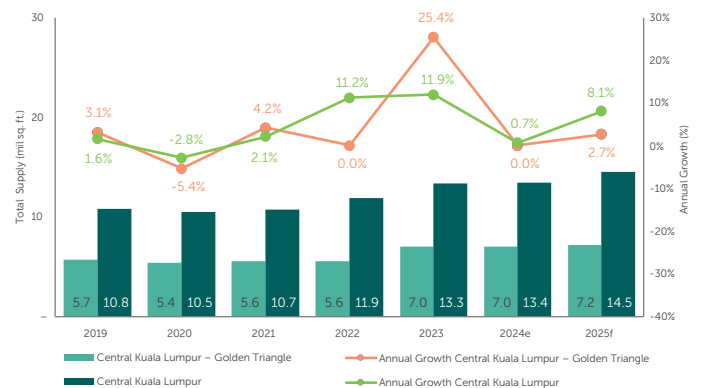
As of 3Q 2024, the overall supply of Purpose-built Retail (PBR<sup>4</sup>) in Klang Valley increased to 66.5 million sq. ft. of net lettable area (NLA), with the completion of Semua House, New Ocean World Fine Food City and Elmina Lakeside Mall this year. This is a 3.7% y-o-y growth from the previous year (3Q 2023: 64.1 million sq. ft.). Of this total, Kuala Lumpur (KL) occupies 55% or 36.4 million sq. ft. of retail space, followed by Outside KL with 45% (30.0 million sq. ft.).

Specifically in Central KL, the total retail space records at 13.4 million sq. ft. with 52% (7.0 million sq. ft.) of this supply located in the Golden Triangle (CKL-GT). The latest addition to CKL-GT is The Exchange TRX Mall, completed in 4Q 2023. Covering 1.3 million sq. ft., it houses anchor tenants like Aurum Theatre, Seibu Department Store, and Mercato Supermarket.

In 2024, the refurbishment of Semua House added 90,000 sq. ft. of retail space to the market, further bolstering the supply within CKL-Secondary (CKL-S). It is designed with an open and modern layout, tenanted by local and international brands.

Several upcoming retail developments in Central KL includes 8 Conlay Lifestyle Quarter (188,000 sq. ft.) and 118 Mall @ Merdeka 118 (900,000 sq. ft.). These projects are scheduled for completion by end of 2025 and are expected to contribute an additional 1.1 million sq. ft. of new retail space to the total PBR supply.

### Cumulative Supply and Annual Growth Rate of Purpose-Built Retail in Central Kuala Lumpur (2019 – 2025)



Abbreviation: e – estimate; f – forecast  
 Source: CBRE | WTW Research and Consulting

<sup>4</sup> Based on CBRE | WTW Research and Consulting, purpose-built retail (PBR) is an enclosed, multi-levelled shopping area, marketed as a 'one-stop' shopping destination with a defined trade area. Usually draws a population catchment of domestic and or international shoppers. CBRE | WTW has further categorises this into (1) Mall/Mega Mall, (2) Neighbourhood, (3) Hypermarket, (4) Destination Centre; each type has its own criteria in respect of the target market and products.



## Operating Landscape

### Economic & Market Review and Outlook

#### Future Supply of Purpose-Built Retail Space in CKL-GT (2025)

Project	Area	Estimated Net Lettable Area (sq ft)
Merdeka 118 (118 Mall)	Central KL	900,000
8 Conlay Lifestyle Quarter	Central KL	188,000

Abbreviation: sq. ft. – square feet; KL – Kuala Lumpur  
Source: CBRE | WTW Research & Consulting

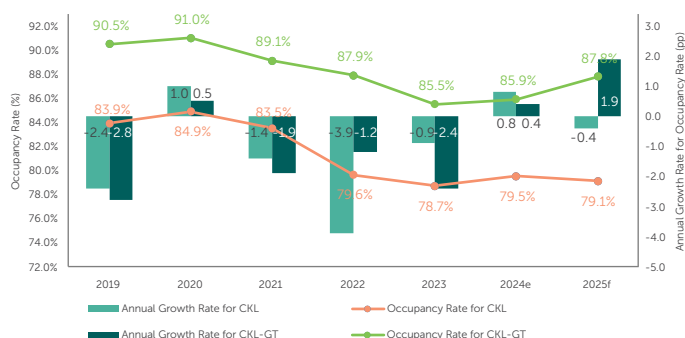
#### Occupancy Rate

As of 3Q 2024, the overall occupancy rate of purpose-built retail malls in Klang Valley reached 80.6%, which is an increase of 0.7 percentage point from the same period last year. Similarly, the overall retail occupancy rate within CKL increased by 1.3 percentage points y-o-y at 80.1%.

Meanwhile, the occupancy rate of retail malls in CKL-GT and CKL-S stands at 86.8% and 72.9% respectively. Both occupancies improved by 0.8 and 0.6 percentage points compared to the same period last year. This steady performance reflects sustained retail demand across the region. Prime retail malls in the area posed positive occupancies, supported by domestic and international tourists.

Well-performing malls, such as Suria KLCC, Pavilion KL, and The Starhill Bukit Bintang, achieved occupancy rates exceeding 95%, reinforcing their position as key retail destinations in the city.

#### Occupancy Rate and Annual Growth for Purpose-Built Retail in Central Kuala Lumpur (2019 – 2025)



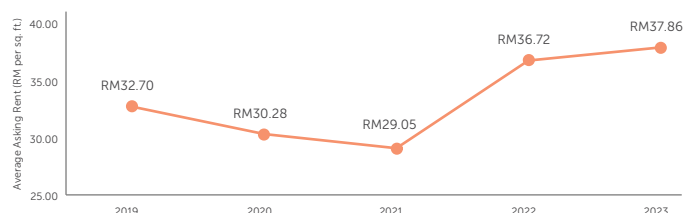
Abbreviation: CKL-GT – Central Kuala Lumpur Golden Triangle; CKL – Central Kuala Lumpur; e – estimate; f – forecast; pp – percentage points  
Source: CBRE | WTW Research and Consulting

#### Rental

The opening of The Exchange TRX Mall was marked by a significant number of international retail debuts, including the Apple Store and other notable retailers across various sectors such as F&B (e.g., Reborn Coffee, Shake Shack, Tipsy Flamingo), fashion and accessories (e.g., Gentle Monster, Drunk Elephant), and the department store Seibu. From 1Q to 3Q 2024, new retail entries remained positive, with the highest activity seen in the F&B, fashion and accessories, and leisure and entertainment categories. These new additions were observed in both KL and Outside KL.

Prime rental performance by REIT-operated retail malls reported positive trends backed by good tenancy renewals and tenant movements. As of 2023, the average prime rental for retail malls in KL records at approximately RM38.00 per sq. ft. per month and RM19.00 per sq. ft. per month Outside KL.

#### Average Prime REIT Rental in CKL-GT (2019 – 2023)



Abbreviation: sq. ft. – square feet  
Source: CBRE | WTW Research and Consulting



## Significant Transactions in Klang Valley (2024)

Quarter	Building Name (Location)	Description	Seller	Buyer	Estimated Net Lettable Area	Consideration
1Q 2024	163 Retail Park (Mont Kiara, KL)	Stratified 7-storey shopping centre	D' Kiara Place Sdn Bhd	Sunway REIT	255,535	RM215 million (RM841 per sq.ft.)
2Q 2024	D' Pulze Shopping Centre (Cyberjaya, Selangor)	7-storey commercial building with 2 basement levels and 1,028 car park bays	D' Pulze Ventures Sdn Bhd	KIP REIT	311,499	RM320 million (RM1,027 per sq.ft.)
3Q 2024	Tropicana Gardens Mall (Tropicana Indah, Selangor)	Purpose-built 7-storey shopping mall together with 2,190 parking bays	Tropicana Indah Sdn Bhd	IOI Mall Damansara Sdn Bhd	1,007,078	RM680 million (RM675 per sq.ft.)

Source: CBRE | WTW Research and Consulting

### Key Trends

In 2024, sustainability initiatives are gaining traction, enhancing the malls as vibrant hubs for shopping and social interaction. This is evident by retail malls that are taking approaches of space rejuvenation and retail placement to maintain relevance in the challenging market. For instance, the once run-down Semua House was rejuvenated and reopened with a modern layout and a majority of local retailers. Besides that, throughout the year, many retail malls have experimented with various strategies to differentiate themselves:

- Diverse dining options – e.g., New Ocean World Fine Food City with a curated variety of cuisine, food court expansion, and a wide variety in Pavilion Bukit Jalil
- Art and culture platforms – e.g., creative community in GMBB, art galleries in Publika, and art showcase space in Fahrenheit 88.
- Unique entertainment and sports – e.g., sports courts in Space U8 and KSL Esplanade Mall, and baseball cages in MyTown.
- Open-concept areas – e.g., rooftop space for events in Mitsui Shopping Park Lalaport, MyTown, and Lot 10, and open-concept layout in Elmina Lakeside Mall.

Technology is being incorporated into the retail sector, revolutionising shopping, payment, and delivery processes to cater to consumers' growing demand for convenience and an enhanced shopping experience. Simultaneously, retail malls are evolving into multifunctional spaces, offering opportunities for activities such as exercising, working, learning, and entertainment.

### Retail Market Outlook

KLCCP Stapled Group's retail performance is expected to remain strong, driven by key assets such as Suria KLCC, located beneath the iconic Petronas Twin Towers, and Menara 3 Petronas. The Petronas Twin Towers, one of Malaysia's most recognisable landmarks, draw millions of tourists each year, enhancing the appeal of Suria KLCC. With its prime location in the heart of Kuala Lumpur, Suria KLCC benefits from the constant flow of local and international visitors. The mall's diverse tenant mix, along with a focus on experiential marketing and events, ensures that it continues to be a top shopping destination for both tourists and locals.

The retail sector in the Klang Valley continues to showcase resilience and adaptability amidst evolving consumer behaviours and economic shifts. Investors and retailers in the Klang Valley remain optimistic, as demonstrated by retail mall acquisitions, tenant movements, and international brand debuts. Market players anticipate a positive turnaround in 2025, supported by revised civil servants' salaries and higher minimum wages. These measures are expected to boost retail sales next year. Besides that, the relaxation of visa regulations for China tourists and the Visit Malaysia 2026 tourism campaign is anticipated to improve tourism arrivals, further bolstering retail activity in the area.

Retailers continue to prioritise locations with strong connectivity, advanced technology integration, and a solid catchment area to maintain shopper traffic and profitability. An additional 1.1 million sq. ft. of retail space is expected to come online in CKL-GT, which could impact both occupancy rates and rental performance. In response, landlords and mall operators are focusing on optimising tenant-mix, gaining deeper insights into consumer preferences, and exploring diversified uses for retail spaces. Nonetheless, prominent malls continue to see high demand, reflecting a recovery in shopper traffic, increased retail store expansion, particularly in the F&B sector, and the introduction of new brands.





## Operating Landscape

### Economic & Market Review and Outlook

#### HOTEL MARKET OVERVIEW

##### Supply

As of 3Q 2024, Klang Valley's total hotel<sup>5</sup> room supply stands at 66,449 keys. Of these, the majority, 46,619 keys (70%) are concentrated in the KL area. This indicates that KL remains the primary hub for hospitality in the region. This distribution highlights the continued preference for central locations among both hotel developers and guests, reinforcing KL's status as the key area for accommodation in Klang Valley.

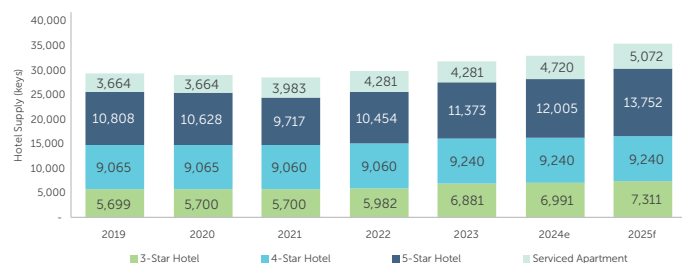
The hotel room supply in CKL has shown a fluctuating trend from 2019 to 3Q 2024, reflecting the impact of various economic and market conditions. From 2019 to 2021, the number of hotel rooms decreased from 29,236 to 28,460 keys. This decline likely reflects the impact of the COVID-19 pandemic, which led to temporary or permanent closures of some hotels. In 2022, the supply began to recover, increasing to 29,777 keys as travel restrictions eased and the tourism sector began to rebound. By 2023, the hotel room supply had risen to 31,775 keys, continuing to grow to 32,644 keys by 3Q 2024. This increase indicates a strong recovery and expansion in CKL's hospitality industry, driven by a return of travelers and new hotel developments.

Within CKL, a significant portion of hotel rooms is concentrated in the Central Kuala Lumpur – Golden Triangle (CKL-GT), with 19,829 keys. The remaining 12,815 keys are located in the Central Kuala Lumpur – Secondary (CKL-S) area.

This distribution underscores the Golden Triangle's prominence as the most sought-after area for accommodation within CKL, attracting a large share of the city's hotel supply. The CKL-S area, while still central, plays a supportive role, offering additional options for visitors seeking proximity to the city's core attractions.

As of 3Q 2024, the majority of the hotel supply in CKL is in 5-star hotels, with 11,693 keys, reflecting CKL's appeal as a luxury destination. This is followed by 4-star hotels, which account for 9,240 keys, catering to travelers seeking a balance between comfort and cost. The 3-star hotel segment has 6,991 keys, offering a more budget-friendly option. Additionally, CKL offers 4,720 keys in serviced apartments for extended stays.

#### Hotel Supply in Central Kuala Lumpur by Star Rating (2019 – 2025)



Abbreviations: e – estimate; f – forecast  
Source: CBRE | WTW Research and Consulting

#### Hotel Completion in Central Kuala Lumpur (2023 – 3Q 2024)

Year	Hotel	Location	Star Rating	No. of Rooms	Total Rooms
2023	Four Points by Sheraton KLCC	Jalan Sultan Ismail	5	513	1,592
	Hotel Indigo	Jalan Puncak	4	180	
	Sleeping Lion Suites	Bukit Bintang	3	899	
2024	Crowne Plaza Hotel	Jalan Yap Kwan Seng	5	320	869
	Lloyd's Inn	Jalan Kamuning, Imbi	3	110	
	Imperial Lexis	Jalan Kia Peng	SA	439	

Abbreviation: SA – serviced apartment  
Source: CBRE | WTW Research and Consulting

In 2023, three new hotels were added to CKL: Sleeping Lion Suites (a 3-star hotel), Hotel Indigo (a 4-star hotel), and Four Points by Sheraton KLCC (a 5-star hotel). All are situated in the Golden Triangle area.

In 2024, three new hotels were launched in CKL: Crowne Plaza Hotel (a 5-star hotel), Lloyd's Inn (a 3-star hotel), and Imperial Lexis KL (serviced apartment).

<sup>5</sup> CBRE | WTW Research and Consulting has defined hotels as buildings that provide lodging and other services to the travelling public on a commercial basis as licensed under Innkeepers Act 1962. The hotel facilities and serviced provided include housekeeping services, laundry services, business centre, food and beverage facilities, entertainment etc. Serviced apartments are a category of hotel which provide hotel-like amenities with apartment accommodation (1 to 3 bedrooms). Boutique hotels are hotels of less than 100 rooms in size that provide levels of service comparable to upscale or luxury hotels. In Malaysia, the hotel classification is ranking of hotels by star ratings (1 to 5 stars) is awarded by the Ministry of Tourism and Culture (MOTAC). The classification is mainly based on their physical requirements and other qualitative and aesthetic requirements.



### Future Supply in Central Kuala Lumpur (4Q 2024 – 2025)

Year	Hotel	Location	Star Rating	No. of Rooms	Total Rooms
4Q 2024	Hyatt Centric Hotel	Jalan P Ramlee	5	312	312
2025	SO Sofitel KL @ Oxley Tower	Jalan Ampang	5	226	2,419
	Park Hyatt @ Merdeka 118	Jalan Hang Jebat	5	252	
	Kempinski @ 8 Conlay	Jalan Conlay	5	260	
	Regent KL @ Menara Golden Eagle	Jalan Tun Razak	5	259	
	Kimpton KL @ TRX	Jalan Tun Razak	5	471	
	Waldorf Astoria Hotels & Resorts	Jalan Raja Chulan	5	279	
	Moxy Chinatown	Jalan Hang Lekiu	3	320	
Marriott Executive Apartment	Jalan Kia Peng	SA	352		

Abbreviation: SA – serviced apartment

Source: CBRE | WTW Research and Consulting

CKL is expected to welcome around 312 new hotel rooms (Hyatt Centric Hotel), with an additional around 2,419 rooms in 2025. Notably, around 75% of this upcoming supply, or 2,059 rooms, will be from 5-star hotels. Selected new additions include So Sofitel at Oxley Tower KLCC, Park Hyatt at Merdeka 118, and Kimpton KL at TRX.

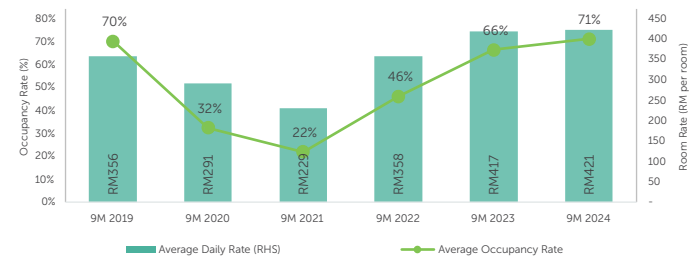
### Performance

In 9M 2024, KL hotels reported an Average Occupancy Rate (AOR) of 71%, up from 66% in the same period of 2023. This increase indicates a positive trend in demand for hotel rooms in the city. The occupancy rate has surpassed the pre-pandemic level (9M 2019: 70%).

The Average Daily Rate (ADR) improved to RM421 in 9M 2024, compared to RM417 in 9M 2023. ADR has also surpassed the pre-pandemic level (9M 2019: RM356).

In CKL, the AOR and ADR for 5-star hotel has shown significant improvement y-o-y. CKL's occupancy rate improved to 72% in 9M 2024, up from 66% in 9M 2023. ADR in CKL has also increased by 12% y-o-y, reaching RM719 in 9M 2024 (9M 2023: RM639).

### Average Occupancy Rate and Average Daily Rate for Hotels in Kuala Lumpur (2019 – 2024)



Abbreviation: 9M – January to September; RHS – refer to right-hand-side axis

Source: STR, CBRE | WTW Research and Consulting

### Significant Transactions (2023 – 2024)

#### Selected Hotel Transactions in Kuala Lumpur

Year	Hotel Name (Rating, No. of Rooms)	Seller	Buyer	Consideration
2024	Banyan Tree Hotel (5-star, 55 keys)	Lumayan Indah Sdn Bhd	Pavilion REIT	RM140 million (RM2.5 million per room)
2024	Pavilion Hotel (5-star, 325 keys)	Harmoni Perkasa Sdn Bhd	Pavilion REIT	RM340 million (RM1.0 million per room)
2023	Hotel Stripes Kuala Lumpur, Autograph Collection (5-star, 184 keys)	Hotel 25 Sdn Bhd	YTL Hospitality REIT	RM138 million (RM750,000 per room)
2023	W Hotel Kuala Lumpur (5-star hotel, 150 keys)	Tropicana Residences Sdn Bhd	IOI PFCC Hotel Sdn Bhd and Flora Development Sdn Bhd	RM270 million (RM1.8 million per room)



## Operating Landscape

### Economic & Market Review and Outlook

#### Key Trends

##### Wave of new global brands

Klang Valley is seeing a wave of new international brands while existing brands continue to expand actively. Kempinski Hotels and Langham Hospitality Group (LHG) are making their debut while Accor Hotels, Hyatt Hotels, IHG, Hilton Worldwide, and Marriott International are further strengthening their presence.

In 1Q 2024, Marriott International launched its first Moxy hotel in Malaysia, the Moxy Putrajaya, with 480 rooms. Courtyard by Marriott Kuala Lumpur South was launched in 2Q 2024, offering 278 rooms. Courtyard by Marriott is set to further expand with a new location in Subang in 2026.

Other notable additions in 2024 include the Imperial Lexis KL, ibis Styles Sepang KLIA by Accor, Lloyd's Inn Kuala Lumpur at Jalan Kamuning (Imbi), and the Crowne Plaza Hotel at Jalan Yap Kwan Seng.

Since 2022, the Klang Valley hotel industry has focused on luxury accommodations to serve both business and leisure travellers. In 2022, nearly 51% of new hotel rooms in Klang Valley were 5-star hotels. By 2025, 61% of the new hotel rooms in Klang Valley are expected to be in the 5-star category.

Most luxury hotels are located in Kuala Lumpur City Centre, within walking distance of major landmarks, including the PETRONAS Twin Towers, the Tun Razak Exchange Financial District, and the Bukit Bintang shopping area. This allows easy access to business hubs, shopping, and entertainment.

##### Hotel Market Outlook

Looking ahead, KL's hotel market is well-positioned for continued growth given the rise in both international tourist arrivals and domestic visitors.

International and business travelers are expected to continue driving the region's hotel performance, contributing to higher demand for accommodations, events, and meetings. KL's good connectivity to mass transportation, along with its ample food & beverage (F&B) options and MICE (Meetings, Incentives, Conferences, and Exhibitions) facilities, will further enhance its appeal.

The introduction of high-end hotels together with the current weaker currency, is likely to attract both high-end travelers and those seeking extended stays, reinforcing the region's position as a premier destination in the regional hospitality sector.

Hotel transactions in the past few years have attracted significant interest from international corporations and Real Estate Investment Trusts (REITs). This trend highlights a growing confidence in KL's hospitality market and its appeal to global investors looking for opportunities in the sector.

KLCCP Stapled Group's MOKUL Hotel showed robust improvement in 2024, with the average occupancy rate rising to approximately 58% (2023: 55%), reflecting a surge in both business and leisure travel. Additionally, the average daily rate recorded an upward trend. This further underscores the increasing demand for premium accommodation.

MOKUL Hotel has maintained its excellence in the industry. In 2024, the Hotel was recognised as the Best Business Hotel – Malaysia at the 33<sup>rd</sup> Annual TTG Travel Awards and was also shortlisted as one of the best hotels in Kuala Lumpur in the Conde Nast Traveler Readers' Choice Awards 2024. The hotel provides an excellent stay experience and offers a variety of unique culinary options.

Capitalising on its strategic location within the KLCC Precinct, MOKUL Hotel has strengthened collaborations with key partners in the area, focusing on delivering sustainable and exceptional performance. Its prime location and high-quality services position it as a strong contender for future growth.

#### Glossary

The Central Kuala Lumpur (CKL) is bounded by Jalan Tun Razak, Jalan Sungai Besi, Jalan Istana, Jalan Damansara, and Lebuhraya Mahameru. CKL is divided into two areas, as the following:

- CKL-Golden Triangle (CKL-GT) - The areas bounded by Jalan Tun Razak (ended at Intermark), AKLEH, Jalan Sultan Ismail, Jalan Imbi and Jalan Bukit Bintang.
- CKL-Secondary (CKL-S) - The areas in the City Centre excluding KL Golden Triangle. Areas are bounded by Lebuhraya Mahameru, Jalan Tun Razak, Jalan Sg. Besi, Jalan Istana and Jalan Damansara.

For easy reference, a map of the CKL area demarcating the boundaries for CKL-GT and CKL-S is shown below:



**CBRE | WTW**

Prepared by CBRE | WTW  
Research & Consulting  
CBRE WTW Valuation &  
Advisory Sdn Bhd (formerly  
known as C H Williams  
Talhar & Wong Sdn Bhd) –  
February 2025

#### Legend:

- Line delineating CKL
- Line delineating CKL-GT

#### Disclaimers:

Our findings contained herein is based on information made available to us at the time of our survey in February 2025 including information on the proposed development, provided by the client and have been derived from sources which we believe to be reliable. As such, we cannot guarantee its accuracy or completeness. No liability can be accepted for any loss arising from the use of this report. All opinions and estimates expressed herein reflect our judgement as of this date and are subject to change without notice. The future supply in this report refers only to developments that have been launched or are under construction. We have excluded planned/proposed developments from our assessment of the likely impact on the property market as details of these developments are not firm as at the time of our survey. The findings derived from the survey should be regarded as valid for a limited period of time and should be subject to examination at regular intervals. All rights reserved. No part of this report may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronics, mechanical, photocopying, recording or otherwise, without the prior permission of: CBRE WTW Valuation & Advisory Sdn Bhd.



## KEY MARKET TRENDS

We remain focused on identifying and responding to key market trends that are reshaping the business environment. Shifts in consumer expectations, advancements in technology, and a stronger focus on sustainability are redefining industry standards and creating new opportunities. This section provides an overview of the critical factors influencing our strategic decisions.

### Tourism Revival Boosting Growth

#### DESCRIPTION

The government launched various initiatives to attract international and local tourists including targeted marketing campaigns, improved infrastructure and enhanced connectivity. Malaysia is also focusing on cultural, heritage and eco-tourism experiences alongside hosting international events and festivals to boost visitor numbers and encourage repeat tourism for sustainable growth.

#### POTENTIAL IMPACT: RISKS OPPORTUNITY

Travel and tourism growth has boosted consumer spending in the retail and hospitality sectors, providing opportunities for businesses to expand and attract a broader audience. Collaboration between retailers and service providers creates a more engaging environment, driving higher revenue and employment. Direct interactions with visitors offer valuable feedback, helping businesses refine their services for long-term growth. Increased demand for local products supports small businesses, fostering economic development in key tourist areas. However, this growth also brings risks such as increased competition and the need for continuous innovation to meet changing consumer preferences. Addressing these challenges through sustainable practices and thoughtful planning can ensure a vibrant, sustainable tourism ecosystem.

#### HOW WE RESPONDED

- Suria KLCC's offerings of diverse tenant mix including global and local brands to attract a diverse mix of tourists.
- Suria KLCC created memorable experiences through events like Picnic in the Park and themed marketing campaigns such as Flavours of Suria. These include entertainment, culture and retail elements, making Suria KLCC a must-visit destination.
- Suria KLCC & KLCCH Sdn Bhd were the official joint-venue partner of Kuala Lumpur Fashion Week 2024, enhancing KLCC Precinct's visibility as a luxury fashion destination and a lifestyle leader.
- MOKUL Hotel actively participated in trade shows organised by Tourism Malaysia, Malaysia Inbound Chinese Association (MICA), and Mandarin Oriental Hotel Group (MOHG), reaching out to clients through face-to-face engagements. This helped MOKUL Hotel attract more international travellers and supported the growth of the tourism industry.
- Suria KLCC and MOKUL Hotel enhanced the visitor experience with placemaking initiatives like the Art in the Park and the Wellness at KLCC programmes, attracting tourists and fostering community well-being.

#### OUTLOOK

Malaysia's tourism sector is experiencing strong growth, driven by enhanced air connectivity, visa-free travel policies, and the country's cultural appeal. Kuala Lumpur continues to attract international visitors with its urban attractions and favourable exchange rates. Confidence in the sector is reflected in hotel upgrades and the entry of international operators, contributing to improved occupancy rates and a competitive market.

#### Links

Capitals:



Strategy:



Material Sustainability Matters:



Risks:





## Operating Landscape

### Key Market Trends

### Thriving in Competitive Market

#### DESCRIPTION

Increasing supply of modern office spaces, diverse retail offerings, and unique hospitality experiences are reshaping the property sector. Offices are incorporating sustainability elements, malls are curating exciting experiences and tenant mixes, and hotels are focusing on personalised services. These shifts reflect the industry's move toward innovation and customer-focused solutions to remain competitive.

#### POTENTIAL IMPACT: RISKS OPPORTUNITY

The competitive landscape is reshaping the property sector, with sustainability and modernisation driving office demand. Older buildings risk losing tenants and rental value without refurbishment, while new, premium spaces attract high-value occupiers. Retail malls are elevating the shopping experience through curated tenant mixes and events, standing out in a market impacted by e-commerce. Hotels are creating personalised stays and hosting events to meet evolving traveller preferences, capturing new markets and enhancing guest satisfaction. Adapting to these shifts strengthens market positioning and opens opportunities for long-term growth.

#### HOW WE RESPONDED

- Enriched the Suria KLCC tenant mix with 28 new brands, including Kyoto Katsu, Kampai, Acqua Di Parma, Maison Francis Kurkdjian and Fauré Le Page to stay ahead in the competitive retail market.
- Tailored support programmes for retail tenants, including collaborative marketing initiatives to promote Suria KLCC as a vibrant and high-performing mall that best meets tenant needs.
- Proactively engaged with office tenants through annual tenant satisfaction surveys and responded to feedback, achieving a tenant satisfaction index of 80% for facility management, thereby improving building management.
- MOKUL Hotel recruited a Chef de Cuisine at MO Grill to elevate the culinary experience with the goal of achieving a Michelin star within 18 months to enhance market differentiation.

#### OUTLOOK

The competitive landscape in the property market is evolving, with a focus on innovation, sustainability and tenant experience. Developers are increasingly differentiating through advanced technologies, eco-friendly designs and flexible spaces. As market competition intensifies, properties that adapt to changing demands and offer unique value propositions are more likely to attract tenants and investors, ensuring long-term success.

#### Links

Capitals:



Strategy:



Material Sustainability Matters:



Risks:



## Digital Transformation Reshaping Business

### DESCRIPTION

Digital transformation is driving efficiency and customer experience in the property sector. Smart technologies and data optimise operations, reduce costs and personalise services in the office, retail and hotel spaces. Adopting digital tools helps property developers stay competitive by meeting the needs of tech-savvy tenants and customers.

### POTENTIAL IMPACT: RISKS OPPORTUNITY

Adopting smart technologies can improve operational efficiency, reduce costs and enhance the customer experience, making properties more attractive to tenants and visitors. However, the initial investment in digital infrastructure can be costly, and there may be challenges in integrating new systems into existing operations. Additionally, various security and data privacy concerns need to be managed. On the flip side, businesses that fail to embrace digital transformation risk falling behind in a market where technology is becoming increasingly essential for competitiveness.

### HOW WE RESPONDED

- Suria KLCC invested in advanced digital platforms like the SKLCC Shopping e-Vouchers, providing seamless and personalised shopping experiences to satisfying their consumers who expect high-tech solutions.
- MOKUL Hotel intensified digital marketing efforts to highlight the dining experience at the hotel, utilising social media campaigns to engage local food communities and influencers.
- KPM elevated the customer experience by replacing 10 autopay station machines through the expansion of cashless payment methods, the introduction of monthly renewal payment methods and the implementation of E-SMS payment reminders.
- Implemented Computerised Maintenance Management System (CMMS) for KPM and KLCCUH to track equipment life expectancy and manage work orders for reporting faulty equipment.
- The Group established myRisk, a centralised risk information platform which provides complete risk overview for reporting to the Boards. It is a web-enabled system allowing users to access the organisation's risk profiles on a real-time basis.
- Enhanced digital literacy among talent by providing a total of 1,012 modules on digital and innovation through myLearningX and instructor-led trainings.
- Upgraded audiovisual (AV) equipment in "Workplace for Tomorrow" office, incorporating Hybrid Meeting Solutions, Immersive Digital Displays, Advanced Audio Solutions, and Smart Booking Systems. These enhancements aim to create a more efficient, collaborative, and sustainable work environment.
- The Group has rolled out SMART GEP, an end-to-end digital procurement system that enhances operational efficiency, streamlines procurement processes, increasing efficiency, and enriching the user experience.
- KLCCUH integrated advanced technologies such as soil monitoring, wind speed monitoring systems, QR Braille-plant identification, and pool robotic cleaning to automate processes, collect valuable data and provide better services to customers.

### OUTLOOK

Digital transformation in the property sector is set to increase substantially with rising demand for smart buildings, data analytics, and enhanced connectivity. Government initiatives supporting digital infrastructure and innovation in the property sector are accelerating this shift. Properties with digital features with the incorporation of Building Information Modelling (BIM) will offer greater convenience, efficiency and security, attracting tech-savvy tenants and enhancing the overall tenant experience. Embracing digital transformation will increase property value and appeal in a competitive market.

### Links

Capitals:



Strategy:



Material Sustainability Matters:



Risks:







## Operating Landscape

### Key Market Trends

### Adapting to Consumer Shifts

#### DESCRIPTION

Consumers are increasingly seeking personalised, convenient and sustainable experiences. There is a growing demand for flexibility, wellness-focused environments, and eco-friendly options. Authenticity and local experiences are gaining importance, while conscious consumption and sustainability are becoming key priorities. Businesses that align with these shifts can better meet consumer expectations and maintain long-term relevance in a competitive market.

#### POTENTIAL IMPACT: RISKS OPPORTUNITY

Embracing trends like sustainability, flexibility and wellness can drive customer loyalty, enhance brand reputation, and create new revenue streams. Businesses that align with these preferences can attract a broader, more engaged customer base and differentiate themselves in a competitive market. Conversely, failure to adapt to these evolving expectations may result in losing market share, diminished customer satisfaction, and potential reputational damage. The risk of higher operational costs, especially when implementing sustainable practices, must also be considered. Ultimately, businesses that successfully tap into these trends will foster long-term growth and relevance.

#### HOW WE RESPONDED

- Suria KLCC brought in several first-to-market brands and modernised its stores for shoppers to engage with innovative products and services that resonate with their values and lifestyle choices.
- Hosted high-impact events, experiential marketing initiatives, and festive campaigns, initiated placemaking activities at KLCC Park which drove vibrancy, footfall and amplified sales opportunities.
- Revitalised spaces at MOKUL Hotel, including meeting rooms, club floor, lounge, recreational areas, and pickleball court, to redefine guest experience.

#### OUTLOOK

Demand for personalised, flexible and sustainable spaces will continue to increase along with greater health and environmental awareness as well as digitalisation in everyday life. Consumers are prioritising wellness, convenience and eco-friendly features, in turn driving the development of adaptable and environmentally responsible properties. Properties that align with these preferences are likely to attract tenants, shoppers and guests, ensuring long-term market relevance and value.

#### Links

Capitals:



Strategy:



Material Sustainability Matters:



Risks:



## Accelerating Sustainability Agenda

### DESCRIPTION

ESG trends are driving responsible procurement, social impact initiatives, and the adoption of sustainable technologies. Companies are establishing governance structures to ensure transparency and accountability in line with growing emphasis on ESG practices. This shift reflects a broader movement towards business operations that prioritise sustainability and social responsibility, meeting both stakeholder expectations and regulatory standards.

### POTENTIAL IMPACT: RISKS OPPORTUNITY

Adopting ESG practices offers the opportunity to attract environmentally and socially conscious investors and tenants, enhancing a company’s reputation and fostering long-term growth. It can also lead to cost savings through energy efficiency and waste reduction initiatives. However, there are risks related to the initial investment required for implementing ESG initiatives, as well as potential challenges in meeting evolving regulatory standards. Failure to address the risks and opportunities related to climate change may also affect the resilience of the Company to physical and transition risks. Companies that fail to align with ESG expectations may face reputational damage, legal penalties, and a decline in investor confidence. In the long term, successful ESG adoption can differentiate a business and contribute to its sustainability.

### HOW WE RESPONDED

- Launched a new Sustainability Plan 2030 to steer the Group’s actions and initiatives across the four pillars - Planet, People, Peace and Prosperity over the next seven years.
- Outlined an Asset-by-Asset Decarbonisation Plan with carbon reduction initiatives for each operating unit to achieve targeted Scope 1 and 2 operational emissions reduction.
- Aligned with the TCFD disclosure on four Scope 3 emissions categories and identified climate risks and opportunities.
- Suria KLCC modernised key facilities with energy-efficient systems and sustainable enhancements.
- Collaborated with KLCC Precinct Partners on Sustainable September, a month-long event contributing towards the UNSDG.
- Tailored a comprehensive ESG training plan for key critical positions and general workforce.
- Appointed Sustainability Network Agent as focal points for sustainability advocacy and engagement for each business function / division.

### OUTLOOK

Demand for sustainable eco-friendly buildings will continue to rise, requiring the managements of older buildings to undertake costly upgrades to meet modern ESG standards. Developers that are focused on energy efficiency and ethical practices will continue to attract tenants and investors, while properties aligned with ESG principles and are resilient to climate-related risks are likely to see higher occupancy and long-term value growth.

#### Links

Capitals:



Strategy:



Material Sustainability Matters:



Risks:





## Operating Landscape

### Key Market Trends

### Regulatory Landscape

#### DESCRIPTION

The regulatory landscape is evolving with stricter policies on governance, compliance, sustainability, and data privacy. Businesses in Malaysia must adapt to these changes by enhancing compliance and risk management strategies. Focus on consumer protection, labour laws, and environmental standards is driving business adjustments to remain competitive and compliant. Staying proactive in navigating these regulations will be crucial for long-term growth and risk mitigation.

#### POTENTIAL IMPACT: RISKS OPPORTUNITY

Stricter regulations can increase operational costs and require businesses to invest in new compliance measures, potentially straining resources. However, these changes also present opportunities to enhance transparency, improve corporate governance, and build stronger consumer trust. By adapting proactively, businesses can gain a competitive edge, attract socially responsible investors, and position themselves as leaders in responsible business practices. Embracing regulatory shifts can also drive innovation and improve long-term sustainability. On the other hand, failure to stay ahead of regulatory changes may lead to legal penalties, reputational risks, and operational disruptions, affecting overall growth.

#### HOW WE RESPONDED

- The Group maintains ISO 37001:2016 ABMS certification, with zero NCR in November 2024 SIRIM audit, reaffirming strong compliance controls. We uphold Adequate Procedures under the T.R.U.S.T. Principles, aligned with MACC Act 694, ensuring robust governance in anti-bribery and corruption practices.
- The Group adopts the PETRONAS Corporate Privacy Policy (CPP) to safeguard employee and third-party data, ensuring compliance with Malaysia's privacy laws through a robust implementation framework.
- Operating units are required to complete the Legal Functional Checklist on Critical Legal Areas, to assess compliance with legal and regulatory requirements. This covers governance, risk assessment, training, due diligence and contractual obligations, and business practice to monitoring and assurance.
- In compliance with the National Sustainability Reporting Framework (NSRF) and revised Bursa Malaysia requirements in December 2024, KLCCP Stapled Group is transitioning to IFRS Scope 1 and Scope 2 disclosures in phases, considering the reliefs allowed in NSRF and continuing TCFD-aligned climate reporting.

#### OUTLOOK

The regulatory landscape in property is becoming more stringent, with increased focus on sustainability, safety, and transparency. Developers must comply with evolving environmental, zoning, and building regulations to remain competitive. Adapting to these changes not only ensures legal compliance but also enhances the long-term value and appeal of properties in a rapidly changing market.

#### Links

Capitals:



Strategy:



Material Sustainability Matters:



Risks:





# Understanding Our Principal Risks

Review of Corporate Risk Profile for KLCCP Stapled Group are conducted annually guided by the KLCC Group Enterprise Risk Management (ERM) Framework, whereby key risks are identified, as well as ensuring that mitigation measures of the exposures are relevant, updated and agile. In doing so, we also take into consideration the current emerging risks including sustainability risk as well as climate change (extreme weather), evolvement of Artificial Intelligence and technology, cyber security attacks and hazards of electric vehicle.

## OUR RISK MANAGEMENT APPROACH

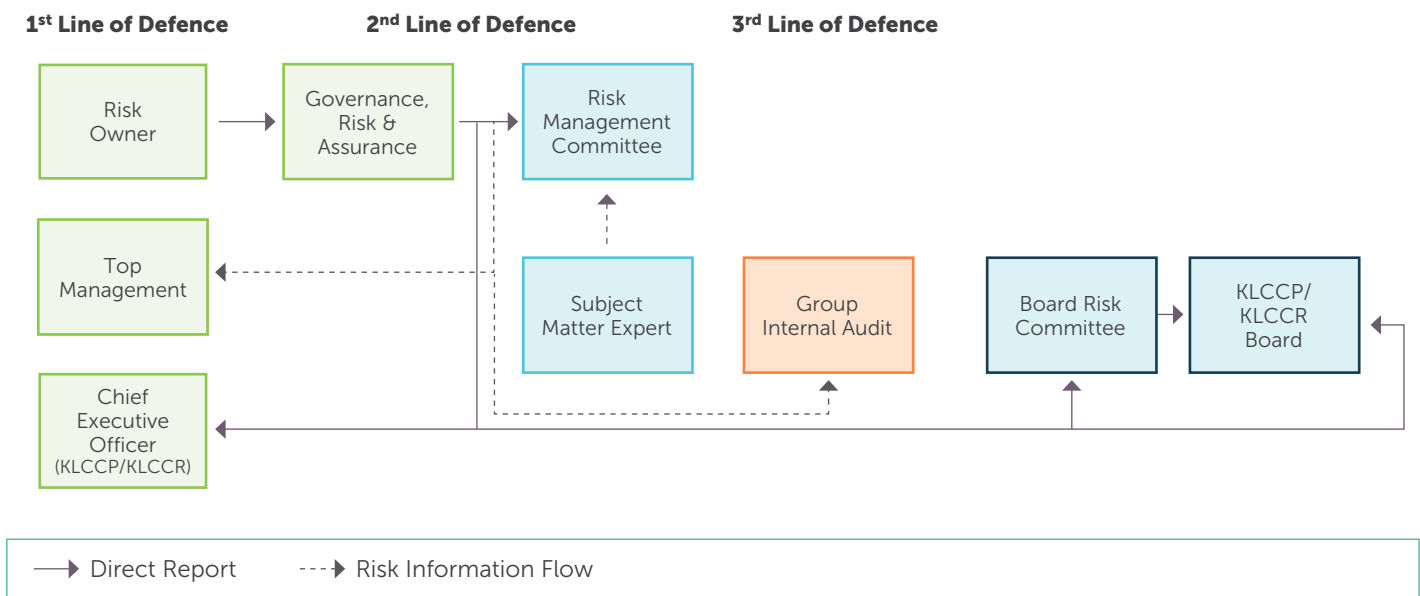
Risk management forms an integral part of KLCCP Stapled Group’s business strategy underpinning our business model. Our risk assessment takes into consideration both challenges and their impact on our business objectives. To become risk resilient, KLCCP Stapled Group strives to implement risk management best practices that protect and create value within set boundaries including risk-based decision-making by providing a balanced and holistic view of exposures to achieve business objectives.

### Risk Governance

Risk governance describes Management’s overall approach in directing and controlling the organisation’s risk management activities. It defines the boundaries and standardises our ERM practice. The mechanism ensures comprehensive and timely risk information flow for each respective authority to manage risks effectively at all levels.

KLCCP Stapled Group adopts a three-line defense model via the risk oversight structure which clearly demarcates roles, responsibility and accountability for risk management. It facilitates the process of assessing and communicating risk issues from the operational level to the Boards, which are fully committed to fostering a strong risk-centric culture, setting the appropriate tone from the top.

## Risk Oversight Structure



Our commitment to risk resilience is embedded in our Risk Policy which highlights the need to implement two important components, namely:

- Risk management best practices to protect and create value within the set boundaries; and
- Risk based decision making by providing a balanced and holistic view of exposure to achieve business objectives.



## Understanding Our Principal Risks

### Risk Strategy

The KLCC Group ERM Framework sets out the governing elements and processes as the foundation of ERM practices to assess, treat, monitor and review risk. The Framework ensures a common understanding of risk management and a consistent approach in managing the Group's risks by detailing the processes to be taken to identify risks that may affect the achievement of our business objectives. It also allows for actions to be taken to effectively manage and monitor these risks.

Our overall risk management strategy covers three areas:

**Enterprise Risk Management** – reducing the likelihood and impact of identified risks on our business operations;

**Crisis Management** – responding to and managing crises impacting our people, environment, assets and reputation;

**Business Continuity Management** – recovering to ensure business continuity, and delivering our services to meet customer demand.

There is a need to embed risk management principles in decision-making and business processes to support the achievement of KLCCP Stapled Group's business objectives. The Governance, Risk and Assurance Department (GRA) conducts training and upskilling programmes for all levels of staff as part of initiatives to enhance risk awareness and risk management capabilities towards inculcating a risk management culture across the Group.

### Risk Appetite

The principal risks and opportunities in managing KLCCP Stapled Group are assessed and evaluated against our risk appetite and tolerance levels whilst mitigation plans and key risk indicators are identified to monitor and reduce our exposure. Our risk appetite reflects the nature and extent of risks the Group is willing to pursue to achieve our strategic objectives. The approved risk appetite covers five main areas across our business.



We review our risk appetite annually to ensure the Group's risk exposure and risk tolerance are relevant and up to date to achieve our strategic objectives. Following the review, GRA presents our risk appetite statement, risk tolerance and threshold to the Risk Management Committee (RMC), Board Risk Committees (BRCs) and the Boards of KLCC Property Holdings Berhad and KLCC REIT Management Sdn. Bhd.

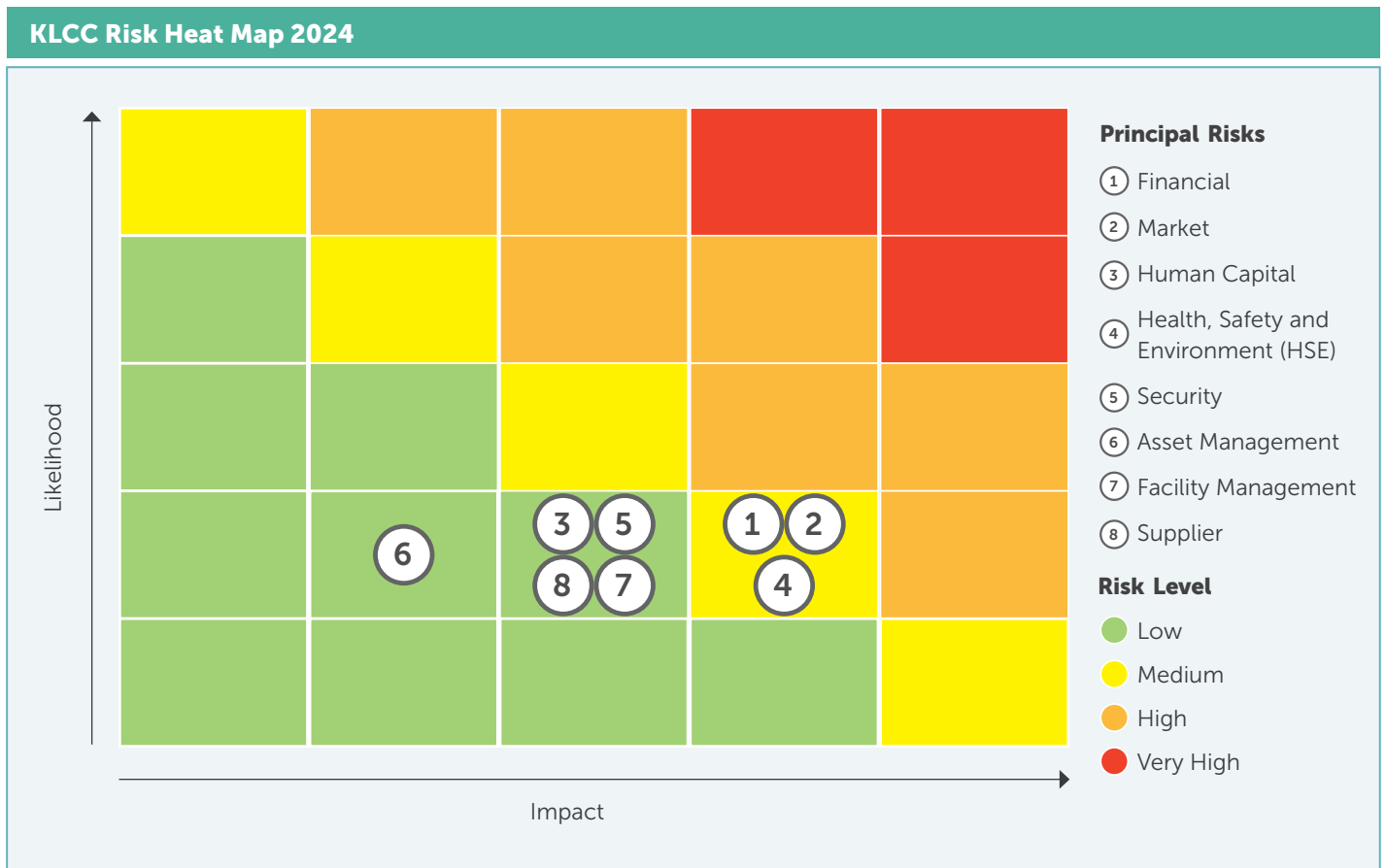
### Risk Monitoring & Review

We actively monitor and review the risks faced by our businesses over the short, medium and long terms, under the guidance of the RMC and BRCs.

The mechanics for monitoring and reviewing our risks include the development of key risk indicators as well as periodic reporting of our risk profile. All risk profiles are monitored via myRisk, a centralised risk information platform which provides a complete risk overview for reporting to the Boards. It is a web-enabled system enabling access to the organisation’s risk profile in real time.

### OUR PRINCIPAL RISKS

In this section we outline KLCCP Stapled Group’s key risks, our approach in responding to them, the opportunities arising from the identified risks, our risk trend, risk tolerance indicators and the impact of identified risks to the Group’s capitals, strategy and stakeholders.



**Impact Rating**

Insignificant | Minor | Moderate | Major | Severe

**Risk Trend:**

Upward | No Change | Downward

**Likelihood Rating:**

Remote | Unlikely | Possible | Likely | Almost Certain

**Risk Tolerance Indicator:**

Breached tolerance limit | Encroaching tolerance limit | Within tolerance limit





## Understanding Our Principal Risks

### FINANCIAL

Risk Level:

Risk Trend:

#### DESCRIPTION

The potential of losing money on investments or assets due to factors and circumstances that affect the financial stability of an individual, organisation or economy.

#### RISK MANAGEMENT STRATEGY

We have instituted measures to address financial risk exposures that could impact our ability to provide satisfactory returns to shareholders as well as to ensure the sustainability of our business operations. Our financial risk appetite performance serves as an indicator on where we are in the pursuit of our business objective.

#### Opportunities Arising from this Risk

Ensuring that a significant portion of KLCCP Stapled Group's debt is fixed, and protected from any OPR hikes, has resulted in low financing costs where the OPR remained relatively high at 3.0% since May 2023.

#### Principal mitigation

A robust capital, profitability and liquidity position is being maintained to support growth of our operations and activities. The following are our key mitigation actions:

##### 1. Gearing Ratio

KLCCP Stapled Group's low gearing ratio allows us headroom and financial flexibility to tap into debt markets. Excessive debt can lead to financial risk exposure, hence the need to manage our debt levels diligently.

##### 2. Cash and Bank Balances

We maintain adequate cash and bank balances to meet our working capital requirements. Additionally, we maximise returns from available cash through placements in the money market while minimising counterparty risk exposure.

##### 3. Trade Receivables Management

We manage trade receivables diligently to minimise trapped liquidity. This ensures a strong liquidity position and the ability to meet our financial obligations.

#### Risk Movement

KLCCP Stapled Group's Financial Risk has been consistently stable attributed to improved results across all risk segments.

#### Activities in 2024

1. Continued diligence in monitoring our financial position and cost to drive business sustainability.
2. Available funds were placed with financially sound institutions and spread across various financial institutions to mitigate concentration risk.

#### Links

Capitals:



Strategy:



Stakeholders



Impact Rating:



Likelihood Rating:



Risk Tolerance Indicator:



**MARKET**

Risk Level:

Risk Trend:

**DESCRIPTION**

The possibility that an entity will experience losses due to factors that affect the overall performance of investments in financial markets.

**RISK MANAGEMENT STRATEGY**

We undertake a comprehensive and robust study on the viability of potential investment proposals in line with the Group’s business plan.

A structured process for new investments and ventures is in place, encapsulating feasibility and market studies, analysis reports, negotiations on terms and conditions, and agreement execution.

Annual strategic conversations with the Boards are held to deliberate on strategic priorities for the Group moving forward bearing in mind our risk appetite. External subject matter experts are invited to share on Malaysia’s outlook, the property market and emerging industry trends.

**Opportunities Arising from this Risk**

Elevate and enhance customer experience through right timing of asset refurbishment and modernisation to strengthen our market position and stay ahead of the competition.

**Principal mitigation**

All proposed capital investment shall meet the business return risk appetite threshold and maximise efficiency through healthy portfolio distribution.

**Risk Movement**

Formulation and establishment of active asset management and acquisition growth strategy are contributory factors in keeping the Market Risk stable.

**Activities in 2024**

1. Continued to seek yield-accretive assets for opportunistic acquisitions.
2. Completed a portfolio review and strategic conversation with the Boards on business sustainability and growth.
3. Effective tracking via quarterly business performance reviews and market benchmarking.
4. Annual review of market risk appetite on business returns (yield) and operational parameters (occupancy, ARR, RevPAR, etc).
5. Established centralised dashboard for real-time decision-making and data integrity.
6. Strengthened commercial and financial excellence via upskilling capabilities on mergers and acquisitions.

**Links**

Capitals:

Strategy:

Stakeholders:

Impact Rating:

Likelihood Rating:

Risk Tolerance Indicator:



## Understanding Our Principal Risks

### HUMAN CAPITAL

Risk Level: Risk Trend:

#### DESCRIPTION

The gap between the human capital requirements of a company or organisation and its existing human capital capabilities

#### RISK MANAGEMENT STRATEGY

Enhance KLCCP Stapled Group's talent pool availability and readiness to support succession planning for key and critical positions.

#### Opportunities Arising from this Risk

An extensive talent development programme plan on an established strong brand, to retain and attract talent.

#### Principal mitigation

- Formulate Strategic Workforce Plan to acquire high potential and competent talents towards meeting business goals.
- Rigorous succession management to ensure consistent and timely supply of leaders to sustain operations and meet business growth requirements.
- Intensify capability building by enhancing talent readiness through capability development programmes.
- Foster a positive work culture that promotes engagement and prioritises employee well-being. This encompasses wellness programmes, and strategies to elevate employee satisfaction.
- Annual review of compensation and benefits to remain competitive, thus able to attract and retain talents.

#### Risk Movement

Our Human Capital Risk has improved in performance based on effort and measures taken to attract and retain competent/qualified talent for key critical positions.

#### Activities in 2024

##### Health & Wellness

1. Prioritising well-being via quarterly congregational prayers, Industrial relations training for leaders, KLCC Long Service Awards, Annual Dinner and myLearning Day.
2. Promoting well being and fit employees with KLCC Sports and Recreation Club (KSRC) offering facilities for tennis, volleyball, badminton, futsal, cycling, ping pong and running, office fitness programmes (Poundfit, Wellness Wednesdays through spinning class); life-saving courses; Putrajaya Core Island Expedition and KLCC United Friendly Matches – all of which encourage social interaction among employees.
3. The Employee Assistance Programme (EAP) offering personalised wellness insights, wellness webinars and mental and emotional support.

#### Remuneration Competitiveness

1. Undertook a benchmarking study to determine KLCCP Stapled Group's competitiveness vis-a-vis similar industries to address challenges in attracting qualified talents and losing talents to industries outside of property.
2. Revised remuneration in March 2024 to ensure parity with the industries benchmarked, benefitting more than 51% of the Group's employees.

#### PETRONAS Organisation Climate Survey (POCS)

1. POCS is a vital tool in understanding and improving the organisational culture enabling KLCCP Stapled Group to demonstrate our commitment to creating a more inclusive, engaging and supportive work environment.

#### Succession Planning & Management

1. Reviews were conducted on 12 top talents to ascertain their development needs to succeed in key critical positions.

#### Recruitment Drive

1. Advertised job openings through various channels.
2. Participated in career fairs (IUKL Graduate Career Fair in collaboration with JobStreet, Karnival Kerjaya Myfuturejobs Melaka Careertrans 2024, and Jobstore MyCareer Fair) and campus recruiting programmes to build our talent pool as well as to increase employer branding.
3. Widening our recruitment channels through university alumni committees, job portals and PERKESO.

#### Talent Progression

1. Talent development and promotion is enhanced by providing ample opportunities for growth.

#### HR Leaders' Network

1. Quarterly networking with HR leaders/directors' of KLCCP Stapled Group including business partners and operators i.e. Suria KLCC, MOKUL Hotel, to leverage each other's strengths and experiences as well as to share best practices.

#### Links

Capitals:



Strategy:



Stakeholders



Impact Rating:



Likelihood Rating:



Risk Tolerance Indicator:





## HEALTH, SAFETY AND ENVIRONMENT (HSE)

Risk Level: ●

Risk Trend: ◀▶

### DESCRIPTION

The hazards and risks associated with the safety and health of personnel, the public and the environment due to an organisation’s activities. These risks can arise from various factors, including operational processes, hazardous materials, and environmental impacts.

### RISK MANAGEMENT STRATEGY

Zero tolerance for fatality and major fire that could damage our assets and disrupt our business. Progressive HSE programmes are in place to maintain HSE performance and steer progress towards a Generative HSE Culture, while ensuring a safe working environment through the HSE Management System (HSEMS).

#### Opportunities Arising from this Risk

The HSE Management System is integrated into various stages of KLCCP Staped Group’s value chain to mitigate HSE risks, and minimise any potential disruption to business operations.

#### Principal mitigation

- Scheduled HSE assurance programme to ensure compliance with the requirements of regulators such as Department of Occupational Safety & Health (DOSH), Department of Environment (DOE), Energy Commission, etc.
- Undertake reasonable, practicable and proactive steps to reduce the risk of injuries, occupational illness and/or major HSE incidents that could damage assets and/or disrupt operations and to protect the environment.

#### Risk Movement

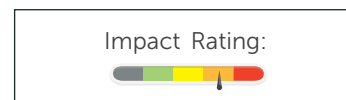
Efforts to elevate our HSE standards by integrating technologies and enhancing Generative HSE Culture have contributed to HSE Risk remaining stable.

#### Activities in 2024

1. Conducted internal KLCC Pulse Survey on HSE Culture Maturity to gauge progress on HSE.
2. Conducted call-to-action on identified HSE personnel in KLCCUH and Suria KLCC to boost compliance and excellence on legal requirements.
3. Continued to establish KLCC Technical Standards, a set of customised governance documents, which were rolled out to KLCC businesses.
4. Eliminated the use of single-use plastic items such as disposable cups, plates, utensils and water bottles at company meetings and events, with a quantifiable reduction in the amount of plastic waste generated.
5. Conducted a verification exercise and reported on greenhouse gas data.
6. Amplified health & safety awareness and ability of staff to identify and manage risks via programmes – Jom Patuh & Tegur, HSE Work Leader and Unsafe Act & Unsafe Condition Rejuvenation.
7. Enhanced HSE emergency capabilities among Management and leadership through tabletop exercise.

**Links**

Capitals: FC MC HC MC EB SO S1 S3 S5  
IC SR NC S2 S4 S6



Risk Tolerance Indicator:



## Understanding Our Principal Risks

### SECURITY

Risk Level:

Risk Trend:

#### DESCRIPTION

The potential threats and vulnerabilities that can compromise the safety, integrity and confidentiality of an organisation's assets, personnel and information. These risks can come from physical threats, cyber attacks, and operational disruptions.

#### RISK MANAGEMENT STRATEGY

All practical and precautionary steps are emplaced to safeguard our assets and people against crime to ensure our reputational risk appetite is within the tolerance limit.

Full adherence to KLCC Precinct Site Security Plan 2022, which details the overall precinct security overlay, identifying and implementing security control and crisis response measures.

Additional security via Crime Prevention Through Environment Design in the design, maintenance and use of our buildings.

Close networking with PETRONAS Group Security, Polis DiRaja Malaysia (PDRM), Immigration Department and Dewan Bandaraya Kuala Lumpur for security intelligence updates.

#### Opportunities Arising from this Risk

Continuous enhancement of building and surrounding area security, as well as close liaison with the authorities, have created a safe environment in KLCC Precinct and Kompleks Dayabumi, contributing to positive public perception and increased footfall.

#### Principal mitigation

- KLCC Precinct Security Management Working Group meets periodically to discuss and coordinate security matters.
- The Precinct Security Management Centre (The Centre), which serves as a central security hub for all facilities within the KLCC Precinct, collaborates with precinct partners and local authorities. The Centre oversees ground management, crowd control, and the overall monitoring of public and visitor safety and security. Additionally, it provides crucial evidence to support investigations and prosecution efforts by relevant authorities.

#### Risk Movement

The Security Risk for KLCCP Stapled Group remains stable due to continuous efforts in maintaining a robust security and surveillance system

#### Activities in 2024

1. Security surveillance audit for facilities managed by KLCCUH to strengthen security procedures and third-party security management.
2. Enforcement of Security Guidelines for KLCC operations based on PETRONAS Security Guidelines.
3. Quarterly Reports to Common Estate/ Common Facilities (CE/CF) shareholders including updates on security related matters.

#### Links

Capitals:



Strategy:



Stakeholders



Impact Rating:



Likelihood Rating:



Risk Tolerance Indicator:



## ASSET MANAGEMENT

Risk Level:

Risk Trend:

### DESCRIPTION

The challenges and uncertainties in managing assets throughout their lifecycle. Effective asset management involves coordinated activities to maximise value while minimising risks and ensuring asset safety, availability, reliability, integrity, maintainability and cost-effectiveness.

### RISK MANAGEMENT STRATEGY

Our properties and assets are properly managed to create value and maximise returns.

Robust procedures and guidelines are in place for the selection of operators and asset management; hence all our assets are managed by accredited international operators as well as reputable property managers to ensure tenant sustainability.

#### Opportunities Arising from this Risk

Our ability to secure good tenants via the Triple Net Lease (TNL) and long-term lease agreement generates steady income for the Company.

#### Principal mitigation

- Ensure assets are properly managed by the respective parties as per Contract obligation to uphold building integrity and expand asset lifespan.
- Constant engagement with our retailers and tenants to understand their needs and keep them updated on evolving trends.

#### Risk Movement

Asset enhancement initiatives and focus on maintenance programmes are among the factors leading to the stabilisation of positioning for Asset Management Risk.

#### Activities in 2024

Dynamic review and enhancement of tenant mix and placement to ensure a balance of retail spaces between new brands with younger market appeal and luxury brands with exclusive services.

**Links**

Capitals:

Strategy:

Stakeholders:

Impact Rating:

Likelihood Rating:

Risk Tolerance Indicator:





## Understanding Our Principal Risks

### FACILITY MANAGEMENT

Risk Level:

Risk Trend:

#### DESCRIPTION

The potential challenges and uncertainties associated with managing and maintaining facilities to ensure their effectiveness and efficiency.

#### RISK MANAGEMENT STRATEGY

We maintain the integrity and performance of assets via robust operations and maintenance programmes, adhering to ISO standards and conducting audits to ensure risks are mitigated and to ensure assets retain their value over time and risk appetite tolerance level are within threshold.

Our assets are professionally managed to ensure effective and efficient performance, as well as their sustained integrity. Our facility management arm is accredited with ISO 9001, ISO 14001, ISO 45001, ISO 37001 and ISO 41001. Our facility management team is involved in implementing operations and maintenance programmes and continuously improving measures as part of risk mitigation strategies to ensure long-term sustainability of the assets and preserve their value.

The facility management team also conducts periodic site inspections for continual improvement and assurance that the buildings are maintained in pristine condition.

#### Opportunities Arising from this Risk

Our commitment to cost optimisation and superior facilities management has resulted in consistent revenue generation despite rising costs of asset maintenance.

#### Principal mitigation

The implementation of predictive, preventive and corrective maintenance strategies and initiatives ensures a high level of service standards with minimal service interruptions.

100% compliance with agreed Service Level Agreement (SLA) with customers:

- Emergency Power Supply:** Provide power supply from generators should any service disruption occur.
- Air-Conditioning Systems:** Control indoor air quality (temperature, humidity and airflow) for tenant/ occupant comfort and to protect sensitive electronic equipment in the data centre and electrical and telecommunications rooms.
- Vertical Transportation:** Facilitate smooth movement of building occupants.
- Compliance With Statutory and Regulatory Requirements:** Adhere to all relevant legal and regulatory standards to ensure operational excellence and safety.

#### Risk Movement

The impact and likelihood of Facilities Management Risk remains moderate as a result of robust mitigation actions taken among others being elevation of our facilities management approach, to keep up with technology advancements.

#### Activities in 2024

- Expanding core business by venturing into retail facility management at Permata Sapura, Ombak KLCC, Terra and 7MD7.
- Continuation of asset/equipment performance enhancement through centralised performance monitoring.
- Maximising cash generation through:
  - Green cost reduction initiatives.
  - One-off works that will reduce operating costs.
  - Contracts consolidation and price agreement optimisation.
- Continuation of asset rejuvenation through modernisation.

#### Links

Capitals:



Strategy:



Stakeholders



Impact Rating:



Likelihood Rating:



Risk Tolerance Indicator:



**SUPPLIER**

Risk Level:

Risk Trend:

**DESCRIPTION**

The potential challenges and uncertainties associated with relying on external suppliers for goods and services to mitigate disruption and ensure business sustainability.

**RISK MANAGEMENT STRATEGY**

Procurement of goods and/or services must be through suppliers that are registered with the Group. Prospective suppliers are required to apply for registration and will be assessed through an evaluation process based on set criteria.

Centralising supplier information for complete visibility of their records namely capability, current level of performance and suitability to be engaged as service providers through established technical and financial criteria during the procurement process.

**Opportunities Arising from this Risk**

Ability to explore alternative suppliers, negotiate better terms, establish a “best-fit” supplier pool based on categories, and improve overall resilience through innovation and strategic partnerships.

**Principal mitigation**

- Suppliers are reviewed bi-annually or on a need basis to ensure compliance with contractual obligations and adherence to quality standards.
- Maintain and update a record of registered suppliers categorised by product and/or service in the KLCC Supplier Database.
- Implement effective digital tools in workflows, such as the Supplier Management Module in SMART by GEP for procurement purposes.
- Undertake third-party risk management assessment as part of due diligence to detect potential red flags in proposed third-party business relationships.

**Risk Movement**

KLCCP Stapled Group’s streamlined supply chain procedures enable shaping of suppliers’ practices and robust procurement management. These attributes lead to the ability in sustaining the positioning of Supplier Risk.

**Activities in 2024**

1. Rolled out SMART by GEP as the end-to-end digital procurement systems for the Group.
2. Established KLCC Supplier Database to ensure holistic supplier lifecycle management.
3. Undertook contractors’ and consultants’ appraisal with approved criteria.
4. Management of non-performing and non-compliance suppliers via consequence management.
5. Tightened procurement policies in shortlisting bidders and implemented guidelines for tender evaluation.
6. Implemented Contractor Risk Assessment for projects above RM50 million.
7. Conducted Anti Bribery Management System (ABMS) sessions with suppliers to underline zero tolerance for bribery or corruption, aligned with KLCC ABMS Policy Statement.
8. Gearing up to integrate ESG principles in supply chain management practices.

**Links**

Capitals:

Strategy:

Stakeholders:

Impact Rating:

Likelihood Rating:

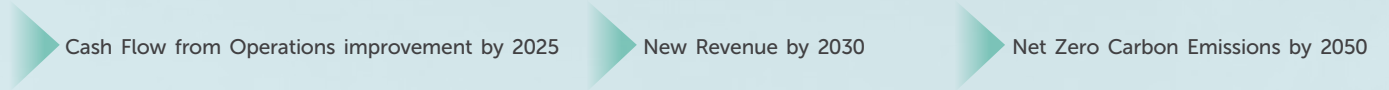
Risk Tolerance Indicator:



# Our Strategy

## STATEMENT OF PURPOSE

A Progressive Energy and Solutions Partner  
Enriching Lives for a Sustainable Future



## 3-PRONGED GROWTH STRATEGY

### 01 Maximising Cash Generator

Our high-quality investment portfolio provides strong and stable cashflows. Protecting and maximising these assets provide a solid base for profitability and a foundation for growth.

Sustain investments to maximise our current cash generators

### 02 Expanding Core Business

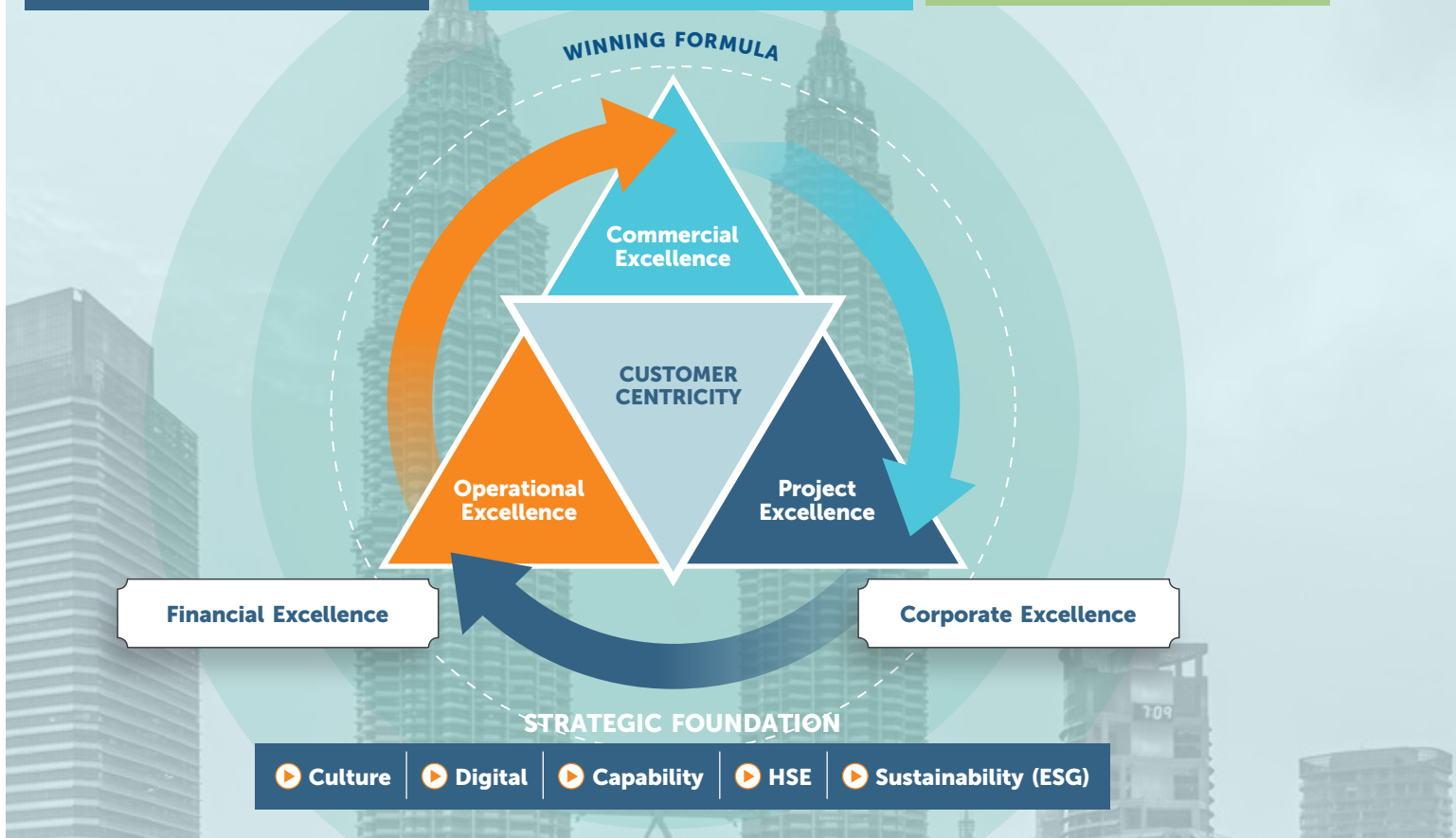
Property investment and development remain our core business. We are defining opportunities for further growth and value enhancement.

Invest to broaden the resource base and build the next line of cash generators

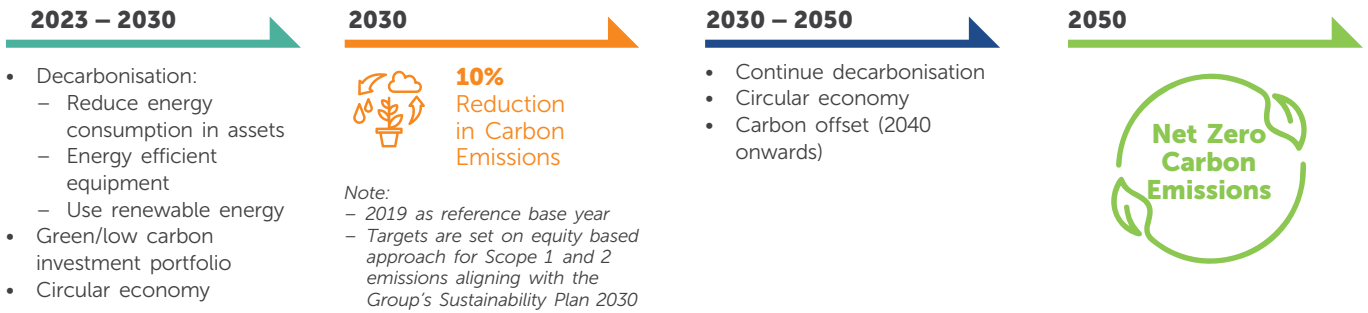
### 03 Stepping Out

Accelerated key global and industry trends are reshaping the real estate landscape, customer behaviour and expectations. We continue to build our capabilities in order to allocate resources to better position ourselves for the future.

Invest to future proof our overall portfolio



## SUSTAINABILITY ASPIRATION: CLIMATE ACTION





MEASURING OUR STRATEGIC PROGRESS IN 2024

**COMMERCIAL EXCELLENCE** PILLAR **01**

**KEY PRIORITIES**

- Increase value through:
- Enhancing profitability by optimising business portfolio and adapting to evolving market needs
  - Pursuing and exploring growth opportunities
  - Strengthening capabilities

**RESOURCE ALLOCATION**

- Financial: Allocating financial resources for strategic initiatives that enhance commercial performance.
- Manufactured: Portfolio of diverse, iconic assets in office, retail, hotel, and management services in facilities and car park.
- Intellectual: Continuous learning to stay market relevant.
- Human Capital: Enhance the capabilities of commercial teams through training and development.
- Social and Relationship: Work with strategic partners to elevate asset performance, achieve business growth, and participate in community and corporate social responsibility activities to enhance the Group's reputation.
- Natural: Align business strategies with environmental stewardship to meet evolving market expectations.

INITIATIVES	ACHIEVEMENTS	HEADLINE KPIS	PRIORITIES FOR 2025
<p><b>Retail</b></p> <ul style="list-style-type: none"> <li>Enhanced the retail experience via addition of new tenants including retail, dining and first-to-market brands</li> <li>Asset enhancements via improved lighting, energy-efficient escalators and modernisation of mall-wide facilities</li> </ul> <p><b>Hotel</b></p> <ul style="list-style-type: none"> <li>Enhanced offerings and capitalised on business, leisure and MICE segments</li> </ul> <p><b>KLCC Park</b></p> <ul style="list-style-type: none"> <li>Heightened placemaking activities e.g. New Year and Merdeka celebrations, Sustainable September, and Kuala Lumpur Fashion Week (KLFW)</li> </ul> <p><b>Management Services</b></p> <ul style="list-style-type: none"> <li>Organic growth through expansion of facilities management and car park management services</li> </ul> <p><b>Commercial Capabilities</b></p> <ul style="list-style-type: none"> <li>Strengthen capabilities in Commercial Excellence</li> </ul>	<p><b>Retail</b></p> <ul style="list-style-type: none"> <li>Attracted over 50 million in footfall, compared to 48 million in 2023</li> <li>Brought in 28 new tenants, with 5 first-to-market brands</li> </ul> <p><b>Hotel</b></p> <ul style="list-style-type: none"> <li>Achieved highest RevPAR to-date RM610, 20.8% higher compared to 2023</li> <li>Occupancy: 58% (2023: 55%)</li> </ul> <p><b>KLCC Park</b></p> <ul style="list-style-type: none"> <li>Footfall: 1.2 million</li> <li>PR value: RM395 million</li> </ul> <p><b>Management Services</b></p> <ul style="list-style-type: none"> <li>No. of facilities managed: 25 (2023: 25)</li> <li>Secured 926 new car parking bays, bringing the total to 17,421</li> </ul> <p><b>Commercial Capabilities</b></p> <ul style="list-style-type: none"> <li>Completed competency inventories review and capability assessment of executives and managers</li> </ul>	<ul style="list-style-type: none"> <li>Revenue</li> <li>Profit Before Tax</li> <li>Net Yield</li> <li>% completion of capability assessment</li> </ul>	<ul style="list-style-type: none"> <li>Curating tenant partnerships for future success</li> <li>Retail asset modernisation focusing on aesthetic enhancements and functional improvements to enhance the shopping experience</li> <li>KLCC Park activation to foster a sense of community, generate interest, and stimulate economic and business activities within KLCC Precinct</li> <li>Secure new business opportunities</li> <li>Develop a pool of subject matter experts (SMEs) to contribute to business excellence</li> </ul>

**Short to Medium Term Priorities**

- Sustain investments to maximise current cash generators

**Long-Term Priorities**

- Build next line of cash generators

**Links**

Capitals:



Key Risks:



Material Sustainability Matters:



Stakeholders:





# Our Strategy

## PROJECT EXCELLENCE

PILLAR

02

### KEY PRIORITIES

- Managing project deliverables through:
- Achieving 100% on time, on budget, on scope (OTOBOS) for all projects
  - Enhancing customer satisfaction through quality and timely delivery

### RESOURCE ALLOCATION

- Financial: Allocate manpower resources efficiently for projects.
- Manufactured: Portfolio of diverse, iconic assets in office, retail, hotel, and management services in facilities and car park.
- Natural: Sustainable resource utilisation and environmental conservation.
- Intellectual: Leverage culture of continuous improvement to enhance deliverables.
- Social and Relationship: Build strong relationships with contractors and clients.

INITIATIVES	ACHIEVEMENTS	HEADLINE KPIs	PRIORITIES FOR 2025
<ul style="list-style-type: none"> <li>• Ensure projects align with business goals, delivering on time, within budget, and scope, enhancing customer value</li> </ul>	<ul style="list-style-type: none"> <li>• 100% OTOBOS in office asset rejuvenation, enhancement projects, e.g. Workplace for Tomorrow (WFT) in PETRONAS Twin Towers and Menara 3 PETRONAS, LED facade lighting installation at Menara 3 PETRONAS, upgrading and implementation of building control system (BCS) at Menara Exxon Mobil and Menara Dayabumi</li> <li>• Completed and rolled out KLCC Project Phase-Gated Framework to enhance project management governance</li> </ul>	<ul style="list-style-type: none"> <li>• All projects meet OTOBOS</li> <li>• Completion as per milestone</li> </ul>	<ul style="list-style-type: none"> <li>• Sustain 100% OTOBOS for all projects under KLCCP and KLCC REIT</li> </ul>

### Short to Medium Term Priorities

Streamlining Project Execution Processes:

- Operational procedures and workflows will be optimised to improve efficiency, minimise waste, and accelerate project delivery

### Long-Term Priorities

- Strive to lead in sustainable and innovative project delivery

#### Links

Capitals:



Key Risks:



Material Sustainability Matters:



Stakeholders:



# OPERATIONAL EXCELLENCE

PILLAR

03

## KEY PRIORITIES

Effective and efficient operations through:

- Zero compromise on HSSE and adherence to ESG best practices
- Optimal resource utilisation
- Innovative technologies & solutions

## RESOURCE ALLOCATION

- Financial: Allocate resources to optimise costs through cost containment and reduction initiatives.
- Manufactured: Maintain portfolio of diverse, iconic assets in office, retail and hotel, and management services in facilities and car park.
- Human Capital: Training and development programmes for operations teams.
- Natural: Sustainable resource utilisation and environmental conservation.
- Intellectual: Leverage culture of continuous improvement towards operational efficiencies.
- Social and Relationship: Build strong relationships with customers, service providers and clients.

INITIATIVES	ACHIEVEMENTS	HEADLINE KPIS	PRIORITIES FOR 2025
<ul style="list-style-type: none"> <li>• Strong commitment to Health, Safety and Environment (HSE) best practices, adhering to HSE rules and regulations</li> <li>• Cost containment/reduction initiatives</li> <li>• Digital initiatives to enhance operational excellence</li> <li>• Strengthening capabilities in Operational Excellence</li> </ul>	<ul style="list-style-type: none"> <li>• Recorded zero fatalities and major fire incidents across the year</li> <li>• Replaced conventional lighting with LED for multiple office floors and parking areas</li> <li>• Refurbished cooling tower systems for improved energy efficiency</li> <li>• Replaced 8 out of 14 conventional motorbikes with electric motorbikes</li> <li>• Completed and rolled out Smart GEP in procure-to-pay module to increase procurement and sourcing efficiencies</li> <li>• KPM expanded cashless payment systems and introduced monthly renewal payment methods and E-SMS payment reminders.</li> <li>• Deployed MyRisk, a centralised risk information platform for reporting to the Boards</li> <li>• Suria KLCC implemented SKLCC shopping vouchers, providing seamless and personalised shopping experience</li> <li>• Completion of competency inventories review and capability assessment of targeted executives and managers</li> </ul>	<ul style="list-style-type: none"> <li>• Zero fatalities and major fire incidents</li> <li>• Completion as per milestone</li> <li>• Completion as per milestone</li> <li>• % completion of capability assessment</li> </ul>	<ul style="list-style-type: none"> <li>• Institutionalise and enhance HSE Generative Culture</li> <li>• Operating cost optimisation and cost containment initiatives</li> <li>• Completion of digital initiatives planned in 2025</li> <li>• Develop a pool of SMEs to contribute to business excellence</li> </ul>

### Short to Medium Term Priorities

- Implement digital solutions that improve operational efficiency and productivity

### Long-Term Priorities

- Expand our commitment to embedding sustainability within our operations with energy-efficient initiatives to reduce our carbon emissions

#### Links

Capitals:



Key Risks:



Material Sustainability Matters:



Stakeholders:

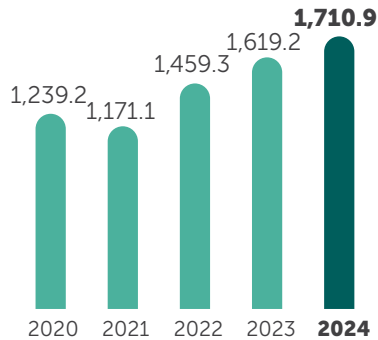






## Key Performance Indicators

### REVENUE (RM'mil)



#### Why is this important?

Annual revenue is a key indicator of financial performance and reflects the organisation's sustainable business growth.

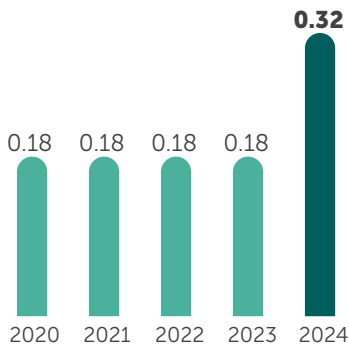
#### Objective

Maximise shareholders value via sustaining investment in current asset generators and expand core business.

#### Actual Achievement

Supported by a robust performance, the Group achieved a 5.7% growth year-on-year for 2024.

### GEARING (times)



#### Why is this important?

Gearing is a key indicator for assessing the Group's debt relative to its equity. It provides headroom for potential opportunities for growth while balancing risks towards sustainable returns for investors.

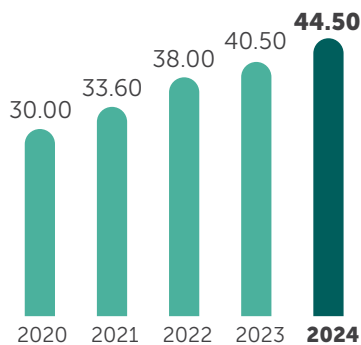
#### Objective

Optimise used of debt to finance growth and investment.

#### Actual Achievement

As at 31 December 2024, the Group's debt-to-equity ratio remained moderate at 32%, well below the threshold of 50% set by Securities Commission.

### DISTRIBUTION PER STAPLED SECURITY (sen)



#### Why is this important?

It directly measures organisation's total amount of profits paid to holders of Stapled Securities, translating to their income.

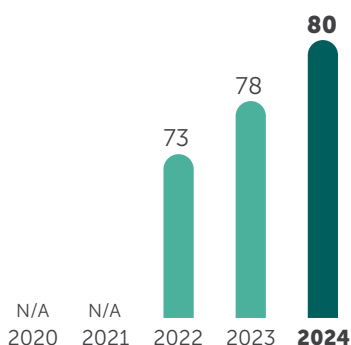
#### Objective

Sustainable returns to holders of Stapled Securities with a stable dividend pay-out policy.

#### Actual Achievement

The Group demonstrated a growth of 9.9% year-on-year, which reflects our dedication to providing value and growth to our holders of Stapled Securities.

### ORGANISATIONAL CULTURE SURVEY INDEX SCORE



#### Why is this important?

Measures the satisfaction of employees and willingness to recommend the organisation as a workplace, with respect to leadership, culture and organisational values, driving engagement towards achieving a high performing organisation.

#### Objective

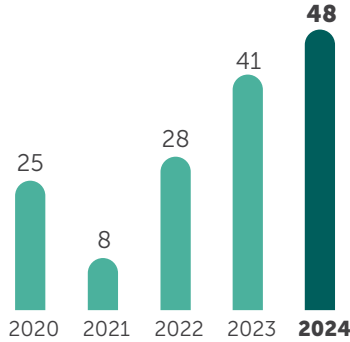
Be recognised as the "Employer of Choice", with a great workplace culture and having a highly engaged workforce.

#### Actual Achievement

Achieved a score of 80, reflecting highly engaged employees, above the global benchmark of 75.



### AVERAGE LEARNING HOURS



#### Why is this important?

It reflects the organisation’s commitment to employee development, keeping the workplace adept and ready for future demands.

#### Objective

Inculcate a continuous learning environment, a culture of innovation and adaptability.

#### Actual Achievement

Invested a total of RM2.2 million on professional training and structured development programmes reflecting the average learning hours of 48 per employee.

### ZERO FATALITIES



#### Why is this important?

Organisation’s commitment to prioritising employee and stakeholders’ safety and well-being at our premises, embodying safety in everyday practices. Solidifies our Health, Safety, and Environment (HSE) leadership at all levels.

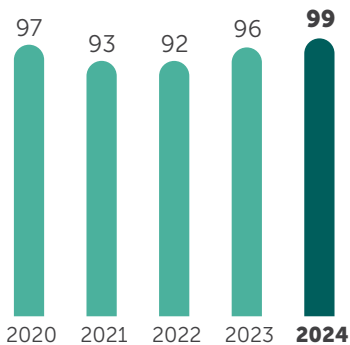
#### Objective

Institutionalise a strong safety culture within the organisation, leading to greater trust and reputation from clients, partners and stakeholders.

#### Actual Achievement

The Group has successfully maintained an impressive zero fatality rate for five consecutive years.

### RETAIL OCCUPANCY (%)



#### Why is this important?

It ensures revenue generation, asset value, influences customer attraction, and tenant satisfaction and retention, enlivens the retail destination.

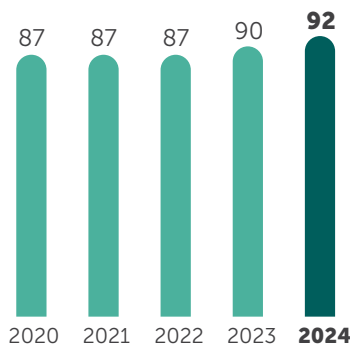
#### Objective

Sustain a thriving retail environment – revenue generation, tenant diversity, customer experience, asset value and overall operational success.

#### Actual Achievement

Focused on expanded offerings and first-to-market brands, yielding solid performance with 99% occupancy as at 31 December 2024, exceeded Central Kuala Lumpur’s Golden Triangle average occupancy of 86%.

### HOTEL GUEST SATISFACTION SCORE (%)



#### Why is this important?

Customer reviews are crucial not only for guests when selecting hotels based on the quality of feedback but also for providing valuable insights that help hotels improve their services and facilities.

#### Objective

Delivering the highest standards of value and service to our customers and to manage the satisfaction of customers, meeting evolving expectations and providing seamless experiences.

#### Actual Achievement

An increase of 2% to 92% from last year in which these exceptional results reflect MOKUL Hotel’s outstanding guest satisfaction and unwavering commitment to quality delivery.

# THE PLACE WHERE IDEAS TAKE SHAPE

A space designed to inspire creativity and collaboration, where each corner sparks innovation, and possibilities transform into achievements.











# OFFICE

## WHO WE ARE AND WHAT WE DO

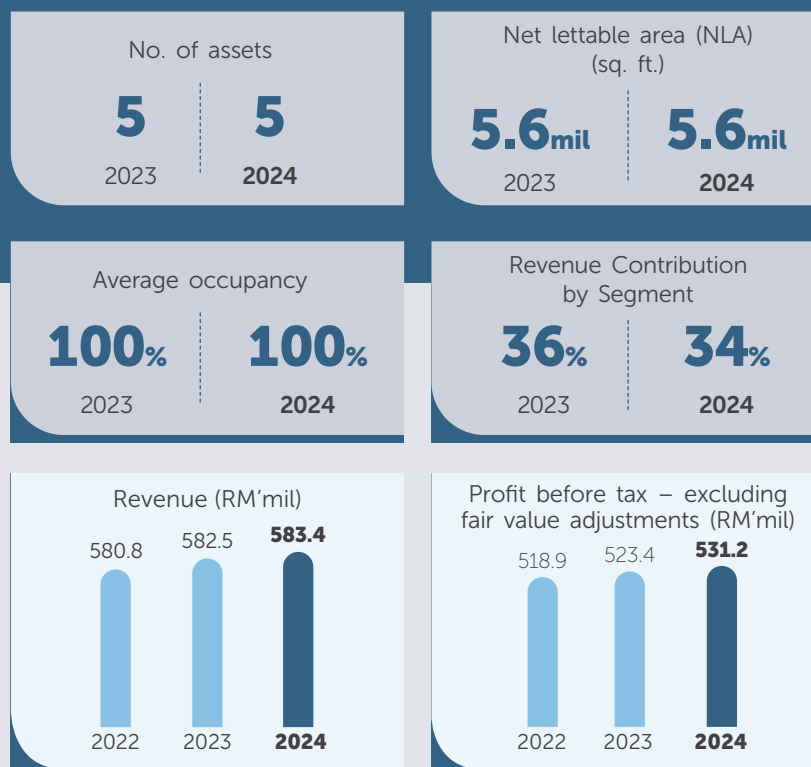
Our Office segment comprises premium Grade-A offices with PETRONAS Twin Towers, Menara ExxonMobil and Menara 3 PETRONAS – held under KLCC REIT – located strategically within the Kuala Lumpur City Centre (KLCC), whilst Menara Dayabumi, under KLCCP, is in the former Central Business District of Kuala Lumpur. KLCCP Stapled Group also has a 33% stake in Menara Maxis, another prime office building in the KLCC Precinct.

Three of our buildings have Green Building Index (GBI) credentials – PETRONAS Twin Towers (Gold), Menara 3 PETRONAS and Menara Maxis (Silver) – affirming our dedication to environmentally sustainable practices. Additionally, PETRONAS Twin Towers and Menara ExxonMobil have been recognised with Malaysia Digital Status, underscoring our commitment to embracing digital innovation and technology.

The strength of these premium assets, together with our defensive lease structure which affords future cashflow visibility and solid full occupancy in all the office buildings, anchors the Office segment as our secured income generator. The Triple Net Lease arrangement for PETRONAS Twin Towers, Menara 3 PETRONAS and Menara Dayabumi also shields us from soft market conditions, with minimal impact on earnings.



## PERFORMANCE REVIEW



## OVERVIEW OF THE BUSINESS ENVIRONMENT

The Kuala Lumpur office market in 2024 remained tenant-favorable, with high supply and evolving workplace trends shaping demand. While prime office spaces in well-connected locations continue to attract interest, older buildings face increasing pressure to upgrade and modernise. Businesses are prioritising flexible workspaces, sustainability, and high-specification offices that align with ESG standards. This shift is driving a “flight to quality,” where tenants are willing to pay a premium for newer, well-equipped buildings with strong environmental credentials.

Despite the oversupply, rental rates for premium office spaces are expected to remain stable, while landlords of older buildings may offer incentives to retain tenants. Investment activity remains cautious but shall be focused on high-quality assets with strong occupancy rates. Moving forward, sustainability, wellness-focused workspaces, and digital integration will be key factors shaping Kuala Lumpur’s office market, as businesses seek to create productive and future-proof work environments.

To read more on the Office Market Overview, please refer to the ‘Economic & Market Review and Outlook’ on pages 60 to 64

### 2024 KEY FOCUS AREAS

- Operational efficiency and sustainability
- Customer-centric focused intervention

### BUSINESS PERFORMANCE REVIEW

#### Initiatives

Strengthening office portfolio resilience through strategic upgrades and sustainability initiatives.

#### Results

- Secured GBI Gold Renewal Verification Assessment (RVA) for PETRONAS Twin Towers, reaffirming commitment to green standards.
- Improved RVA score from 76 to 78 through energy efficiency upgrades.
- Enhanced sustainability with LED lighting upgrades, earning Innovation points under Kuala Lumpur’s Building Illumination Programme.



#### Initiatives

Proactive measures including regular inspections and walkabouts to identify issues early and reduce reactive maintenance.

#### Results

- Reduced tenant complaints by nearly 50% through proactive issue identification, minimising service disruptions and enhancing the overall tenant experience.
- Tenant satisfaction score maintained at 80%, reflecting the positive impact of targeted interventions in service quality, reliability and responsiveness.





## Business Review


### AWARDS & ACHIEVEMENTS

- Recertification of GBI via RVA for PETRONAS Twin Towers (Gold) and Menara 3 PETRONAS (Silver)



- Anugerah Khas Datuk Bandar Kuala Lumpur Award – Pencahayaan Bangunan-Bangunan Ikonik Terbaik and Pencahayaan Bangunan Teknologi Inovatif (PETRONAS Twin Towers)



 To read more on the full list of awards for 2024, please refer to Awards and Recognition on pages 22 to 23



## CHALLENGES, MITIGATION & OPPORTUNITIES

### Challenges

- Managing aging buildings and systems demand frequent maintenance and repairs, leading to higher costs and potential operational disruptions.
- Rising energy costs and the push for lower carbon emissions require smarter energy management strategies to enhance efficiency and sustainability.
- Maintaining high service standards while managing budgets effectively, requiring strategic cost control and resource optimisation.

### Mitigation

- Implemented a preventive maintenance schedule and conducted regular audits to ensure system efficiency, prolong lifespan, and address issues before they escalate.
- Adopted energy-efficient technologies like LED lighting and smart HVAC systems, and utilised an energy management system to monitor consumption and automate savings.
- Implemented strategic consolidation to achieve economies of scale and improve contract management, while optimising costs through standardised rates for generic services across all facilities.

### Opportunities

- Modernising facilities with smart building solutions and energy-efficient systems can improve longevity, reduce operational costs, and enhance tenant satisfaction.
- Green building certifications (e.g., LEED, GBI) enhance property value and attract ESG-conscious tenants and investors. Energy savings also lead to long-term cost reductions.
- Leveraging strategic partnerships and digital transformation, including AI-driven facility management, can improve efficiency while upholding service excellence.

## OUTLOOK & PROSPECTS

- Kuala Lumpur's office sector in 2025 is set for moderate growth, driven by economic expansion and strong demand for prime office space. With several new developments set to launch, competition will increase, but opportunities remain in high-demand locations.
- Demand for premium sustainable offices continues to rise, with tenants prioritising green-certified buildings and superior amenities. The "flight to quality" trend will intensify as businesses seek upgraded spaces that support hybrid work models, flexibility and enhanced technology.
- While office rents are expected to grow modestly, vacancy rates may rise slightly due to new supply. Properties offering sustainability, advanced technology and flexible solutions will be key to attracting tenants and maintaining market resilience.
- At KLCC, we are dedicated to continuously improving and differentiating our office buildings through strategic asset management initiatives. By focusing on value, amenities, quality, efficiency and sustainability, we offer tenants exceptional workspaces in well-equipped environments, backed by outstanding facilities management service. We will embark on asset rejuvenation and modernisation to further enhance our offices, ensuring greater convenience for our tenants. Committed to collaboration, we create inspiring and engaging spaces that support tenants' success and growth.









# THE PLACE FOR ENDLESS POSSIBILITIES

More than just a destination, it's a vibrant mix of shopping, dining, and entertainment that keeps you coming back for more.







# RETAIL

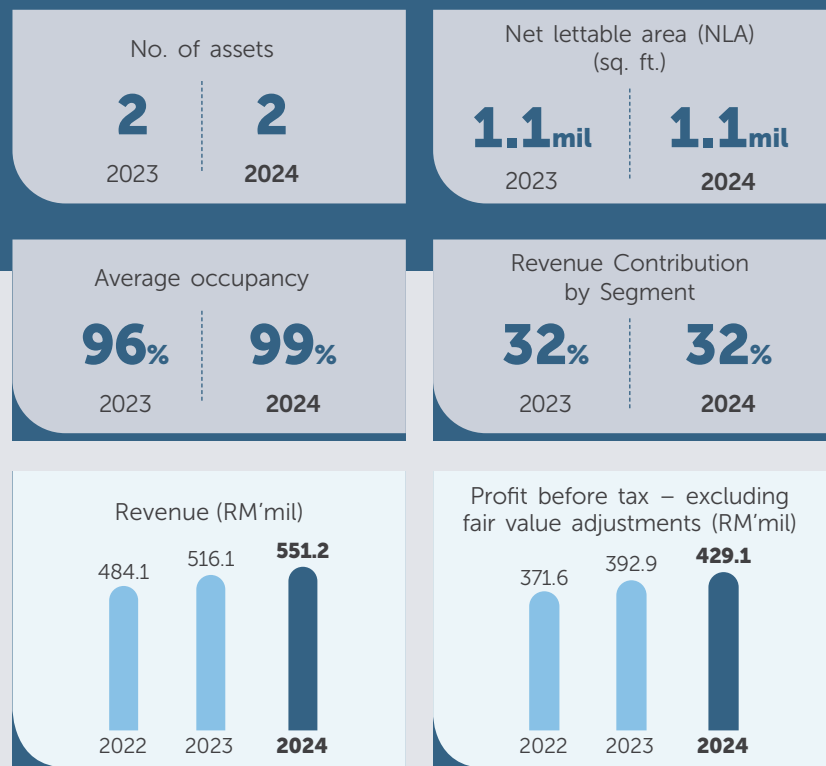
## WHO WE ARE AND WHAT WE DO

At the heart of Kuala Lumpur, Suria KLCC and the retail podium of Menara 3 PETRONAS form the vibrant Retail segment of KLCCP Stapled Group. More than just a shopping destination, Suria KLCC is Malaysia's iconic experiential shopping destination, shaping the retail landscape with its dynamic tenant mix and immersive experiences.

Home to over 360 specialty stores, it seamlessly blends global flagship brands, local favourites and unique dining options, drawing millions of visitors each year. True to our tagline "Always Something New", we continuously innovate to enhance customer engagement, creating a retail experience that goes beyond shopping—fostering connection, discovery and memorable moments.



## PERFORMANCE REVIEW



## OVERVIEW OF THE BUSINESS ENVIRONMENT

In 2024, the retail industry experienced a moderate recovery, driven by cautious domestic consumer spending and the gradual return of international tourists. However, the landscape remained highly competitive, with new retail establishments emerging and consumer preferences shifting toward experiential and sustainable shopping. Economic uncertainties further pressured operating margins, challenging retailers to adapt and innovate.

Amid these evolving dynamics, Suria KLCC reinforced its leadership by leveraging its iconic brand, prime location and carefully curated tenant mix. Footfall and occupancy rates ascended as the mall focused on delivering an exceptional customer experience through innovative "retailtainment" initiatives. By embracing change and enhancing its customer engagement, Suria KLCC was able not only to navigate the ongoing challenges but also to strengthen its position as Malaysia's premier retail destination.

To read more on the Retail Market Overview, please refer to the 'Economic & Market Review and Outlook' on pages 64 to 67

## 2024 KEY FOCUS AREAS

- Strategic tenant curation
- Experiential retail and customer engagement
- Community involvement and corporate responsibility

## BUSINESS PERFORMANCE REVIEW

### Initiatives

Curating a dynamic mix of global brands, local favourites and innovative concepts to drive diverse customer engagement

### Results

- Enriched the tenant mix with 28 new openings across retail and dining, including five first-to-market brands.
- Fauré Le Page, Acqua Di Parma and Maison Francis Kurkdjian opened their first boutiques in Malaysia.
- Läderach, DJI x Hasselblad, Rituals flagship store, and Tudor & Breitling further diversified the mall's offerings and enhanced its appeal to a broader audience.
- Levi's expanded as the largest store in Southeast Asia, surpassing its previous record in Bangkok. Marks & Spencer unveiled its first new concept store in Asia, blending modern elegance with classic charm. Coach launched an expanded duplex store, and Yves Saint Laurent Beauté enhanced its presence with a relocation and expansion. Calvin Klein relocated and expanded to create a full-concept store, while Two Sons Bistro took on a larger occupied space.



### Initiatives

Embracing experiential retail, signature events and cultural activations to enhance footfall and create unforgettable experiences

### Results

- Hosted a series of high-impact events that seamlessly combined culture, entertainment, retail and leisure. Highlights included festive Chinese New Year, Hari Raya, Deepavali and Christmas celebrations, alongside signature events like Picnic in the Park, Hoka Flylab and the F&B campaign – Flavours of Suria.
- Suria KLCC hosted Kuala Lumpur Fashion Week (KLFW) 2024, marking a pivotal moment in its calendar of cultural and lifestyle events. This high-profile activation not only drew over one million footfalls but also cemented the mall's role in championing Malaysia's homegrown fashion industry.





## Business Review

### Initiatives

Enhancing brand loyalty and advancing ESG goals through sustainability efforts, CSR programmes, and community partnerships

### Results


- Continuing its long-standing commitment to mental health, Suria KLCC launched the #BeKindOnline campaign to address cyberbullying and its profound impact on mental well-being. The campaign was inaugurated by Communications Minister Datuk Fahmi Fadzil, who led a live podcast on Government regulations and social media policies against cyberbullying.
- Partnering with organisations like Malaysian Mental Health Association (MMHA), Befrienders Kuala Lumpur, Mental Illness Awareness and Support Association (MIASA), Nyawa, and Taylor's University's Mental Health and Well-being Impact Lab, Suria KLCC provided expert insights and tools to manage online harassment.
- #BeKindOnline goes beyond awareness, it provides tangible solutions and support, ensuring no one faces this challenge alone.



### AWARDS & ACHIEVEMENTS

- Platinum Award for Best Experiential Marketing (2023-2024) – Recognised by PPK Malaysia for the Self-Care: Your Mind, Your Journey x Biggest Inflatable Floral Installation, celebrating creativity, innovation, and meaningful CSR initiatives.



 To read more on the full list of awards for 2024, please refer to Awards and Recognition on pages 22 to 23



## CHALLENGES, MITIGATION & OPPORTUNITIES

### Challenges

- Inflation and higher expenses pressured cost efficiency while maintaining service excellence.
- Heightened competition from newer retail spaces, demanding stronger tenant attraction and customer engagement.
- Evolving consumer expectations and demand for sustainability and digital integration.

### Mitigation

- Streamlined cost structures and implemented digital solutions such as Suria KLCC (SKLCC) shopping e-vouchers, to enhance efficiency and deliver a seamless, paperless customer experience.
- Curated a diverse portfolio of innovative and flagship brands to strengthen market positioning. Launched creative, targeted marketing campaigns to attract international tourists, local shoppers and different customer segments.
- Aligned operations with ESG principles by adopting energy-efficient upgrades, hosting green events, and integrating eco-conscious practices to meet growing consumer demand for sustainability.

### Opportunities

- Attracted over 50 million in footfall, compared to 48 million in 2023, driven by the return of international tourists and strong domestic patronage, boosting tenant sales growth and overall mall vibrancy.
- Introduced high-profile dining and retail options, including flagship stores, to strengthen the mall's positioning and attract a broader customer base.
- Deepened customer relationships through unique experiences such as park activations, retailtainment events, and festive celebrations, aligning with evolving consumer demands for experiential shopping.
- Achieved an impressive 99% occupancy rate at year end reflecting sustained demand, successful tenant curation, and a competitive edge in a growing retail landscape.

## OUTLOOK & PROSPECTS

- Malaysia's retail sector is undergoing a transformation driven by shifting consumer preferences, economic fluctuations and the resurgence of international tourism. With demand for premium goods softening, high-end malls are redefining their value proposition by integrating experiential retail, premium F&B and wellness-focused brands. Consumers are seeking more than just shopping, they crave dynamic, immersive experiences that blend lifestyle, engagement and convenience. Sustainability is also a key differentiator, with ESG-conscious shoppers expecting energy-efficient upgrades, eco-friendly initiatives and responsible retail practices. Digital innovations such as AI-driven personalisation, seamless transactions, and interactive retailtainment are reshaping the shopping experience, making it more engaging and customer-centric.
- At the forefront of this evolution, Suria KLCC continues to set the benchmark as Malaysia's premier experiential shopping destination. By introducing first-to-market brands, retaining top-performing tenants, and curating immersive retailtainment initiatives, Suria KLCC continues to enhance visitor engagement and drive footfall. Strategic collaborations with tenants and partners will fuel exclusive brand activations and experiential campaigns, ensuring Suria KLCC remains a must-visit hub. As the industry evolves, Suria KLCC's commitment to innovation and customer-centric experiences will cement its leadership and solidify its status as Malaysia's iconic experiential shopping destination.



A person with a backpack is walking through a hotel lobby. In the foreground, there is a large potted plant and a table with a vase of flowers. The floor is polished and reflects the lights. The background shows a well-lit, modern hotel interior with a reception desk and other guests.

# THE PLACE TO ELEVATE EVERY STAY

From luxurious suites to thoughtful service, it's where every stay offers experiences beyond the ordinary.









# HOTEL

## WHO WE ARE AND WHAT WE DO

Mandarin Oriental, Kuala Lumpur (MOKUL Hotel) is a five-star luxury hotel under KLCCP Stapled Group, strategically located adjacent the PETRONAS Twin Towers, KL Convention Centre and Suria KLCC. Renowned for exceptional service and exclusivity, it offers elegantly designed rooms, suites and executive apartments with stunning city and 50-acre KLCC Park views.

MOKUL Hotel enhances the guest experience with the exclusive MO Club, offering personalised airport services, flexible check-in/out and a private lounge. The hotel also features award-winning dining, world-class event spaces, and premium leisure facilities including an infinity pool, spa, as well as tennis and the newly introduced pickleball courts. As part of the Mandarin Oriental brand, MOKUL Hotel embodies luxury, service excellence and timeless elegance, reinforcing KLCCP Stapled Group's presence in high-end hospitality.



## PERFORMANCE REVIEW

No. of assets

**1** | **1**  
2023 | 2024

No. of rooms

**629** | **629**  
2023 | 2024

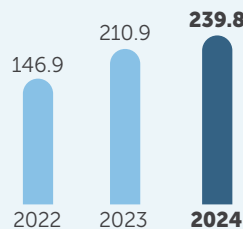
Average occupancy

**55%** | **58%**  
2023 | 2024

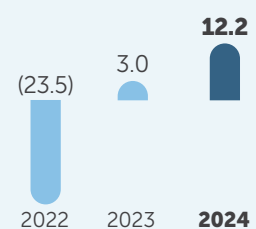
Revenue Contribution  
by Segment

**13%** | **14%**  
2023 | 2024

Revenue (RM'mil)



(Loss)/Profit before tax (RM'mil)



## OVERVIEW OF THE BUSINESS ENVIRONMENT

The hotel market in Malaysia is experiencing a resurgence, driven by a significant increase in tourist arrivals. Enhanced air connectivity and visa-free travel arrangements have contributed to a surge in tourists from China and India. International tourist arrivals have increased more generally with new airlines flying into Malaysia and the resumption of single-aisle jet operations from Subang Airport. Kuala Lumpur, Malaysia, has also been named one of the most popular international destinations, attracting visitors with its unique cultural and urban attractions.

Malaysia recorded 25 million international arrivals, reflecting a 24.2% year-on-year increase, with robust growth in both leisure and business travel segments. This resurgence fueled demand for high-end accommodations, contributing to improved hotel performance across key metrics. Trends towards sustainability, technology integration and enhanced health and safety measures are shaping the future of the hotel market, ensuring a safe and enjoyable experience for guests.

To read more on the Hotel Market Overview, please refer to the 'Economic & Market Review and Outlook' on pages 68 to 70

## 2024 KEY FOCUS AREAS

- Room pricing strategy
- Targeted market segmentation and penetration
- Facilities enhancement to elevate guest satisfaction

## BUSINESS PERFORMANCE REVIEW

### Initiatives

Implementation of dynamic pricing to capture market demand fluctuations, maximise revenue, and drive consistent growth across peak and off-peak periods

### Results

- Stellar performance with PBT of RM12.2 million, marking a fourfold increase from RM3.0 million in 2023. This exceptional growth was fuelled by strong performance in the room and banquet segments.
- Average weekend occupancy rose to 58% from 54% in 2023, reflecting higher demand and effective sales strategies.
- Achieved highest revenue per available room (RevPAR) at RM610, driven by optimised pricing strategy and strong market demand.
- Banquet and catering revenue surpassed RM41.3 million, the highest since the hotel's opening, driven by large group bookings and expanding outside catering services. This reflects the hotel's strong reputation and increasing demand for premium event spaces.

### Initiatives

Tailoring offerings to key customer segments (leisure, business, MICE) while focusing on the APAC market and strategically targeting high-growth regions to drive bookings and expand market share

### Results

- Strategic market presence through active participation in trade shows organised by Tourism Malaysia, Malaysia Convention & Exhibition Bureau (MyCeb), Malaysian Inbound Chinese Association (MICA) and Mandarin Oriental Hotel Group (MOHG) in key markets like India and China, strengthening client relationships and driving revenue growth.
- Expanded collaborations with Kuala Lumpur Convention Centre and KLCC Precinct stakeholders, creating synergies and increasing event opportunities.
- Visa-free entry for China and India boosted market share, with China's contribution rising from 6.7% to 12.1% in 2024. Major events like the World Chinese Entrepreneur Forum and Huawei drove substantial room and catering revenue.
- Strong demand from India resulted in 12 group bookings and events, generating nearly RM5.7 million in room and catering revenue.







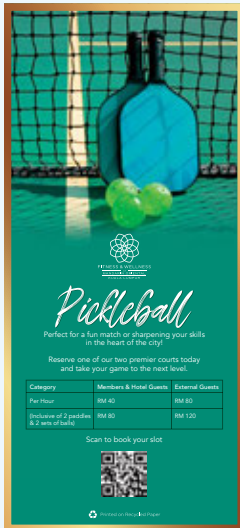
## Business Review

### Initiatives

Investment in facilities enhancements and upgrades to elevate the guest experience, maintain competitive differentiation, and uphold the brand's premium positioning

### Results

- Enhanced guest experience with upgraded lobby foyer lighting and refreshed interiors, including new carpeting at Level 2 meeting rooms, MO Bar, and Lai Po Heen. MO Club Lounge upgrade, set for completion in 1Q 2025, to elevate exclusivity and guest convenience.
- Renovation of Grand and Diamond ballrooms to reinforce the hotel's status as a premier venue for luxury weddings, corporate events and international conferences, with completion targeted for April 2025 in time for the ASEAN 2025 summit.
- Addressing growing demand for pickleball by converting one tennis court into two dedicated pickleball courts.



## AWARDS & ACHIEVEMENTS

- ASEAN Green Hotel Award 2024-2026 at ATF 2024 in Vientiane, Lao PDR for the sixth consecutive year, reaffirming MOKUL Hotel's steadfast commitment to sustainable tourism since 2010.
- ASEAN MICE Venue Award 2024-2026, in recognition of excellence in meeting and exhibition standards, further cementing the hotel's status as a premier regional venue.
- Recertification of ISO 14001:2015, ISO 45001:2018 and ISO 22000:2018, marking our eighth recertification since 2003 and demonstrating unwavering operational excellence in environmental, health and safety management.



To read more on the full list of awards for 2024, please refer to Awards and Recognition on pages 22 to 23



## CHALLENGES, MITIGATION & OPPORTUNITIES

### Challenges

- Independent restaurants in Kuala Lumpur offering competitive pricing with similar quality is putting pressure on the hotel's F&B outlets, affecting market share and revenue performance.
- Price competition for corporate and group bookings limiting the hotel's ability to optimise rates.
- Outdated banquet facilities hindering ability to meet demands of modern events and meeting standards.

### Mitigation

- Introduced exclusive dining promotions, seasonal menus and chef collaborations to differentiate F&B offerings. Focused on personalised service and unique events leveraging luxury, exclusivity and service quality beyond offerings of independent restaurants.
- Adopt strategic pricing and offer bundled packages that include precinct offerings and event spaces, while reinforcing loyalty programmes with exclusive benefits to strengthen long-term corporate relationships.
- Upgrading of the Grand and Diamond ballrooms to enhance their ambience and functionality, solidifying their position as the top choice for luxury weddings, corporate events and international conferences.

### Opportunities

- Continued growth in arrivals from China, ASEAN and the Middle East, fuelled by Malaysia's visa-free travel policy for China and India, presents a significant opportunity to boost demand in the hospitality sector.
- Capitalise on Fans of MO guest recognition programme, which boasts millions of members worldwide, to drive increased bookings through MO.com and strengthen our competitive edge against rival hotel chains' loyalty programmes.
- Form strategic marketing partnerships with the Kuala Lumpur Convention Centre and key KLCC Precinct stakeholders to capitalise on the high demand for events, enhancing brand visibility and driving mutual business growth.
- Unveil the new and improved Grand Ballroom, symbolising MOKUL Hotel's iconic grandeur, which has been designed to attract more weddings, while promoting the refreshed MO Club Lounge with value-added features like airport Fast Track, limo transfers, and flexible check-in/out for enhanced guest convenience.

## OUTLOOK & PROSPECTS

- Malaysia's hospitality industry is set to experience strong growth in 2025, driven by strategic initiatives and favourable market conditions. With over 31 million international tourists expected ahead of Visit Malaysia Year 2026, the surge in arrivals presents significant opportunities across all hospitality segments.
- The industry is further energised by a wave of new hotel openings, ranging from boutique stays to innovative lifestyle accommodation, each offering modern comfort, prime locations and world-class amenities. However, challenges remain, including the minimum wage increase to RM1,700 effective 1 February 2025, which may impact operational costs. Shifting traveller preferences, such as the demand for "bleisure" and workcation-friendly facilities, health and wellness-focused stays, and cultural or experiential travel, highlight the need for hotels to cater to evolving guest expectations.
- MOKUL Hotel will continue to foster strong partnerships with agencies such as Tourism Malaysia, MyCEB and various ministries to enhance its position as a premier destination. Efforts to elevate the hotel as a distinct luxury brand are already under way, including the relaunch of MO Club Lounge to offer an elevated level of convenience and experience. The upgraded Grand Ballroom and function rooms will support exceptional events, while upgraded serviced apartments will cater to families seeking an enhanced luxury stay.
- To innovate and stay guest-centric, MOKUL Hotel will be introducing brand-led products and services. These include cultural immersion programmes that allow guests to experience Kuala Lumpur's food, art and history, as well as innovative dining concepts such as a new pop-up venue at La Casa and the relocation of The Mandarin Cake Shop. Wellness offerings are also expanding, with the introduction of Psammotherapy treatment, making MOKUL Hotel the first and only spa in Malaysia to offer this service.





# THE PLACE FOR VALUE-DRIVEN SOLUTIONS

As your solutions partner, we deliver expert facilities management and best-in-class practices, ensuring spaces that enrich your experience and enhance long-term worth.







# MANAGEMENT SERVICES

## WHO WE ARE AND WHAT WE DO

The Management Services segment of KLCCP Stapled Group plays a vital role in ensuring the seamless operation, efficiency and sustainability of our property portfolio. Comprising facilities management under KLCC Urusharta (KLCCUH) and car park management under KLCC Parking Management (KPM), we are committed to delivering world-class solutions that enhance asset value and the user experience.

With almost 30 years of expertise, KLCCUH manages more than 25 diverse assets within KLCC Development, including two green-certified buildings—PETRONAS Twin Towers (Gold) and Menara 3 PETRONAS (Silver)—as well as the 50-acre KLCC Park and various facilities under PETRONAS and KLCC (Holdings). As an industry leader in award-winning facilities management, KLCCUH has been recognised for its excellence in sustainability, operational efficiency and asset performance. Our benchmark service delivery at PETRONAS Twin Towers serves as a model for skyscraper management worldwide, reinforcing our commitment to world-class facility and asset management.

Guided by the tagline “Service Beyond Boundaries”, KPM manages over 17,000 parking bays across Kuala Lumpur and Putrajaya, offering comprehensive parking management and advisory services. Committed to ESG principles, KPM actively optimises resource usage, reduces environmental impact, and promotes sustainable practices with several green initiatives implemented this year.

Through innovative facilities and car park management solutions, KLCCP Stapled Group continues to set industry benchmarks in sustainability, efficiency and service quality, ensuring our assets thrive while enhancing the experience of businesses and visitors alike.



## PERFORMANCE REVIEW

No. of facilities managed

**25**

2023

**25**

2024

No. of car park bays managed

**16,495**

2023

**17,421**

2024

Revenue Contribution by Segment

**18%**

2023

**18%**

2024

Revenue (RM'mil)\*

231.7

2022

290.9

2023

**315.0**

**2024**

Profit before tax (RM'mil)\*

36.0

2022

48.7

2023

**51.3**

**2024**

\* Revenue & PBT exclude Others

## OVERVIEW OF THE BUSINESS ENVIRONMENT

The facility and parking management sectors are rapidly evolving with smart technologies and sustainability initiatives. In facility management, internet of things (IoT) sensors and artificial intelligence (AI)-driven solutions are enhancing operational efficiency, energy optimisation and occupant experience, leading to cost savings and streamlined processes. However, challenges remain, including high initial investment costs, the need for skilled personnel, and concerns over data security and privacy.

In parking management, the shift towards cashless and touchless solutions, electric vehicle charging station, license plate recognition (LPR) systems, and eWallet Direct is driving seamless transactions and unmanned operations. IoT integration, meanwhile, is improving user convenience, reducing costs and boosting overall efficiency. Yet, the adoption of these technologies requires substantial investments and may encounter resistance from users accustomed to traditional methods, while data security and payment system integration remain key challenges.





## 2024 KEY FOCUS AREAS

- Strategic asset and service expansion
- Smart asset modernisation
- Sustainable operations excellence

## BUSINESS PERFORMANCE REVIEW

### Initiatives

Strengthen market presence by securing new parking locations and expanding facility management contracts in retail services, driving sustained growth.

### Results

- KPM secured 926 parking lots located across Kuala Lumpur and Putrajaya.
- 50% increase from carpark space rental compared to 2023, boosted by large scale events namely Karnival Jom Heboh, Score Marathon, Fun Run and many more.
- KLCCUH secured Facilities Management works for over 70,000 sq. ft. of retail space at Menara Permata Sapura.



### Initiatives

Leverage IoT and advanced analytics to optimise asset performance, enable predictive maintenance, and drive operational efficiency.

### Results

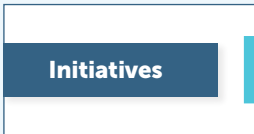
- Enhanced operational efficiency through IoT-driven solutions wind speed monitoring for façade cleaning at Menara 3 PETRONAS, QR Braille-Plant Identification for visually impaired visitors to experience nature KLCC Park, and robotic lake cleaning with soil moisture sensors, delivering sustainable and cost-effective maintenance solutions.
- Upgrading of LED lighting in Menara 3 PETRONAS and in PETRONAS Twin Towers, cooling tower replacement at Dayabumi, and integrating IoT to maximise efficiency, minimise costs and create long-term value for stakeholders.
- Integrating IoT technologies for real-time monitoring and proactive management of building systems through the Integrated Building Command Centre (IBCC).



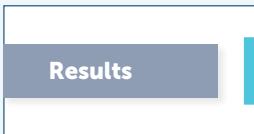




## Business Review



Embed ESG-driven initiatives to enhance efficiency, resilience and regulatory compliance through industry collaboration.



- Elevate industry leadership through key partnerships in collaboration towards establishing the Supertall Building Malaysia Joint Council with Fire Department and Supertall to enhance best practices in urban asset and fire safety management.
- Introduced 8 electric motorbikes replacing conventional motorbikes for parking patrols, contributing to an estimated 462gCO<sub>2</sub>eq/km reduction in GHG emissions.
- Installed 45 solar-powered streetlights in open car parks in Putrajaya to promote renewable energy and sustainability.



## AWARDS & ACHIEVEMENTS

- The Edge Malaysia Best Managed & Sustainable Property Awards (BMSPA) 2024 in the 10 Years and Above – Non-strata Office category – (Gold - PETRONAS Twin Towers)
- The Edge Malaysia-Editor’s Choice award for Timeless Excellence (PETRONAS Twin Towers)
- The Edge Malaysia-ILAM Sustainable Landscape Awards 2024 (KLCC Park)



To read more on the full list of awards for 2024, please refer to Awards and Recognition on pages 22 to 23



## CHALLENGES, MITIGATION & OPPORTUNITIES

### Challenges

- Rising operational and maintenance costs for facilities and car parks due to aging assets/ infrastructure.
- Navigating complex regulations and ensuring compliance with evolving safety and sustainability standards.
- Addressing sustainability concerns in car parking and facility management operations, particularly in energy consumption and GHG emissions.

### Mitigation

- Invest in infrastructure upgrades with energy-efficient solutions, reducing long-term maintenance costs.
- Strengthen regulatory partnerships and stay ahead of industry standards to ensure smooth compliance.
- Adopt green technologies such as LED and solar-powered lighting and electric vehicle (EV) charging stations to reduce environmental footprint.

### Opportunities

- Leverage expanding demand for integrated facility management services by offering innovative solutions that meet evolving market needs, in both property management and car park operations.
- Tap into growing demand for sustainability initiatives, aligning with Group-wide sustainability efforts.
- Embrace advanced technologies such as AI, IoT and process automation to streamline operations and improve efficiencies.
- Enhance user experience by utilising technology to offer seamless, app-based services for parking reservations and facility access, improving convenience and customer satisfaction.

## OUTLOOK & PROSPECTS

- The outlook for management services in Malaysia is robust and dynamic, driven by rapid urbanisation, evolving consumer expectations, and the accelerated integration of advanced technologies. As cities transform into smarter, more connected hubs, there is rising demand for solutions that not only deliver operational efficiency and cost savings but also enhance the user experience and sustainability. This evolving landscape is fostering a competitive market where a customer-centric approach coupled with innovative practices is essential for long-term success.
- KLCCUH is at the forefront of this transformation by continuously rejuvenating and modernising its portfolio. Through strategic expansion in the retail space and the upgrade of iconic office buildings, KLCCUH maintains the KLCC Group's assets/properties in pristine condition while delivering premium future-ready experiences. These efforts not only enhance asset value but also reinforce KLCCUH's leadership in sustainable, innovative facility management. Additionally, KLCCUH is focused on upskilling its staff capabilities to prepare for future retail FM undertakings, ensuring operational excellence and industry-leading expertise.
- Complementing these initiatives, KPM is driving innovation in car park management by leveraging smart technologies and process automation. Its strategic expansion into new parking locations within KLCC enhances both operational efficiency and user convenience, aligning with the Group's broader commitment to sustainable growth. Together, these efforts ensure we remain competitive and relevant in a dynamic market, delivering integrated solutions for all our stakeholders.



# CFO'S REVIEW

The year 2024 was a milestone year for KLCCP Stapled Group since our listing, seeing us achieve record revenue, profit and dividends, exceeding our initial forecast while creating immense value for our holders of Stapled Securities. That we achieved our results in a financially challenging landscape makes it all the more noteworthy.

**ROHIZAL BIN KADIR**  
Chief Financial Officer



## REVENUE

**RM1,710.9  
million**

(2023: RM1,619.2 million)

## INVESTMENT PROPERTIES

**RM16,200.5  
million**

(2023: RM15,953.1 million)

We started the year on a cautious note, with heightened competition from newly open retails and hotels, operating in a high-cost environment from disruptions in global supply chain and shortage of casual workers to support growth of hotel occupancy. The revision of Sales & Service Tax (SST) rates and reallocation of diesel subsidies in the first half of the year requires businesses to proactively manage their operation cost to maintain profit margin. In addition, we faced the challenge of maintaining optimal financing costs as approximately half of our financings were set to mature throughout the year.

Despite these challenges, the Group achieved excellent financial performance with the increase in Group's revenue of 5.7% to RM1,710.9 million from RM1,619.2 million in 2023 while our profit before tax (PBT) excluding fair value adjustments inched up from RM965.5 million to RM967.1 million. Meanwhile, the Group's profit attributable to equity holders (PATMI) excluding fair value adjustments grew by 7.4% to RM790.1 million from RM735.7 million, reflecting the gain from acquisition of Suria KLCC's remaining equity, financed by the new Sukuk issuance.





We are also pleased with our robust balance sheet bolstered by our high quality assets and optimal financings. Underlying the strength of our properties was a resilient recovery in valuations, which increased our property value by RM234.7 million to RM16.2 billion.

Maintaining a healthy level of liquidity and a well positioned balance sheet were among our key priorities, especially in light of the need to issue and refinance RM3.0 billion Sukuk during the year. Our strategy was to leverage on our strong business performance and high quality assets to secure the highest credit rating and I am happy to say that we were successful in this regard. This is evident by the achievement of AAA rating and lower cost of debt of 4.0% from 4.6% in 2023.

The refinancing of RM455.0 million KLCC REIT and RM600.0 million Suria KLCC Sukuk exercise has resulted in a 14% saving on financing costs annually. We were thrilled with the Suria KLCC Sukuk because, despite having a unique tenure of 10.5 years, we were able to secure an impressive profit rate of 4.0% per annum, garnering nearly 4 times over the amount of issuance.

Our remarkable results translated into another record-breaking dividend distribution of 44.50 sen, marking a 10.4% increase from 2023 and the highest payout in a decade – which is testament to the Group's commitment to creating value for our holders of Stapled Securities.

We believe our continuous strong performance has boosted confidence in our share price which has improved by 15.0% during the year, higher than the Bursa Malaysia REIT Index. Added with highest dividend distributed, our annual total return stood at 20.4%, reflecting our commitment to maximising value for our holders of Stapled Securities.

While we were extremely delighted with the numbers on their own, the icing on the cake was being recognised by The Edge for the highest growth in PAT over three years among REITs. Like The Edge Awards, our annual performance is a testament to our ongoing commitment and hard work over the years. It reflects our dedication to maximising the value of our assets while upholding the highest standards in capital management and cost optimisation to sustain robust margins. These are prudent financial principles that we have adopted from the start, but have further honed since the pandemic, when they were critical.

## SEGMENTAL PERFORMANCE

The star performer in our stable this year was the Hotel segment, where revenue increased by 13.7% to RM239.8 million and, most impressively, PBT quadrupled from RM3.0 million in 2023 to RM12.2 million. Our Retail segment also grew substantially, driven by the Group's commitment to enriching the retail experience and ensuring sustainable growth. Retail revenue improved by 6.8% to RM551.2 million from RM516.1 million while PBT rose by 9.2% to RM429.1 million from RM392.9 million. On the Office front, although the market was stagnant, we stood to gain from our long-term TNL which guarantees steady revenue, contributing a substantial 30% of our total revenue. Our Management Services also performed well, recording a 5.3% increase in PBT to RM51.3 million on the back of an 8.3% increase in revenue to RM315.0 million, driven by expanded car park operations.

## OUTLOOK

Malaysia's economy is anticipated to continue to strengthen in 2025, providing a positive backdrop for the property and retail sectors, while preparations for Visit Malaysia 2026 are expected to further boost tourist arrivals. These are positive factors for the Group and lend us good reason to believe this will help to cushion any impact of domestic and international economic uncertainty.

In 2025, the Group will be undergoing another refinancing of the RM388.2 million term loan for MOKUL Hotel that will be maturing in May and June 2025. In line with the success of our refinancing exercise in 2024, the Group is confident on the ability to reduce our financing cost backed by the hotel's performance.

We will continue investing to ensure our assets are in pristine condition. This includes refurbishment of the hotel's grand ballroom, which is expected to be completed by April 2025, in time for the peak season from 2Q 2025 onwards; and modernisation of facilities at Suria KLCC.

Collaboration with our partners in the KLCC Precinct will be our focus to drive footfall and sustaining our occupancy. Specific attention will be channelled towards the KLCC Park, as there remains much untapped potential in this 50-acre hothouse of biodiversity. Malaysia's Chairmanship of ASEAN will present various opportunities that we will also leverage to further elevate our properties and the KLCC Precinct as a top regional destination.

**Rohizal Bin Kadir**  
Chief Financial Officer



## Financial Review

### Key Highlights

01

Achieved record revenue to-date of **RM1.7 billion** from strong performance across all segments

02

Declared highest distribution per stapled security of **44.50 sen**, testament to Group's commitment on sustainable distribution to holders of Stapled Securities

03

MOKUL Hotel reported PBT of **RM12.2 million**, a significant rise from RM3.0 million in 2023

	2023 RM'mil	2024 RM'mil	Variance %
Revenue	1,619.2	<b>1,710.9</b>	5.7
Operating profit	1,020.2	<b>1,067.3</b>	4.6
Profit before tax*	965.5	<b>967.1</b>	0.2
Profit for the year*	853.8	<b>830.8</b>	(2.7)
Profit attributable to equity holders*	735.7	<b>790.1</b>	7.4
Operating profit margin* (%)	63.0	<b>62.4</b>	(1.0)
Profit before tax margin* (%)	59.6	<b>56.5</b>	(5.2)
Earnings per stapled security* (sen)	40.24	<b>43.33</b>	7.7
Distribution per stapled security (sen)	40.50	<b>44.50</b>	9.9
Payout ratio (%)	92%	<b>92%</b>	0.0

\* Excluding fair value adjustments

The Group achieved RM1.7 billion in revenue, its highest since being listed in 2013. Additionally, the Group recorded a 7.4% year-on-year (YoY) increase in profit attributable to equity holders (excluding fair value adjustments) anchored on growth across all segments and the acquisition of the remaining 40% of Suria KLCC during the year.

The Group also experienced a gain in value of its investment properties, totaling RM234.7 million, resulting from the increased value of its retail malls and the impact of accrued income.

The Group's effective tax rate was notably low at 14.1%, primarily due to KLCC REIT distributing over 90% of its distributable income, which exempts this income from tax. This favourable tax regime supports the Group's commitment to delivering value to holders of its Stapled Securities.

#### Distribution per Stapled Security

Supported by strong performance, the Group declared a total distribution of 44.50 sen per stapled security for the year, marking another record high since its listing. This represents 92% payout of the Group's distributable profit and realised income.

**SEGMENTAL FINANCIAL PERFORMANCE****OFFICE**

Property	REVENUE			PROFIT BEFORE TAX (excluding fair value adjustments)			PBT contribution
	2023 RM'mil	2024 RM'mil	Variance %	2023 RM'mil	2024 RM'mil	Variance %	2024 %
PETRONAS Twin Towers	401.4	<b>401.5</b>	0.0	357.7	<b>357.0</b>	(0.2)	<b>67</b>
Menara 3 PETRONAS	92.7	<b>92.8</b>	0.1	91.2	<b>91.7</b>	0.5	<b>17</b>
Menara ExxonMobil	47.1	<b>47.7</b>	1.3	30.5	<b>31.8</b>	4.3	<b>6</b>
Menara Dayabumi	41.3	<b>41.4</b>	0.2	35.7	<b>35.9</b>	0.6	<b>7</b>
Menara Maxis*	–	–	–	14.2	<b>14.8</b>	4.2	<b>3</b>
Sub-total	582.5	<b>583.4</b>	0.2	529.3	<b>531.2</b>	0.4	<b>100</b>
Citypoint Development	–	–	–	(5.9)	–	–	–
<b>Total Office Segment</b>	582.5	<b>583.4</b>	0.2	523.4	<b>531.2</b>	1.5	<b>100</b>

\* share of profit of an associate

The Office segment remained the top revenue contributor at RM583.4 million (34.1% of total revenue), supported by the stability of the Triple Net Lease (TNL) for PETRONAS Twin Towers, Menara 3 PETRONAS and Menara Dayabumi. This was further enhanced by the long-term lease in Menara ExxonMobil.

PETRONAS Twin Towers contributed 68.8% (RM401.5 million) of the total Office revenue, followed by Menara 3 PETRONAS at 15.9% (RM92.8 million). Revenue from Menara ExxonMobil increased by 1.3% due to the full-year impact of a rental increase.

Under the TNL with PETRONAS, all property expenses are borne by the tenant, shielding our overall PBT.

**RETAIL**

Property	REVENUE			PROFIT BEFORE TAX (excluding fair value adjustments)			PBT contribution
	2023 RM'mil	2024 RM'mil	Variance %	2023 RM'mil	2024 RM'mil	Variance %	2024 %
Suria KLCC	475.9	<b>515.1</b>	8.2	369.8	<b>409.8</b>	10.8	<b>96</b>
Menara 3 PETRONAS (Retail Podium)	40.2	<b>36.1</b>	(10.2)	23.1	<b>19.3</b>	(16.5)	<b>4</b>
<b>Total Retail Segment</b>	516.1	<b>551.2</b>	6.8	392.9	<b>429.1</b>	9.2	<b>100</b>

The Retail segment contributed a steady 32.2% to the Group's total revenue. During the year, the retail segment recorded a 6.8% increase in revenue and 9.2% increase in PBT (excluding fair value adjustments) driven by higher occupancy and rental rates. The average occupancy rate at Suria KLCC for the year was 99%, marking an increase from 96% in 2023, with the 28 new tenants.

These achievements demonstrate the Group's commitment to providing an enhanced retail experience and ensuring sustainable growth.





## Financial Review

### HOTEL

Property	REVENUE			PROFIT BEFORE TAX		
	2023 RM'mil	2024 RM'mil	Variance %	2023 RM'mil	2024 RM'mil	Variance %
Mandarin Oriental, Kuala Lumpur	210.9	<b>239.8</b>	13.7	3.0	<b>12.2</b>	>100

The hotel's performance improved significantly over the past year, achieving a 13.7% rise in revenue and PBT quadrupled to RM12.2 million.

This commendable performance was driven by enhanced food and beverage operations, successful group bookings, and improved room rates, all underscored by continuous efforts that prioritise guest service and experience.

### MANAGEMENT SERVICES & OTHERS

Property	REVENUE			PROFIT BEFORE TAX (excluding fair value adjustments)			PBT contribution
	2023 RM'mil	2024 RM'mil	Variance %	2023 RM'mil	2024 RM'mil	Variance %	2024 %
Facilities Management	224.5	<b>244.7</b>	9.0	19.5	<b>20.9</b>	7.4	<b>41</b>
Car Park Management	66.4	<b>70.3</b>	5.9	29.2	<b>30.4</b>	4.0	<b>59</b>
Management services	290.9	<b>315.0</b>	8.3	48.7	<b>51.3</b>	5.3	<b>100</b>
Others	18.8	<b>21.5</b>	14.4	(2.5)	<b>(56.6)</b>	>100	
<b>Total Management Services &amp; Others Segment</b>	<b>309.7</b>	<b>336.5</b>	<b>8.7</b>	<b>46.2</b>	<b>(5.3)</b>	<b>&gt;100</b>	

Management Services & Others generated a total revenue of RM336.5 million, marking an 8.7% increase from 2023, and contributing to 19.7% of the Group's total revenue.

Facilities Management recorded a 9.0% increase in revenue from expanded scope and additional work carried out during the year in managed facilities.

Car Park Management also saw an increase in revenue, of 5.9%, attributed to additional car park management at new locations, increased foot traffic at Suria KLCC, and events hosted within the KLCC Precinct.

"Others" mainly represents general manager services provided by the Company to the entire KLCC Group of Companies, interest/profit income earned, and the financings cost of Sukuk Wakalah financing. The increase in financings cost incurred is in line with the acquisition of the remaining shares in Suria KLCC.

The Group's Management Services segment also includes providing management services to KLCC REIT under KLCC REIT Management Sdn Bhd. The stapled structure of the Group ensures no leakage of management fees, as management fees charged as part of KLCC REIT's expense are recycled back into the Group's income stream. Income earned by KLCC REIT Management is directed towards dividends offered to the holders of Stapled Securities.

**FINANCIAL POSITION REVIEW**

	2023 RM'mil	2024 RM'mil	Variance %
<b>ASSETS</b>			
Investment properties	15,953.1	<b>16,200.5</b>	1.6
Property, plant and equipment	547.8	<b>540.6</b>	(1.3)
Right-of-use assets	2.5	<b>1.8</b>	(26.3)
Receivables	371.4	<b>291.0</b>	(21.6)
Cash and bank balances	1,192.1	<b>1,360.9</b>	14.2
Others	266.7	<b>268.4</b>	0.7
	18,333.6	<b>18,663.3</b>	1.8
<b>LIABILITIES</b>			
Payables	410.7	<b>445.7</b>	8.4
Financing	2,364.2	<b>4,317.5</b>	82.6
Others	169.2	<b>195.5</b>	15.9
	2,944.1	<b>4,958.7</b>	68.4
Total equity attributable to equity holders of KLCCP and KLCC REIT	13,339.1	<b>13,671.6</b>	2.5
Net asset value (NAV) per stapled security (RM)	7.39	<b>7.57</b>	2.5

Supported by a robust portfolio of assets, the Group maintained a strong financial position with adequate cash reserves and low gearing, ensuring future growth and long-term stability. The Group's total assets increased by 1.8% from RM18.3 billion to RM18.7 billion, primarily due to the appreciation in fair value of investment properties during the year, alongside higher cash and bank balances reflecting improved performance.

The NAV per stapled security grew from RM7.39 to RM7.57 over the year, while total equity attributable to equity holders strengthened to RM13.7 billion.

Property	Market Value		Carrying Value	
	31 Dec 2023 RM'mil	31 Dec 2024 RM'mil	31 Dec 2023 RM'mil	31 Dec 2024 RM'mil
KLCC REIT Assets	9,528.0	<b>9,530.0</b>	9,271.9	<b>9,353.7</b>
Suria KLCC	5,630.0	<b>5,800.0</b>	5,615.2	<b>5,780.1</b>
Kompleks Dayabumi*	638.3	<b>639.0</b>	753.3	<b>754.0</b>
Lot D1*	290.0	<b>290.0</b>	312.7	<b>312.7</b>
<b>Total</b>	16,086.3	<b>16,259.0</b>	15,953.1	<b>16,200.5</b>

\* The carrying value of Kompleks Dayabumi and Lot D1 includes the IPUC, which was valued at cost.



## Financial Review

### Investment Properties and Fair Value Adjustments

The investment properties of KLCCP Stapled Group constitute 87% of the Group's total assets and include some of the most prestigious and premium assets in Kuala Lumpur. These assets encompass PETRONAS Twin Towers, Menara 3 PETRONAS and Menara ExxonMobil within KLCC REIT, as well as Suria KLCC, Menara Dayabumi, City Point land and the vacant land of Lot D1 owned by KLCCP.

As of 31 December 2024, the market value of these properties increased by 1.1% to RM16.3 billion, primarily driven by the retail segment's value appreciation. This growth underscores the robustness of the Group's assets despite competitive rates prevalent in the retail market.

In accordance with MFRS 140 Investment Properties, accounting adjustments were made to exclude accrued operating lease income and capital expenditure incurred during the year to avoid double counting of assets. Consequently, a fair value adjustment amounting to RM234.7 million was recognised in 2024.

### Property, Plant and Equipment

The Group's property, plant and equipment (PPE) mainly consist of the cost of the MOKUL Hotel building.

During the year, the Group spent RM22.3 million on enhancing the hotel's assets, including refurbishment of the ballroom, server infrastructure upgrades, and guest room improvements. The capital expenditure was offset by depreciation charges and write-offs/disposals of assets no longer in use.

### Receivables

The Group's receivables decreased by 21.6% in 2024 to RM291.0 million compared to RM371.4 million in 2023. This was attributed to a reduction in accrued rental revenue due to the straight-lining impact of leases under MFRS 16 in KLCC REIT and Suria KLCC.

## CASHFLOW REVIEW

	2023 RM'mil	2024 RM'mil
Operating activities	1,052.8	<b>1,136.1</b>
Investing activities	(67.2)	<b>(2,001.3)</b>
Financing activities	(963.9)	<b>1,006.5</b>
Change in cash and cash equivalents	21.7	<b>141.3</b>
Breakdown of Cash and Bank Balances		
Cash with PETRONAS IFSSC	836.8	<b>924.4</b>
Deposits with licensed banks	348.4	<b>419.6</b>
Cash and bank balances	6.9	<b>16.9</b>

### Operating Activities

The higher net cash generated from operating activities of RM1,136.1 million compared to RM1,052.8 million was mainly due to improved performance in all segments coupled with higher interest/profit income received from fund placements.

### Investing Activities

The Group's spending was higher during the year due to the acquisition of the remaining equity interest in Suria KLCC and the cost of asset enhancements such as refurbishment of the hotel ballroom and mall upgrades including modernisation of the fire lifts and escalators.

### Financing Activities

The financing activities of the Group consisted of servicing the interest/profit for the Sukuk Murabahah Programme, Sukuk Wakalah Programme and the hotel's term loan.

Cash generated was higher YoY, mainly from the newly issued Sukuk Wakalah for the acquisition of remaining shares in Suria KLCC and refinancing of the existing Sukuk Murabahah for both KLCC REIT and Suria KLCC.

The Group continuously manages its available cash with prudence through placement in fixed deposits or with PETRONAS Integrated Financial Services Centre (IFSSC) where the balance is interest bearing.

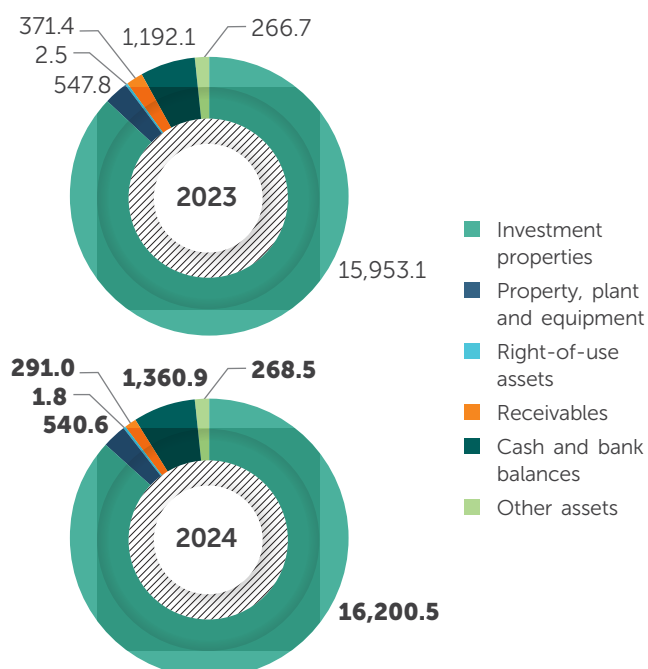




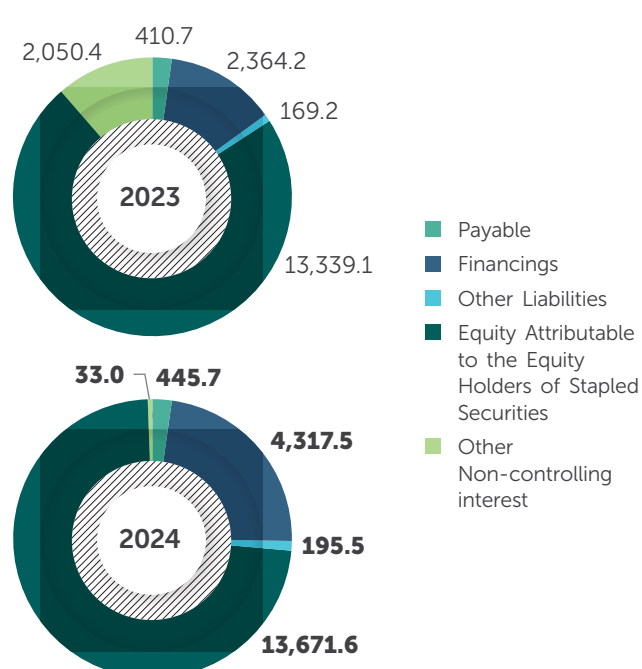
## 5-Year Financial Summary

	2020	2021	2022	2023	2024
<b>Key Operating Results (RM'mil)</b>					
Revenue	1,239.2	1,171.1	1,459.3	1,619.2	<b>1,710.9</b>
Operating Profit	764.5	785.2	958.8	1,020.2	<b>1,067.3</b>
Profit Before Tax	546.8	565.8	1,018.9	1,187.4	<b>1,201.4</b>
Profit For The Year	474.7	534.0	911.6	1,066.4	<b>1,057.2</b>
<b>Key Statement of Financial Position (RM'mil)</b>					
Investment Properties	15,693.2	15,586.6	15,722.8	15,953.1	<b>16,200.5</b>
Total Assets	17,995.5	17,937.1	18,109.5	18,333.6	<b>18,663.3</b>
Total Financings	2,349.4	2,375.9	2,378.5	2,364.2	<b>4,317.5</b>
Total Liabilities	2,917.5	2,897.6	2,942.2	2,944.1	<b>4,958.7</b>
Total Equity Attributable to the Equity Holders of Stapled Securities	13,014.1	13,009.8	13,131.7	13,339.1	<b>13,671.6</b>
<b>Stapled Securities Information</b>					
Earnings per Stapled Security - Basic/Diluted (sen)	23.94	27.47	43.35	51.59	<b>56.31</b>
Net Asset Value per Stapled Security (RM)	7.21	7.21	7.27	7.39	<b>7.57</b>
Distribution per Stapled Security (sen)	30.00	33.60	38.00	40.50	<b>44.50</b>
Stapled Securities Closing Price as at 31 December (RM)	7.08	6.55	6.71	7.09	<b>8.15</b>
Number of Stapled Securities (mil)	1,805.3	1,805.3	1,805.3	1,805.3	<b>1,805.3</b>
Market Capitalisation (RM'mil)	12,781.8	11,824.9	12,113.8	12,799.8	<b>14,713.5</b>
<b>Financial Ratios</b>					
PBT Margin (Including fair value adjustments)	44.1%	48.3%	69.8%	73.3%	<b>70.2%</b>
Dividend Payout Ratio	98%	95%	92%	92%	<b>92%</b>
Gearing (times)	0.18	0.18	0.18	0.18	<b>0.32</b>

**Total Assets**  
(RM'mil)



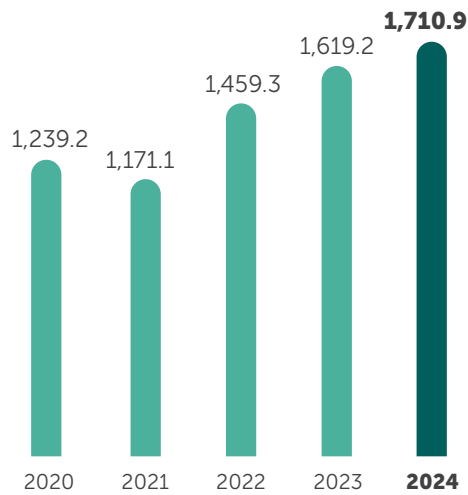
**Total Equity and Liabilities**  
(RM'mil)



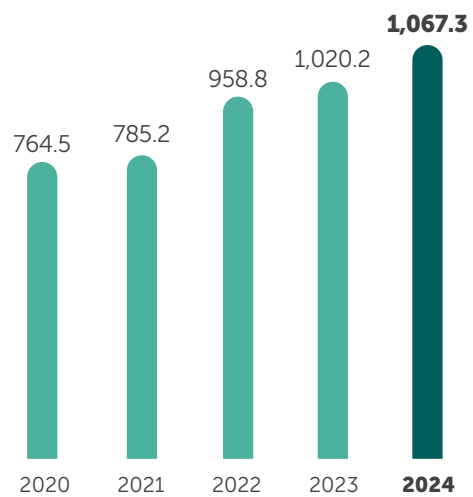


## 5-Year Financial Highlights

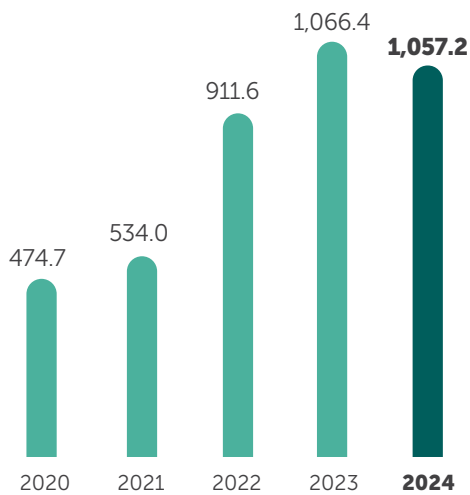
**Revenue**  
(RM'mil)



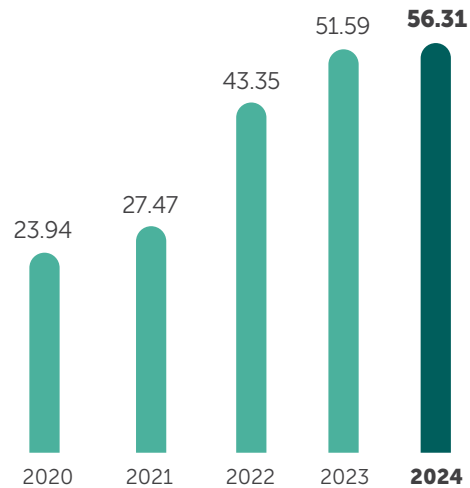
**Operating Profit**  
(RM'mil)



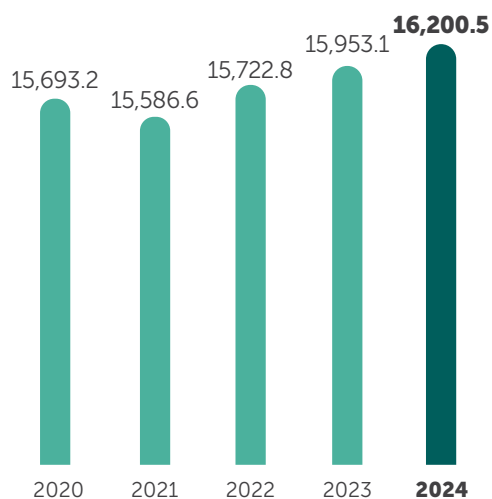
**Profit for the Year**  
(RM'mil)



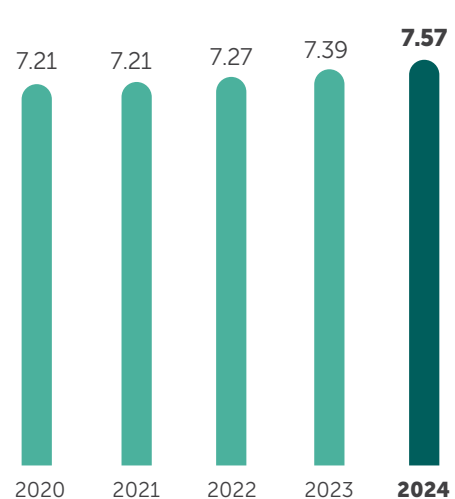
**Earnings Per Stapled Security – Basic/Diluted**  
(sen)



**Property Value**  
(RM'mil)

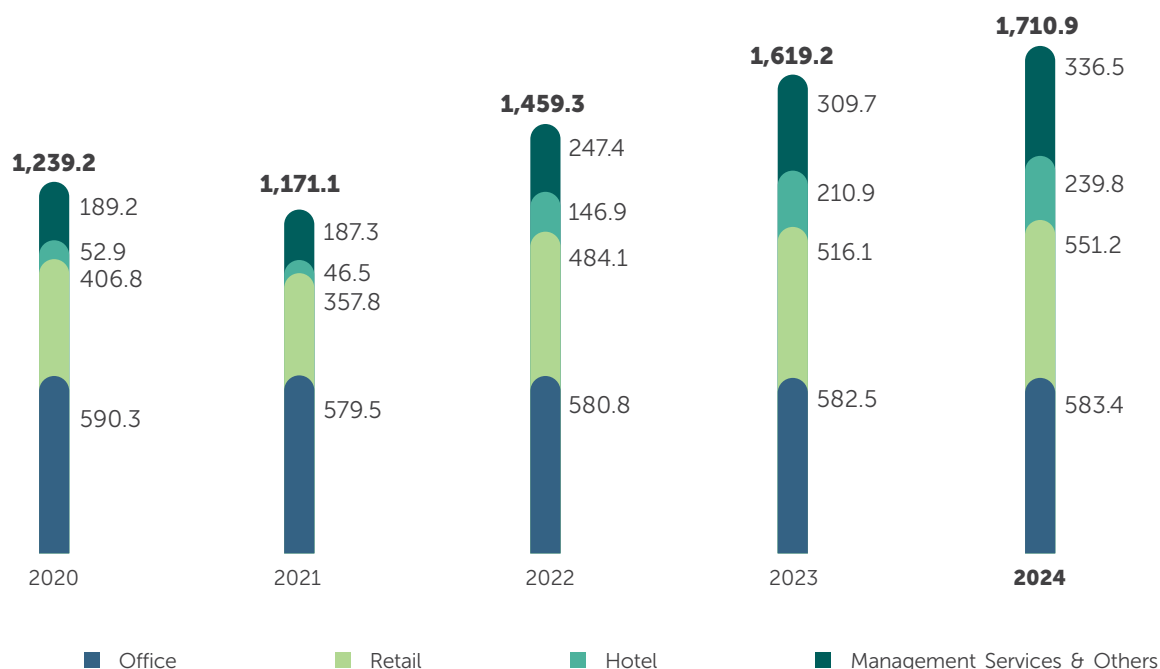


**Net Asset Value Per Stapled Security**  
(RM)

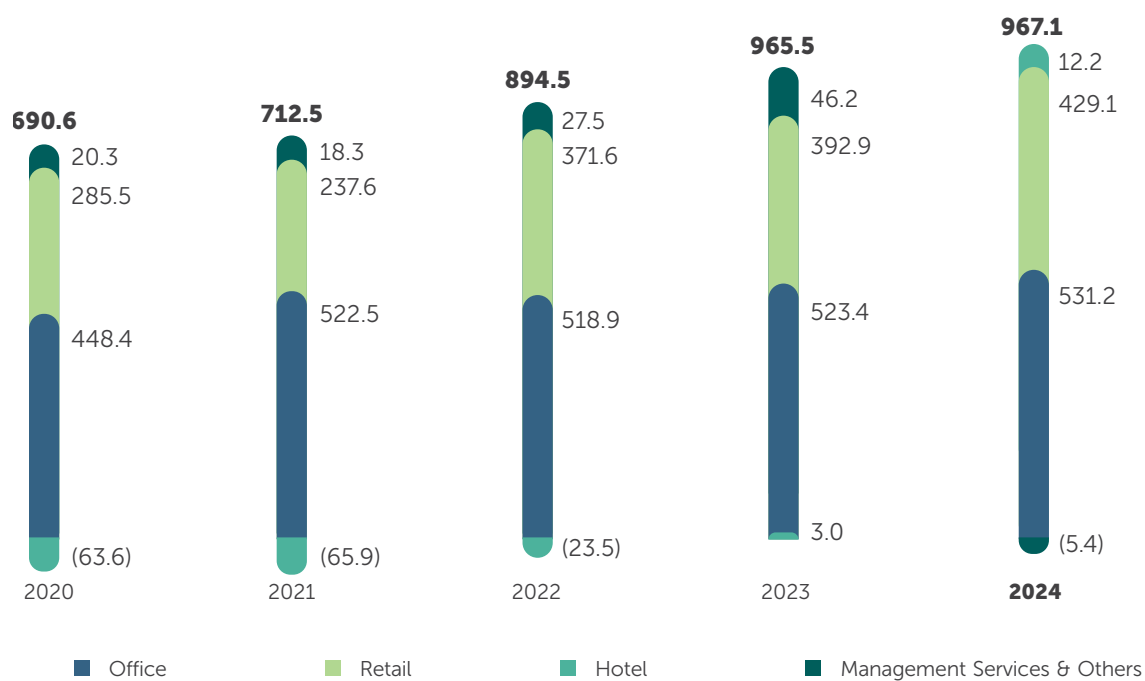




### Segmental Revenue (RM'mil)



### Segmental PBT Excluding Fair Value Adjustments (RM'mil)





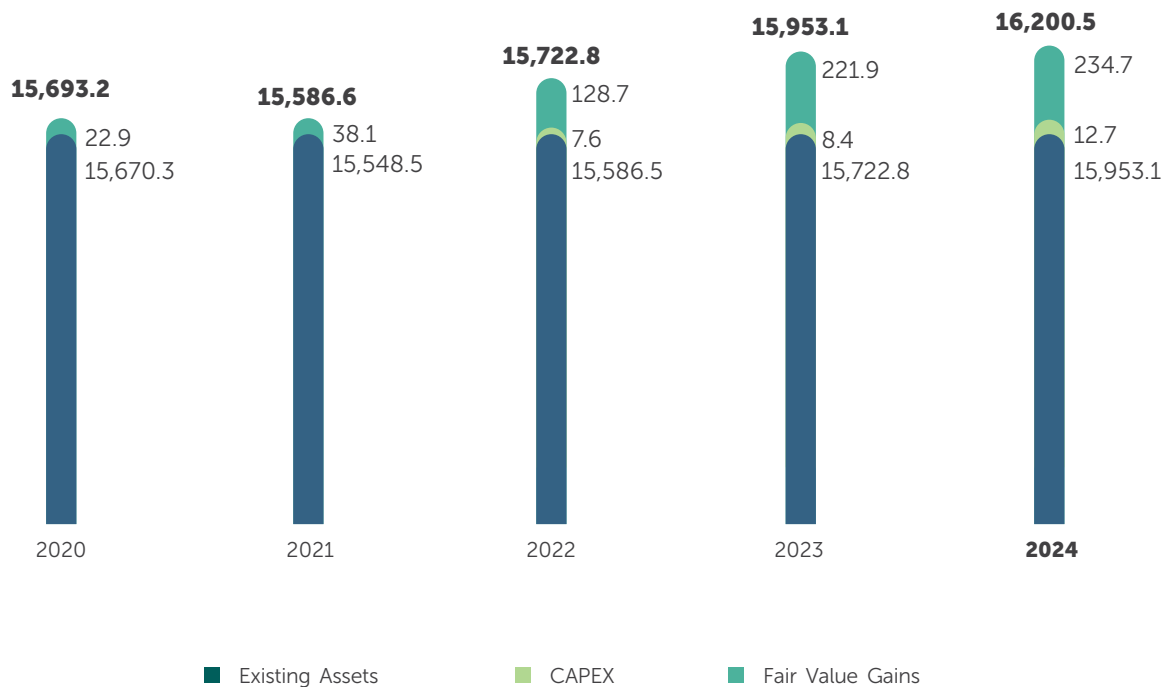


## 5-Year Financial Highlights

**Distribution Per Stapled Security**  
(sen)



**Property Value**  
(RM'mil)



## Value Added Statement

	2023 RM'000	2024 RM'000
Revenue	1,619,163	<b>1,710,860</b>
Interest/profit income	42,391	<b>52,313</b>
Operating expenses	(420,988)	<b>(457,750)</b>
Value added by the KLCCP Stapled Group	1,240,566	<b>1,305,423</b>
Share of profits of an associate	14,204	<b>14,290</b>
Fair value adjustments on investment properties	221,914	<b>234,731</b>
	1,476,684	<b>1,554,444</b>
<b>Reconciliation</b>		
Profit attributable to holders of Stapled Securities	931,294	<b>1,016,533</b>
Add:		
Depreciation & amortisation	32,877	<b>30,008</b>
Finance costs	111,312	<b>167,299</b>
Staff costs	145,072	<b>155,772</b>
Taxation	121,041	<b>144,142</b>
Other non-controlling interest	135,088	<b>40,690</b>
	1,476,684	<b>1,554,444</b>
<b>Value distributed</b>		
<b>Employees</b>		
Salaries and other staff costs	145,072	<b>155,772</b>
<b>Government</b>		
Corporate taxation	112,222	<b>129,256</b>
<b>Providers of capital</b>		
Dividends	723,939	<b>754,629</b>
Finance costs	111,312	<b>167,299</b>
Other non-controlling interest	135,088	<b>40,690</b>
<b>Reinvestment and growth</b>		
Depreciation & amortisation	32,877	<b>30,008</b>
Capital reserve*	111,676	<b>155,870</b>
Income retained by the Group	104,498	<b>120,920</b>
	1,476,684	<b>1,554,444</b>

\* Capital reserve represents the fair valuation gain on properties which is only distributable upon disposal of investment property



## Capital Management

As set out in the KLCC Group Corporate Financial Policy, the Group's objective in managing capital is to maintain an optimal capital structure and ensure the availability of funds for businesses and operations whilst maximising shareholder value.

During the year, the Group remained disciplined in managing its capital structure to provide a solid foundation to withstand near-term uncertainties.

	2020	2021	2022	2023	2024
Total financings (RM million)	2,340	2,370	2,375	2,362	<b>4,316</b>
Average cost of debt (%)	4.4	4.3	4.6	4.6	<b>4.0</b>
Fixed : Floating ratio	84	83	83	83	<b>91</b>
Average maturity period (years)	3.6	4.3	3.3	2.3	<b>4.6</b>
Gearing ratio (%)					
– Gross	18.0	18.2	18.1	17.7	<b>31.6</b>
– Net	11.3	10.8	9.7	8.8	<b>21.6</b>

(Note: Total financings exclude arrangements accounted for as leases under MFRS 16)

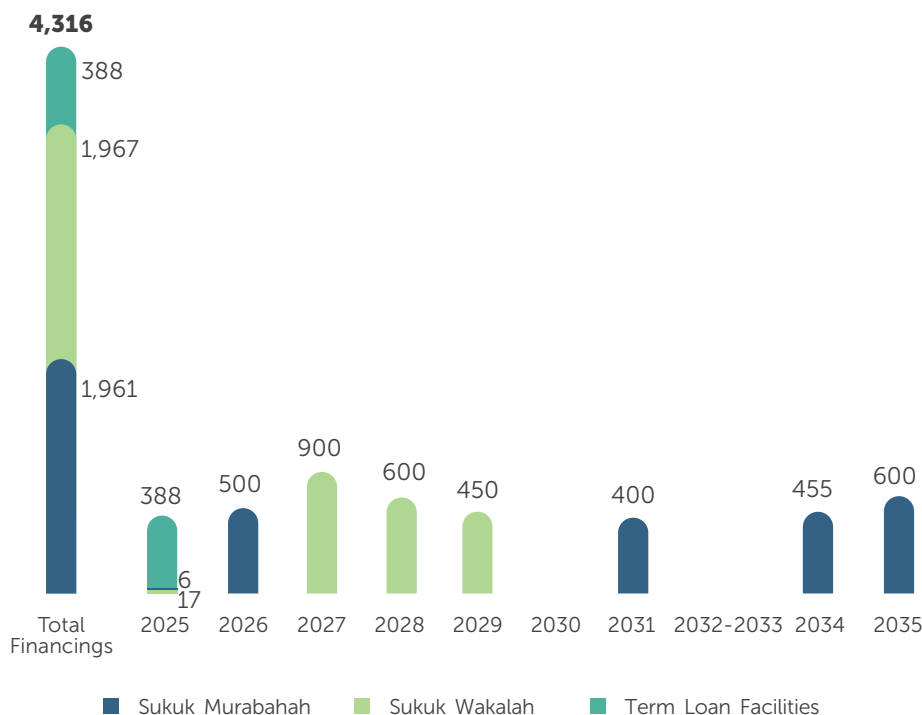
As of 31 December 2024, the Group's financings amounted to RM4.3 billion. In April 2024, KLCC Property Holdings Berhad successfully issued its inaugural Sukuk Wakalah, totaling RM1.95 billion, to finance the acquisition of the remaining 40% equity interest in Suria KLCC.

Additionally, the RM455 million and RM600 million of Sukuk Murabahah, were successfully refinanced on their maturity dates in April 2024 and December 2024, respectively. All these facilities were rated AAA/Stable by RAM Ratings.

Due to its strong performance and stability, the Group secured a lower interest rate, which is expected to positively impact cash flow and overall performance in the long term.

The Group anticipates minimal impact from any potential increases in the Overnight Policy Rate (OPR) by Bank Negara Malaysia, given that 91% of the total financings is on fixed rates.

### Debt Maturity Profile as of 31 December 2024 (RM'mil)



### Total Financings (%)







## Capital Expenditure

The Group's capital expenditure for the year totalled RM35.1 million, with a large portion channelled towards improving building infrastructure, enhancing the hotel (e.g. ballroom refurbishment) and mall upgrades including fire lifts and escalators enhancement, among others.

## FINANCIAL RISK MANAGEMENT

Guided by PETRONAS' Integrated Financial Risk Management (IFRM) Guidelines, the Group is cognisant of the financial risks inherent in the course of its day-to-day business.

As part of prudent financial risk management, the Group has reviewed its financial risks and maintained them at an accepted level, taking into consideration current economic factors. All identified risks will be monitored continuously and regulated with proper mitigation plans, in accordance with the Group's accepted risk-reward balance.

### Credit Risk

Credit risk is the possibility of default in payments owing, which could adversely impact the Group's financial performance. Although the credit risk appetite differs from one business segment to another, the Group strives to minimise its overall credit risk by entering into contracts with high credit-rated counterparties, while also requiring collateral or other forms of credit enhancements.

This commitment was reflected in the decrease in overall trade receivables during the year. In addition, guided by its current credit risk profile and economic conditions, the Group decreased its allowance for impairment losses on trade receivables from RM6.2 million to only RM4.5 million during the year.

The Group's trade receivables as of 31 December 2024 stood at RM5.8 million.

Trade Receivables' Aging	RM'000
Not past due	4,366
Past due 1 to 30 days	1,116
Past due 31 to 60 days	152
Past due 61 to 90 days	97
Past due more than 90 days	4,555
	10,286
Less: Allowance for impairment losses	(4,458)
	<b>5,828</b>

The Group's retail operators continue to carry out thorough credit evaluations using qualitative and quantitative criteria on new tenants and follow up with the tenants to ensure collectability. Constant monitoring of the ability of tenants to pay their rental charges forms part of the Group's credit risk mitigation.

Similarly, the hotel conducts thorough reviews and assessments of the credit worthiness of customers who are provided with credit limits to ensure timely collection of payment when it is due.

### Liquidity Risk

Liquidity risk is the possibility of the Group encountering difficulties in meeting financial commitments in a timely manner.

The Group maintains adequate cash and bank balances to meet its working capital requirement as part of its overall liquidity management. Periodic cash flow forecasts are undertaken to determine optimal cash requirements, taking into consideration all receivables, payment of suppliers and other capital and financial obligations. Via proactive cash management, the Group ensures that any idle monies are placed in interest/profit-bearing accounts.

As disclosed under the Debt Maturity Profile, the Group's outstanding commitments are only due in the medium to long term. In addition, the Group has significant headroom allowing it to tap into financing as and when required.

### Foreign Currency Risk

Foreign currency risk is the risk of fluctuation in fair value or future cash flows of financial instruments because of changes in foreign exchange rates. As KLCCP Stapled Group operates predominantly in Malaysia and transacts mainly in the Malaysian Ringgit, it is not exposed to any significant foreign currency risk.



## Investor Information

The Group values strong, two-way relationships with our investment community, promoting transparent communication and aligning shareholder interests with corporate strategies. We provide valuable insights into our financial and operational performance, enhancing shareholders' ability to make well-informed decisions. We actively listen to their feedback, integrating it into our decision-making to strengthen confidence and drive long-term value creation.

### HIGHLIGHTS OF THE YEAR

#### Engaged

**118** institutional investors, analysts and fund managers

#### Connected with

**12** foreign investors, analysts and fund managers virtually and physically

#### Conducted

**3** property tours/site visits for the investors and analysts

#### Attended

**2** REIT and Property conferences/forums

### INVESTOR RELATIONS ACTIVITIES IN 2024

#### Engagement with Investment Community

The Group actively engaged with the investment community to provide timely updates on business performance, strategic initiatives and market positioning. These engagements allowed the investment community to gain deeper insights into our business while fostering transparency, trust and strengthening our relationship with them.



➤ **1H & FY2024** analyst briefings were held **physically** at Mandarin Oriental, Kuala Lumpur

➤ **1Q & 3Q FY2024** analyst briefings were held **virtually**



➤ **4 one-on-one meetings** with investors, analysts and regulators

➤ **1 large group meeting** with J.P. Morgan and their clients

**Overview of Discussions:**

- Timely updates on financial performance, capital management, and growth plans, focusing on asset value enhancement, market positioning, and long-term sustainable growth.
- Strategic initiatives to maintain competitiveness – strategic priorities, innovative marketing, and value creation.
- Latest retail offerings and hotel asset enhancements, reinforcing our commitment to delivering exceptional experiences.
- Key sustainability initiatives – energy-efficient enhancements, EV charging infrastructure and responsible procurement practices.

**Key Takeaways:**

- Analyst briefings and meetings enhanced investor confidence through transparency on financial performance and strategic direction, as reflected in the 4.4% upside in the average target price as of 31 December 2024.
- The Group's proactive sustainability efforts were well-received, with analysts highlighting the importance of ESG integration in investment decision-making.
- Positive feedback from the site visits was reflected in ESG reports by three research houses highlighting the Group's strong commitment to sustainability and operational excellence.

**INVESTORS' AREAS OF INTEREST**

Key Topics	Areas of Interest
<b>Financial Highlights</b>	<ul style="list-style-type: none"> <li>• Impact of refinancing of future financial costs and cash flow management</li> <li>• Guidance on the average cost of debt for the upcoming year</li> <li>• Future outlook for refinancing rates and their impact on the financial performance</li> </ul>
<b>Office</b>	<ul style="list-style-type: none"> <li>• Tenancy expiry and renewal status for office buildings</li> <li>• Potential plans for obtaining green building certifications for the remaining office assets and the cost-benefit considerations associated with it</li> </ul>
<b>Retail</b>	<ul style="list-style-type: none"> <li>• Contribution of turnover rent and base rent to the overall revenue</li> <li>• Impact of opening of new malls on footfall and growth strategies amid competition while adapting to changes in retail environment</li> <li>• Decline in global luxury segment sales and its impact</li> <li>• Guidance on current rental reversion and moving forward</li> </ul>
<b>Hotel</b>	<ul style="list-style-type: none"> <li>• Occupancy trends, quarterly performance and comparisons to pre-COVID levels</li> <li>• Forward booking trends and strategies to boost the key metrics moving forward</li> <li>• Room and non-room revenue composition and its performance during peak season</li> <li>• Breakdown of foreign and local guest demographics</li> <li>• Ongoing and planned asset enhancement initiatives</li> <li>• Impact of tourism trends on overall hotel performance and strategies to cater to growing international tourist markets</li> </ul>
<b>ESG</b>	<ul style="list-style-type: none"> <li>• ESG initiatives and alignment with market trends and regulatory requirements</li> <li>• Board composition and changes in governance structures to improve oversight</li> </ul>
<b>Looking Beyond</b>	<ul style="list-style-type: none"> <li>• Future acquisition and investment opportunities aligned with growth strategies</li> <li>• Strategic direction for portfolio diversification</li> </ul>





## Investor Information

### Industry Participation & Thought Leadership

The Group participated in industry conferences and forums to strengthen our presence in the market, showcased its expertise and engaged with global stakeholders. These platforms allowed the Group to contribute thought leadership on key industry trends while networking with peers and investors.



- **Malaysian REIT Forum 2024**  
by the Malaysian REIT Managers Association (MRMA)

- **Council on Tall Buildings and Urban Habitat (CTBUH) 2024 International Conference** in London & Paris

#### Overview of Discussions:

- MRMA's Malaysian REIT Forum discussed a broad range of topics, including Malaysia's economic outlook, the evolving relevance of retail REITs, emerging alternative asset classes, and the impact of ESG and Proptech on REIT assets.
- During the CTBUH conference, our former CEO, Datuk Md. Shah Mahmood presented on the PETRONAS Twin Towers' efforts to maintain operational efficiency, sustainability, and architectural relevance, reinforcing the Group's commitment to modern demands and global standards.

#### Key Takeaways:

- The Group's active participation in these forums reinforced its industry presence and showcased its leadership in addressing evolving market challenges and opportunities.
- PETRONAS Twin Towers was recognised with the prestigious Global Icon Award, solidifying the Group's reputation and global impact on tall building architecture and urban development.

### Shareholder Communication & Transparency

The Group remained committed to fostering strong shareholder engagement through transparent communication and interactive platforms. The Annual General Meeting (AGM) serves as a crucial avenue for shareholders to gain direct insights into the Group's performance and strategic direction.



- **11<sup>th</sup> Annual General Meeting – KLCC REIT**

- **2,491 shareholders registered** for the event

- **21<sup>st</sup> Annual General Meeting – KLCCP**

- **2,441 shareholders logged on** to the remote participation and voting facility

- Live streaming from Mandarin Oriental, Kuala Lumpur

- **119 questions were answered** during the event

- Proposed resolutions tabled duly passed



### Overview of Discussions:

- Our former CEO, Datuk Md. Shah Mahmood, provided an insightful review of key achievements in 2023 and outlined the Group's strategic focus for 2024.
- All pre-submitted and live questions from shareholders, EPF Equity Research and the Minority Shareholders Watch Group (MSWG) were addressed, underscoring our commitment to transparency and open dialogue.

### Key Takeaways:

- The virtual AGM format enhanced accessibility and participation, resulting in the highest shareholder attendance to date.
- Strong media coverage across digital, print and social media platform from leading publications like The Star, The Edge, and Bernama amplified the Group's key messages and reinforced its commitment to transparency and stakeholder engagement.
- Following the AGM, the Q&A and meeting minutes were made available on KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my)

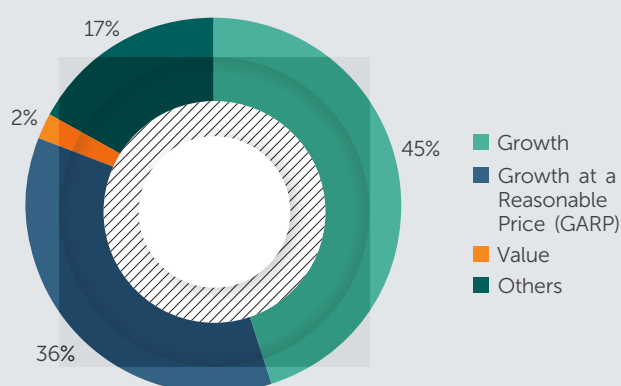
## VALUE CREATION FOR SHAREHOLDERS

- Strong stock performance and competitive shareholder returns, reflecting our disciplined financial management and operational excellence.
- Translating valuable investor insights into actionable strategies, enhancing long-term growth, asset optimisation, and sustainable value creation.
- High-quality engagement through impactful investor relations activities.

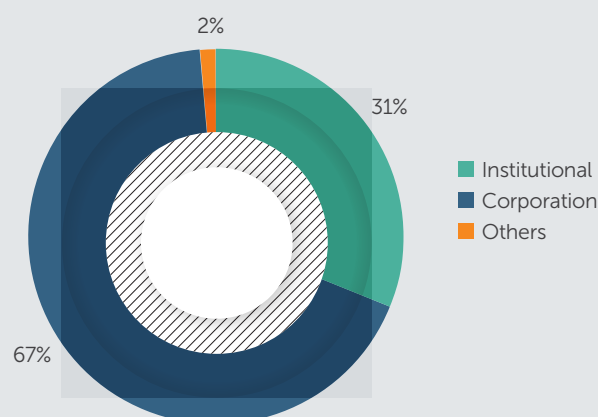
### Shareholder Analysis

Our shareholder base reflects the continued confidence investors have in our long-term strategy and solid performance. A clear understanding of our shareholder composition helps strengthen our engagement efforts and ensures alignment with investor expectations and business objectives.

#### Shareholding by Investment Styles



#### Shareholding by Type



#### Total shareholders as at 31 December

2022	8,703
2023	8,779
2024	8,790

#### Top 3 shareholders as at 31 December 2024

KLCC (Holdings) Sdn Bhd	64.7%
Permodalan Nasional Berhad	12.4%
Employees Provident Fund Board	10.3%

Source: Nasdaq

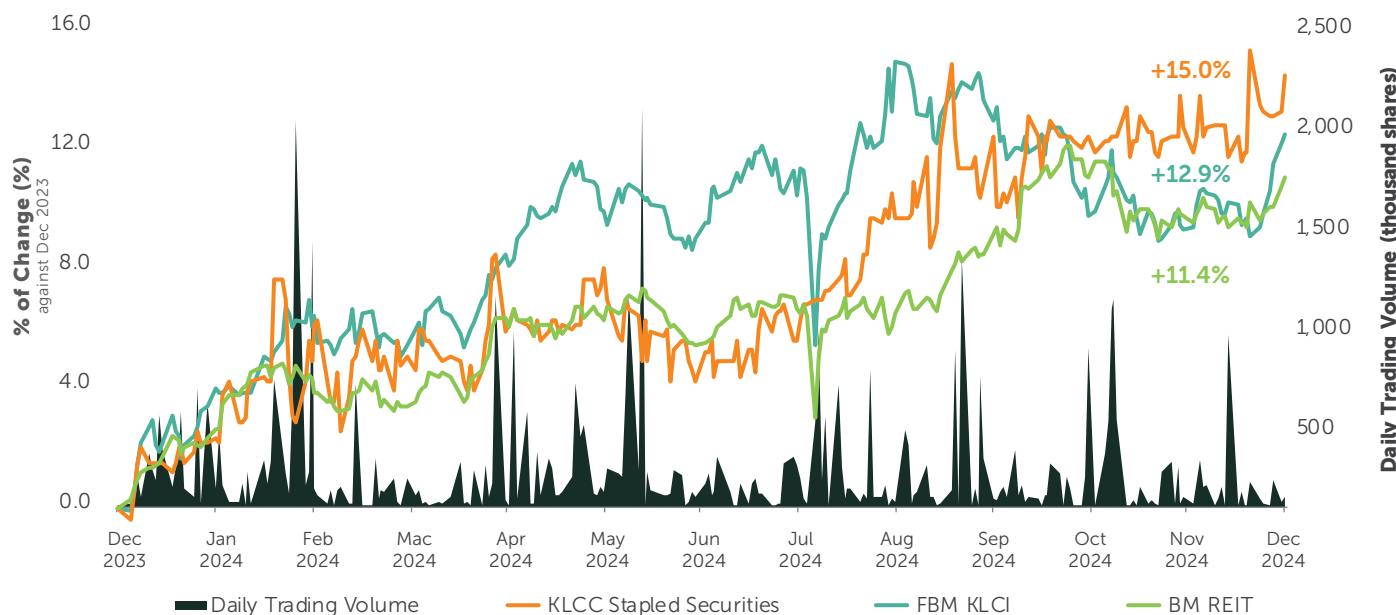


## Investor Information

### Share Price Performance

#### KLCC Stapled Securities Price and Volume vs Benchmark Indices in 2024

1 Q			2 Q			3 Q			4 Q		
High	RM7.65	16 & 19 Mar	High	RM7.71	26 Apr	High	RM8.18	17 Sept	High	RM8.21	20 Dec
Low	RM7.06	2 Jan	Low	RM7.06	17 & 19 Apr	Low	RM7.41	4 & 12 Jul	Low	RM7.80	8 Oct
Close	RM7.46	29 Mar	Close	RM7.46	28 Jun	Close	RM8.00	30 Sep	Close	RM8.15	31 Dec
Average trading volume	246,038		Average trading volume	227,558		Average trading volume	188,825		Average trading volume	154,689	



Source: Nasdaq

### Shareholder Return

#### KLCC Stapled Securities' Total Shareholder Return vs Benchmark Indices

	Dec 2023 – Dec 2024	Dec 2020 – Dec 2024
KLCCSS	20.4%	20.6%
FBM KLCI	12.9%	0.9%
BM REIT	11.4%	4.5%



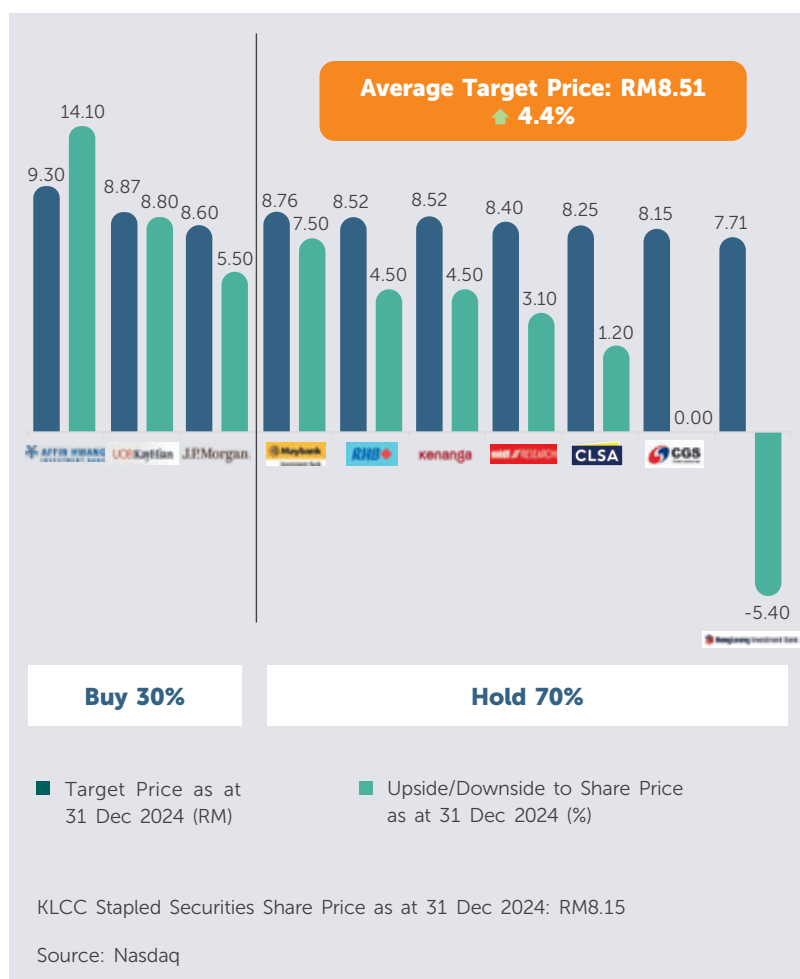
Source: Nasdaq





## Analyst Coverage and Recommendations

As of 31 December 2024, KLCC Stapled Securities is covered by 10 analysts, representing both local and international research houses. Our stock's overall average target price stood at RM8.51, with 3 Buy and 7 Hold recommendations. The analysts' optimistic outlook underscores confidence in the Group's performance, reflected by the 4.4% upside in the share price as of 31 December 2024.



## LOOKING BEYOND

- Aligning strategic priorities and goals to drive long-term sustainable growth and deliver value to stakeholders.
- Enhancing the Investor Relations programme by integrating current industry practices and valuable feedback from investment community.
- Strengthening our commitment to transparency through timely, clear and consistent communication, fostering ongoing and constructive dialogues with investors.

Further information on Investor Information can be accessed on our corporate website at [www.klcc.com.my](http://www.klcc.com.my)



## FINANCIAL CALENDAR

**23 MAY 2024**

1<sup>st</sup> quarter ended  
31<sup>st</sup> March 2024

**28 JUN 2024**

1<sup>st</sup> interim  
dividend payment

**28 AUG 2024**

2<sup>nd</sup> quarter ended 30<sup>th</sup> June 2024

**30 SEP 2024**

2<sup>nd</sup> interim  
dividend payment

**25 NOV 2024**

3<sup>rd</sup> quarter ended  
30<sup>th</sup> September 2024

**30 DEC 2024**

3<sup>rd</sup> interim  
dividend payment

**5 FEB 2025**

4<sup>th</sup> quarter ended  
31<sup>st</sup> December 2024

**26 MAR 2025**

Notice of KLCCP 22<sup>nd</sup> Annual General Meeting  
and KLCC REIT 12<sup>th</sup> Annual General Meeting

Issuance of 2024 Integrated Report and  
Sustainability Report

**26 MAR 2025**

4<sup>th</sup> interim dividend payment

**29 APRIL 2025**

KLCCP 22<sup>nd</sup> Annual General Meeting  
KLCC REIT 12<sup>th</sup> Annual General Meeting

● Announcement of Quarterly Results

● Date of Payment of the Interim Dividend

● Annual General Meeting



## Manager's Financial and Operational Review

KLCC REIT Management Sdn Bhd (the Manager), the Manager of KLCC Real Estate Investment Trust (KLCC REIT or the Fund), is pleased to submit the Manager's financial and operational review for the financial year ended 31 December 2024 (2024).



### PRINCIPAL ACTIVITY AND INVESTMENT OBJECTIVES

KLCC REIT is an Islamic Real Estate Investment Trust established to own and invest primarily in Shariah compliant real estate for office and retail purposes.

The Fund was constituted by the Trust Deed dated 2 April 2013 and an Amended and Restated Trust Deed dated 3 September 2019 entered into between the Manager and Maybank Trustees Berhad (the Trustee). The Amended and Restated Trust Deed was registered and lodged with the Securities Commission (SC) on 16 October 2019 and 17 October 2019 respectively. The Fund was listed on the Main Board of Bursa Malaysia Securities Berhad on 9 May 2013.

The key objective of the Fund is to provide unitholders with stable distributions of income supported by KLCC REIT's strategy of improving returns from its property portfolio and capital growth.

### INVESTMENT STRATEGIES

The Manager is focused on active asset management and acquisition growth strategy to provide regular and stable distributions to unitholders and ensure capital growth and improved returns from its property portfolio.

#### Active asset management strategy

Continue to optimise the rental and occupancy rates and the Net Lettable Area (NLA) of the properties in order to improve the returns from KLCC REIT's property portfolio.

#### Acquisition growth strategy

Acquire real estate that fit with KLCC REIT's investment policy and strategy to enhance the returns to the unitholders and capitalise on opportunities for future income and Net Asset Value (NAV) growth.



## OVERVIEW OF PROPERTY PORTFOLIO

KLCC REIT is an office-centric diversified REIT which a portfolio of three unique prime commercial assets with strong and stable asset performance – the iconic PETRONAS Twin Towers, Menara ExxonMobil and Menara 3 PETRONAS. The retail podium of Menara 3 PETRONAS represents the retail segment of KLCC REIT, which capitalises on Suria KLCC's reputation as a premier shopping destination in Malaysia.

The properties with a combined NLA of over 4.6 million sq. ft. are located in the prime area of Kuala Lumpur City Centre, popularly known as KLCC, within the 100-acre KLCC Development. The internationally renowned integrated commercial development within the KLCC Precinct is a combination of prime Grade A offices, premier retail outlets, 4 to 5 star hotels, high-end residential, M.I.C.E (meeting, incentives, convention and exhibition) facilities and world-class entertainment fronting a lush KLCC Park.

## Financial Review

### Key Highlights

Rental revision in PETRONAS Twin Towers increase income available for distribution

Resilience performance with a record high DPU of **27.70 sen**, supported by steady long-term leases

	2023 RM'mil	2024 RM'mil	Variance (%)
Revenue	582.1	<b>579.0</b>	(0.5)
Net property income	549.5	<b>546.0</b>	(0.6)
Profit for the year*	450.8	<b>447.8</b>	(0.7)
Income Available for Distribution*	508.9	<b>526.3</b>	3.4
Income Distribution*	483.6	<b>500.1</b>	3.4
Earnings per unit* (EPU) (sen)	24.97	<b>24.80</b>	(0.7)
Distribution per unit (DPU) (sen)	26.79	<b>27.70</b>	3.4

\* Excluding fair value adjustments

In 2024, KLCC REIT reported a profit for the year (excluding fair value adjustments) of RM447.8 million, on the back of revenue of RM579.0 million.

KLCC REIT continued to account for a significant portion of KLCCP Stapled Group's revenue at 33.8%, with a net asset value of RM4.49 per unit as at 31 December 2024.

During the financial year 2024, KLCC REIT distributed a total of RM500.1 million to unit holders, with a DPU of 27.70 sen.





## Manager's Financial and Operational Review

	Revenue			Net Property Income			Profit for the Year*		
	2023 RM'mil	2024 RM'mil	Variance %	2023 RM'mil	2024 RM'mil	Variance %	2023 RM'mil	2024 RM'mil	Variance %
PETRONAS Twin Towers	401.4	<b>401.5</b>	0.0	400.5	<b>400.0</b>	(0.1)	324.8	<b>324.1</b>	(0.2)
Menara ExxonMobil	47.8	<b>48.6</b>	1.7	28.6	<b>29.2</b>	2.1	23.2	<b>24.0</b>	3.1
Menara 3 PETRONAS	92.7	<b>92.8</b>	0.1	92.6	<b>92.6</b>	0.0	81.5	<b>82.0</b>	0.8
<b>Total for Office Segment</b>	541.9	<b>542.9</b>	0.2	521.6	<b>521.8</b>	0.0	429.5	<b>430.1</b>	0.1
Menara 3 PETRONAS (Retail Podium)	40.2	<b>36.1</b>	(10.2)	27.9	<b>24.2</b>	(13.1)	21.3	<b>17.7</b>	(16.9)
<b>Total for Retail Segment</b>	40.2	<b>36.1</b>	(10.2)	27.9	<b>24.2</b>	(13.1)	21.3	<b>17.7</b>	(16.9)
<b>Total</b>	582.1	<b>579.0</b>	(0.5)	549.5	<b>546.0</b>	(0.6)	450.8	<b>447.8</b>	(0.7)

\* Excluding fair value adjustments

KLCC REIT is an office centric REIT with 94% of its revenue from PETRONAS Twin Towers, Menara ExxonMobil, and Menara 3 PETRONAS. These properties generated a net property income (NPI) of RM521.8 million from RM542.9 million in revenue. The notable increase for Menara ExxonMobil was due to higher rental revisions.

PETRONAS Twin Towers contributed 69.3% of revenue and 73.3% of NPI. NPI saw a slight decline due to a one-off building audit. Menara 3 PETRONAS Retail Podium's revenue decreased by RM4.1 million due to a drop in tenants' sales.



### Office segment

The Triple Net Lease for PETRONAS Twin Towers and Menara 3 PETRONAS, along with long-term leases in Menara ExxonMobil, have kept KLCC REIT stable in the competitive office market. Menara ExxonMobil recorded an increase in revenue mainly due to rental revisions.

Additionally, the strategic location and state-of-the-art facilities of these properties further strengthen the properties positioning. The Manager's proactive approach in maintaining and upgrading the buildings also ensures sustained demand and high tenant retention.



### Retail segment

The retail podium recorded revenue of RM36.1 million, a slight decrease due to tenant sales, whilst maintaining its occupancy. Despite the challenges in the retail market, the segment is effectively navigated through strategic efforts in curating the right tenant mix and running targeted promotions. By carefully selecting tenants that complement the overall tenant-mix and meet market demand, the retail podium was able to attract and retain shoppers. Additionally, promotional activities and events within the mall and at KLCC Park drove foot traffic and sales, helping to sustain the retail segment's performance.

## Assets and Liabilities

KLCC REIT's balance sheet remained in a healthy and robust position with unitholders' funds of RM8.1 billion and net asset value per unit of RM4.49.

	2023 RM'mil	2024 RM'mil	Variance (%)
<b>ASSETS</b>			
Investment Properties	9,271.9	<b>9,353.7</b>	0.9
Receivables	260.3	<b>180.2</b>	(30.8)
Cash and Bank Balances	142.0	<b>191.9</b>	35.1
Others	0.4	<b>0.2</b>	(50.0)
	9,674.6	<b>9,726.0</b>	0.5
<b>LIABILITIES</b>			
Financings	1,361.4	<b>1,360.5</b>	(0.1)
Others	242.2	<b>258.8</b>	6.9
	1,603.6	<b>1,619.3</b>	1.0
Unitholders Fund	8,071.0	<b>8,106.7</b>	0.4
Net asset value (NAV) per unit (RM)	4.47	<b>4.49</b>	0.4



The receivables balance primarily consists of accrued lease income recognised and varies over the lease term. The accrued revenue results from the straight-lining effect in recognition of the step-up rates in the triple net lease arrangements, whereby all future revenue of the tenancy locked-in period is accounted for in constant amounts across the entire lease period.

The decrease of RM80.1 million in receivables from RM260.3 million last year indicates that rental received is now higher than the revenue recognised during the year, reflecting the unwinding of the accrued lease income accumulated in previous years.

Cash and bank balances increased to RM191.9 million compared to RM142.0 million, mainly due to the full-year impact of the rate increase for Menara ExxonMobil and Menara 3 PETRONAS in 2023 and PETRONAS Twin Towers in October 2024.

NAV per unit increased to RM4.49 during the year, supported by the higher property values and increased cash and bank balances.





## Manager's Financial and Operational Review



### MARKET VALUE OF INVESTMENT PROPERTIES

KLCC REIT's portfolio of investment properties remained resilient throughout the year with the locked-in, long-term tenancies. The market value increased by RM2.0 million, from the upside value of the retail podium.

Market value as of 31 December 2024 at RM9.5 billion was adjusted under the requirements of MFRS 140 Investment Property to account for accrued lease income and additions during the year. Due to the unwinding impact of accrued lease income, RM78.4 million gain on fair value adjustments was recognised in the income statement.

The market value by property and the changes in value is as below:

Property	Market Value		Changes in Value	
	31 Dec 2023 RM'mil	31 Dec 2024 RM'mil	RM'mil	%
PETRONAS Twin Towers	6,950.0	<b>6,950.0</b>	–	–
Menara ExxonMobil	540.0	<b>540.0</b>	–	–
Menara 3 PETRONAS	2,038.0	<b>2,040.0</b>	<b>2.0</b>	0.1
<b>Total</b>	9,528.0	<b>9,530.0</b>	<b>2.0</b>	0.0
Less: Adjustments*			<b>76.4</b>	
<b>Fair value gain FY2024</b>			<b>78.4</b>	0.8

\* changes in accrued operating lease income and capital expenditure during the year





## OPERATIONAL REVIEW

### Asset Management

The Manager remains focused on preserving the premier status of its assets through continuous enhancement and sustainability-driven initiatives to ensure long-term value creation. In 2024, key asset management efforts centered on technological advancements, proactive upgrading works, and sustainability-driven upgrades to strengthen operational efficiency and optimise energy use.

A wind speed monitoring system was introduced at Menara 3 PETRONAS to optimise façade cleaning operations, ensuring both efficiency and safety. The Manager also invested in asset preservation including LED façade lighting for Menara 3 PETRONAS, LED enhancements across 14 office floors in PETRONAS Twin Towers, and lighting zoning improvements at Menara ExxonMobil. Additionally, the building control system (BCS) was upgraded at Menara ExxonMobil for better energy efficiency and operational performance.

Sustainability remained at the forefront, with waste segregation initiatives reinforcing responsible waste management, while the replacement of aging pipes contributed to improved water efficiency.

The Manager's commitment to excellence was further recognised through multiple prestigious awards, including The Edge Malaysia Best Managed & Sustainable Property Awards, The Edge Malaysia-Editor's Choice Award for Timeless Excellence and the Global Icon Award 2024 for PETRONAS Twin Towers, reaffirming its iconic status and sustainable leadership in the industry.

### Capital Management

As part of our vision to maximise the value of the investment and returns to our unitholders, the Manager maintains a strategy of actively monitoring and maintaining an optimal capital structure.

KLCC REIT's financings remained at RM1.4 billion, representing a gearing ratio of 14.0%. The significant debt headroom supports financing for future growth and is kept well below the 50% gearing cap as imposed by the SC. To-date, KLCC REIT remains one of the lowest geared M-REITs in the country.

	2023	2024
Total financings (RM'mil)	1,361.4	<b>1,360.5</b>
Average Cost of Debt (%)	4.3	<b>4.1</b>
Fixed: Floating (ratio)	100:0	<b>100:0</b>
Average maturity period (years)	3.1	<b>5.5</b>
Debt service cover ratio (times)	10.1	<b>10.0</b>
Gearing ratio (%)	14.1	<b>14.0</b>
RAM Rating of Sukuk	AAA	<b>AAA</b>

### Income Distribution

The Manager distributed 95.0% of its distributable income for the financial year 2024, as we remained committed to enhance value to the unitholders.

Based on the total income available for distribution of RM526.3 million, the Manager had recommended, and the Trustee had approved a total income distribution of 27.70 sen for the year ended 31 December 2024.

Income Distribution	Income Distribution per unit (sen)	Income Distribution (RM'000)	Remarks
First Interim Distribution	6.80	122,763	28 June 2024
Second Interim Distribution	6.74	121,679	30 September 2024
Third Interim Distribution	6.79	122,582	30 December 2024
Fourth Interim Distribution	7.37	133,053	to be paid on 28 February 2025
<b>Total</b>	<b>27.70</b>	<b>500,077</b>	



## Manager's Financial and Operational Review

### OUTLOOK

The Malaysian economy demonstrated resilience in 2024, achieving a growth rate of 5.1%, up from 3.6% in 2023. This growth was driven by robust domestic demand, strong investment activity, and a rebound in exports. Supported by favorable labor market conditions and policy measures, this positive momentum is expected to sustain economic expansion in the coming year.

The Malaysian real estate investment trusts (REITs) market is anticipated to experience healthy growth, particularly in the retail segment, supported by sustained occupancy and positive rental reversions. Retail spending is expected to remain strong, driven by anticipated salary hikes for civil servants, coupled with the further recovery in tourism and Employees Provident Fund Account 3 withdrawals.

Amidst the increasing influx of new office supply, our office portfolio is poised to maintain stability with secured long-term leases from high-quality tenants. The office market in Malaysia is holding steady, driven by multinational corporations increasingly seeking regional headquarters in Greater Klang Valley.

The Manager remains committed to optimising rental and occupancy rates and enhancing the net lettable area of our properties. The resilience of our office-centric portfolio, anchored by long-term leases, will continue to provide stability and steady income distributions to our unitholders.

Source:

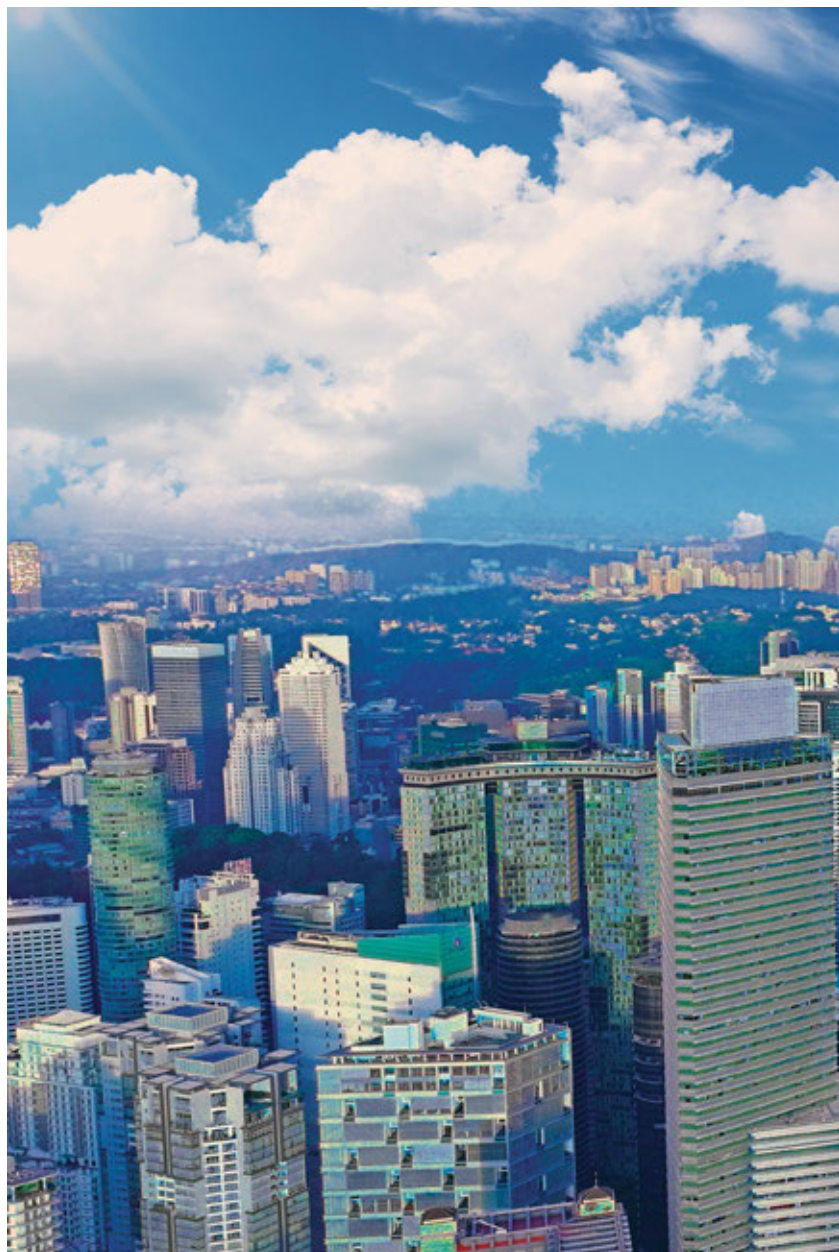
1. BNM Press Release: Economic and Financial Developments in Malaysia in the Fourth Quarter of 2024
2. BNM Quarterly Bulletin Fourth Quarter 2024
3. UOB Kay Hian Malaysia Strategy, December 2024
4. Hong Leong Investment Bank REIT Outlook, January 2025

### MATERIAL LITIGATION

The Manager is not aware of any material litigation since the balance sheet date as at 31 December 2024 up to the date of this report.

### CIRCUMSTANCES WHICH MATERIALLY AFFECT THE INTERESTS OF UNITHOLDERS

The Manager is not aware of any circumstances which materially affect the interests of unitholders.



### DIRECTORS OF THE MANAGER'S BENEFITS

During and at the end of the financial period, no Director of the Manager has received or become entitled to receive any benefit, by reason of a contract made by the Fund or a related corporate with the Director or with a firm of which the Director is a member, or with a company in which the Director has substantial financial interest.

There were no arrangements during and at the end of the financial period, which had the object of enabling Directors of the Manager to acquire benefits by means of the acquisition of units in or debentures of the Fund or any other body corporate.





## MANAGER'S FEE

For the financial year ended 31 December 2024, the Manager's fee comprised the following:

1. Base fee of RM28.6 million, calculated at 0.3% per annum of Total Asset Value
2. Performance fee of RM16.4 million, calculated at 3.0% per annum of Net Property Income

The Manager's total management fee of RM45.0 million represents 0.6% of NAV of KLCC REIT.

Except for expenses incurred for the general overheads and costs of services which the Manager is expected to provide, that falls in the normal expertise of the Manager, the Manager has the right to be reimbursed the fees, costs, charges, expenses and outgoings incurred by it that are directly related and necessary to the business of KLCC REIT.

## SOFT COMMISSION

During the year, the Manager did not receive any soft commission from its broker, by virtue of transactions conducted by the Fund.



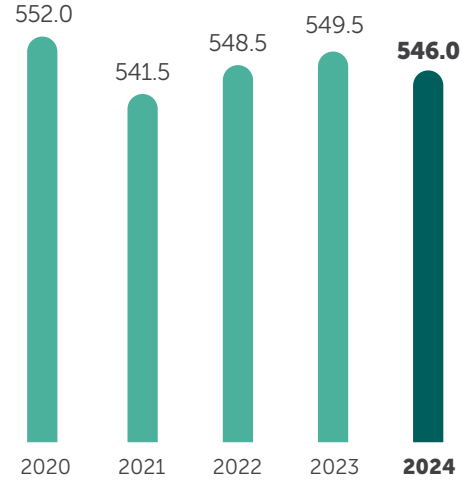


## 5-Year Financial Highlights

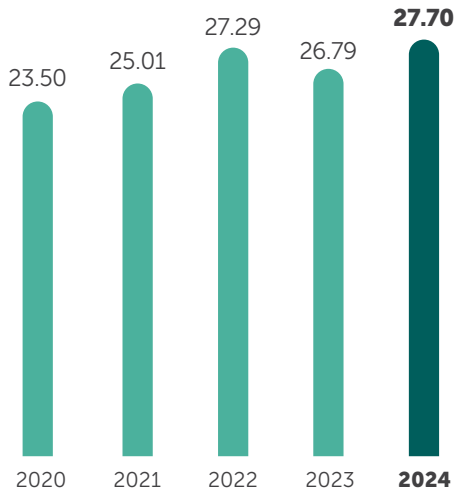
**Total Portfolio Revenue**  
(RM'mil)



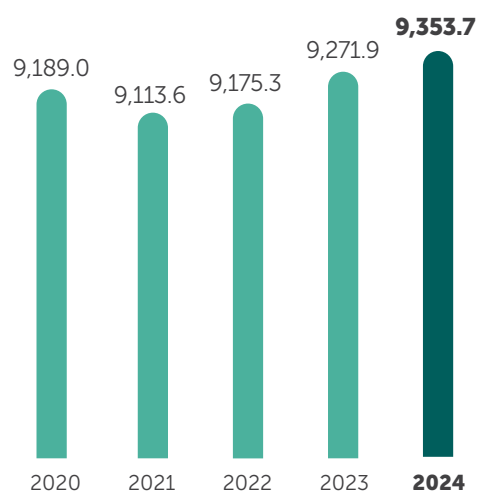
**Total Portfolio Net Property Income**  
(RM'mil)



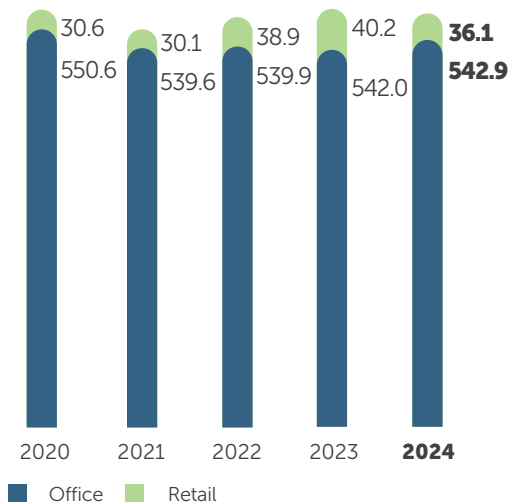
**Distribution Per Unit**  
(sen)



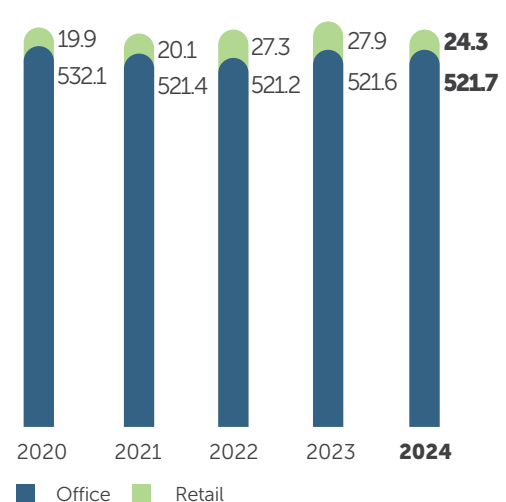
**Investment Properties**  
(RM'mil)



**Revenue**  
(RM'mil)



**Net Property Income**  
(RM'mil)



■ Office ■ Retail

■ Office ■ Retail



## Value Added Statement

	2023 RM'000	2024 RM'000
Revenue	582,169	<b>579,031</b>
Profit income	6,138	<b>7,291</b>
Fair value adjustments of investment properties	93,200	<b>78,359</b>
Operating and tax expenses	(41,942)	<b>(40,859)</b>
	639,565	<b>623,822</b>
<b>Reconciliation</b>		
Profit for the year	534,632	<b>518,319</b>
Finance costs	59,249	<b>59,920</b>
Managers fees	45,084	<b>44,983</b>
Trustee fee	600	<b>600</b>
	639,565	<b>623,822</b>
<b>Value distributed</b>		
<b>Trust expenses</b>		
Managers fees	45,084	<b>44,983</b>
Trustee fee	600	<b>600</b>
<b>Providers of capital</b>		
Finance costs	59,249	<b>59,920</b>
Income distribution	482,024	<b>482,565</b>
<b>Reinvestment and growth</b>		
Undistributed income	(31,272)	<b>(34,769)</b>
Capital reserve*	83,880	<b>70,523</b>
	639,565	<b>623,822</b>

\* Capital reserve represents the fair valuation gain on properties which is only distributable upon disposal of investment property



## Fund Performance

### STATEMENT OF COMPREHENSIVE INCOME

Key Data & Financial Ratios	2020	2021	2022	2023	2024
Revenue (RM'000)	581,224	569,728	578,843	582,169	<b>579,031</b>
Net Property Income (RM'000)	551,999	541,475	548,460	549,547	<b>546,008</b>
Total Comprehensive Income: (RM'000)					
– Realised	444,247	438,677	447,827	450,752	<b>447,796</b>
– Unrealised	(4,576)	(69,281)	55,471	83,880	<b>70,523</b>
Income available for distribution (realised) (RM'000)	447,372	467,654	505,265	508,925	<b>526,337</b>
Income distribution <sup>1</sup>	424,253	451,515	492,676	483,648	<b>500,077</b>
Distribution per unit (DPU) (sen)	23.50	25.01	27.29	26.79	<b>27.70</b>
Distribution Yield <sup>2</sup> (%)	4.2	5.1	5.7	5.7	<b>5.5</b>
Basic Earnings per Unit (sen)	24.35	20.46	27.88	29.61	<b>28.71</b>
Management expense ratio <sup>3</sup> (%)	0.6	0.6	0.6	0.6	<b>0.6</b>

### STATEMENT OF FINANCIAL POSITION

Key Data & Financial Ratios	2020	2021	2022	2023	2024
Investment Properties (RM'000)	9,189,014	9,113,553	9,175,267	9,271,852	<b>9,353,707</b>
Total Assets (RM'000)	9,706,139	9,604,975	9,608,338	9,674,577	<b>9,726,067</b>
Total Financings (RM'000)	1,368,704	1,366,310	1,363,874	1,361,423	<b>1,360,537</b>
Total Liabilities (RM'000)	1,627,294	1,587,849	1,589,977	1,603,608	<b>1,619,344</b>
Total Unitholders' Fund (RM'000)	8,078,845	8,017,126	8,018,361	8,070,969	<b>8,106,723</b>
Total Net Asset Value (NAV) (RM'000)	8,078,845	8,017,126	8,018,361	8,070,969	<b>8,106,723</b>
Net Asset Value (NAV) per unit:					
– before distribution (RM)	4.47	4.44	4.44	4.47	<b>4.49</b>
– after distribution (RM)	4.42	4.37	4.38	4.41	<b>4.42</b>
Highest NAV per unit (RM)	4.50	4.50	4.46	4.47	<b>4.49</b>
Lowest NAV per unit (RM)	4.45	4.44	4.39	4.40	<b>4.43</b>
Gearing ratio (%)	14.1	14.2	14.2	14.1	<b>14.0</b>
Average cost of debt (%)	4.5	4.3	4.3	4.3	<b>4.1</b>
Debt Service Cover Ratio (times)	8.2	6.5	9.4	10.1	<b>10.0</b>

<sup>1</sup> Includes the 2024 fourth income distribution payable on 28 February 2025.

<sup>2</sup> Based on DPU of KLCCP Stapled Group of 44.50 sen (2023: 40.50 sen) and the closing price of KLCC Stapled Securities of RM8.15 (2023: RM7.09) as KLCC REIT units are stapled with KLCCP ordinary shares and traded as a single price quotation.

<sup>3</sup> Ratio of total fees and expenses incurred in operating KLCC REIT including Manager's fee, Trustee's fee, auditor's remuneration, tax agent's fee, valuation fees and other trust expenses to the NAV of KLCC REIT.

Past performance is not necessarily an indication of future performance as market conditions may change over time.



**NET ASSET VALUE PER UNIT (RM)****TRADING PRICE PERFORMANCE OF KLCC STAPLED SECURITIES<sup>1</sup>**

Trading Summary	2020	2021	2022	2023	2024
Stapled Securities Closing Price at 31 December (RM)	7.08	6.55	6.71	7.09	<b>8.15</b>
Highest traded price for the year (RM)	8.26	7.17	7.10	7.30	<b>8.21</b>
Lowest traded price for the year (RM)	7.08	6.32	6.33	6.69	<b>7.06</b>
Capital Appreciation (%)	(10.4)	(7.5)	2.4	5.7	<b>15.0</b>
Annual Total Return (%) <sup>2</sup>	(6.1)	(2.4)	8.1	11.4	<b>20.4</b>
Average Total Return (3 years) (%)	(1.6)	(0.2)	(0.1)	5.7	<b>13.3</b>
Average Total Return (5 years) (%)	5.1	0.2	0.2	3.8	<b>6.3</b>
Number of Stapled Securities ('000)	1,805,333	1,805,333	1,805,333	1,805,333	<b>1,805,333</b>
Market Capitalisation (RM'000)	12,781,758	11,824,931	12,113,784	12,799,812	<b>14,713,465</b>

<sup>1</sup> The trading price performance of KLCC REIT is based on the price performance of KLCC Stapled Securities as KLCC REIT units are stapled with KLCCP ordinary shares and traded as a single price quotation.

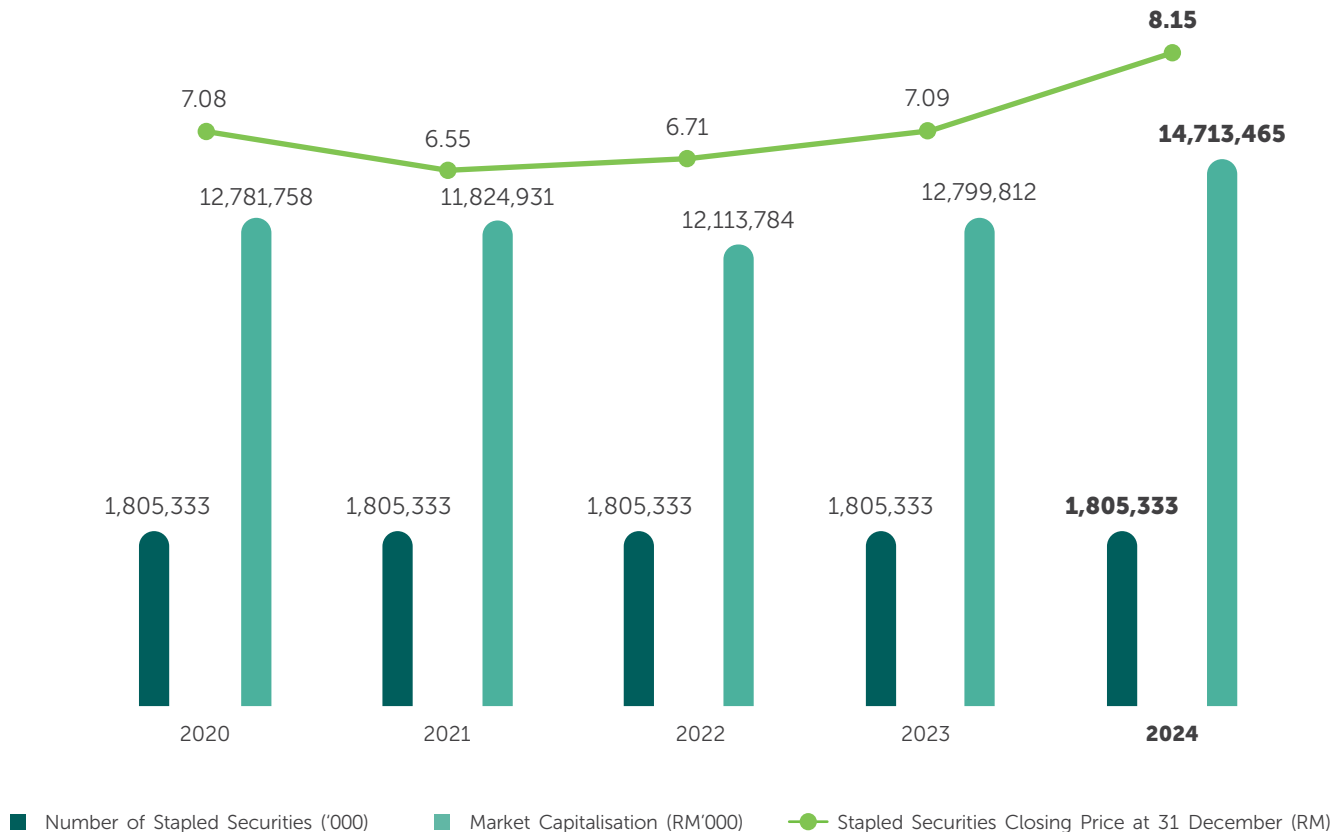
<sup>2</sup> Annual total return comprises capital appreciation from 1 January 2024 to 31 December 2024 of (15.0%) (2023: 5.7%) and distribution yield of KLCCP Stapled Group of (5.5%) (2023: 5.7%).

Past performance is not necessarily an indication of future performance as market conditions may change over time.

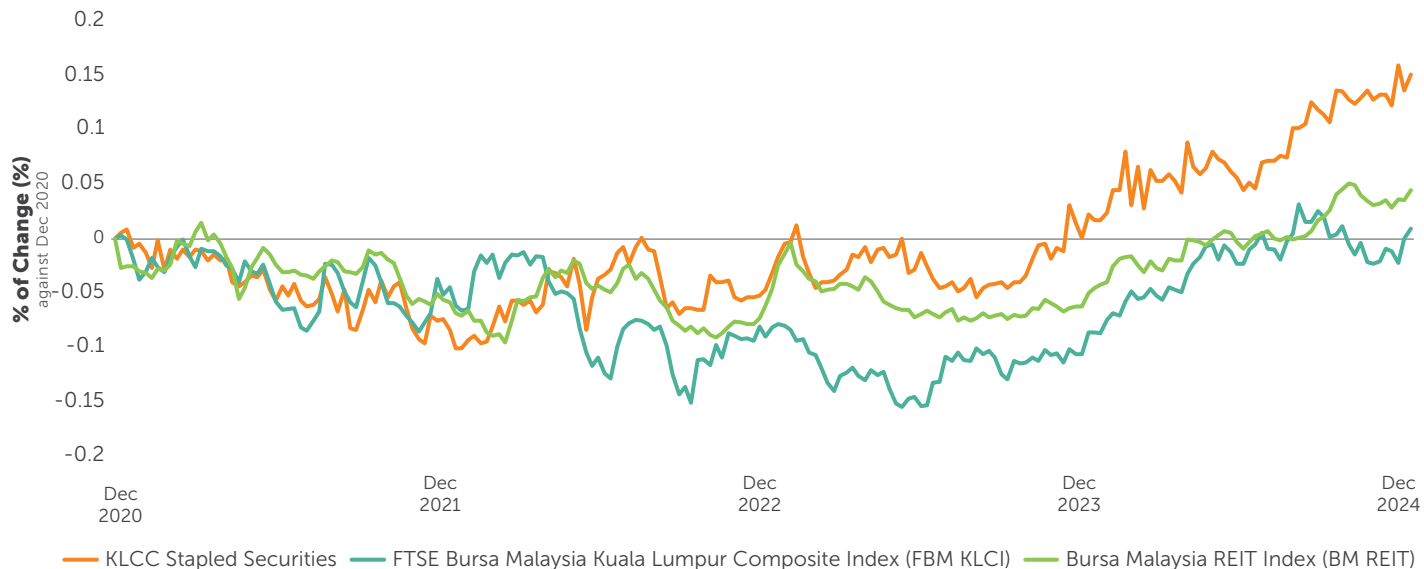


## Fund Performance

### MARKET CAPITALISATION, SHARE PRICE PERFORMANCE AND NUMBER OF STAPLED SECURITIES



### 5-YEAR KLCC STAPLED SECURITIES PRICE VS BENCHMARK INDICES



Source: Nasdaq

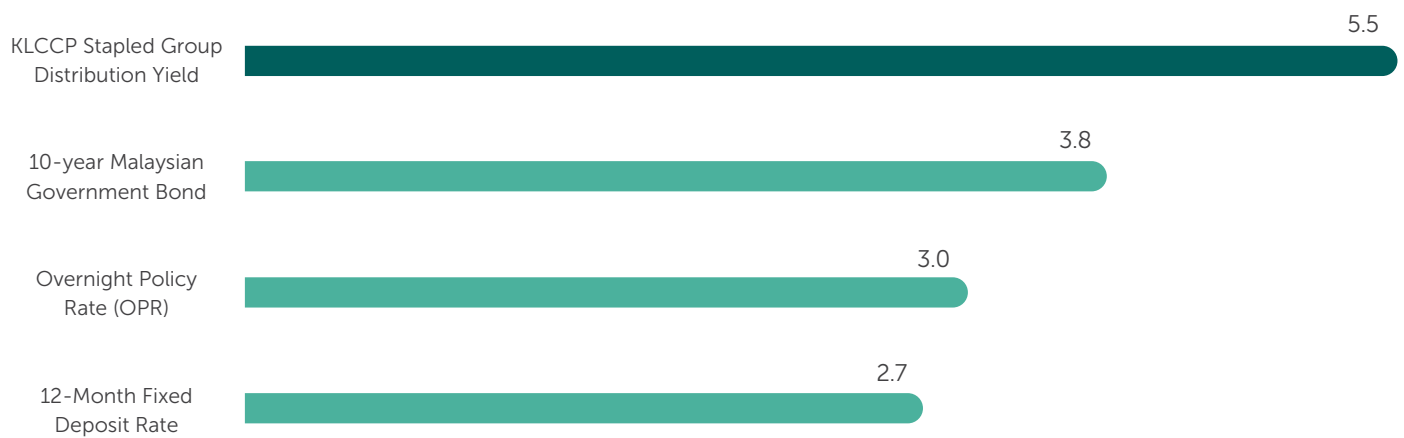
Past performance is not necessarily an indication of future performance as market conditions may change over time.



**KLCC STAPLED SECURITIES MONTHLY TRADING PERFORMANCE**



**COMPARATIVE YIELDS AS AT 31 DECEMBER 2024 (%)**



Source: Bank Negara Malaysia



A portrait of Mohainee Binti Tahir, a woman wearing a dark blue hijab and a matching long-sleeved top and trousers. She is sitting on a modern, grey, high-backed stool, smiling warmly at the camera. The background is a bright, out-of-focus office interior with large windows.

**MOHAINEE BINTI TAHIR**  
Senior General Manager,  
Group Strategy and Sustainability

## SUSTAINABILITY STEERING COMMITTEE CHAIRMAN'S MESSAGE

### Dear Stakeholders,

2024 was a successful year for the Group as we made significant headway in terms of our approach and performance, demonstrating a deeply ingrained commitment to creating environmental and social value for the Company and our stakeholders.

Most pertinently, we launched a new Sustainability Plan 2030 to steer the Group's actions and initiatives across the four pillars of Planet, People, Peace and Prosperity over the next seven years. We decided on 2030 as the end point of the plan to align with interim checkpoints set by various global sustainability blueprints. Our own goals and key performance indicators will be benchmarked against those of the UN 2030 Agenda Critical Dimensions.

Each goal is linked to a key material matter and accompanied by actionable plans that require cross-divisional efforts to implement. In 2024, we put in place the necessary frameworks to enable Group-wide collaboration to pursue all the goals and targets. For example, for the Supply Chain Management, we have identified the criteria and mechanisms to screen our suppliers, tenants and partners as well as to engage with them to develop their sustainability capabilities.



Our role in the Sustainability Steering Committee (SSC) is to work with the Group Strategy and Sustainability Division to monitor progress towards these goals, with updates discussed at quarterly meetings.

Of interest, our material sustainability matters and their ranking have not changed from 2023 as a limited review conducted with key stakeholders indicated that the existing matrix continues to be valid.

Given that climate change remains our topmost priority, we have continued to build on initiatives and programmes already established. Notably, we outlined an Asset-by-Asset Decarbonisation Plan, identifying carbon lowering initiatives for each operating unit in order to achieve our targeted 10% Scopes 1 and 2 operational emissions reduction by 2030. For the year itself, we reduced our energy consumption by 11% from our 2019 baseline thus reducing our overall GHG emissions by 11%.

We also focused intently on alignment with the Task Force on Climate-related Financial Disclosures (TCFD), disclosing data for four Scope 3 emissions categories which are purchased products and services, business travel, employee commuting, and downstream leased assets; as well as identifying our climate risks and opportunities. Moving forward, we will conduct a full materiality assessment of all 15 Scope 3 categories to ensure completeness and transparency of our carbon emissions accounting processes whilst aligning our disclosures with the National Sustainability Reporting Framework and the updated Bursa Malaysia Main Market Listing Requirements.

To ensure continued progress in our sustainability platform, we are committed to creating a sustainability culture across the organisation, in which all employees are not only aware of the importance of being sustainable but are also cognisant of our goals and how they can contribute towards their attainment. In this regard, we have tailored a comprehensive ESG training plan for key critical positions as well as our general workforce. The plan includes specific ESG topics such as GHG accounting, Human Rights, Circular Economy and many more.



**Moving forward, we will conduct a full materiality assessment of all 15 Scope 3 categories to ensure completeness and transparency of our carbon emissions accounting processes whilst aligning our disclosures with the National Sustainability Reporting Framework and the updated Bursa Malaysia Main Market Listing Requirements** //

Under the KLCC Sustainable September month-long event, we worked with our partners in the KLCC Precinct, contributing towards the UNSDG. The Group has also appointed Sustainability Network Agents who act as focal points for sustainability advocacy and engagement for each business function/division.

Last year, I had mentioned that we were working on a Human Rights Policy. Today, I am pleased to share that this policy has been launched, outlining our commitment to support and respect the protection of internationally proclaimed human rights and ensure zero incidence of abuse. On a related note, we have maintained our track record of zero bribery and corruption across our businesses, with 100% coverage of operations assessed for corruption-related risks.

Our efforts to continuously build our ESG platform were recognised by a sweep at The Edge's Best Managed & Sustainable Property Awards. While PETRONAS Twin Towers took the Gold in the Non-Strata Office (10 Years and Above category) and Editor's Choice Award for Timeless Excellence, KLCC Park won Golds for the Specialised Category and The Edge Malaysia-ILAM Landscape Awards, and was named the Editor's Choice for Being an Exemplary Community Magnet. We are proud that we won Platinum in The Asset ESG Corporate Award for the fourth consecutive year.

As positive as our 2024 scorecard has been, we recognise that much more can be done. Going forward, the Group will maintain our focus on the Sustainability Plan 2030 as we make concerted efforts to further reduce our GHG emissions, enhance our climate resilience, and drive environmental stewardship initiatives. We will also work towards alignment with updated regulations namely, the National Sustainability Reporting Framework and Energy Efficiency and Conservation Act 2024. Additionally, the Group aims to maintain high standards of governance, transparency and stakeholder engagement to ensure long-term sustainability and value creation.







# Sustainability at KLCC

As Malaysia's largest internally managed Stapled Security, we understand that leadership is demonstrated not only through the pursuit of business excellence but also through fostering a meaningful and enduring relationship with our environment, community, and stakeholders. Our purpose transcends operational success; it embodies a steadfast commitment to the sustainable growth of our organisation while delivering tangible, positive outcomes for the economy, society, and the nation.

Embarking on a journey towards sustainability is not just an initiative; it's a commitment to lasting impact. Recognising the imperative for progressive yet continuous action, we are seizing the opportunity to significantly influence the environmental and societal landscape while concurrently enhancing the future value of our business.

## OUR VISION FOR SUSTAINABILITY

Sustainability is not a mere initiative for us. It is the principle that permeates every aspect of our business. Guided by the United Nations 2030 Agenda and relevant sustainability standards and approaches, we have adopted a holistic framework structured around the four interconnected pillars of Planet, People, Peace and Prosperity. This framework underscores our mission to harmonise economic growth with environmental stewardship and societal well-being.

Our organisational commitment encompasses:

- Pragmatic management of material sustainability matters, encompassing a comprehensive assessment of risks and opportunities inherent in our industry.
- Reduction of environmental impacts and carbon emissions arising from our operations.
- Fostering lasting and sustainable business values that align with stakeholders, customers, and the wider community.
- Adherence to the highest standards of governance in all aspects of our business operations.
- Prioritisation of stakeholder well-being, safety, and security as a fundamental operational philosophy.





By integrating ESG considerations into our operations and decision-making, we continue to deliver long-term value while maintaining the resilience of our business. Our downstream entities, including tenants, lessees, and customers, are integral to fostering sustainable partnerships and advancing shared ESG objectives, while our supply chain management ensures that all suppliers and contractors align with the Group's sustainability goals, promoting responsible practices throughout our value chain.

For the year under review, there were neither construction nor development projects within our portfolio nor were our assets operating within protected areas or areas of high risk to species biodiversity such as IUCN Red List or Natural Conservation List. Biodiversity therefore is deemed not material for the Group. Nonetheless, we have well-established processes and are well positioned to ensure compliance with biodiversity-related requirements should such projects arise in the future.

### SUSTAINABILITY PLAN 2030: A STRATEGIC LEAP FORWARD

Building on the achievements of our 2019-2023 Sustainability Roadmap, which delivered impactful outcomes on ESG, we are now launching the Sustainability Plan 2030. This new plan represents a more structured and cohesive strategy, designed to address material sustainability matters with precision and purpose.

Key features of the Sustainability Plan 2030 include:

**Strategic Alignment:** Goals and targets integrated with globally recognised standards, including the UNSDG, national regulations, and market expectations.



**Enhanced Measurement:** Precise tracking of performance across key sustainability indicators to ensure accountability and transparency.



**Dedication to Decarbonisation:** Strengthening our efforts to combat climate change by reducing carbon emissions across our value chain.



**Stakeholder-Centric Approach:** Prioritising the well-being, safety, and security of our stakeholders while fostering inclusive growth.



 Details of the Sustainability Plan 2030 are disclosed on page 159.

We are poised to build on our achievements with the establishment and execution of KLCCP Stapled Group Sustainability Plan 2030. This plan will further embed sustainability into every part of our business, ensuring we remain a responsible, resilient, and forward-thinking organisation.

Through these initiatives, we aim to be a beacon of sustainable progress, contributing meaningfully to Malaysia's aspirations for a greener, more inclusive, and prosperous future.



# Sustainability Governance

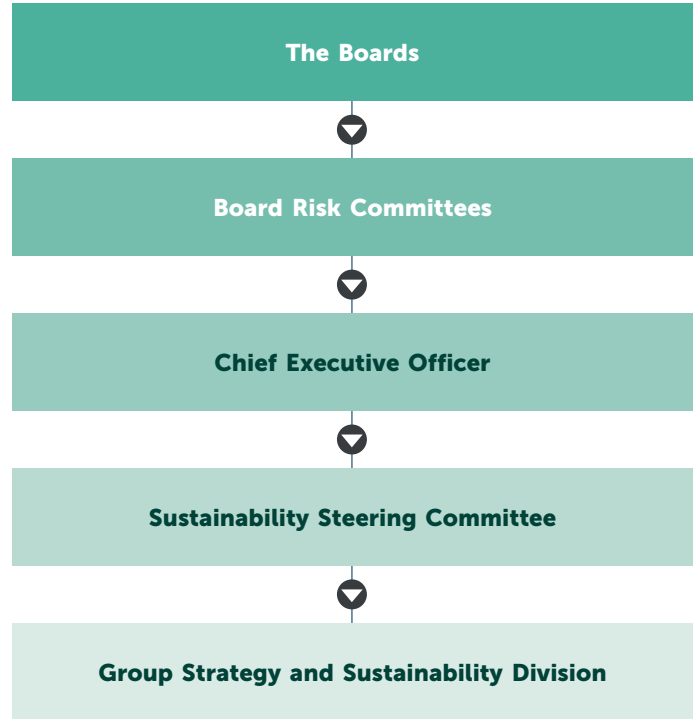
The Boards of KLCCP and KLCCRM (the Boards) are the ultimate authority and are accountable for ensuring effective management of sustainability and climate-related matters and initiatives within the Group, supported by the Board Risk Committees (BRC). The Boards take responsibility for sustainability and climate governance, setting the Group’s sustainability strategies, providing oversight over the integration of sustainability, including climate-related matters into business strategy, priorities, and targets, and reviewing progress in their implementation.

Leading the efforts on sustainability and climate strategies implementation for the Group, the Chief Executive Officer (CEO) diligently updates the BRCs and the Boards on progress every quarter, seeking their valuable counsel on related matters.

To assess and strategically manage sustainability as well as climate-related risks and opportunities, the Boards established the Sustainability Steering Committee (SSC). The SSC is chaired by the Senior General Manager of Group Strategy and Sustainability (GSS), and the committee includes representation from division heads and operating units, fostering a holistic approach to sustainable practices.

Supported by the GSS and facilitated by the Environmental, Social and Governance (ESG) Department as the secretariat, these bodies oversee the day-to-day implementation of sustainability and climate-related matters. KLCCP Stapled Group is not just embracing sustainability, it is consistently shaping the future of responsible business practices.

**KLCCP Stapled Group Sustainability Governance Structure**



**KLCCP Stapled Group Sustainability Steering Committee**



**KLCCP Stapled Group's Roles and Responsibilities of Sustainability Governance Groups**

Roles	Sustainability Governance Groups	Responsibilities
<b>Oversight of sustainability and climate-related matters</b>	Boards of Directors	<ul style="list-style-type: none"> <li>• Ultimately accountable for managing sustainability, including climate-related matters within the Group.</li> <li>• Oversee the inculcation of a strong sustainability culture, with the tone coming from the top throughout the Company.</li> <li>• Oversee the strategic management of material sustainability matters, one of which is climate change.</li> <li>• Ensure that sustainability-related issues, including climate risks and opportunities, are included in Boards' agenda, at a minimum, on a quarterly basis.</li> <li>• Provide oversight over climate-related risks and opportunities integration into business strategy, setting targets, and performance review.</li> <li>• Approve the Group's annual Sustainability Report, including climate-related disclosures.</li> </ul>
	Board Risk Committees	<ul style="list-style-type: none"> <li>• Provide direction, guidance and oversight on risk policies, strategies, principal risks, and risk practices, ESG compliance, material sustainability matters, as well as climate-related risks and opportunities.</li> <li>• Oversee implementation of sustainability and climate-related strategy, and report to the Board of Directors on a quarterly basis.</li> <li>• Review and endorse the Group's annual Sustainability Report, including climate-related disclosures for Boards' approval.</li> </ul>
<b>Strategic management of sustainability and climate-related matters</b>	Chief Executive Officer	<ul style="list-style-type: none"> <li>• Provides leadership over implementation of sustainability and climate-related strategies.</li> <li>• Leads the inculcation of a strong sustainability culture throughout the Company.</li> <li>• Leads the strategic management of material sustainability matters, including climate-related risk and opportunities.</li> <li>• Ensures that sustainability-related issues including climate-related risks and opportunities are taken into consideration in Management deliberations including when devising business strategies.</li> <li>• Reviews the Group's annual Sustainability Report, including climate-related disclosures, before obtaining Board Risk Committees' approval.</li> </ul>
	Sustainability Steering Committee	<ul style="list-style-type: none"> <li>• Oversees practices on issues relating to sustainability, including climate-related risks and opportunities.</li> <li>• Endorses the outcome of the sustainability materiality assessment and climate-related risks and opportunities.</li> <li>• Reviews and endorses priorities, policies, practices, targets and achievements on key sustainability and climate-related issues.</li> <li>• Keeps abreast of current and emerging sustainability issues including matters relating to, but not exclusively, climate change risks and opportunities, as well as socioeconomics that may result in operational and/or reputational risks to the Group.</li> <li>• Deliberates the Group's sustainability and climate-related performance by respective constituents, including progress of supporting key initiatives.</li> <li>• Drives the implementation and integration of sustainability into daily business activities.</li> <li>• Establishes sufficient resources and develops capability to drive the implementation of sustainability.</li> <li>• Reviews the annual Sustainability Report, including climate-related disclosures for the Group.</li> <li>• Participates in sustainability and climate-related training and workshops identified by the ESG department.</li> </ul>
<b>Day to day implementation of sustainability and climate-related matters</b>	Group Strategy and Sustainability	<ul style="list-style-type: none"> <li>• Oversees divisions/functions to ensure the robustness of systems related to sustainability and climate risk management.</li> <li>• Guides and coordinates input from all divisions/functions in sustainability processes, e.g., materiality and climate risk assessments.</li> <li>• Ensures sustainability and climate-related processes and controls are in place within divisions/functions.</li> <li>• Reports on the performance of processes and controls to the Sustainability Steering Committee.</li> <li>• Reports progress and achievement of management targets on sustainability.</li> <li>• Develops plans and timelines for sustainability and climate-related disclosures.</li> </ul>





# Sustainability Framework

KLCCP Stapled Group is focused on a strong commitment to sustainability, integral to our pursuit of strategic excellence and value creation. The Group's sustainability framework is carefully designed to align with the UN 2030 agenda. To reflect the critical dimensions within the agenda, from the perspective of the Group, four sustainability lenses were assigned, that address 13 prioritised material sustainability matters while emphasising contributions to UN Sustainable Development Goals and Targets. The framework thrives on close engagement with our stakeholders, while addressing the material sustainability matters and creating an impact within our strategic value creation.

## UN 2030





## Sustainability Plan 2030

The KLCCP Stapled Group's Sustainability Plan 2030 represents a strategic leap forward in our commitment to embedding sustainability into every part of our business. Guided by our four-pillar framework—Planet, People, Peace and Prosperity. This plan is designed to align with the United Nations 2030 Agenda, relevant sustainability standards and approaches, and national as well as market regulatory requirements, ensuring our efforts remain relevant, impactful and forward-looking.

While our previous roadmap (2019–2023) delivered significant results, the Sustainability Plan 2030 takes a more structured approach by aligning goals and targets explicitly with the four pillars, providing a cohesive and comprehensive strategy. This alignment enhances our ability to measure progress and drive impact across material sustainability matters and performance indicators that are critical to both our business and stakeholders. Through this plan, we aim to build on our achievements with clarity and confidence, advancing our role as a responsible and resilient organisation committed to long-term sustainable growth.

- **Goal 1:** Reduce greenhouse gas (GHG) emissions, promote decarbonisation
- **Goal 2:** Drive environmental stewardship efforts
- **Goal 3:** Strengthen climate resilience, drive action



### PROGRESS TOWARDS ACHIEVING SUSTAINABILITY PLAN 2030 GOALS AND TARGETS

The measurable progress and significant impacts of our Sustainability Plan 2030 are showcased in **SR** A Year of Positive Impact (refer to pages 52 to 105), illustrating our achievements and advancements across all four pillars.







# Our Contribution to UNSDG

KLCCP Stapled Group remains dedicated to advancing the United Nations Sustainable Development Goals (UNSDG) by actively pursuing goals and targets that align with our business purpose and strategies. Our 2024 Sustainability Report follows the guidance of the World Economic Forum’s Stakeholder Capitalism Metrics, harmonising with the UN 2030 Agenda for Sustainable Development and its 17 SDGs.

We consistently update the UN Global Compact on our progress through the Communication on Progress (CoP) platform, endorsing the Ten Principles on Human Rights, Labour, Environment, and Anti-Corruption. This reinforces our commitment to the UNSDG and reflects our global vision for inclusive and sustainable development.











UNSDG	Targets	Contribution
 <p><b>Ensure healthy lives and promote well-being for all at all ages</b></p>	<p><b>3.9</b> By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water, and soil pollution and contamination.</p>	<p>Responsible hazardous waste management in all our assets and operations, in compliance with the Environmental Quality (Scheduled Waste) Regulations 2005.</p> <p>Maintained zero case of occupational illnesses or diseases in 2024.</p>
 <p><b>Achieve gender equality and empower all women and girls</b></p>	<p><b>5.5</b> Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.</p>	<p>50% women directors on the Boards.</p> <p>31% women in top management employee category.</p> <p>39% of our employees are women.</p>
 <p><b>Ensure availability and sustainable management of water and sanitation for all</b></p>	<p><b>6.4</b> By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.</p>	<p>KLCCP Stapled Group has continually implemented water conservation efforts in our assets. In 2024, we achieved the following water intensity levels against our 2030 targets:</p> <ul style="list-style-type: none"> <li>Office: 0.77 m<sup>3</sup>/m<sup>2</sup> vs 0.85m<sup>3</sup>/m<sup>2</sup></li> <li>Retail: 0.01 m<sup>3</sup>/footfall vs 0.01 m<sup>3</sup>/footfall</li> <li>Hotel: 0.25 m<sup>3</sup>/footfall vs 0.21 m<sup>3</sup>/footfall</li> </ul>
 <p><b>Ensure access to affordable, reliable, sustainable, and modern energy for all</b></p>	<p><b>7.1</b> By 2030, ensure universal access to affordable, reliable, and modern energy services.</p> <p><b>7.2</b> By 2030, increase substantially the share of renewable energy in the global energy mix.</p>	<p>53 Electric Vehicle (EV) Chargers available at car parks within KLCC Precinct to date.</p> <p>423,788 kWh of renewable energy was generated from solar PV panels installed at Suria KLCC’s rooftop.</p>



## Our Contribution to UNSDG

UNSDG	Targets	Contribution
 <p><b>Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all</b></p>	<p><b>8.8</b> Protect labour rights and promote a safe and secure working environment for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>	<p>The Group's HSE policy commits and strives to provide a safe working environment for all employees.</p> <p>Our Occupational Safety and Health management system is ISO 45001 certified, audited annually by an external certification body.</p> <p>We recorded zero fatalities in 2024.</p>
 <p><b>Make cities and human settlements inclusive, safe, resilient, and sustainable</b></p>	<p><b>11.6</b> By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.</p>	<p>In 2024, the Group were able to divert wastes through a combination of initiatives focused on waste prevention, reduction, and recycling:</p> <ul style="list-style-type: none"> <li>• Office: 2%</li> <li>• Retail: 11%</li> <li>• Hotel: 27%</li> </ul>
 <p><b>Ensure sustainable consumption and production patterns</b></p>	<p><b>12.2</b> By 2030, achieve the sustainable management and efficient use of natural resources.</p> <p><b>12.3</b> By 2030, halve per capita global food waste at the retail and consumer levels and reduce food losses along production and supply chains, including post-harvest losses.</p> <p><b>12.4</b> By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their lifecycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water, and soil to minimise their adverse impacts on human health and the environment.</p> <p><b>12.5</b> By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse.</p> <p><b>12.6</b> Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.</p>	<p>In 2024, the Group were able to divert wastes through a combination of initiatives focused on waste prevention, reduction, and recycling:</p> <ul style="list-style-type: none"> <li>• Office: 2%</li> <li>• Retail: 11%</li> <li>• Hotel: 27%</li> </ul> <p>MOKUL Hotel has installed the food waste digester that converts food waste into liquid form, which is discharged into the sewage treatment plant to be treated. This diverts such waste from reaching landfill.</p> <p>Responsible hazardous waste management in all our assets and operations, in compliance with the Environmental Quality (Scheduled Waste) Regulations 2005.</p> <p>The Group discloses our sustainability data in the ESG World Platform on our corporate website.</p> <p>The Group was recognised by The Asset with a Platinum Award for excellence in Environmental, Social and Governance practices for four consecutive years.</p>

UNSDG	Targets	Contribution
 <p>Take urgent action to combat climate change and its impacts</p>	<p><b>13.1</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.</p> <p><b>13.3</b> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.</p>	<p>KLCCP Stapled Group has identified their climate-related risk and opportunities within their maiden climate-related disclosure in alignment with TCFD recommendations. The Group has reduced its Scope 1 and 2 GHG emissions based on equity share by 11% compared to 2019 base year.</p> <p>Scope 3 emissions training for the Boards and Senior Management in 2024.</p> <p>Inclusion of climate-related topic within the ESG Training Plan for the Group.</p>
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all, and build effective, accountable, and inclusive institutions at all levels</p>	<p><b>16.5</b> Substantially reduce corruption and bribery in all their forms.</p>	<p>Zero corruption cases in 2024.</p>
 <p>Strengthen the means of implementation and revitalise the Global Partnership for Sustainable Development</p>	<p><b>17.16</b> Enhance the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, in particular developing countries.</p>	<p>KLCCP Stapled Group as part of the KLCC Business Events Alliance (KLCCBEA) continued to spur the creation of a strong culture on sustainable practices, as well as contribute towards achieving the UNSDG through the KLCC Sustainable September 2024 event.</p> <p>The Group also embarked on a partnership with PETRONAS, Bursa Malaysia and UNGCMYB to identify level of readiness and develop sustainability awareness and capability among the supply chain.</p>





## Driving Sustainability through Partnership

Optimal sustainability outcomes are generally achieved through multi stakeholder initiatives. KLCCP Stapled Group therefore engages actively in various industry dialogues while participating in alliances and organisations that aim to create a meaningful difference in social and environmental issues. We also share our knowledge and expertise within our smaller sphere of influence to empower our customers, tenants and partners in the KLCC Precinct and other properties.

### COLLABORATIONS IN 2024

#### UNGCMYB

Since becoming a member of the UNGCMYB in June 2021, we have participated in various knowledge-sharing events including the Young Executives Sustainability Summit; sustainability capacity-building platforms such as the UNGC Academy; and objective performance assessments Communications of Progress.

#### Bursa Malaysia & UNGCMYB

KLCCP Stapled Group participated in a review of the Corporate Sustainability Practitioner Competency Framework undertaken by Bursa Malaysia and the UN Global Compact Network Malaysia & Brunei (UNGCMYB). The Competency Framework serves as an aspirational reference to guide practitioners in navigating the corporate sustainability ecosystem to drive sustainable outcomes.

#### Malaysian REIT Managers Association (MRMA)

KLCCP Stapled Group contributed data to the Building Energy Intensity benchmarking project carried out by MRMA. The objectives of the BEI Project are to:

- i. Create comprehensive guidelines and benchmarks for energy efficiency in the building sector in Malaysia covering six categories, namely office buildings, higher education institutions, hotels, hospitals, retail buildings and data centres.
- ii. Develop a database for Building Energy Intensity (BEI) for the six building categories.
- iii. Develop a star rating system for the six building categories.

#### PETRONAS

We participated in the following PETRONAS Group sustainability task forces:

- Energy and Loss Management System – which aims to ensure compliance with regulatory requirements, reduce energy consumption, and improve reporting and disclosure to meet stakeholder demands.
- Scope 3 quantification and maturation – which aims to progressively understand the impacts of Scope 3 emissions, and subsequent measure and report the related data.

#### KLCC Business Events Alliance (KLCCBEA)

As part of the alliance, we continued to promote a strong culture of sustainability and responsible practices with a focus on contributing towards the UN Sustainable Development Goals through the month-long KLCC Sustainable September 2024 campaign, which involved all our partners in the KLCC Precinct.

#### POS MALAYSIA & MISC

Together with our anchor tenants in Menara Dayabumi, POS Malaysia and MISC, we implemented projects to recycle used fabrics and bottles with the installation of fabric recycling bins purchased from Lifeline Clothing Sdn Bhd and reverse vending machines from Janz Technology. Details of the initiative can be referred on page 69 of our Sustainability Report 2024. [SR](#)

#### Capital Oil

We collaborated in Capital Oil's Used Cooking Oil (UCO) Collection campaign by collecting 274 kg litres of used cooking oil. The oil will then be delivered by Capital Oil to facilities that converts the UCO into sustainable feedstock for biofuel.

### COLLABORATION WITH PRECINCT PARTNERS IN SUSTAINABLE SEPTEMBER 2024 CAMPAIGN

- Yearly campaign with a strong focus on enhancing community engagement, promoting healthy living, and fostering deeper collaboration, underpinned by four pillars of People, Planet, Peace, and Prosperity and involves 7 interacting UN Sustainability Development goals.
- Kuala Lumpur Convention Centre Business Events Alliance alongside our subsidiaries, Kuala Lumpur Convention Centre, Suria KLCC, Mandarin Oriental, Kuala Lumpur, Impiana Hotel, Traders Hotel and not forgetting our partners in Putrajaya: Double Tree and Everly Hotel.
  - Partnered with Urbanice Malaysia in supporting their transformation efforts in B40 housing common spaces to boost social integration in the long term.
  - Partnering with Reach Out Malaysia in serving the community and encouraging employee volunteerism.
  - AIA & National Blood Bank - to promote healthcare awareness and importance of blood donation.

**KLCC**  
*Sustainable*  
 eptember  
**HEALTHY PLANET,  
 HEALTHY YOU!**



Scan the QR code to view the programme highlights.

Contributed to  
10 out of 17



> **6,200**  
Total Beneficiaries



Mapped to  
**KLCC Sustainability Plan 2030**

7 out of 10



**RM24,000**

Proceeds from Bake for Charity



**274 kg**

Used Cooking Oil collected

**45 million**

Steps achieved collectively



**142**

blood bags collected



**174 kg**

Recyclables collected



**572**

Employee Volunteer Hours



**RM626,000**

Public Relations value





## Three Years Sustainability Performance Data

The following information is generated from the Bursa ESG Reporting Platform:

Indicator	Measurement Unit	2022	2023	2024
<b>Climate change and energy management</b>				
Bursa C4(a) Total energy consumption	Megawatt	0.00	0.00	0.00
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	25.00	29.00 *	15.00
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	30,478.00	31,699.00 *	32,418.00
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	64,210.00	65,850.00 *	70,079.00
Energy intensity in Kwh per square meter per year: PETRONAS Twin Towers - Tower 1	Number	100	94 *	106
Energy intensity in Kwh per square meter per year: PETRONAS Twin Towers - Tower 2	Number	80	82 *	84
Energy intensity in Kwh per square meter per year: Menara 3 PETRONAS	Number	97	100 *	104
Energy intensity in Kwh per square meter per year: Menara Dayabumi	Number	110	107 *	110
Energy intensity in Kwh per square meter per year: Menara ExxonMobil	Number	155	163 *	161
Energy intensity in Kwh per square meter per year: Suria KLCC	Number	188	192 *	200
Energy intensity in Kwh per square meter per year: Mandarin Oriental Kuala Lumpur	Number	177	219	233
Renewable energy generation: Energy generated from solar PV in Kwh	Number	415,241	440,468	423,788
<b>Environment management</b>				
Bursa C9(a) Total volume of water used	Megalitres	1,109.047000	1,241.470000 *	1,366.906000
Bursa C10(a) Total waste generated	Metric tonnes	4,810.00	6,708.00 *	7,806.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	728.00	1,387.00 *	895.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	4,082.00	5,322.00 *	6,910.00
Water intensity in cubic meter per square meter gross floor area: Office and Car Park	Number	1	1 *	1
Water intensity in cubic meter per square meter gross floor area: Retail	Number	3	3	4
Water intensity in cubic meter per square meter gross floor area: Hotel	Number	2	2	2
Hazardous waste disposed in Tonnes: Office and Car Park	Number	2	2 *	1
Hazardous waste disposed in Tonnes: Retail	Number	0	1 *	0
Hazardous waste disposed in Tonnes: Hotel	Number	1	1	2
<b>Human capital development</b>				
Bursa C6(a) Total hours of training by employee category				
Top management	Hours	0	1,220	1,354
Management	Hours	0	6,006	5,573
Executive	Hours	0	16,871	18,063
Non-executive	Hours	0	16,027	21,755
<b>Human rights</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Top management Below 30	Percentage	0.00	0.00	0.00

Internal assurance External assurance No assurance

(\*)Restated





Indicator	Measurement Unit	2022	2023	2024
Top management 30-39	Percentage	0.00	0.19	0.28
Top management 40-49	Percentage	0.00	0.67	0.75
Top management 50-59	Percentage	0.00	1.44	1.59
Top management Above 60	Percentage	0.00	0.38	0.09
Management Below 30	Percentage	0.00	0.67	1.13
Management 30-39	Percentage	0.00	4.12	4.60
Management 40-49	Percentage	0.00	6.70	6.66
Management 50-59	Percentage	0.00	4.12	4.22
Management Above 60	Percentage	0.00	0.38	0.28
Executive Below 30	Percentage	0.00	9.10	12.20
Executive 30-39	Percentage	0.00	15.52	17.07
Executive 40-49	Percentage	0.00	5.56	8.82
Executive 50-59	Percentage	0.00	3.07	4.69
Executive Above 60	Percentage	0.00	0.00	0.19
Non-executive Below 30	Percentage	0.00	18.10	16.23
Non-executive 30-39	Percentage	0.00	11.21	6.94
Non-executive 40-49	Percentage	0.00	10.25	7.79
Non-executive 50-59	Percentage	0.00	7.95	6.19
Non-executive Above 60	Percentage	0.00	0.57	0.28
Gender Group by Employee Category				
Top management Male	Percentage	0.00	1.72	1.88
Top management Female	Percentage	0.00	0.96	0.84
Management Male	Percentage	0.00	8.81	8.91
Management Female	Percentage	0.00	7.18	7.97
Executive Male	Percentage	0.00	16.20	23.45
Executive Female	Percentage	0.00	17.05	19.51
Non-executive Male	Percentage	0.00	34.48	26.74
Non-executive Female	Percentage	0.00	13.60	10.69
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Total numbers of substantiated incident of non-discrimination to employees	Number	0	0	0
Total workforce by ethnicity: Bumiputera	Percentage	0.00	74.14	74.58
Total Workforce by ethnicity: Chinese	Percentage	0.00	16.67	16.32
Total Workforce by ethnicity: Indian	Percentage	0.00	6.61	6.47
Total Workforce by ethnicity: Others	Percentage	0.00	0.77	0.84
Total Workforce by ethnicity: Non-Malaysians	Percentage	0.00	1.82	1.78
Top management by ethnicity: Bumiputera	Percentage	0.00	0.96	1.13
Top management by ethnicity: Chinese	Percentage	0.00	1.05	0.84
Top management by ethnicity: Indian	Percentage	0.00	0.10	0.19
Top management by ethnicity: Others	Percentage	0.00	0.10	0.09
Top management by ethnicity: Non-Malaysians	Percentage	0.00	0.48	0.47
Management by ethnicity: Bumiputera	Percentage	0.00	8.62	9.01
Management by ethnicity: Chinese	Percentage	0.00	5.36	5.72
Management by ethnicity: Indian	Percentage	0.00	1.15	1.41
Management by ethnicity: Others	Percentage	0.00	0.38	0.47
Management by ethnicity: Non-Malaysians	Percentage	0.00	0.48	0.28
Executive by ethnicity: Bumiputera	Percentage	0.00	26.63	34.99
Executive by ethnicity: Chinese	Percentage	0.00	4.31	5.07



## Three Years Sustainability Performance Data

Indicator	Measurement Unit	2022	2023	2024
Executive by ethnicity:	Percentage	0.00	1.72	2.16
Indian				
Executive by ethnicity:	Percentage	0.00	0.00	0.19
Others				
Executive by ethnicity: Non-Malaysians	Percentage	0.00	0.57	0.56
Non-executive by ethnicity:	Percentage	0.00	37.93	29.55
Bumiputera				
Non-executive by ethnicity:	Percentage	0.00	5.94	4.69
Chinese				
Non-executive by ethnicity:	Percentage	0.00	3.64	2.72
Indian				
Non-executive by ethnicity:	Percentage	0.00	0.29	0.19
Others				
Non-executive by ethnicity:	Percentage	0.00	0.29	0.28
Non-Malaysians				
Disabled person by ethnicity:	Percentage	0.00	0.00	0.00
Bumiputera				
Disabled person by ethnicity:	Percentage	0.00	0.00	0.00
Chinese				
Disabled person by ethnicity:	Percentage	0.00	0.00	0.00
Indian				
Disabled person by ethnicity:	Percentage	0.00	0.00	0.00
Others				
Disabled person by ethnicity:	Percentage	0.00	0.00	0.00
Non-Malaysians				
Proteges and interns by ethnicity:	Percentage	0.00	0.00	0.00
Bumiputera				
Proteges and interns by ethnicity:	Percentage	0.00	0.00	0.00
Chinese				
Proteges and interns by ethnicity:	Percentage	0.00	0.00	0.00
Indian				
Proteges and interns by ethnicity:	Percentage	0.00	0.00	0.00
Others				
Proteges and interns by ethnicity:	Percentage	0.00	0.00	0.00
Non-Malaysians				
<b>Labour standard and practices</b>				
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00	3.00 *	2.00
Bursa C6(c) Total number of employee turnover by employee category				
Top management	Number	0	6	3
Management	Number	0	31	23
Executive	Number	0	51	48
Non-executive	Number	0	96	90
Total percentage of employees reviewed under Employee Performance Management	Percentage	0.00	89.00	96.00
Percentage of male employees reviewed under Employee Performance Management	Percentage	0.00	50.60	61.15
Percentage of female employees reviewed under Employee Performance Management	Percentage	0.00	49.40	38.85
Percentage of top management reviewed under Employee Performance Management	Percentage	0.00	3.90	2.63
Percentage of management reviewed under Employee Performance Management	Percentage	0.00	19.70	15.97
Percentage of executive reviewed under Employee Performance Management	Percentage	0.00	65.60	43.14
Percentage of non-executive reviewed under Employee Performance Management	Percentage	0.00	10.40	38.27
Percentage of proteges and interns reviewed under Employee Performance Management	Percentage	0.00	0.00	0.00
Percentage of disabled person reviewed under Employee Performance Management	Percentage	0.00	100.00 *	100.00
Number of absenteeism	Number	0	5,656	6,386
Absenteeism rate	Rate	0.00	0.02	0.02

Internal assurance External assurance No assurance

(\*)Restated



Indicator	Measurement Unit	2022	2023	2024
Total new employee hires	Number	0	256	191
Total new male employee hires	Number	0	167	128
Total new female employee hires	Number	0	89	63
Total percentage of vacancy fill by internal hires	Percentage	0.00	9.00	14.00
Average hiring cost per full time employee	Number	0	40,596	3,642
Gender pay indicator: Total mean annual compensation for employees	Number	0	135,000 *	143,000
Gender pay indicator: Total median annual compensation for employees	Number	0	91,000 *	100,000
Gender pay indicator: Mean annual compensation for male employees	Number	0	146,000 *	162,000
Gender pay indicator: Median annual compensation for male employees	Number	0	99,000 *	106,000
Gender pay indicator: Mean annual compensation for female employees	Number	0	124,000 *	125,000
Gender pay indicator: Median annual compensation for female employees	Number	0	86,000 *	90,000
<b>Health, safety and security</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.29	0.54 *	0.52
Bursa C5(c) Number of employees trained on health and safety standards	Number	937	1,030 *	1,106
Total numbers of manhours worked in millions	Number	7	7 *	8
Number of lost time injury incident	Rate	0.00	0.00	0.00
Number of loss of primary containment incident	Number	0	0	0
Number of internal audit conducted	Number	10	10 *	23
Number of inspection process carried out	Number	601	628 *	389
Total nonconformances issued	Number	20	18	55
Total nonconformances closed out	Number	20	18	31
Total observation issued	Number	69	70 *	29
Inspection result	Percentage	100.00	100.00	92.00
SIRIM audit nonconformance report recorded	Number	0	0	2
SIRIM audit opportunities for improvement recorded	Number	19	8 *	5
Number of entries by authorities	Number	20	14 *	52
Number of stop work by authorities	Number	0	0	0
<b>Corporate governance</b>				
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	50.00	50.00	50.00
Female	Percentage	50.00	50.00	50.00
Below 30	Percentage	0.00	0.00	0.00
30-39	Percentage	0.00	0.00	0.00
40-49	Percentage	0.00	0.00	0.00
50-59	Percentage	38.00	38.00	38.00
Above 60	Percentage	62.00	62.00	62.00
Board of directors' profile by ethnicity: Bumiputera	Percentage	88.00	88.00	88.00
Board of directors' profile by ethnicity: Chinese	Percentage	12.00	12.00	12.00
Board of directors' profile by ethnicity: Indian	Percentage	0.00	0.00	0.00

Internal assurance

External assurance

No assurance

(\*)Restated





## Three Years Sustainability Performance Data

Indicator	Measurement Unit	2022	2023	2024
Board of directors' profile by ethnicity: Others	Percentage	0.00	0.00	0.00
Board of directors' profile by ethnicity: Non-Malaysians	Percentage	0.00	0.00	0.00
Board of directors' profile by age group: Below 30	Percentage	0.00	0.00	0.00
Board of directors' profile by age group: 30 - 39	Percentage	0.00	0.00	0.00
Board of directors' profile by age group: 40-49	Percentage	0.00	0.00	0.00
Board of directors' profile by age group: 50-59	Percentage	38.00	38.00	38.00
Board of directors' profile by age group: Above 60	Percentage	62.00	62.00	62.00
Board of directors' profile by tenure: Below 5 years	Percentage	100.00	75.00	75.00
Board of directors' profile by tenure: 5-10 years	Percentage	0.00	25.00	25.00
Board of directors' profile by tenure: above 10 years	Percentage	0.00	0.00	0.00
<b>Business ethics</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Top Management	Percentage	2.00	2.00	3.00
Management	Percentage	22.00	8.00	17.00
Executive	Percentage	54.00	24.00	42.00
Non-executive	Percentage	22.00	66.00	39.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Cyber security and data privacy</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Average phishing test failure rate: Office and Car Park	Number	4	3	3
Average phishing test failure rate: Retail	Number	0	8	6
Average phishing test failure rate: Hotel	Number	4	2	3
Average learning hours per employee on cyber security: Office and Car Park	Hours	1	4 *	8
Average learning hours per employee on cyber security: Retail	Hours	0	4	5
Average learning hours per employee on cyber security: Hotel	Hours	1	1	1
<b>Financial sustainability</b>				
Dividend in RM Millions	MYR	660.80	723.90	754.60
Taxes in RM Millions	MYR	70.20	104.50	120.80
Revenue in RM Millions	MYR	1,459.30	1,619.20	1,710.90
Infrastructure Maintenance in RM Millions	MYR	3.70	4.30	4.90
Operating costs and expenses in RM Millions	MYR	322.70	421.00	457.80
Total value distribution to shareholders in RM Millions	MYR	660.80	723.90	754.60
Total value distribution to government in RM Millions	MYR	105.50	112.20	129.30
Total value distribution to communities in RM Millions	MYR	18.60	4.60	5.30
Total value distribution to employees in RM Millions	MYR	132.80	145.10	155.80
Total value distribution to banks in RM Millions	MYR	105.80	111.30	167.30
Total value distribution to KLCC Property Stapled Group in RM Millions	MYR	87.40	104.50	120.90
<b>Customer and tenant management</b>				

Internal assurance    External assurance    No assurance

(\*)Restated



Indicator	Measurement Unit	2022	2023	2024
Customer satisfaction survey score in percentage: Office	Percentage	88.00	96.00	80.00
Customer satisfaction survey score in percentage: Hotel	Percentage	87.00	90.00	92.00
Customer satisfaction survey score in percentage: Car Park	Percentage	83.00	85.00	91.00
Net promoter score in percentage: Retail	Percentage	64.00	69.00 *	65.00
<b>Supply chain management</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	0.00	99.00	99.00
<b>Corporate social responsibility</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	18,600,000.00	4,600,000.00	5,300,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	0	16,983	814,302

**Disclaimer:**

- The table above is generated from the custom template of the Bursa ESG Reporting Platform as at 19 March 2025. No changes were made to the pdf report generated from the system.
- During our data analysis and entry into the Bursa ESG Reporting Platform, we identified certain discrepancies in terms of unit assignment that is not possible to be changed within the system. As a result, we have reported zero for such indicators, underscoring our commitment to precision and continual enhancement of our reporting practices. The indicators in the measurement unit used and was internal assured by the Group, are reported in our Sustainability Report 2024.
- The following indicators are affected by the above-mentioned condition:
  - Total Energy Consumption
  - Number of Lost Time Injury Incident
- \* Denotes data that has been restated from prior reports due to updates post disclosure. The details for restatement can be found in the Group's Sustainability Report 2024.



## Corporate Information



### BOARDS OF DIRECTORS OF KLCCP AND THE MANAGER

**Datuk Ir. Annies Bin Md Ariff**

*(Chairman/Non-Independent Non-Executive Director)*

**Datuk Sr Mohd. Salem Bin Kailany**

*(Executive Director/Chief Executive Officer)*

**Puan Liza Binti Mustapha**

*(Non-Independent Non-Executive Director)*

**Puan Farina Binti Farikhullah Khan**

*(Independent Non-Executive Director)*

**Dato' Jamaludin Bin Osman**

*(Independent Non-Executive Director)*

**Puan Chong Chye Neo**

*(Independent Non-Executive Director)*

**Datin Noor Lily Zuriati Binti Abdullah**

*(Independent Non-Executive Director)*

**Dato' Sr Mazuki Bin A Aziz**

*(Independent Non-Executive Director)*

**Puan Freida Binti Amat**

*(Non-Independent Non-Executive Director)*

### BOARD AUDIT COMMITTEES OF KLCCP AND THE MANAGER

**Puan Farina Binti Farikhullah Khan**  
*(Chairperson)*

**Puan Chong Chye Neo**

**Dato' Sr Mazuki Bin A Aziz**

### BOARD NOMINATION AND REMUNERATION COMMITTEES OF KLCCP AND THE MANAGER

**Puan Chong Chye Neo**  
*(Chairperson)*

**Puan Farina Binti Farikhullah Khan**

**Dato' Jamaludin Bin Osman**

### BOARD RISK COMMITTEES OF KLCCP AND THE MANAGER

**Dato' Jamaludin Bin Osman**  
*(Chairman)*

**Puan Farina Binti Farikhullah Khan**

**Datin Noor Lily Zuriati Binti Abdullah**



**COMPANY SECRETARY OF KLCCP AND THE MANAGER****Puan Hanida Hanum Binti Jamon**

(SSM PC No. 201908001412)

(LS 0007099)

Levels 33 &amp; 34

Menara Dayabumi

Jalan Sultan Hishamuddin

50050 Kuala Lumpur

Telephone No. : 03-2783 6000

Facsimile No. : 03-2783 7810

**REGISTERED OFFICE OF KLCCP AND THE MANAGER**

Level 82, Tower 2

PETRONAS Twin Towers

Kuala Lumpur City Centre

50088 Kuala Lumpur

Telephone No. : 03-2331 2889

Facsimile No. : Nil

Email : [info@klcc.com.my](mailto:info@klcc.com.my)/  
[investor\\_relations@klcc.com.my](mailto:investor_relations@klcc.com.my)**CORPORATE OFFICE OF KLCCP AND THE MANAGER**

Levels 33 &amp; 34

Menara Dayabumi

Jalan Sultan Hishamuddin

50050 Kuala Lumpur

Telephone No. : 03-2783 6000

Facsimile No. : 03-2783 7810

**SHARE REGISTRAR FOR KLCCP AND KLCC REIT**

Tricor Investor &amp; Issuing House Services

Sdn Bhd

Unit 32-01, Level 32, Tower A,

Vertical Business Suite,

Avenue 3, Bangsar South,

No. 8, Jalan Kerinchi,

59200 Kuala Lumpur

Telephone No. : 03-2783 9299

Facsimile No. : 03-2783 9222

Email : [is.enquiry@avistra.com](mailto:is.enquiry@avistra.com)**TRUSTEE FOR KLCC REIT**

Maybank Trustees Berhad

8<sup>th</sup> Floor, Menara Maybank

100, Jalan Tun Perak

50050 Kuala Lumpur

Telephone No. : 03-2070 8833

Facsimile No. : 03-2070 9387

Email : [mtb.ct@maybank.com](mailto:mtb.ct@maybank.com)**PROPERTY MANAGER FOR KLCC REIT**

Rahim &amp; Co International Sdn Bhd

Level 10, Menara Perak

24 Jalan Perak,

50450 Kuala Lumpur

Telephone No. : 03-2691 9922

Facsimile No. : 03-2691 9992

**SHARIAH ADVISER FOR KLCC REIT**

CIMB Islamic Bank Berhad

Level 12, Menara CIMB

Jalan Stesen Sentral 2

Kuala Lumpur Sentral

50470 Kuala Lumpur

Telephone No. : 03-2261 8888

Facsimile No. : 03-2261 0099

Email : <https://www.cimbislamic.com/>**AUDITORS**

Ernst &amp; Young PLT

[Firm No. 202006000003

(LLP0022760-LCA) &amp; AF 0039]

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

Telephone No. : 03-7495 8000

Facsimile No. : 03-2095 9076/78

**INTERNAL AUDITOR**

Group Internal Audit

KLCC (Holdings) Sdn Bhd

Levels 33 &amp; 34

Menara Dayabumi

Jalan Sultan Hishamuddin

50050 Kuala Lumpur

Telephone No. : 03-2783 6000

Facsimile No. : 03-2783 7810

**PRINCIPAL BANKERS FOR KLCCP AND KLCC REIT**

- (a) CIMB Islamic Bank Berhad
- (b) CIMB Bank Berhad
- (c) Maybank Islamic Berhad

**STOCK EXCHANGE LISTING**

Listed on Main Market of Bursa

Malaysia Securities Berhad on

9 May 2013

Stock Code : 5235SS

Stock Name : KLCC

**WEBSITE**  
[www.klcc.com.my](http://www.klcc.com.my)



# The Board of Directors



**Datuk Ir. Annies Bin Md Ariff**  
 Chairman  
 Non-Independent  
 Non-Executive  
 Director



**Datuk Sr Mohd. Salem Bin Kailany**  
 Executive Director/  
 Chief Executive Officer



**Liza Binti Mustapha**  
 Non-Independent Non-Executive  
 Director

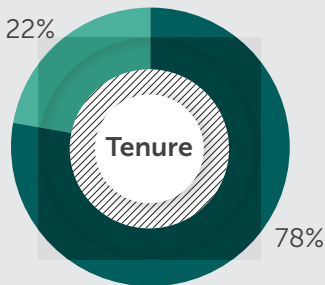


**Farina Binti Farikhullah Khan**  
 Independent Non-Executive  
 Director



**Dato' Jamaludin Bin Osman**  
 Independent Non-Executive  
 Director

## BOARD COMPOSITION



More than 5 years    5 years and below

Female    Male

Below 60    60 and above

### Experience

- 4** Oil and Gas
- 2** Engineering
- 1** Public Sector
- 1** Manufacturing
- 1** Property Development
- 4** Banking and Finance
- 3** Regional/  
International
- 1** Legal and  
Compliance
- 1** Real Estate
- 1** Engineering, Procurement and  
Construction Contract (EPCC)



**Chong Chye Neo**  
Independent Non-Executive Director



**Datin Noor Lily Zuriati Binti Abdullah**  
Independent Non-Executive Director



**Dato' Sr Mazuki Bin A Aziz**  
Independent Non-Executive Director



**Freida Binti Amat**  
Non-Independent Non-Executive Director



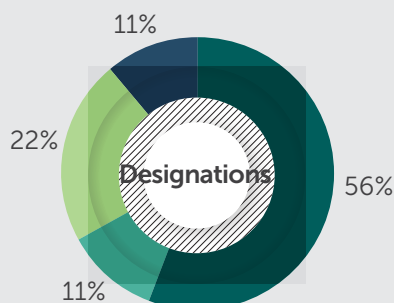
**Hanida Hanum Binti Jamon**  
Company Secretary

**Additional Information of the Board of Directors**  
KLCC (Holdings) Sdn Bhd (KLCCH) and Petroleum Nasional Berhad (PETRONAS) are the major Stapled Securities holders of KLCCP and KLCC REIT. There are potential transactions with other entities within KLCCH and PETRONAS Groups, which situation of conflict of interest could arise for the following Directors in their various capacities as disclosed in their respective profiles:

- Datuk Ir. Annie: Director of KLCCH.
- Datuk Sr Mohd. Salem: Director and Group Chief Executive Officer of KLCCH.
- Puan Liza Mustapha: Director of KLCCH, Executive Vice President & Group Chief Financial Officer, and Executive Director of PETRONAS.
- Puan Freida Amat: Vice President (Treasury) of PETRONAS.

Saved as disclosed above, none of the Directors have:

- Any family relationship with any Directors of KLCCP, KLCC REIT and/or major Stapled Securities holders of KLCCP and KLCC REIT;
- Any conflict of interest or potential conflict of interest, including interest in any competing business, that they have with KLCCP, KLCC REIT and their subsidiaries; and
- Any conviction for offences (other than traffic offences) within the past 5 years, received any public sanction or any penalty imposed by the relevant regulatory bodies during the financial year



- Independent Non-Executive Director
- Executive Director
- Non-Independent Non-Executive Director
- Chairman/Non-Independent Non-Executive Director

**Skills Matrix**

• Strategy Development	2	• Construction	2
• Business Management	5	• Quantity Survey	1
• International/Regional Business	2	• Law	1
• Corporate Planning and Development	4	• Sustainability	1
• Risk Management	4	• Engineering	2
• Project Management	4	• Asset Management	1
• Operations	2	• Property Management and Development	1
• Finance & Audit	4	• Oil & Gas	2
• Human Resource	2	• Banking & Finance	1
• Strategy Planning	3	• Valuation	1
• Commercial/Marketing	2	• Mergers & Acquisitions	1
• Economics	1	• Operations & Maintenance	1
• Information Technology/Digital	1		





## Profiles of the Board of Directors

### **Datuk Ir. Annie Bin Md Ariff** Chairman, Non-Independent and Non-Executive Director

#### Date of Appointment:

- 1 July 2024 (KLCCP)
- 1 July 2024 (KLCCRM)
- 1 September 2024 as Chairman KLCCP
- 1 September 2024 as Chairman KLCCRM

**Board Committee:** NIL

#### Other Directorships:

Listed Issuers:

- NIL

Public Company:

- NIL



**Nationality:**

Malaysian

**Age:**

69

**Gender:**

Male

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Fellow of The Institution of Engineers Malaysia
- Registered Professional Engineer with The Board of Engineers Malaysia
- Baccalaurei in Scientia, Universitas Cambrensis (now known as University of Wales)
- Diploma in Engineering, Newark Technical College, Nottinghamshire, England

#### WORKING EXPERIENCE

##### Present Appointments:

- Director, Bandar Malaysia Sdn Bhd
- Director, KLCC (Holdings) Sdn Bhd
- Director, Putrajaya Holdings Sdn Bhd

##### Past Experiences:

- Non-Executive Chairman, Pembinaan BLT Sdn Bhd
- Chief Executive Officer & Managing Director, Pembinaan BLT Sdn Bhd
- Director General, Public Works Department (JKR) Malaysia
- Deputy Director General, JKR Malaysia
- Director, Project Stimulus Unit, Ministry of Finance
- Director, JKR Asset Unit, JKR Malaysia
- Director Development Unit, Township Development, Putrajaya Corporation
- State Director, JKR Kelantan
- Senior Assistant Director, World Bank Project Unit, JKR Malaysia

- Chief Resident Engineer, Hospital UKM Unit, JKR Malaysia
- Senior Assistant Director, Management Unit, JKR Malaysia
- Senior Executive Engineer, Geotechnical Unit JKR Malaysia
- Senior Assistant Director, Implementation and Coordination Unit, Prime Minister Department
- District Engineer, JKR Perak Tengah, JKR Perak
- Road Engineer, Kinta District, JKR Perak
- Engineer, Bridge Unit, JKR Malaysia

#### BOARD SKILL MATRIX

- Engineering
- Business Management
- Project Management
- Asset Management
- Audit

#### INDUSTRY EXPERIENCE

- Engineering
- Public Sector

## > Datuk Sr Mohd. Salem Bin Kailany

Executive Director/Chief Executive Officer

### Date of Appointment:

- 1 November 2024 as Chief Executive Officer KLCCP
- 1 November 2024 as Chief Executive Officer KLCCRM
- 1 December 2024 as Executive Director KLCCP
- 1 December 2024 as Executive Director KLCCRM

**Board Committee:** NIL

### Other Directorships:

Listed Issuers:

- NIL

Public Company:

- Kuala Lumpur City Park Berhad
- Midciti Sukuk Berhad



**Nationality:**

Malaysian

**Age:**

56

**Gender:**

Male

### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Member of the Royal Institution of Surveyors Malaysia
- Advanced Management Program, Harvard Business School, USA
- Bachelor's Degree in Estate Management (Hons) Institut Teknologi Mara
- Diploma in Estate Management, Institut Teknologi Mara

### WORKING EXPERIENCE

#### Present Appointments:

- Director/Group Chief Executive Officer, KLCC (Holdings) Sdn Bhd ("KLCCCH")
- Director, KLCCCH's subsidiaries and associate companies, and subsidiaries of KLCCP

#### Past Experiences:

- President/Chief Executive Officer, UDA Holdings Berhad
- Executive Director, Ian Scott International (M) Sdn Bhd
- Chief Executive Officer, PNB Development Sdn Berhad
- Senior Vice President, Sime Darby Property Berhad
- Senior General Manager, Guthrie Property Development Holdings Berhad
- General Manager, Kumpulan Guthrie Berhad
- Assistant General Manager, Golden Hope Development
- Chief Operating Officer, Actacorp Holdings Berhad
- Director, Cyberview Sdn Bhd
- Director, PNB Development Sdn Berhad
- Director, BBCC Development Sdn Bhd
- Director, Temasya Development Sdn Bhd
- Director, Felcra Berhad
- Director, Bertam Properties Sdn Bhd

### BOARD SKILL MATRIX

- Strategic Planning
- Property Development
- Valuation
- Mergers & Acquisitions
- Corporate Planning and Development
- Property Management
- Business Management
- Risk Management
- Project Management
- Construction
- Operations and Maintenance

### INDUSTRY EXPERIENCE

- Real Estate



## Profiles of the Board of Directors

### **Liza Binti Mustapha** Non-Independent Non-Executive Director

#### Date of Appointment:

- 12 October 2020 (KLCCP)
- 12 October 2020 (KLCCRM)

#### Board Committee: NIL

#### Other Directorships:

##### Listed Issuers:

- MISC Berhad

##### Public Company:

- PetroliaM Nasional Berhad ("PETRONAS")



#### Nationality:

Malaysian

#### Age:

54

#### Gender:

Female

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Fellow of the Association of Chartered Certified Accountants
- Advance Management Program, Harvard Business School, USA
- Member of the Malaysian Institute of Accountants (MIA)
- BSc. Economics (Accounting & Finance), The London School of Economics and Political Science, University of London

#### WORKING EXPERIENCE

##### Present Appointments:

- Executive Vice President & Group Chief Financial Officer, PETRONAS
- Director, PETRONAS' subsidiaries
- Treasurer, Malaysian Petroleum Club

##### Past Experiences:

- Vice President Group Procurement, PETRONAS
- Group Financial Controller, PETRONAS
- Chief Financial Officer, PETRONAS Upstream Business
- Senior General Manager, PETRONAS Group Treasury
- Chief Financial Officer, PETRONAS Gas Berhad

#### BOARD SKILL MATRIX

- Finance & Audit
- Corporate Planning & Development
- Operations
- Risk Management
- Oil & Gas

#### INDUSTRY EXPERIENCE

- Banking and Finance
- Oil and Gas





## ➤ Farina Binti Farikhullah Khan

Independent Non-Executive Director

### Date of Appointment:

- 23 April 2018 (KLCCP)
- 23 April 2018 (KLCCRM)

### Board Committee:

- Chairperson, Board Audit Committees of KLCCP and KLCCRM (Appointed as member on 23 April 2018) (Re-designated as Chairperson on 12 October 2018)
- Member, Board Nomination and Remuneration Committees of KLCCP and KLCCRM (Appointed on 3 April 2019)
- Member, Board Risk Committees of KLCCP and KLCCRM (Appointed on 9 December 2021)

### Other Directorships:

Listed Issuers:

- PETRONAS Gas Berhad
- AMMB Holdings Berhad
- Icon Offshore Berhad

Public Company:

- AmBank Islamic Berhad

Foreign Companies

- EnQuest Plc



**Nationality:**

Malaysian

**Age:**

52

**Gender:**

Female

### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Commerce (Accounting), University of New South Wales, Australia
- Fellow Member of Chartered Accountants in Australia & New Zealand
- Advanced Management Program, Harvard Business School, USA

### WORKING EXPERIENCE

#### Present Appointments:

- Chairman, AmBank Islamic Berhad
- Senior Independent Director, PETRONAS Gas Berhad
- Senior Independent Director, EnQuest Plc
- Chairman, Board Audit Committee, PETRONAS Gas Berhad
- Member, Nomination and Remuneration Committee, PETRONAS Gas Berhad
- Member, Board Risk Committee, PETRONAS Gas Berhad
- Chairman, Audit Committee, EnQuest Plc
- Member, Remuneration and Social Responsibility Committee, EnQuest Plc
- Member, Group Nomination and Remuneration Committee, AMMB Holdings Berhad
- Member, Audit and Examination Committee, AMMB Holdings Berhad
- Member, Risk Management Committee, AmBank Islamic Berhad
- Member, Audit and Examination Committee, AmBank Islamic Berhad
- Chairman, Audit Committee, Icon Offshore Berhad

#### Past Experiences:

- Chief Financial Officer, PETRONAS Chemicals Group Berhad
- Chief Financial Officer, Exploration and Production Business, PETRONAS
- Chief Financial Officer, PETRONAS Carigali Sdn Bhd
- Senior Manager, Corporate Planning & Development Division, PETRONAS
- Senior Associates, Business Services, Coopers & Lybrand, Australia

### BOARD SKILL MATRIX

- Banking and Finance
- Corporate Planning and Development
- Economics
- Finance and Audit
- Human Resource
- Sustainability

### INDUSTRY EXPERIENCE

- Oil and Gas
- Banking and Finance
- Regional/International



## Profiles of the Board of Directors

### **Dato' Jamaludin Bin Osman**

Independent Non-Executive Director

#### Date of Appointment:

- 1 January 2020 (KLCCP)
- 1 January 2020 (KLCCRM)

#### Board Committee:

- Member, Board Nomination and Remuneration Committees of KLCCP and KLCCRM (Appointed on 23 April 2021)
- Chairman, Board Risk Committees of KLCCP and KLCCRM (Appointed on 9 December 2021)

#### Other Directorships:

Listed Issuers:

- NIL

Public Company:

- MMC Corporation Berhad



**Nationality:**

Malaysian

**Age:**

70

**Gender:**

Male

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor's Degree of Civil Engineering (Hons), Universiti Teknologi Malaysia
- Member of Institute of Engineers Malaysia
- Management Development Programme, Asian Institute of Management

#### WORKING EXPERIENCE

##### Present Appointments:

- Member, Audit Committee, MMC Corporation Berhad
- Member, Risk Committee, MMC Corporation Berhad

##### Past Experiences:

- Group Managing Director, I&P Group Sdn Bhd
- Held several positions in Syarikat Perumahan Pegawai Kerajaan Sdn Bhd:
  - Project Manager
  - Marketing Manager
  - General Manager Project & Marketing
  - Managing Director
- Project Engineer, Refinery Department, Petroliaam Nasional Berhad
- Civil Engineer, Sewerage & Drainage Department, Dewan Bandaraya Kuala Lumpur
- Civil Engineer, Technical Department, Pahang Tenggara Development Authority

#### BOARD SKILL MATRIX

- Engineering
- Business Management
- Strategic Planning
- Marketing
- Project Management

#### INDUSTRY EXPERIENCE

- Property Development



## ➤ Chong Chye Neo

Independent Non-Executive Director

### Date of Appointment:

- 10 May 2021 (KLCCP)
- 10 May 2021 (KLCCRM)

### Board Committee:

- Chairperson, Board Nomination and Remuneration Committees of KLCCP and KLCCRM (Appointed as member on 9 December 2021) (Redesignated as Chairperson on 29 April 2022)
- Member, Board Audit Committees of KLCCP and KLCCRM (Appointed on 9 December 2021)

### Other Directorships:

- |   |   |
|---|---|
| Listed Issuers:   | Public Company:   |
| <ul style="list-style-type: none"> <li>• Hong Leong Financial Group Berhad</li> </ul> | <ul style="list-style-type: none"> <li>• QSR Brands (M) Holdings Bhd</li> </ul> |


**Nationality:**

Malaysian

**Age:**

62

**Gender:**

Female

### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Science (Hons), Computer Science, Universiti Sains Malaysia
- Executive Education, Harvard Business School, USA

### WORKING EXPERIENCE

#### Present Appointments:

- Honorary Member, American Malaysian Chamber of Commerce
- Member of Institute of Corporate Directors Malaysia

#### Past Experiences:

Over 30 years in information technology industry within IBM group:

- Managing Director/Chief Executive Officer, IBM Malaysia
- Client Director, Financial Market, IBM Malaysia
- Director, Intellectual Property Business Development, IBM ASEAN
- Director, Business Partners Organisation, IBM ASEAN
- Director, Mid Market, IBM ASEAN/South Asia
- General Manager, Storage Systems, IBM ASEAN/South Asia
- Regional Leader, Marketing, IBM ASEAN
- Country Head, Enterprise Systems Group, IBM Malaysia
- Various roles in IBM (engineering, sales, marketing and operations in Malaysia). Asia Pacific sales roles covering Japan, Korea, Greater China Group, ASEAN/South Asia, Australia/New Zealand

### BOARD SKILL MATRIX

- Information Technology/Digital
- Business and Strategy Development
- Commercial/Marketing
- International/Regional Business

### INDUSTRY EXPERIENCE

- Banking and Finance
- Regional/International
- Manufacturing





## Profiles of the Board of Directors

### Datin Noor Lily Zuriati Binti Abdullah

Independent Non-Executive Director

#### Date of Appointment:

- 9 December 2021 (KLCCP)
- 9 December 2021 (KLCCRM)

#### Board Committee:

- Member, Board Risk Committee of KLCCP and KLCCRM (Appointed as member on 9 December 2021)

#### Other Directorships:

Listed Issuers:

- Sapura Industrial Berhad

Public Company:

- NIL



**Nationality:**

Malaysian

**Age:**

66

**Gender:**

Female

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- LLB (Hons), University of London, United Kingdom
- Qualified Legal Practice by Qualifying Board for Legal Profession Malaysia
- Senior Management Development Programme, INSEAD
- Leadership Excellence, PETRONAS (LEAP) Programme

#### WORKING EXPERIENCE

##### Present Appointments:

- Independent Non-Executive Director, Sapura Industrial Berhad
- Chairman of Audit Committee, Sapura Industrial Berhad
- Member of Nomination and Remuneration Committee, Sapura Industrial Berhad
- Member of Institute of Corporate Director Malaysia

##### Past Experiences:

- General Counsel/Head, Company Secretary, Legal & Corporate Secretariat Department, PETRONAS Chemicals Group Berhad
- General Counsel/Head of Legal, Technology & Engineering Division, PETRONAS
- Senior Legal Counsel/Head, Company Secretary, Legal & Corporate Affairs Department, PETRONAS International Corporation Limited (Egypt)
- Senior Legal Counsel (Head, Special Project), Legal Department, Gas Business Unit, PETRONAS
- Senior Legal Counsel/Head, Company Secretary, Legal and Corporate Secretariat Department, PETRONAS Dagangan Berhad
- Senior Legal Counsel/Head, Company Secretary, Legal and Corporate Secretariat Department, Malaysia LNG Group of Companies

#### BOARD SKILL MATRIX

- Law
- Risk Management
- Strategy Development
- International/Regional Business
- Human Resource

#### INDUSTRY EXPERIENCE

- Oil and Gas
- Regional/International
- Legal and Compliance
- Engineering, Procurement and Construction Contract (EPCC)



## Dato' Sr Mazuki Bin A Aziz

Independent Non-Executive Director

### Date of Appointment:

- 9 December 2021 (KLCCP)
- 9 December 2021 (KLCCRM)

### Board Committee:

- Member of the Board Audit Committee of KLCCP and KLCCRM (Appointed on 29 April 2022)

### Other Directorships:

Listed Issuers:

- NIL

Public Company:

- NIL



**Nationality:**

Malaysian

**Age:**

69

**Gender:**

Male

### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Fellow, Royal Institute of Surveyors Malaysia
- Registered with Board of Quantity Surveyors Malaysia
- Bachelor of Quantity Surveying, Universiti Teknologi Malaysia

### WORKING EXPERIENCE

#### Present Appointments:

- Managing Director, Perunding DMA Sdn Bhd
- Non-Executive Chairman, Integrated Project Information Management Sdn Bhd

#### Past Experiences:

- Head of General Buildings Unit, Cawangan Kontrak dan Ukur Bahan, JKR Malaysia
- Held several positions in UDA Holding Berhad:
  - Independent Director of Board of Directors
  - Chairman of Audit and Risk Committee of the Board
  - Member of Tender Committee of the Board
- Involved in a few committees with the Board of Quantity Surveyors Malaysia:
  - Chairman Professional Practice Committee of the Board
  - Member of Registration Committee of the Board
  - Member of Ethics Committee of the Board

### BOARD SKILL MATRIX

- Construction
- Business Management
- Strategic Planning
- Quantity Survey
- Project Management

### INDUSTRY EXPERIENCE

- Engineering



## Profiles of the Board of Directors

### **Freida Binti Amat** Non-Independent Non-Executive Director

#### Date of Appointment:

- 1 January 2025 (KLCCP)
- 1 January 2025 (KLCCRM)

#### Board Committee:

- NIL

#### Other Directorships:

Listed Issuers:

- NIL

Public Company:

- NIL



**Nationality:**

Malaysian

**Age:**

55

**Gender:**

Female

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Fellow of the Association of Chartered Certified Accountants
- Chartered Accountant of the Malaysian Institute of Accountants
- Bachelor of Science (Economics), The London School of Economics and Political Science (University of London)
- Senior Management Development Programme, INSEAD

#### WORKING EXPERIENCE

##### Present Appointments:

- Vice President (Treasury), PETRONAS
- Director, PETRONAS' subsidiaries

##### Past Experiences:

- Vice President (Group Procurement), PETRONAS
- Head (Finance Group & Corporate Services), PETRONAS
- Head (Finance & Accounts Services), PETRONAS
- Head (Group Finance), PETRONAS
- General Manager (Finance & Accounts Services), PETRONAS Chemicals Marketing Sdn Bhd

#### BOARD SKILL MATRIX

- Finance & Audit
- Corporate Planning & Development
- Operations
- Risk Management
- Oil & Gas

#### INDUSTRY EXPERIENCE

- Banking and Finance
- Oil and Gas



## The Management Team



**Datuk Sr Mohd. Salem Bin Kailany**

Chief Executive Officer

Please refer to his profile on page 177



**Rohizal Bin Kadir**

Chief Financial Officer/Senior General Manager, Strategic Finance, KLCCP

Head of Investment/Head of Finance, KLCCRM



**Ahmad Zahid Bin Zainal Abidin**

General Manager, Legal & Company Secretarial, KLCCP

Head of Legal/Compliance Officer  
KLCCRM



**Zulkiflee Bin Mansor**

Senior General Manager, KLCC Urusharta Sdn Bhd



**Khairul Nizam Bin Ghazali**

General Manager, Governance, Risk & Assurance, KLCCP



## The Management Team



**Ikhwan Hamzah Bin Azizan**

Head of Leasing/  
Asset Manager, KLCCRM



**Salha Binti Ahmad Dahlan**

General Manager, Human Capital,  
KLCCP



**Mohd Akmam Bin Yeop**

General Manager, KLCC Parking  
Management Sdn Bhd



**Francis Tan Chee Way**

Chief Executive Officer, Suria KLCC  
Sdn Bhd



**Martin Josef Schneider**

General Manager, Mandarin Oriental,  
Kuala Lumpur



**Hanida Hanum Binti Jamon**

Company Secretary,  
KLCCP & KLCCRM

None of the Management Teams have:

- (i) Any family relationship with any Directors of KLCCP, KLCC REIT and/or major holders of Stapled Securities of KLCCP and KLCC REIT;
- (ii) Any conflict of interest or potential conflict of interest, including interest in any competing business, that they have with KLCCP, KLCC REIT and their subsidiaries; and
- (iii) Any conviction for offences (other than traffic offences) within the past 5 years, received any public sanction or any penalty imposed by the relevant regulatory bodies during the financial year.



## Profiles of the Management Team

### Rohizal Bin Kadir

**Nationality:** Malaysian | **Age:** 47 | **Gender:** Male

#### DATE OF APPOINTMENT

1 December 2022

- Chief Financial Officer/Senior General Manager, Strategic Finance, KLCCP
- Head of Investment/Head of Finance, KLCCRM

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Degree in Accountancy (First-Class Honours), Universiti Teknologi Mara (UiTM)
- Member of Malaysian Institute of Accountants (MIA)

#### PAST EXPERIENCE

- Head of Business Finance, Putrajaya Holdings Sdn Bhd
- Head of Financial Control, Strategic Finance, KLCC Group
- Head of Finance, Project Delivery & Technology (PD&T), PETRONAS
- Chief Financial Officer, PICL (Egypt) Ltd
- Head, Business Planning & Performance Reporting, Upstream Finance, PETRONAS
- Head Corporate & Services PETRONAS Carigali (Oman) Ltd (PC Oman)

#### PRESENT APPOINTMENTS

- Director of KLCCH's subsidiaries and associate companies, and subsidiaries of KLCCP
- Director, Midciti Sukuk Berhad

#### RESPONSIBILITIES

- Responsible for the management of all financial aspects of KLCCP Stapled Group, as well as investor relations and information systems
- Overall management and coordination of financial reporting, financial planning, debt financing, treasury and budget management functions of KLCCP Stapled Group
- Responsible for evaluating potential acquisitions of assets to enhance KLCC REIT's portfolio

### Ahmad Zahid Bin Zainal Abidin

**Nationality:** Malaysian | **Age:** 58 | **Gender:** Male

#### DATE OF APPOINTMENT

1 July 2022

- General Manager, Legal & Company Secretarial, KLCCP
  - Head of Legal, KLCCRM
- 10 January 2024
- Compliance Officer, KLCCRM

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Laws (LLB) (Hons.), International Islamic University Malaysia (IIUM)

#### PAST EXPERIENCE

- 11 years working experience as a Senior/Leadership position in Legal Advisory
- Leading multiple cross/functional teams

#### PRESENT APPOINTMENTS

- Director of KLCCH's subsidiaries and associate companies and subsidiaries of KLCCP

#### RESPONSIBILITIES

- Steer and advise all legal, conveyancing and company secretarial aspects of the organisation to safeguard organisation's compliance to relevant regulatory requirements





## Profiles of the Management Team

### Zulkiflee Bin Mansor

**Nationality:** Malaysian | **Age:** 59 | **Gender:** Male

#### DATE OF APPOINTMENT

6 May 2024

- Senior General Manager, KLCC Urusharta Sdn Bhd

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- MSc. In Mechanical Engineering, San Diego State University, USA

#### PAST EXPERIENCE

- Head, Change Management, KLCCCH
- Head, Organisational Transformation Project, KLCCCH
- Head, Organisational Transformation, PETRONAS Group Corporate Strategy
- General Manager, Strategy & Performance Improvement, PETRONAS Group Operational Excellence
- Senior Manager, Operation Improvement, PETRONAS Downstream Operations Division
- Senior Manager, Operating Performance Improvement, Group Technology Solutions
- Manager, Change Management Unit, PETRONAS Corporate Planning & Development Division
- Manager/Engineer, Plant Inspection & Reliability, PETRONAS MTBE Malaysia Sdn Bhd

#### PRESENT APPOINTMENTS

Nil

#### RESPONSIBILITIES

- Strategise, lead and manage integrated facility management operations and services across multiple geographical locations, with a particular focus on KLCC Precinct, encompassing both REIT and Non-REIT properties, as well as regional properties
- Key roles include preserving and optimising asset value, delivering effective asset lifecycle management, ensuring HSSE and statutory compliance, adopting green technology initiatives, optimising vendor and contract management, and contribute to maximising revenue and reducing operational cost

### Khairul Nizam Bin Ghazali

**Nationality:** Malaysian | **Age:** 49 | **Gender:** Male

#### DATE OF APPOINTMENT

1 January 2024

- General Manager, Governance, Risk & Assurance, KLCCP

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Commerce, (Accounting), Charles Sturt University, Australia

#### PAST EXPERIENCE

- Head of Business Development, Group Strategy & Sustainability, KLCCCH
- Head of Special Projects, KLCCCH
- Head of Internal Audit (Corporate), Group Internal Audit, PETRONAS
- Head of Internal Audit, KLCCCH

#### PRESENT APPOINTMENTS

Nil

#### RESPONSIBILITIES

- Develop and implement appropriate Group risk management strategies, measures, frameworks and instruments in order to establish a common systematic approach group-wide to mitigate and minimise exposure to risks across the Group
- Conduct risk monitoring and provide updates to the Management and Board of Directors on a regular basis on trends for risk exposures, highlighting key areas of concern and priority of attention for continuous improvement
- Provide proactive and preventive advice to Management with respect to necessary changes in the risk profile of the Group or specific business activities, including good corporate governance and ethical practices
- Ensure required competence and skill level of subordinates are developed to ensure operational needs are met
- Ensure department operates within set cost profiles so as to optimise resources



## Ikhwan Hamzah Bin Azizan

**Nationality:** Malaysian | **Age:** 47 | **Gender:** Male

### DATE OF APPOINTMENT:

- 1 October 2023
- Head of Leasing/Asset Manager, KLCCRM

### ACADEMIC/PROFESSIONAL QUALIFICATIONS:

- Master of Business Administration, ESCP Europe
- Bachelor of Economics & Commerce, University of Melbourne, Australia

### PAST EXPERIENCE:

- Head, Corporate Projects, Corporate Sustainability Office, PETRONAS
- Head, Group Strategy, PETRONAS Lubricants International Sdn Bhd
- Regional Business Head (Asia Pacific), PETRONAS Lubricants International Sdn Bhd
- Head, Commercial Business Division, PETRONAS Dagangan Berhad
- Head, Economics & Planning, PETRONAS Refinery & Petrochemical Corporation
- Managing Director, PETRONAS Lubricants Turkey
- Various positions within the PETRONAS Group

### PRESENT APPOINTMENTS

- Director, Suria KLCC Sdn Bhd

### RESPONSIBILITIES:

- Identify business opportunities for enterprise portfolio, advise on business model and partnership
- Identify, assess and formulate marketing portfolio, risks and mitigation
- Shape and evaluate leasing and leasing strategy in generating revenue by securing new clients and sustaining existing clients
- Shape and evaluate asset development in order to sustain company growth

## Salha Binti Ahmad Dahlan

**Nationality:** Malaysian | **Age:** 49 | **Gender:** Female

### DATE OF APPOINTMENT

- 1 June 2020
- General Manager, Human Capital, KLCCP

### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor of Engineering (Manufacturing) (Honours), International Islamic University Malaysia
- Chartered Fellow of Chartered Institute of Personnel and Development (CIPD)

### PAST EXPERIENCE

- Head, People Development, Project Delivery & Technology, PETRONAS
- Head, People Strategy & Planning, Downstream Corporate Office, PETRONAS
- HR Merger & Acquisition, Downstream Corporate Office, PETRONAS
- HR Planner, VP Oil Office, Oil Business, PETRONAS
- Manager, Capability Development, PETRONAS Penapisan (Melaka) Sdn Bhd
- System Analyst, SAP Business Support, PETRONAS

### PRESENT APPOINTMENTS

Nil

### RESPONSIBILITIES

- Lead and shape strategies to drive human capital objectives and realise KLCC Group of Companies' aspirations
- Steer development of capable and credible talent pipeline towards achieving desired workforce performance & productivity, to meet current and future business requirements
- Strategise and implement conducive workforce and workplace experience by establishing progressive policies and procedures, maintain good rapport with all stakeholders, in line with the statutory/regulatory requirements and relevant industry practices to safeguard company's reputation



## Profiles of the Management Team

### Mohd Akmam Bin Yeop

**Nationality:** Malaysian | **Age:** 53 | **Gender:** Male

#### DATE OF APPOINTMENT

- 1 September 2020
- General Manager, KLCC Parking Management Sdn Bhd

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- B.Sc (Hons) Quantity Surveying, Liverpool John Moores University, England

#### PAST EXPERIENCE

- Head of Department, KLCC Central Operation, KLCC Parking Management Sdn Bhd
- Project Senior Quantity Surveyor, Business and Technical Services Department, KLCC Projek Sdn Bhd
- Project Quantity Surveyor, KLCC Projek Sdn Bhd for Putrajaya Development Project and Jabal Omar Development Project, Makkah, Saudi Arabia

#### PRESENT APPOINTMENTS

- Director, KLCC Parking Management Sdn Bhd

#### RESPONSIBILITIES

- Accountable for the strategic direction and development of Parking Management to support the KLCC Group and Statement of Purpose
- Lead Division towards achieving MFT 50.30.0 by delivering maximum value, efficiency, optimisation and operational direction of car park utilisation accordance with governance, policies, procedures without compromising Customer Experience

### Francis Tan Chee Way

**Nationality:** Malaysian | **Age:** 57 | **Gender:** Male

#### DATE OF APPOINTMENT

- 1 January 2024
- Chief Executive Officer, Suria KLCC Sdn Bhd

#### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Master of Business Administration, University of Nebraska – Lincoln Nebraska, U.S.A
- Bachelor of Science – Marketing, University of Nebraska – Lincoln Nebraska, U.S.A

#### PAST EXPERIENCE

- Chief Operating Officer, Suria KLCC Sdn Bhd
- Divisional General Manager, SP Setia Bhd
- General Manager Centre Management, Suria KLCC Sdn Bhd
- General Manager Leasing, Suria KLCC Sdn Bhd
- Senior Manager Leasing, Suria KLCC Sdn Bhd
- Leasing Manager, Mid Valley City Sdn Bhd
- Marketing & Promotions Executive to Leasing Manager, The Lion Group's Parade of Shopping Centres

#### PRESENT APPOINTMENTS

- Director, Suria KLCC Sdn Bhd

#### RESPONSIBILITIES

- Oversee strategic and fiscal responsibility for assets owned and managed by Suria KLCC and encompassing all asset management, development, finance, leasing, marketing and management of the assets





## Martin Josef Schnider

**Nationality:** Swiss | **Age:** 56 | **Gender:** Male

### DATE OF APPOINTMENT

6 June 2023

- General Manager, Mandarin Oriental Kuala Lumpur

### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Culinary School Chef Apprenticeship, Lucerne, Switzerland (Aug 1985 – July 1988)
- Culinary School Sommelier Apprenticeship, Lausanne, Switzerland (June 1990 – May 1991)
- Swiss Hotel Management School Lucerne, Switzerland (Sept 1992 – May 1995)

### PAST EXPERIENCE

- Mandarin Oriental, Doha, Qatar – General Manager (Oct 2015 to June 2023)
- Mandarin Oriental, Macau, S.A.R. Macau – General Manager (Dec 2008 to Oct 2015)
- Mandarin Oriental, Tokyo, Japan – General Manager (from Oct 2006 to Oct 2008)
- Mandarin Oriental Hotel Majapahit, Surabaya, Indonesia – General Manager (Oct 2005 to Sept 2006)
- Mandarin Oriental, Kuala Lumpur – Resident Manager/ Executive Assistant Manager, Director of F&B, Assistant Director of F&B (Nov 1999 to Sept 2005)
- Mandarin Oriental, Manilla, Philippines – Assistant Director of F&B (May 1995 to March 1999)
- Mandarin Oriental, Singapore – F&B Management (Sept 1994 to Dec 1994)

### PRESENT APPOINTMENTS

Nil

### RESPONSIBILITIES

- Oversee and responsible for Mandarin Oriental, Kuala Lumpur's hotel operations, business growth and projects

## Hanida Hanum Binti Jamon

**Nationality:** Malaysian | **Age:** 55 | **Gender:** Female

### DATE OF APPOINTMENT

28 November 2023

- Company Secretary, KLCCP & KLCCRM

### ACADEMIC/PROFESSIONAL QUALIFICATIONS

- Bachelor in Laws (LLB), International Islamic University Malaysia

### PAST EXPERIENCE

- Legal Assistant, Messrs Hisham Sobri & Kadir
- Legal Executive, Negara Properties (M) Berhad
- Assistant Manager, Legal & Corporate Secretariat Division, Putrajaya Holdings Sdn Bhd
- Manager, Legal & Corporate Secretariat Division, Putrajaya Holdings Sdn Bhd

### PRESENT APPOINTMENTS

- Senior Manager, Legal & Company Secretarial Department, Putrajaya Holdings Sdn Bhd
- Company Secretary, Putrajaya Holdings Sdn Bhd Group of Companies
- Company Secretary, KLCCCH

### RESPONSIBILITIES

- Strategise legal advisory on corporate construction and conveyancing matters including reviewing drafting any relevant agreements and documents to safeguard company's interest and mitigate risks & legal implications that may have dire ramifications
- Negotiate by nurturing trust, foster productive working relationship with counter parties and stakeholders to provide solutions, navigate conflicts and achieve mutual agreements
- Provide general legal support services and advice on all relevant corporate matters, commercial transactions, hotel operation and retail agreements and concession contract with Government
- Lead the development, implementation and enforcement of legal framework & systems to ensure consistency of advice and service in the organisation
- Strategies, advise and facilitate the services for financing documentation, manage and plan the due diligence process and provide confirmation on all the related information and documents required by the Lead Arranger/ Lead Advisor/Trustee/Banks/Financial Institution
- Facilitate all legal dispute including litigation, Arbitration, Tribunal, CIPAA and Mediation and liaise with the appointed solicitors for the strategy and plan to protect Company's interest and optimise the success outcome
- Formulate the legal frameworks and monitor the compliance to the statutory legal requirements as well as the relevant compliance policies
- Plan and facilitate any required training and communication on any recent relevant laws and policies applicable to the Company's business and operations
- Lead the development, implementation and enforcement of secretarial framework & systems to ensure consistency of advice and service in the organisation
- Steer and shape the provision of Company Secretarial & Compliance services to the organisation to ensure compliance to the relevant statutory requirements



## Profile of Shariah Adviser

### ABOUT THE SHARIAH ADVISER, CIMB ISLAMIC BANK BERHAD (CIMB ISLAMIC)

As the Shariah Adviser to KLCC REIT, CIMB Islamic is providing necessary advice to ensure that KLCC REIT business is Shariah compliant.

CIMB Islamic is CIMB Group's global Islamic banking and finance services franchise. It is headquartered in Kuala Lumpur and offers innovative and comprehensive Shariah-compliant financial solutions in consumer banking, wholesale banking, investment banking, private banking, as well as wealth and asset management products and services. It is part of the fifth largest banking group in ASEAN.

CIMB Islamic is licensed under the Malaysia's Islamic Financial Services Act 2013 and is an approved Shariah Adviser as per the Guidelines on Islamic Capital Market Products and Services (ICMPS Guidelines) issued by Securities Commission.

This enables CIMB Islamic to provide a wide range of products and services to commercial, corporate, and institutional customers across ASEAN, the Middle East, South Asia, North Asia, and major international financial centres. Its products and operations are managed in strict compliance with Shariah principles under the guidance of the CIMB Islamic Shariah Committee, which comprises the industry's leading Islamic Scholars.

CIMB Islamic is free from any conflict of interest with KLCC REIT, which could impair their objectivity and independence. CIMB Islamic has not been convicted for offences within the past 7 years or been imposed with any penalty by the regulatory bodies relevant to the REIT during the financial year.

### PROFILE OF DESIGNATED PERSON RESPONSIBLE FOR SHARIAH MATTERS RELATING TO KLCCP STAPLED GROUP

#### Ahmad Suhaimi Yahya

*Director & Regional Head*

Ahmad Suhaimi is currently the Regional Head, Shariah Advisory & Governance, CIMB Islamic Bank and brings with him over 30 years worth of experience in fiqh al-muamalat (Islamic commercial law) and Islamic finance. Prior to joining CIMB, he was the Chief Shariah Officer of Hong Leong Islamic Bank Berhad ("HLISB"), Chief Regional Shariah Officer of Kuwait Finance House (Malaysia) Berhad ("KFHMB"), Senior Vice President and Head of Shariah of RHB Islamic Bank Berhad ("RHBIB"). Before joining RHBIB, he was the in-house Shariah Advisor and the Director of Shariah Division of KFHMB. He was one of the pioneer staff of KFHMB, the first foreign Islamic bank licensed by Bank Negara Malaysia ("BNM"). Before joining KFHMB, he had served the Securities Commission Malaysia ("SC")'s Islamic Capital Market. He also has experience in teaching Shariah (Islamic Law) and lectured at the International Islamic University Malaysia ("IIUM") before joining SC.

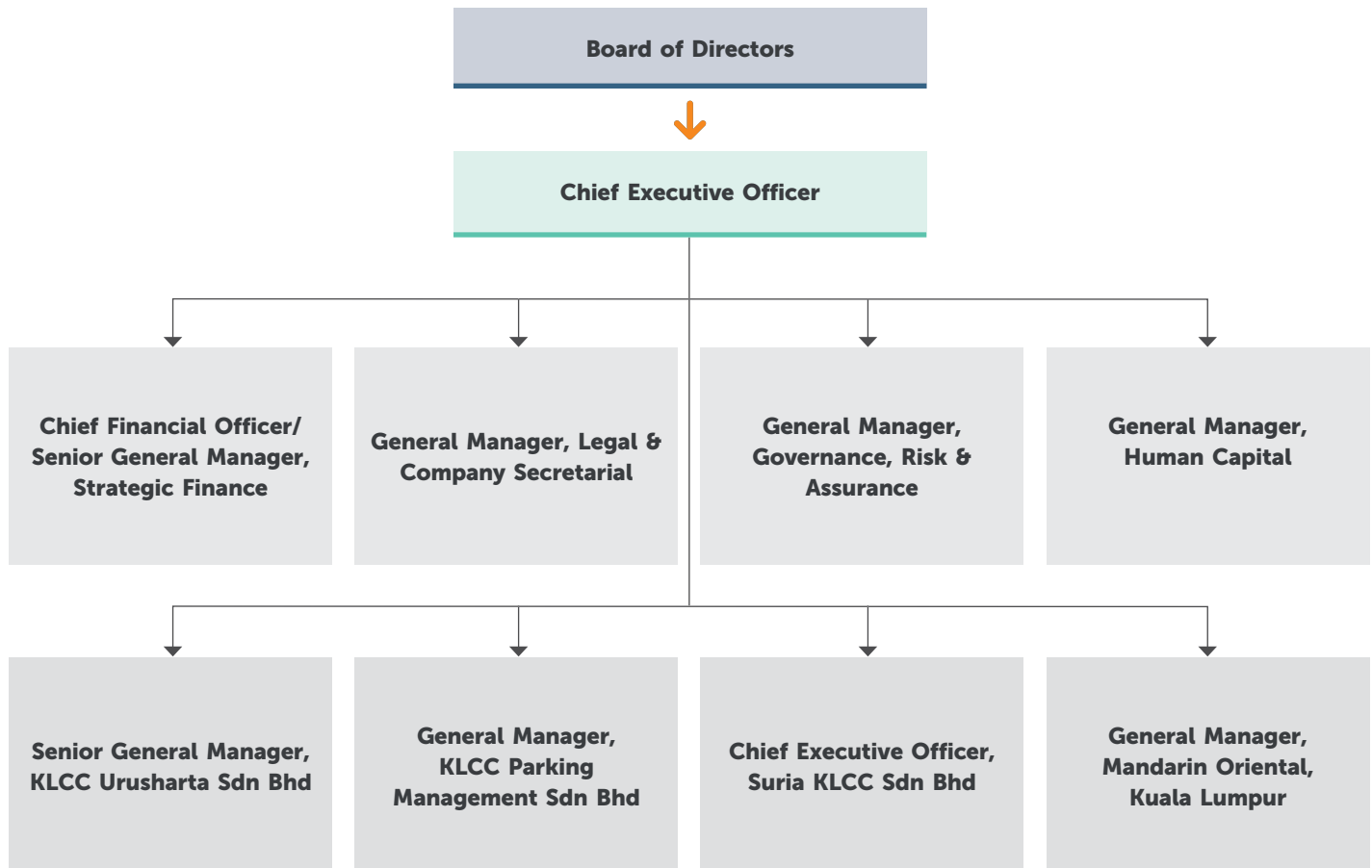
He is currently a member of the High Shariah Supervisory Board of Central Bank of Oman ("CBO"), Exco member (Secretary) of Association of Shariah Advisors in Islamic Finance (ASAS), a member of Accreditation and Exemptions Review Panel (AEP) for the CIIF'S Chartered Professional in Islamic Finance (CPIF) Programme and a member of Board of Studies, Kolej Universiti Islam Johor Sultan Ibrahim ("KUIJSI"). He was appointed as a member of the Shariah Advisory Council of Securities Commission Malaysia from 2010-2012, a member of Panel Pakar Muamalat JAKIM, a member of BNM's Industry Committee for Shariah Standard Review 2013, Board of Studies, IIUM Institute of Islamic Banking and Finance ("IIBF") in 2011 and the Chairman of Shariah Governance Committee, Association of Islamic Banking Institutions Malaysia ("AIBIM"). He was also the Shariah Advisor of KFH Investment Co. in Kuwait 2014-2015.

He holds a degree in Shariah from the Al-Azhar University, Egypt and Master degree in Shariah from Cairo University, Egypt with First Class Honours. He also holds a professional certification as a Certified Shariah Advisor and Auditor (CSAA) by Accounting and Auditing Organisation for Islamic Financial Institutions ("AAOIFI") in Bahrain and Certified Shariah Advisor (CSA) by ASAS.

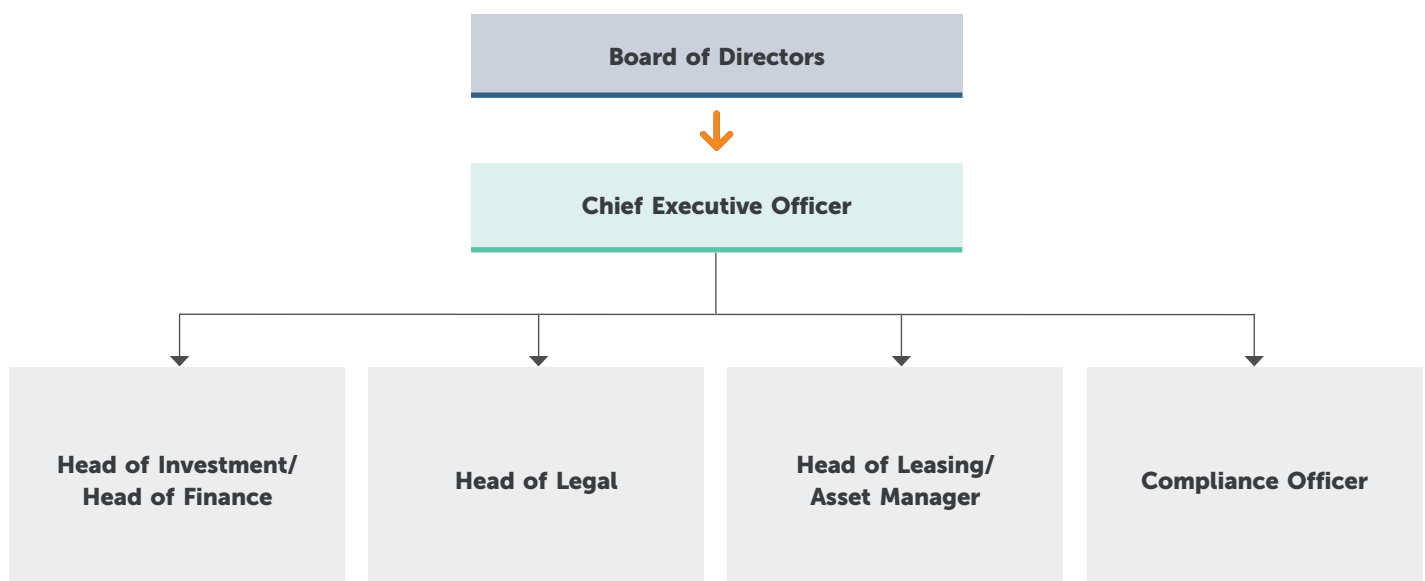


## Organisation Structure

### KLCCP STAPLED GROUP



### KLCC REIT MANAGEMENT SDN BHD







# CHAIRMAN'S INTRODUCTION TO OUR GOVERNANCE

## Dear Stakeholders,

On behalf of the Board of Directors, it is my pleasure to present the Group's Corporate Governance Overview Statement for the financial year ended 31 December 2024.





**The Statement outlines our approach to corporate governance, along with the governance structures and procedures in place. It also highlights the key areas of focus and activities undertaken by the Board and Board Committees throughout the year as we remain committed to drive long-term meaningful and sustainable value creation for our stakeholders.**

The Boards recognise that sound corporate governance policies and practices are fundamental for maintaining the trust and confidence of our shareholders, customers and employees and other stakeholders.

We firmly believe that strong governance practices serve as a cornerstone for driving shareholder value, fostering business integrity, instilling investors' confidence and realising the Group's corporate objectives and vision. In our view, the intrinsic value and importance of robust corporate governance and the role it plays in supporting the long-term success and sustainability of the business cannot be understated.

The governance structures, policies and procedures provide the framework through which the Group can effectively manage its operations, mitigate risks, and uphold our commitment to accountability, transparency and integrity. The establishment of an effective corporate governance system to support and enable the successful implementation of the Group's strategy entail a thorough, informed and diligent decision-making process that ultimately brings clarity to the decisions being made.

In addition, our internal controls and risk management systems that address economic, environmental and social risks alongside financial risks continue to be strengthened during the year.

As we steadfastly pursue our strategic and sustainability goals and objectives, the Boards and Management remain committed to fortifying the Group's governance framework. This ongoing effort ensures that the Group's governance structure is seamlessly and harmoniously aligned with our strategic and operational goals while upholding principles of ethical behaviour, accountability, transparency and sustainability. Our commitment to integrity and ethical conduct is resolute, and we hold ourselves accountable to the highest ethical standards in all our business dealings.

Our Boards comprise a majority of Non-Executive Directors with diverse professional backgrounds and expertise who bring valuable insight and perspectives to the Boards' decision-making processes as well as ensuring a clear balance of responsibilities between the executive and non-executive roles.

The Boards remain committed to continuous improvement and will continue to review and refine our governance practices in response to evolving regulatory requirements, market developments, and stakeholder expectations.

**Datuk Ir. Annies Bin Md Ariff**

Chairman



## Corporate Governance Overview Statement

The Board is pleased to present the 2024 Corporate Governance Overview Statement ("CG Statement") describing the governance practices relating to operations of the Board and its Committees and how the Board has discharged its responsibilities during the year under review.

The Board believes that sound corporate governance practices are the cornerstone for enhancing shareholder value, fostering business integrity, building investor confidence, and achieving the Group's corporate objectives and vision.

This CG Statement demonstrates how the Board's measures align with the principles of good governance outlined in the Malaysian Code on Corporate Governance (MCCG), specifically focusing on the following key corporate governance principles:

### Principle A

BOARD LEADERSHIP AND EFFECTIVENESS

### Principle B

EFFECTIVE AUDIT AND RISK MANAGEMENT

### Principle C

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

The CG Statement also reports on the manner the Group has adopted and applied the principles and best practices set out in the following requirements/guides:

- Guidelines on Conduct of Directors of Listed Corporations and the Subsidiaries published by the Securities Commission ("SC")
- Companies Act 2016
- Malaysian Code on Corporate Governance
- Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities")
- Guidelines on Listed REIT
- Developments in market practice and regulations
- Other applicable rules and regulations

The Group has applied the Practices encapsulated in the MCCG (key governance guidance) for the year under review with the exceptions of Practice 8.2 and Practice 8.3 – Step Up where the explanations of the exceptions are available in the Corporate Governance Report ("CG Report").

This statement is to be read with the CG Report which contains details on the application of each of the Practices as well as the departures and alternative measures established within the Group. The CG Report is available on the KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my).

### The Governance Framework

The Board views good governance as fundamental to the Group's long-term success, driven by its commitment to shareholders and a diverse range of stakeholders.

The Board sees several benefits of implementing a robust governance programme and these include the following:

- Improves operational performance, management efficiency and ensures informed decision-making
- Promotes competitive advantage
- Introduces transparency and accountability
- Improves key talent retention
- Increases market valuation and better growth prospects

Thus, the Group believes that a healthy corporate culture and robust governance framework ensure that the organisation continues to run smoothly and efficiently.

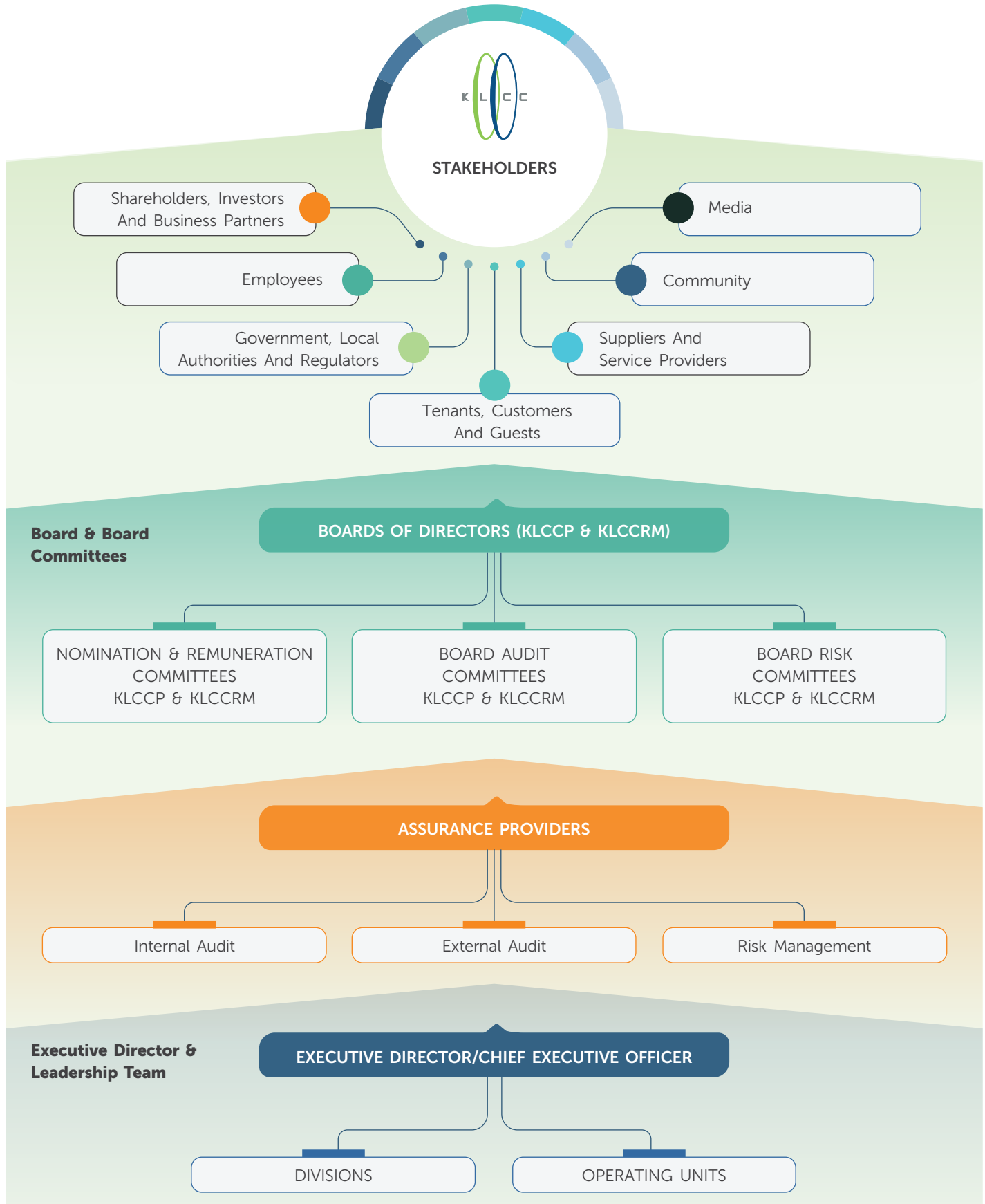
The Governance Framework, its structure and processes, are built upon the Terms of Reference (TOR) of the Board Committees which are complemented by the Limits of Authority and supported by the various management committees, policies and procedures. The governance framework delineates roles and responsibilities, ensuring clear areas of accountability and recognises the independent roles and duties required in governing the Group, with specific powers of the Board delegated to relevant Board Committees and the Executive Director/Chief Executive Officer (CEO).

When the roles and responsibilities between the Board and Management are clearly delineated and effectively managed, the organisation is well-positioned to meet stakeholder expectations, deliver quality initiatives, and adhere to laws and regulations.

The Group's governance structure and practices are reviewed as needed to ensure alignment with evolving market conditions and the communities it serves.



The Governance Framework is depicted below:





## Corporate Governance Overview Statement

### Principle A BOARD LEADERSHIP AND EFFECTIVENESS

#### i) Board Leadership

The Group is led by the Board whose Directors are collectively responsible for creating and delivering long-term sustainable value for the Group's business. The Board has primary responsibility for the governance and management of the Group and fiduciary responsibility for its financial and organisational health. A pivotal responsibility of the Board is to ensure that it balances the interests of the Group and its various stakeholders.

The Board is responsible for the overall leadership of the Group and for promoting its long-term sustainability and success by providing leadership within a framework of prudent and effective controls.

The Board governs and directs the Group in a cyclical process that includes formulating strategy, implementing policies, monitoring performance and providing accountability.

In today's challenging global business environment, stakeholders increasingly scrutinise an organisation's

sustainability practices to minimise adverse environmental and social impacts. The Board is committed to strengthening the Group's corporate governance practices and processes to navigate these challenges effectively. Through continuous assessment and management of emerging risks and opportunities, and by implementing effective controls, the Board aims to ensure the Group's long-term sustainability, development, and growth.

The Board recognises its essential responsibility in maintaining ethical standards, ensuring legal compliance, and safeguarding the organisation from potential wrongful loss. The Board exercises diligent oversight, implements robust internal controls, and fosters a culture of integrity throughout all levels of the organisation.

The Board takes measures to ensure that the Group has adequate resources to achieve its strategic aspirations. The Board also considers the impact of its decisions and its responsibilities to all stakeholders of the Group.

#### ii) Board Responsibilities

The Board sets, oversees and approves the overall strategic objectives, direction and performance of the Group with some strategic oversight delegated to the Board Committees. Accordingly, the Board is responsible for formulating the Group's strategies, making policies and plans and providing accountability. This involves overseeing the execution of the approved strategies by the Management, ensuring alignment with the Group's vision and mission.

The Board safeguards stakeholder value-creation. The Board ensures that the Group's strategic plan supports long-term value creation and includes strategies on economic as well as environmental, social and governance ("ESG") considerations thereby strengthening the sustainability in the Group's operations. Through sustainability practices, the Group becomes more resilient, able to create durable and sustainable value and eventually maintains the confidence of its stakeholders.

The Board also engages with key stakeholders, including shareholders, employees and the community to better understand their perspectives and address their concerns.

The Board embraces transparency and accountability in the boardroom and promotes these critical components of governance throughout the Group. With a well-balanced composition that includes Non-Executive Directors ("NEDs"), the Board ensures that no individual or small group of Directors dominates the decision-making process and that the interests of shareholders are protected. The Board is satisfied that each Director has devoted sufficient time to effectively discharge his/her responsibilities. The Board considers each NED to be independent in character and judgement. The current composition of the Board members has a mix of skills, experience and knowledge enabling them to provide effective oversight, strategic guidance and constructive challenge, examine, review and decide on Management's proposals and empower the CEO to implement strategies approved by the Board.

In addition, each Director has a duty to act in good faith and in the best interest of the Company. The Directors are aware of their collective and individual responsibilities to all shareholders for the manner in which the affairs of the Company are managed, controlled and operated. The Board is satisfied that it has fulfilled these duties and obligations during the year under review.



To effectively discharge its duties and responsibilities, the KLCCP Board is guided by its Board Charter. This Board Charter, emphasises the Board's commitment to high standards of corporate governance, incorporates best practices and applicable rules and regulations. It provides a clear framework of processes to govern the Board's functions and duties in relation to the Management and the Group.

To ensure clear leadership and independent oversight, the roles of Chairman and CEO are held by separate individuals with distinct responsibilities as defined in the Board Charter. The Chairman's objectivity is further maintained by their non-participation in Board Committees. This separation of roles prevents any potential conflict of interest, particularly during deliberations on the Board Committees' recommendations.

The Board has established a clear schedule of matters reserved for its decision and has delegated authority for specific matters to its Committees such as the Board Audit Committee ("BAC"), Nomination and Remuneration Committee ("NRC"), and Board Risk Committee ("BRC"). Each Committee operates under approved Terms of Reference ("TOR") to support the Board in fulfilling its duties and responsibilities.

The Board, in collaboration with the Management, fosters a strong corporate governance culture throughout the Group. This commitment is reflected in the ethical leadership, prudent decision-making, and professional conduct that guide all aspects of the Group's business operations.

While delegating authority to the Board Committees and Management, the Board retains ultimate responsibility and oversight. It ensures that this delegation does not constitute abdication of its duties, and that the Directors remain accountable for all decisions and actions taken. This balance of delegation and oversight safeguards the Company's interests and promotes effective governance.

The constitution of KLCCP, Board Charter as well as the respective TORs of the BAC, NRC and BRC are available on the KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my).

 To read more on leadership and effectiveness of the Board, please refer to the NRC Report, BAC Report, Statement of Risk Management and Internal Control on pages 209 to 226

### iii) Board Conduct

Achieving boardroom effectiveness is essential for the success of an organisation. The Board believes that fostering a culture of collaboration where Directors work together harmoniously to make well-informed decisions is extremely important. In this regard, the Board ensures that the roles and responsibilities of each Director are clearly defined to avoid overlap and thereby strengthening accountability.

All Directors commit themselves to ethical business and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members. In directing or managing the Group's business and affairs, the Board exercises reasonable care, skill and diligence by applying the members' knowledge, skill and experience. All Directors discharge their fiduciary duties and responsibilities at all times in the best interests of the Group.

The Board ensures that key transactions or critical decisions are deliberated and decided during Board meetings. All decisions, including their rationale and any dissenting views, are documented in the meeting minutes.

The Directors recognise that their diligent execution of responsibilities is vital to the Group's success, ensuring not only financial stability and legal compliance, but also safeguarding its reputation and operational integrity.





## Corporate Governance Overview Statement

### Principle A

### BOARD LEADERSHIP AND EFFECTIVENESS

#### iv) Board Composition and Diversity

The Board continuously strives to ensure that Directors have a collective mix of skills, experience, expertise and diversity to add value to Board processes and decisions. These Directors bring their expertise and experience as well as varied insights to bear in policy formulation and decision-making.

The Board recognises the importance of its own strategic evolution to effectively guide the Group's strategic direction and remain as a dynamic governing body. Hence, the Board actively reviews its composition to ensure the right balance of independence and diversity to effectively discharge its collective responsibilities. Diversity is important to ensure the Group remains relevant and sustainable in the rapidly transforming and evolving business environment. In this regard, the NRCs are responsible for reviewing the Board composition periodically and to make recommendations to the Board.


The Board's size ensures that the purpose, involvement, participation, harmony and sense of responsibility of the Directors are not jeopardised and that it achieves the correct balance to realise the Group's strategic objectives.

As of 31 December 2024, the Board consists of eight (8) members, led by a Non-Executive Chairman, and supported by one (1) Executive Director as well as six (6) Non-Executive Directors. Five (5) of the Non-Executive

Directors fulfil the criteria of independence, as defined in the Listing Requirements of Bursa Securities, while the remaining two (2) Non-Executive Directors [including the Chairman] are Non-Independent Non-Executive Directors ("NINEDs").

The Board's diverse composition in age, gender, skills, experience, and knowledge enables effective oversight and strategic guidance. The Board examines proposals and empowers the CEO to implement approved strategies. This is to ensure diversity and inclusiveness of views as well as to facilitate effective decision-making and constructive deliberation during its meetings. The Board Diversity Policy is committed to achieving the national aspirational target of 30% representation of women directors on the Board. As of 31 December 2024, the representation of women directors on the Board is more than 30%.

The Board Diversity Policy, which is approved by the KLCCP Board and applicable to KLCCRM, is available on the KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my). Further details on the Board Diversity Policy are described in the CG Report.

 To read more on Board members, please refer to their respective profiles on pages 176 to 184

#### v) Directors' Independence

The Board recognises the important contributions of INEDs to good corporate governance. The INEDs play a significant role in providing unbiased and independent views, advice and judgement which bring objectivity and scrutiny to the Board's deliberation and decision-making. Their role is also important to protect the interests of minority shareholders. All Directors, regardless of their independent status, are required to act in the best interests of the Group and to exercise unfettered and independent judgement. Thus, the Board is also of the view that all Directors have exercised independent judgement at all times.

In line with the Listing Requirements of Bursa Securities, none of the INEDs of KLCCP and KLCCRM exceed a cumulative term limit of twelve (12) years. In addition, the Board has adopted the policy to limit the tenure of INEDs to nine (9) years as recommended by the MCCG.

Board decisions are made taking into account the views of the INEDs which carry substantial weight. The INEDs fulfil their roles in ensuring that strategies proposed by Management are deliberated and examined taking into

account the interests of the shareholders and stakeholders. Their role is also particularly critical for related party transactions as these require independence of judgement and objective impartiality to protect the interests of minority shareholders.

To date all the INEDs satisfied the following criteria:

- a) Independent from Management and free from any business or other relationship which could interfere with independence or the ability to act in the best interests of the Company.
- b) Not involved in the day-to-day operations of the Company other than when collective Board approval is required.
- c) Declared their interest and any possible conflict of interest in any matter tabled prior to the commencement of Board meetings.



Based on the outcome of the Board Effectiveness Evaluation ("BEE") for FY2024, all INEDs had scored highly and there were no conflicts of interest that could have affected their independent judgement.

The Board also believes that each INED has retained his/her independence throughout his/her tenure and has not under any circumstances formed any association with Management that might compromise his/her ability to exercise independent judgement which could ultimately affect the interest of stakeholders.

#### vi) Directors' Appointment, Resignation and Re-election

The appointment, resignation and re-election of Directors are governed by the Companies Act 2016, Listing Requirements, Guidelines on Listed REIT, other applicable rules and regulations as well as the best practices of MCCG. The NRC reviews the size, structure, diversity and composition of the Board and makes recommendations on new appointments by taking into consideration the Board Skills Matrix and the Board Diversity Policy and ensures that the appointment process is rigorous and transparent. The re-election of Directors is recommended by the NRC based on the satisfactory performance of the Directors concerned and their contribution to the Board.

In addition, the Group practices a formal and transparent process on the appointment of new Directors. The nomination of NINEDs to the Board is made by major shareholder of the Group. The nomination of INEDs to the Board is made through external sources to find the most suitable candidates to fill the vacant positions or via recommendations by the Board members.


In order to promote objectivity and independent judgement in line with the best practices of the MCCG, the Board ensures that no person is to be appointed,

reappointed, elected or re-elected as a director of the Board, or continue to serve as a director if the person is or becomes an active politician.

Further, the Board also observes a cooling-off period of three (3) years before any appointment of any professional advisors or consultants, including former audit partners and its affiliates, as independent directors to the Board.

Pursuant to the Listing Requirements and the respective Constitutions of KLCCP and KLCCRM, one-third of the Directors for the time being shall retire from office once at least in each three (3) years and shall be eligible for re-election at the Annual General Meeting ("AGM").

In addition, the Director appointed via a casual vacancy or an addition to the existing Board shall hold office only until the conclusion of the next AGM and shall be eligible for re-election at such meeting.

 To read more on the appointment, resignation, re-election of Directors, and directors' appointment process, please refer to the NRC Report on pages 209 to 216

#### vii) Board Meetings and Access to Management, Company Secretary, Information and External Experts

All Directors are encouraged to declare their time commitment to the Board and to notify the Chairman of each Board before accepting any new directorship in other public listed companies ensuring that the new directorship would not unduly affect their time commitments and responsibilities to the Board. The Board believes that all members must be equally responsible for their overall core responsibilities.

The Board meets at least quarterly to approve, inter alia, the strategic plans for KLCCP Stapled Group, annual business plans and budgets, operational and financial performance reports, investment and capital expenditures, and quarterly reports and to review the business performance of the KLCCP Stapled Group.

The Management proposes agendas for upcoming Board and Board Committee meetings. Upon finalisation, all meeting materials are securely distributed to Board members through an electronic portal, ensuring timely access and efficient preparation. Agendas and meeting papers are uploaded into the electronic Board paper system at least six (6) days prior to the meetings.

Presentations to the Board are prepared and delivered in a manner that ensures clear and adequate understanding of the subject matter. If there are any urgent matters or additional documents that are sent within a shorter timeframe than required, the Management will provide the Board with a thorough walkthrough of these documents for a more detailed explanation.



## Corporate Governance Overview Statement

### Principle A BOARD LEADERSHIP AND EFFECTIVENESS

The Chairman ensures that Board meetings provide adequate time for thorough deliberation of key issues. This includes dedicated time for the Board Committees Chairs to present their reports, discuss recommendations that require Board approval, and outline any necessary actions to be taken.

Board meetings for the year are scheduled in advance before the start of the financial year. Additional meetings are convened on an ad hoc basis to deliberate on urgent and important matters. Sufficient notice is duly given for all scheduled and additional meetings of the Board.

To avoid any conflict of interest, all Board members also declare their interests in transactions to be deliberated by the Board. The nature of their interests is disclosed at a Board meeting or as soon as practicable after the Board member becomes aware of the conflict of interest. The interested Board member(s) must abstain from participating in the deliberation and Board decision on the matter whereby he/she is an interested party.

During the year under review, five (5) Board Meetings of KLCCP and five (5) Board Meetings of KLCCRM were held respectively. The proceedings of all meetings of the Board including all issues raised, enquiries made and responses thereto, were also presented and recorded in the minutes of the respective Boards meetings. The minutes of Board meetings accurately reflect the deliberations and decisions of the Board including any dissenting views and any abstentions from participation or voting by a Director. Where necessary, decisions have been taken by way of circular resolutions. The respective Chairpersons of BAC, NRC and BRC also updated the Board on the proceedings of their respective Committee meetings.

The Directors' commitment in carrying out their duties and responsibilities is reflected by their attendance at the Board and Board Committees meetings held during the year under review. The Board is satisfied that each Director has devoted sufficient time to effectively discharge his/her responsibilities.

If Directors are unable to attend the meeting, they are encouraged to provide their views and comments on the matters to be discussed in advance.

KLCCP and KLCCRM Board Meetings attendance for the year under review is as follows:

MEETINGS AND ATTENDANCE		
Directors	No. of Meetings Attended	
	KLCCP	KLCCRM
<b>Executive</b>		
<b>Datuk Sr Mohd. Salem bin Kailany</b> <i>(Appointed effective 1 December 2024)</i>	0/0	0/0
<b>Datuk Md. Shah bin Mahmood</b> <i>(Resigned effective 1 December 2024)</i>	5/5	5/5
<b>Non-Executive</b>		
<b>Datuk Ir. Annies bin Md Ariff</b> <i>(Appointed effective 1 July 2024)</i>	2/2	2/2
<b>Liza binti Mustapha</b>	5/5	5/5
<b>Farina binti Farikhullah Khan</b>	4/5	4/5
<b>Dato' Jamaludin bin Osman</b>	5/5	5/5
<b>Chong Chye Neo</b>	5/5	5/5
<b>Dato' Sr Mazuki bin A Aziz</b>	5/5	5/5
<b>Datin Noor Lily Zuriati binti Abdullah</b>	5/5	5/5
<b>Tan Sri Ahmad Nizam bin Salleh</b> <i>(Resigned effective 1 September 2024)</i>	4/4	4/4

The Board has the flexibility to meet in person, by telephone, or by video conference as needed or on an ad-hoc basis.

The Board members are supported by Company Secretary who provides advisory services to the Board, particularly on corporate governance and compliance issues, including compliance to the relevant rules/procedures, laws and regulatory requirements. The details of the Company Secretary relating to qualifications, and others are disclosed in the CG Report. All Directors have unrestricted access to the advice and services of the Company Secretary.





The Directors also have direct access to the Management and unrestricted access to any information relating to the Group in discharging their duties. The Board seeks advice from the Management as they may require and are able to interact directly with Management regarding any aspect of the KLCCP Stapled Group's operations or businesses under its purview. The Management is invited to attend Board meetings to give an update and report to the Board on matters pertinent to their respective areas of responsibility, to present new proposals or to brief on actions implemented pursuant to recommendations made by the Board.

Additionally, the Directors may obtain independent professional advice at the Company's expense through an agreed procedure on specific issues that would aid in their deliberations and determination of a decision that would benefit the KLCCP Stapled Group.

The deliberations at the Board Committees and Board meetings are properly recorded and communicated to the Management for necessary action. The minutes are then tabled at the following meetings for confirmation and signed by the Chairman as a correct record of the proceedings. Minutes of Board Committees and Board meetings, which include records of the Board Committees and Board decisions, are properly maintained by the Company Secretary.

### viii) Sustainability Oversight

Sustainability oversight ultimately starts with the Board and Senior Management, being the apex of corporate leadership. The Board, as the highest governance body, is accountable for the Group's sustainability strategy, including its management of sustainability risks and opportunities, particularly those related to climate change and other material matters. A core function of the Board is to guide the Group towards more sustainability attuned practices to strengthen the stakeholder value-creation.

The Board recognises the urgency of integrating sustainability into the Group's core business strategy to deliver positive environmental and social impact. This commitment involves active collaboration with tenants, customers, suppliers, communities, and industry peers to achieve shared sustainability goals and enhance the Group's long-term value. The Group owns buildings that are energy-efficient, incorporating features that address climate-related risks and opportunities, while promoting the health and well-being of occupants and the surrounding community.

The Group views sustainable development as a business imperative, integrating ESG considerations into its decision-making processes to balance financial profitability with positive societal impact. This commitment drives sustainability practices across all business activities, environmental initiatives, and community engagement. The Group's sustainability framework guides these efforts, ensuring responsiveness to evolving stakeholder concerns and market conditions.

The Group's sustainability strategy draws guidance from the Listing Requirements, reporting standards such as Global Reporting Initiative Standards and World Economic Forum Stakeholder Capitalism Metrics Index, and the critical dimensions in the United Nation's 2030 agenda and the Sustainable Development Goals for sustainable development. The Group is committed to deliver financial value and societal benefits in a responsible and holistic manner, by balancing the economic, environment and social needs of the stakeholders.

Building on the success of the Group's 5-Year Sustainability Roadmap (2019-2023), the Sustainability Plan 2030 has been launched to further solidify the Group's position as a leader in sustainability. The Group is committed to delivering enhanced long-term value to shareholders by integrating sustainability across its entire value chain. This approach generates sustainable returns while positively impacting the communities where the organisation operates.

The Board apprises itself of all aspects of climate change that can affect the Group and strives to manage the full spectrum of climate-related risks and opportunities by integrating them into the corporate strategies. The Group is committed to managing the climate-related risks and environmental impacts of its operations. As a leading property player, the Group is committed to achieving net zero emissions by 2050 through a combination of emissions reduction strategies. This includes implementing climate-related recommendations, prioritising mitigation and adaptation measures, and ensuring transparent reporting on sustainability management.



## Corporate Governance Overview Statement

### Principle A BOARD LEADERSHIP AND EFFECTIVENESS

Sustainability is also embedded in the roles and responsibilities of the Board Committees. The BAC supports the Board in ensuring there is reliable and transparent reporting and internal control systems for sustainability-related matters, while the NRC looks at diversity, equity and inclusion. The BRC provides oversight and advice to the Board and Management in respect of sustainability risk, including defining and reviewing the Group's sustainability-related risk appetites.

The Board assumes ultimate responsibility for the governance of sustainability by setting the Group's sustainability strategies, priorities and targets.

**SR** To read more on the sustainability, please refer to the Sustainability Report 2024

#### ix) The Boards' 2024 Activities and Priorities

The Boards of KLCCP and KLCCRM are responsible for the long-term success of the Group and are accountable to the holders of Stapled Securities as well as other stakeholders in ensuring that the Group is appropriately managed and achieves the strategic objectives that have been set.

The table below shows the key focus areas for each Board which appear as items on its Board agenda at the respective Board meetings throughout the year under review.

KLCCP	KLCCRM
<ul style="list-style-type: none"> <li>Reviewed and approved business plans and budget for FY2025 and forecast from FY2026 to FY2029.</li> <li>Reviewed projected cash flows and distribution for KLCCP Stapled Group.</li> <li>Oversaw the proper conduct of KLCCP Stapled Group's business.</li> <li>Discussed business strategy.</li> <li>Reviewed and approved quarterly results for FY2024 and the audited financial statements of KLCCP for the financial year ended 31 December 2023.</li> <li>Reviewed and approved recurrent related party transactions of KLCCP Stapled Group.</li> <li>Reviewed and endorsed the evaluation findings of the Board, Board Committees and Individual Directors.</li> <li>Reviewed and endorsed the re-election of Directors retiring pursuant to KLCCP's Constitution and recommended the same for the holders of Stapled Securities' approval.</li> <li>Reviewed and recommended Directors' remuneration for the holders of Stapled Securities' approval.</li> <li>Reviewed and approved the reports and statements for inclusion into the Annual Report 2023.</li> <li>Ensured the implementation of policies, procedures and practices relating to operational and corporate governance.</li> <li>Reviewed and approved KLCCP's principal risks with their proposed mitigations, and ensured appropriate measures were implemented to manage these risks.</li> <li>Reviewed the adequacy and integrity of KLCCP Stapled Group's management information and internal control system.</li> <li>Determined and approved dividends.</li> <li>Reviewed the KLCC Group sustainability matters update and enhancement.</li> <li>Reviewed the updates on ISO37001 Anti-Bribery Management System for FY2024.</li> <li>Reviewed the Digital Roadmap for the Group.</li> <li>Approved Sustainability Materiality Assessment 2024.</li> <li>Review on Sustainability Report.</li> <li>Reviewed succession planning and management.</li> <li>Deliberated and approved changes to board composition.</li> <li>Discussed and approved corporate proposals.</li> </ul>	<ul style="list-style-type: none"> <li>Reviewed and approved budget for FY2025 and forecast from FY2026 to FY2029.</li> <li>Reviewed projected cash flows and distributions for KLCC REIT.</li> <li>Oversaw the proper conduct of KLCC REIT's business.</li> <li>Discussed business strategy.</li> <li>Reviewed and approved the quarterly results of KLCC REIT for FY2024 and the audited financial statements of KLCC REIT and KLCCRM for the financial year ended 31 December 2023.</li> <li>Reviewed and approved recurrent related party transaction of KLCCREIT.</li> <li>Reviewed and endorsed the evaluation findings of the Board, Board Committees and Individual Directors.</li> <li>Reviewed and endorsed the re-election of Directors retiring pursuant to KLCCRM's Constitution and recommended the same for shareholder's approval.</li> <li>Reviewed and recommended Directors' remuneration for shareholder's approval.</li> <li>Reviewed and approved the reports and statements for inclusion into the Annual Report 2023.</li> <li>Ensured the implementation of policies, procedures and practices relating to operational and corporate governance.</li> <li>Reviewed and approved KLCCRM's principal risks (in respect of KLCC REIT's business activities) with their proposed mitigations, and ensured appropriate measures were implemented to manage these risks.</li> <li>Reviewed the adequacy and integrity of KLCC REIT's management information and internal control system.</li> <li>Determined and approved income distributions to the holders of Stapled Securities and payments of management fees by KLCC REIT to the Manager.</li> <li>Approved Sustainability Materiality Assessment 2024.</li> <li>Deliberated and approved changes to board composition.</li> </ul>




## x) Training and Professional Development of Directors

The Board recognises the importance of attending and participating in training and development activities in order to broaden Directors' perspectives and to keep abreast with developments in the marketplace, as well as new statutory and regulatory requirements which would enable them to fulfil their responsibilities.

In this regard, the Company Secretarial provides assistance for Director training and development, including facilitating the onboarding programme for newly appointed Directors.

Additionally, the Board also attended the KLCCP Board Strategic Away Day held on 24 and 25 October 2024.

 To read more on Directors' Training and Professional Development, please refer to the NRC Report on pages 209 to 216

## xi) Board Effectiveness Evaluation

The Board Effectiveness Evaluation ("BEE") is to evaluate the performance of the Board, Board Committees, individual members of the Board, as well as identifying any gaps or areas of improvement, where required.

To promote openness in communication between the Board and Management, the FY2024 Board Evaluation included a survey for Management to provide feedback to the Boards.

The findings from the BEE were presented to the NRC for deliberation and appropriate recommendations were made to the Board. Details on the process and parameters of the BEE are provided in the NRC Report.

## xii) Integrity and Ethics

The Board acknowledges its roles in establishing a corporate culture of integrity and ethical conduct within the Group. The Board is guided by the Code of Conduct and Business Ethics ("CoBE") and the Anti-Bribery and Corruption Manual (including No Gift Policy), which have been established by the Group. The Group has also established Whistleblowing Policy which provides and facilitates whistleblowing communication and feedback channels between the Group and its employees, directors and members of public. The CoBE, Anti-Bribery and Corruption Manual and Whistleblowing Policy, are described in the CG Report and is available on the KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my).

The Board places emphasis on combatting bribery and corruption. As part of the KLCCP Stapled Group's implementation of adequate procedures, the Boards of KLCCP and its subsidiaries (including KLCCRM) have executed an Integrity Pledge in combatting bribery and corruption. In addition, KLCCP, KLCCRM and other subsidiaries of the Group have issued a Policy Statement on Anti-Bribery and Corruption with zero tolerance to any form of bribery and corruption culture.

KLCCP successfully obtained the ISO 37001:2016 ABMS Recertification in 2023. During the year, the Board was updated with the implementation progress of ISO 37001:2016 Anti Bribery Management System ("ABMS"). The Board reviewed and endorsed the ABMS Action Plan for 2024 based on TRUST Principles (Guidelines on Adequate Procedures) pursuant to subsection (5) of Section 17A of the Malaysian Anti-Corruption Commission Act, 2009. ABMS Internal Audit was conducted from 20 August 2024 to 6 September 2024 involving all divisions/departments and top Management of KLCCP with zero (0) Non-Conformance Report and three (3) Opportunities For Improvement were recorded. ABMS Surveillance Audit for 2024 was conducted from 19 to 22 November 2024 by SIRIM.


The Group continues the implementation of the Memorandum on Insider Trading whereby Directors and employees of the KLCCP Stapled Group are prohibited from trading in the Stapled Securities, particularly when they are in possession of price-sensitive information and knowledge of facts which have not been publicly announced.

 To read more on CoBE, Anti-Bribery and Corruption Manual, enhanced Whistleblowing Policy, Policy Statement on Anti-Bribery and Corruption, ISO 37001:2016 ABMS certificate, please visit [www.klcc.com.my](http://www.klcc.com.my)

## xiii) Directors' Remuneration

In determining Directors' fees and meeting allowances as well as meeting allowances for the Board Committees (collectively "Directors Remuneration"), the Board adheres to the Remuneration Framework for KLCC Property Holdings Berhad Non-Executive Directors. The Directors Remuneration for Non-Executive Directors is subject to approval of the holders of Stapled Securities during the AGM of KLCCP.

Members of the Board and Board Committees of KLCCRM are entitled to meeting allowances only if meetings are held on a different date from the meetings of the Board and Board Committees of KLCCP.

 To read more on Directors Remuneration for the year under review, please refer to the NRC Report on pages 209 to 216 as well as in the CG Report



## Corporate Governance Overview Statement

### Principle B EFFECTIVE AUDIT AND RISK MANAGEMENT

#### i) Board Audit Committees

The Board is responsible for ensuring that the Group's audited financial statements comply with the relevant financial reporting standards and any other applicable legislations and regulations. The Statement by the Directors, the Manager's Report, and the Statement by the Manager in relation to the preparation of the financial statements of the KLCCP Stapled Group are set out in this Annual Report.

In this respect, the Board has established the BAC for KLCCP and KLCCRM with the objective of assisting the Board in fulfilling its responsibilities primarily relating to financial management, financial accounting and internal control systems of the Group. The Board is assisted by the BAC to provide independent scrutiny of the processes in place to monitor the Group's financial and non-financial reporting, and the quality of the same.

The Chairperson of the BAC as well as its members are professionals. Collectively, they have vast experience and skills in accounting and finance as well as other fields of management expertise and are highly qualified to formulate and review the integrity and reliability of the Group's financial statements prior to recommending the same to the Board for approval.

For the year under review, no accounting irregularities were recorded by either the internal or external auditors.

KLCCP and KLCCRM adopted the Framework on External Auditors and established a formal policy and procedure to assess the suitability, objectivity and independence of the external auditors in tandem with the practice of the MCCG.

The Group has in place a process to consider the appointment/reappointment of External Auditors. The process requires assessment of the External Auditors' compliance with the qualification criteria including evaluating the independence, objectivity and performance of the External Auditors. As part of its remit, the BAC must ensure that the objectivity, independence and effectiveness of the External Auditors are maintained.

The BAC meets with the external auditors to discuss their audit plans, fees, audit findings and their reviews of the Group's financial statements. The meetings are held in the presence of the CEO and relevant Management staff.

From time to time, the external auditors will highlight matters that require further attention of the BAC and the Board. The Board has obtained assurance from the external auditors on their independence in discharging their duties throughout the conduct of the audit engagement.

During the year under review, the BAC also met with the external auditors once without the presence of the CEO and Management. In addition, the external auditors were also present at the AGM to provide their professional and independent clarification on issues and concerns raised by the holders of Stapled Securities.

In respect of the Internal Audit function, the BAC is responsible to review and approve the appointment of the Head of Group Internal Audit ("GIA"). The Head of GIA has unrestricted access and reports directly to the BAC to support the BAC in discharging its oversight responsibilities.

The BAC is also responsible to review the internal audit programmes, processes, audit plans and investigations as well as the results of the same that were undertaken, and whether or not appropriate actions have been taken based on the recommendations of the internal auditors.

During the year under review, the BAC met formally with internal auditors five (5) times to review the findings and recommendations arising from internal control reviews conducted by the internal auditors. A declaration of organisational independence of the internal audit activity, followed by a private session with the BAC without the presence of the CEO and Management were also conducted.

The Board, through its BAC ensures that robust processes and measures are in place to effectively manage conflicts of interest.


 To read more on the BAC and a summary of its work, please refer to the BAC Report on pages 217 to 220

#### ii) Board Risk Committee

The Board Risk Committee, established on 9 December 2021, assists the Board in ensuring effective risk oversight across the Group. In addition to matters pertaining to risk policies, strategies, principal risks and risk practices, the scope of the BRC also encompasses environmental, ESG compliance and sustainability matters.

During the year under review, the BRC reviewed the updates on ESG management of the Group as well as status of compliance with the Listing Requirements of Bursa Securities including Practice Note 9 of the Listing Requirements which includes requirements such as material sustainability matters, and climate-related disclosures. The BRC also endorsed the KLCCP Stapled Group Sustainability Plan 2030. The Sustainability Report 2024 has also been deliberated in BRC meetings.

Moving into 2025, the Board and BRC will continue to diligently monitor risks associated with the business, as well as overall financial and operational risks.

 To read more on the BRC and a summary of its work, please refer to the BRC Report on pages 221 to 222 as well as the CG Report





### iii) Risk Management and Internal Control Framework

The Board through the Board Committees has overall responsibility for maintaining a sound system of risk management and internal control for the Group that provide reasonable assurance of effective and efficient business operations, compliance with laws and regulations as well as internal policies, frameworks and guidelines.

The Board has implemented KLCC Group Enterprise Risk Management Framework ("ERM Framework") which outlines the risk policy, risk governance and structure, risk measurement and risk operations and system. The Board has implemented the ERM processes to identify, assess, monitor, report and mitigate risks impacting the KLCCP Stapled Group's business and supporting activities in accordance with ISO 31000 : 2018 – Risk Management Guidelines.

The Group's risk appetite is reviewed annually by the Board to ensure that the risk exposure and risk tolerance level are relevant and up to date to achieve the Group's strategic objectives.

Annual review of Corporate Risk Profile was also carried out in compliance with the ERM Framework where the principal risks were reviewed, assessed and updated to safeguard the KLCCP Stapled Group's investment and key business activities. The review also ensures that the risk exposures are relevant and up to date taking into account of the current as well as emerging risks including sustainability risk.

The status of the principal risks, key risk indicators and risk appetite performances are deliberated at the BRCs and Board meetings on a quarterly basis to safeguard business interests and ensure risks are being managed effectively.


The Group has an effective internal control system which sets out the processes and frameworks required to ensure effective and efficient delivery of the Group's strategic objectives. The internal control system is designed to identify and mitigate the potential risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material financial misstatement or loss.

In this respect, the internal audit function assists the Group in accomplishing its goals by bringing a systematic and disciplined approach in evaluating the effectiveness of governance, risk management and control processes. This function serves as an important source of advice for the BAC concerning areas of weaknesses or deficiencies in internal processes to facilitate appropriate remedial measures by the Group. The GIA adopts a systematic and risk-based approach in reviewing the KLCCP Stapled Group's governance, risk management and internal controls, guided by the COSO (i.e. The Committee of Sponsoring Organizations of the Treadway Commission) Internal Control – Integrated Framework.

The internal audit function is undertaken by the GIA of KLCC (Holdings) Sdn Bhd ("KLCCH"). To support the BACs in discharging its responsibilities, the Head of GIA of KLCCH reports directly to the BAC.

The GIA is led by Puan Julika Ishak, who is certified in Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control – Integrated Framework, and is a member of the Institute of Internal Auditors Malaysia (IIAM).

GIA undertakes its activities in accordance with the Global Internal Audit Standards ("GIAS") and its IA Charter. The GIA appoints a qualified and independent external assessor to conduct Quality Assessment Review ("QAR") at least once every five years as per IIA IPPF and its IA Charter. The QAR was conducted in 2021 with the result of "Generally Conforms" to the Standards.

 To read more on the risk management and internal control practices as well as the internal audit activities, please refer to the BAC Report on pages 217 to 220 and Statement on Risk Management and Internal Control on pages 223 to 226



## Corporate Governance Overview Statement

### Principle C

### INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

#### i) Engagement with Stakeholders

The Board is committed to continuous improvement in corporate governance principles, policies and practices, staying current with evolving regulations and best practices. This commitment is further strengthened through regular engagement with regulators, industry bodies, and through seeking feedback from other stakeholders.

The Group fosters and maintains proactive dialogue, cultivating strong relationship with its stakeholders which are crucial for the sustainable growth of the Group's business. This approach enhances stakeholders' understanding of the Group and promotes mutual understanding of expectations. During the year under review, several events were held to ensure open communication with the investors, Stapled Securities holders, business partners and other communities. These events were attended by key leaders of the Group, including the CEO, Chief Financial Officer, Senior General Manager of Group Strategy and Sustainability and the Head of Group Strategic Communications and Investor Relations. By collaborating with stakeholders and understanding their challenges, the Group identifies solutions that contribute to shared success.

The Board consistently maintained an open dialogue with relevant stakeholder groups such as regulatory agencies, employees, shareholders, investors, consumers and the general public, non-governmental associations and suppliers. Their views and concerns regarding the Group's business, governance policies, and social and environmental responsibilities are given due consideration in its decision-making process.

The Board is also dedicated to providing a fair, objective and meaningful assessment of the Group's financial position and prospects through quarterly financial results, annual financial statements, the Integrated Report and all other communications to shareholders, investors, regulatory authorities and other stakeholders.

To read more on matters relating to Engagement with Stakeholders, please refer to the Stakeholder Engagement and Value Creation on pages 38 to 45

who chaired the proceedings provided fair opportunity and time to all shareholders to exercise their rights to raise questions and make recommendations.

The notice and agenda of the AGMs together with the Forms of Proxy were given to holders of Stapled Securities fifty-five (55) days before the AGMs. Each item of special business included in the notice of the AGMs was accompanied by an explanatory note on the effects of the proposed resolutions.

Before the AGMs, the holders of Stapled Securities were encouraged and given sufficient opportunity as well as time by the Board to submit questions pertaining to the Integrated Report, resolutions being proposed and the business of the Group in general prior to seeking approval from the holders of Stapled Securities on the resolutions.

During the AGMs, the CEO presented a comprehensive review of the Group's performance initiatives and value created for the holders of Stapled Securities. The Board, Senior Management and external auditors were also present at the AGMs to provide answers and clarification to the holders of Stapled Securities.

KLCCP and KLCC REIT received one-hundred and fifty-three (153) pre-submitted and live questions from the holders of Stapled Securities. The questions from the Employees Provident Fund and Minority Shareholders Watch Group and the responses by Management were shared with all the holders of Stapled Securities for their information.

KLCCP and KLCC REIT appointed Tricor Investor and Issuing House Services Sdn Bhd as the Poll Administrator and BDO Consulting Sdn Bhd as Independent Scrutineer for the AGMs.

Minutes of the AGMs, which included issues raised by the holders of Stapled Securities and responses by the KLCCP and KLCC REIT Boards, were made available on the KLCCP Stapled Group's corporate website within thirty (30) business days after the AGMs.

To read more on matters relating to the proceedings of the AGM, please refer to the CG Report

#### ii) Annual General Meetings

The Board considers the annual general meeting as the principal forum for effective open dialogue with the holders of Stapled Securities.

The Twenty-first ("21<sup>st</sup>") Annual General Meeting ("AGM") of KLCCP and Eleventh ("11<sup>th</sup>") AGM of KLCC REIT (AGMs) were convened virtually via remote participation and voting facilities.

The 21<sup>st</sup> AGM of KLCCP and 11<sup>th</sup> AGM of KLCC REIT, were attended by all Directors, Senior Management and holders of Stapled Securities. The respective Chairman,

### GOVERNANCE INITIATIVES AND OUTLOOK

The Boards believe that good governance is essential in supporting the realisation of business objectives of the KLCCP Stapled Group.

Moving forward, the Boards will continue to strengthen their application of corporate governance practices and procedures across the Group, safeguarding the interests of all shareholders and stakeholders.

This Statement was approved by the Board on 5 February 2025



# Nomination and Remuneration Committees Report

## NOMINATION AND REMUNERATION COMMITTEES ("NRCs")

The NRCs of KLCCP and KLCCRM have been established since 27 November 2012 and 21 August 2013 respectively. As committees of the Boards, the NRCs contribute to the Boards' implementation of nomination and remuneration governance.

### TERMS OF REFERENCE

The Terms of Reference describing the roles and functions of the respective NRCs of KLCCP and KLCCRM is available for public access, especially by holders of Stapled Securities on the KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my).

### COMPOSITION

The NRCs consist of three members each, all of whom are Independent Non-Executive Directors. Members of the NRCs possess objectivity, management experience, professionalism, integrity, knowledge and sound judgement of the industry.

### MEETINGS AND ATTENDANCE

During the year under review, six meetings of the NRC of KLCCP and KLCCRM were held. The attendance of the members of the NRCs for the meeting is as follows:

Committee Members	Meeting Attendance	
	KLCCP	KLCCRM
<b>Chairperson</b>		
<b>Chong Chye Neo</b> (Independent Non-Executive Director)	6/6	6/6
<b>Members</b>		
<b>Farina binti Farikhullah Khan</b> (Independent Non-Executive Director)	5/6	5/6
<b>Dato' Jamaludin bin Osman</b> (Independent Non-Executive Director)	6/6	6/6

The agenda and a set of meeting papers encompassing information relevant to the business of the meetings were distributed to the members via a secured board meeting automation system no less than six days from the dates of the meetings.

All the proceedings and resolutions of the meetings were recorded by the Company Secretary. Minutes of the meetings were circulated to all members and tabled for confirmation at the next NRCs meeting, after which the said minutes were circulated to the Boards for notation.

The Chief Executive Officer ("CEO"), General Manager of Human Capital Department and other representatives of the Group were also invited by the NRCs to attend and deliberate on specific matters which required their input or advice.



## Nomination and Remuneration Committees Report

### ACTIVITIES CONDUCTED WITHIN THE PERIOD UNDER REVIEW IN 2024

The NRCs, as part their duties, performed the following activities during the period under review in 2024:

Categories	Activities
<b>Board membership</b>	<ul style="list-style-type: none"> <li>Reviewed and endorsed the re-election of Directors standing for re-election at the AGM 2024 contingent upon the performance of the Directors stated in the FY2023 Board Effectiveness Evaluation ("BEE") results and Directors' Fit and Proper assessments.</li> <li>Reviewed and endorsed the Board composition.</li> </ul>
<b>Board fees &amp; benefits</b>	<ul style="list-style-type: none"> <li>Reviewed the fees payable to Non-Executive Directors for the holders of Stapled Securities' approval.</li> </ul>
<b>Key Management Personnel</b>	<ul style="list-style-type: none"> <li>Reviewed and endorsed the appointment of the CEO of KLCCP and KLCCRM.</li> <li>Reviewed and endorsed the KLCCP and KLCCRM CEO and its Direct Report Performance Rating for FY2023.</li> <li>Reviewed and endorsed the KLCCP and KLCCRM CEO Scorecard and its Direct Report Focus for FY2024.</li> </ul>
<b>Board Performance Evaluation</b>	<ul style="list-style-type: none"> <li>Discussed the results of the annual BEE conducted for FY2023 and recommended necessary actions for board effectiveness enhancement.</li> <li>Assessed the effectiveness of the Boards, Board Committees, and Individual Directors through annual BEE for FY2024.</li> </ul>
<b>Succession Planning</b>	<ul style="list-style-type: none"> <li>Deliberated and reviewed the suitability of the proposed talent pool as successors to the identified Key Positions, resulting in a favorable successor-to-key-position ratio.</li> <li>Reviewed and deliberated on the Company's established talent management initiatives and/or programmes.</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>Reviewed and endorsed the Nomination and Remuneration Committees' Report for inclusion in the KLCCP Stapled Group Integrated Annual Report 2023.</li> </ul>
<b>Compensation &amp; Benefits</b>	<ul style="list-style-type: none"> <li>Reviewed and deliberated on the remuneration philosophy of KLCCP Stapled Group to include practices from property industry in addition to Property &amp; Construction industry.</li> <li>Endorsed enhancement of employee benefits for the group.</li> <li>Reviewed and acknowledged the competitiveness of KLCCP CEO compensation benchmarked against industry.</li> </ul>
<b>Talent Strategy &amp; Initiatives</b>	<ul style="list-style-type: none"> <li>Deliberated on the Talent Strategies and Initiatives for consideration of adoption by KLCCP Stapled Group.</li> </ul>

### BOARD AND BOARD COMMITTEES' COMPOSITION REVIEW AND SUCCESSION PLANNING

The NRCs continuously evaluate current Boards and their Committees' composition as part of the Boards' endeavor to enhance the mix of board skills and competencies.

Both KLCCP and KLCCRM practice a formal and transparent procedure for appointment of new directors which is led by the NRCs.

Prior to any appointment, all nominees to the Boards are first considered by the NRCs. The NRCs will then recommend the nominees for the Boards' approval. The search and selection process for any appointment of additional directors will take into consideration the mix of skills, competencies, experiences, integrity, time commitment, age, ethnicity, gender, and other qualities required to effectively discharge the role of a director which are guided by the following:

- (a) Board Skills Matrix
- (b) Board Diversity Policy
- (c) Directors' Fit and Proper Policy

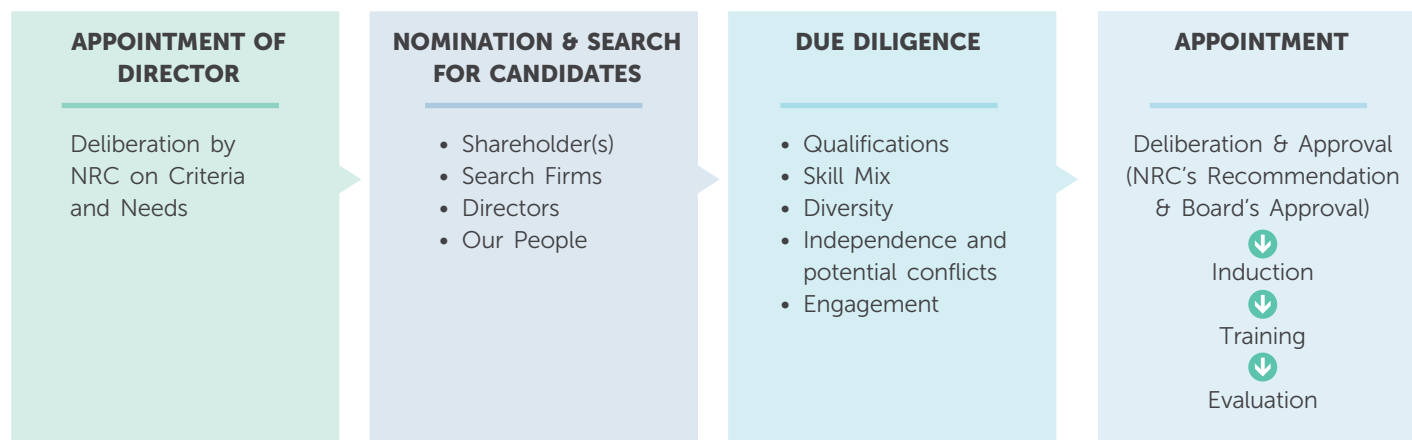
Newly appointed Directors will then be invited for an induction programme which is designed to assist the new Directors to understand the business and operations of the Group. Each induction programme includes the following:

- (a) Key Business Operations and Financials
- (b) Sustainability matters of the Group
- (c) Corporate Governance
- (d) Compliance and Ethics
- (e) Group Strategic Agenda
- (f) Future outlook and Growth of the Group





The appointment process of director is set out in the diagram below:



The NRCs assessed that both the Boards and Board Committees had maintained appropriate compositions.

During the year under review, the NRCs deliberated the proposed appointment of Datuk Ir. Annies bin Md Ariff as a Non-Independent Non-Executive Director of KLCCP and KLCCRM effective 1 July 2024.

Following Tan Sri Ahmad Nizam bin Salleh's resignation as a Chairman and Non-Independent Non-Executive Director of KLCCP and KLCCRM effective 1 September 2024, the NRCs deliberated on the appointment of Datuk Ir. Annies bin Md Ariff as the new Chairman on 1 September 2024.

Additionally, the NRCs were engaged in the evaluation of a suitable candidate who meets the requirements and guidelines set by the Securities Commission Malaysia and Bursa Securities as the successor following the retirement of Datuk Md. Shah bin Mahmood as a CEO of KLCCP and KLCCRM on 1 November 2024 and his resignation as a Non-Independent Non-Executive Director ("NINED") of KLCCP and KLCCRM on 1 December 2024. The appointment of Datuk Sr Mohd. Salem bin Kailany as the CEO of KLCCP and KLCCRM took effect on 1 November 2024. His appointment as an Executive Director of KLCCP and KLCCRM was affected on 1 December 2024.

Further, the NRCs also reviewed and recommended to the Boards on the appointment of Puan Freida binti Amat as a Non-Independent Non-Executive Director of KLCCP and KLCCRM, and the appointment took effect on 1 January 2025.

At the Board of Directors' meetings of KLCCP and KLCCRM held on 5 February 2025, the Boards, following the recommendation of the NRCs, endorsed the re-election of the following Directors who will retire under the provisions of their respective Constitutions:

- Datuk Sr Mazuki bin A Aziz
- Datin Noor Lily Zuriati binti Abdullah
- Datuk Ir. Annies bin Md Ariff
- Datuk Sr Mohd. Salem bin Kailany
- Puan Freida binti Amat

Prior to recommending the re-election of the Directors, the NRCs reviewed the individual retiring Director's performance and contribution. Based on the outcome of the BEE for FY2024, the NRCs are of the opinion that the Directors had individually discharged his/her duties effectively and had provided valuable contribution to the leadership of the Group.

The abovementioned retiring Directors have indicated their willingness to seek re-election at the forthcoming AGM of KLCCP to be held in April 2025. The retiring Directors were also assessed on their appropriateness and compliance to the Directors' Fit and Proper Policy.

## SENIOR MANAGEMENT SUCCESSION PLANNING

During the year under review, the NRCs deliberated on talent suitability and readiness for the Key Positions.

The NRCs were briefed by Management on the implementation of talent development initiatives aimed at enriching the talent pool and strengthening leadership bench. These initiatives included continuous enhancement of the talent pool through top talent identification, collaborating with PETRONAS to widen talent search, and develop intervention plans. To align talent and leadership capabilities with desired competencies, the identified talents participated in various development programmes.

The Succession Planning and Management initiatives resulted in the achievement of a succession ratio of 3.6:1 for KLCCP and 5.5:1 for KLCCRM.

## TALENT STRATEGY & INITIATIVES

KLCCP NRC reviewed and provided guidance on the talent strategies and initiatives for the group based on the established Human Capital Framework to enhance and accelerate fulfillment of the organisational capacity and capability, optimising productivity to support the Group's current and future growth requirements.



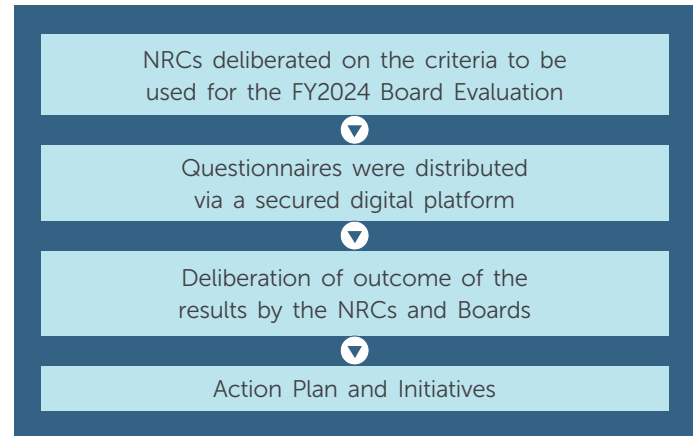
## Nomination and Remuneration Committees Report

### BOARDS AND INDIVIDUAL DIRECTORS' EFFECTIVENESS EVALUATION

The effectiveness of the Boards and Board Committees is reviewed annually.

As disclosed in the last year's Integrated Annual Report on areas for improvement, following the evaluation results and proposed actions, the NRCs are pleased to inform that the plans were implemented by the Boards accordingly in 2024.

The Board, Board Committees and Directors' Effectiveness Evaluation for FY2024 ("FY2024 Board Evaluation") was conducted internally through an assessment process led by the NRCs. The process of the FY2024 Board Evaluation involved the following steps:



To promote openness in communication between the Board and Management, the FY2024 Board Evaluation included a survey for Management to provide feedback to the Boards.

The criteria agreed by the NRCs for the FY2024 Board Evaluation as illustrated below:

Section	Criteria
<b>Board and Board Committees Evaluation</b>	<ul style="list-style-type: none"> <li>• Overall Impressions of the Board</li> <li>• Overall Board Effectiveness</li> <li>• Board Involvement and Engagement</li> <li>• Organisation/Composition of the Board</li> <li>• Overall Committee Organisation</li> <li>• Board Audit Committee</li> <li>• Nomination and Remuneration Committee</li> <li>• Board Risk Committee</li> <li>• Looking Forward (Succession Planning &amp; Development)</li> <li>• Board's Focus on Sustainability</li> <li>• Roles and Duties of Board Members</li> <li>• Communications with Stakeholders</li> </ul>
<b>Directors' Self &amp; Peer Evaluation</b>	<ul style="list-style-type: none"> <li>• Fit and Proper, and Participation</li> <li>• Board Chairman Evaluation</li> <li>• Chief Executive Officer (CEO) Evaluation</li> <li>• Reinforce Independence of Independent Directors</li> </ul>
<b>Individual Director Self Evaluation</b>	<ul style="list-style-type: none"> <li>• Calibre and Competency</li> </ul>
<b>Management Feedback (completed by Management)</b>	<ul style="list-style-type: none"> <li>• Board Relationship with the Management</li> </ul>

Based on the analysis of the findings from the BEE for FY2024 the key strengths of the Boards were observed in the following areas:

1. The Boards were effective with a well-balance composition that promoted active and constructive discussions.
2. The Boards were engaged and provided guidance in the formulating of long-term strategic goals.
3. The Boards and their Committees effectively fulfilled KLCCP and KLCCRM's oversight responsibilities, protecting all stakeholders' interests.

The BEE Report for FY2024 identifies areas for improvement, specifically in increasing the Boards' knowledge of the property business and Sustainability (Environment, Social, and Governance).



## TRAINING AND PROFESSIONAL DEVELOPMENT OF DIRECTORS

Any Director may request additional information to support their individual or collective Boards' responsibilities. The Company Secretary facilitated the process of information acquisition. To stay informed and connected to broader societal and economic trends, Directors are encouraged to participate in seminars and events organised by external organisations. Discussions with peers, professionals from other sectors, and individuals in diverse situations foster broader perspectives and additional insights, encouraging independent thinking and more robust debates during Board discussions.

The list of training programmes attended by the Directors for FY2024 are set out below:

Directors	Trainings Attended
<b>Tan Sri Ahmad Nizam bin Salleh</b> (resigned w.e.f. 1 September 2024)	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> </ul>
<b>Datuk Md. Shah bin Mahmood</b> (resigned w.e.f. 1 December 2024)	<ul style="list-style-type: none"> <li>7<sup>th</sup> AC Forum</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>M-REITs Reconfigured: Growth Markets, Prospects &amp; Alternative Asset Classes</li> </ul>
<b>Liza binti Mustapha</b>	<ul style="list-style-type: none"> <li>Unveiling the Madani Economy: Empowering Malaysia's Future</li> <li>Offshore Technology Conference Asia - Strategic Panel Session 6: Current Investments and Future Financing</li> <li>CERAWeek 2024 – Strategic Choices in A Net Zero World</li> <li>CERAWeek 2024 – APAC Energy Forum – COP28 “Transition Away from Fossil Fuels: What’s Next for Asia?”</li> <li>CERAWeek 2024 – Global Financial Forum – Financial Solutions for a Fractured Global Energy Market</li> <li>PETRONAS Board Excellence Programme – 7<sup>th</sup> Audit Committee (“AC”) Forum</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>SM-BOSIET 1 Day Training</li> <li>Basic H2S Training 9014 (OPITO – approved Standard)</li> <li>MISC Group Director’s Training 2024 (Session 1)</li> <li>World Business Council for Sustainable Development (WBCSD) CFO Network Tokyo Roundtable @ Nomura Research Institute</li> <li>PETRONAS Business Immersion and Leadership Development Program</li> <li>Multi Shareholder Dialogue@P50 Energy Asia 2025</li> <li>Global Internal Audit Standards</li> <li>MISC Group Director’s Training 2024 (Session 2)</li> <li>Board Strategic Away Day Portfolio Review and Strategic Conversation</li> </ul>
<b>Farina binti Farikhullah Khan</b>	<ul style="list-style-type: none"> <li>PETRONAS Board Conversation Series: Sustainability Talk on Human Rights &amp; The Role of Business</li> <li>PETRONAS Board Conversation Series: COP28 Reflection</li> <li>PETRONAS Gas Berhad BAC &amp; BSRC Training</li> <li>Greenhouse Gas Management</li> <li>Malaysia’s Climate Agenda and Carbon Market</li> <li>Board Strategic Away Day Portfolio Review and Strategic Conversation</li> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Sustainability Deep Dive- Scope 3 GHG Emissions</li> </ul>
<b>Dato’ Jamaludin bin Osman</b>	<ul style="list-style-type: none"> <li>Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>Global Internal Audit Standards</li> <li>Board Strategic Away Day Portfolio Review and Strategic Conversation</li> <li>Sustainability Deep Dive- Scope 3 GHG Emissions</li> </ul>



## Nomination and Remuneration Committees Report

Directors	Trainings Attended
<b>Chong Chye Neo</b>	<ul style="list-style-type: none"> <li>• Global Internal Audit Standards</li> <li>• Board Strategic Away Day Portfolio Review and Strategic Conversation</li> <li>• Director Masterclass Series 1: Boardroom Dynamics in Climate Talks</li> <li>• Director Masterclass Series 2: What Directors Must Know about Recent Developments in Climate Science</li> <li>• Future-Proofing Malaysian Cyber Threats in the age of AI</li> <li>• PowerTalk: Being Sued as an INED – a personal journey</li> <li>• Ransomware (To Pay or Not To Pay)</li> <li>• Sasana Symposium: Structural Reforms</li> <li>• The Digital Transformation Landscape in 2024 and beyond</li> <li>• Digital Transformation in the World's Best Bank</li> <li>• Stay Relevant, Activate AI Superpowers</li> <li>• Overall Threat Landscape &amp; Cybersecurity Trends</li> </ul>
<b>Dato' Sr Mazuki bin A Aziz</b>	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• Board Strategic Away Day Portfolio Review and Strategic Conversation</li> <li>• Sustainability Deep Dive- Scope 3 GHG Emissions</li> <li>• 7<sup>th</sup> AC Forum</li> </ul>
<b>Datin Noor Lily Zuriati binti Abdullah</b>	<ul style="list-style-type: none"> <li>• Are You Measuring Your Sustainability Performance Right; Targets &amp; Metrics</li> <li>• Mandatory Accreditation Programme Part II: Leading for Impact (LIP)</li> <li>• Conflict of Interest</li> <li>• Cultivating Strategic Mindsets in Leadership</li> <li>• Navigating the ESG Risk in the Supply Chain</li> <li>• Global Internal Audit Standards</li> <li>• Board Strategic Away Day Portfolio Review and Strategic Conversation</li> <li>• Sustainability Deep Dive- Scope 3 GHG Emissions</li> </ul>
<b>Datuk Ir. Annies bin Md Ariff</b> (appointed w.e.f. 1 July 2024)	<ul style="list-style-type: none"> <li>• Mandatory Accreditation Programme Part I</li> <li>• Khazanah Megatrends Forum</li> <li>• Board Strategic Away Day Portfolio Review and Strategic Conversation</li> </ul>
<b>Datuk Sr Mohd. Salem bin Kailany</b> (appointed w.e.f. 1 December 2024)	<ul style="list-style-type: none"> <li>• Kongress Ekonomi Bumiputera (KEB) 2024 – Sesi Libat Urus</li> <li>• Economy Market Outlook Seminar 2024</li> </ul>

## REMUNERATION

### (a) Directors' Remuneration

During the year under review, the NRCs ensured the transparency of remuneration matters and that decisions on remuneration made by the NRCs supported the strategic direction of the business. The remuneration of the Boards is based on the KLCCP Non-Executive Directors' (NEDs) Remuneration Framework which is available on the corporate website of KLCCP at [www.klcc.com.my](http://www.klcc.com.my).

For the financial year ended 31 December 2024, a total of RM1,292,000 was paid to the Board members of KLCCP as Directors' Remuneration.



The payment was made following the approval of the resolution tabled at the AGM of KLCCP held on 24 April 2024 where the holders of Stapled Securities had approved the payment of directors' fees and benefits with effect from 25 April 2024 until the next AGM to be held in 2025.

The breakdown of Directors' Remuneration incurred by KLCCP is disclosed below:

	Director's Fee (RM)	Board Meeting Allowance* (RM)	Audit Committee Meeting Allowance* (RM)	Nomination & Remuneration Meeting Allowance* (RM)	Board Risk Committee Meeting Allowance* (RM)	Petrol Allowance (RM)	Total (RM)
<b>Executive Director</b>							
<b>Datuk Md. Shah bin Mahmud</b> (Retired as CEO w.e.f. 1 November 2024 and redesignated as NINED. He resigned as Director w.e.f. 1 December 2024)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Datuk Sr Mohd. Salem bin Kailany</b> (Appointed as CEO w.e.f. 1 November 2024 and appointed as Director w.e.f. 1 December 2024)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
<b>Non-Executive Directors</b>							
<b>Tan Sri Ahmad Nizam bin Salleh</b> (Resigned as Director & Chairman w.e.f. 1 September 2024)	160,000	14,000	n/a	n/a	n/a	6,000	180,000
<b>Datuk Ir. Annies bin Md Ariff</b> (Appointed as Director w.e.f. 1 July 2024 and appointed as Chairman w.e.f. 1 September 2024)	100,000	7,000	n/a	n/a	n/a	3,000	110,000
<b>Farina binti Farikhullah Khan</b>	120,000	14,000	14,000	17,500	14,000	6,000	185,500
<b>Dato' Jamaludin bin Osman</b>	120,000	17,500	n/a	21,000	14,000	6,000	178,500
<b>Liza binti Mustapha<sup>#</sup></b>	120,000	17,500	n/a	n/a	n/a	n/a	137,500
<b>Chong Chye Neo</b>	120,000	17,500	17,500	21,000	n/a	6,000	182,000
<b>Datin Noor Lily Zuriati binti Abdullah</b>	120,000	17,500	n/a	n/a	14,000	6,000	157,500
<b>Dato' Sr Mazuki bin A Aziz</b>	120,000	17,500	17,500	n/a	n/a	6,000	161,000
<b>Total</b>	980,000	122,500	49,000	59,500	42,000	39,000	1,292,000

**Note:**

\* Meeting allowances depend on the number of meetings attended by the Board/Audit Committee/NRC/Board Risk Committee Members.

<sup>#</sup> Fees paid directly to PETRONAS in respect of Director(s) and appointee(s) of PETRONAS.



## Nomination and Remuneration Committees Report

The Directors' Remuneration tabulated above reflects what was incurred on a group basis whereby no meeting allowance was paid to the members of the Board and Board Committees of KLCCRM, as their meetings were held on the same date as the meetings of the Board and Board Committees of KLCCP.

The details are also disclosed in KLCCP Stapled Group Corporate Governance Report, which is accessible at KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my).

The CEO, Datuk Sr Mohd. Salem bin Kailany, and the former CEO Datuk Md. Shah bin Mahmood, also serve as Group CEO of KLCCH. They were assigned to KLCCP and KLCCRM to undertake all duties of the Executive Director and CEO roles. KLCCP reimbursed KLCCH for their services in the form of management fees totalling RM1,321,386.

The NRCs reviewed and endorsed the proposed NEDs' remuneration for 2025/2026 for the Boards' consideration, prior to recommending it for approval by the holders of Stapled Securities at KLCCP's forthcoming AGM in April 2025 and by the shareholder of KLCCRM.

### (b) Employees' Compensation and Benefits

The overall structure of employees' remuneration is in accordance with the remuneration policy approved by KLCCP Board anchored on the performance capability, experience and requirements based on the level of job grades.

During the year under review, the KLCCP NRC deliberated and recommended adopting the General Industry best practices as an enhancement to the KLCC Group's remuneration philosophy. This change aimed to address challenges in attracting the best talents from the market, retaining existing talents and staying competitive. The enhanced philosophy resulted in the establishment of a new salary structure and improved staff benefits.

In addition, the NRC considered and deliberated the competitiveness of CEO compensation and benefits, benchmarking the pay ratio and compensation practices against relevant peer industries and identifying best practices for implementation.

This Report was approved by the Board on 5 February 2025



# Board Audit Committees Report

## BOARD AUDIT COMMITTEES

The Board Audit Committees ("BACs") of KLCCP and KLCCRM were established on 9 July 2004 and 12 December 2012 respectively.

### TERMS OF REFERENCE

The Terms of Reference describing the roles and functions of the respective BACs of KLCCP and KLCCRM is available for public access, especially by holders of the Stapled Securities on KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my).

### COMPOSITION

The BACs consist of three members each, all of whom are Independent Non-Executive Directors. Members of the BACs possess sound judgment, objectivity, management experience, professionalism, integrity and knowledge of the industry.

### MEETINGS AND ATTENDANCE

During the year under review, five (5) meetings of the BAC of KLCCP and KLCCRM were held respectively. The details of attendance are set out below:

Committee Members	Meeting Attendance	
	KLCCP	KLCCRM
<b>Chairperson</b>		
<b>Farina binti Farikhullah Khan</b> (Independent Non-Executive Director)	4/5	4/5
<b>Members</b>		
<b>Chong Chye Neo</b> (Independent Non-Executive Director)	5/5	5/5
<b>Dato' Sr Mazuki bin A Aziz</b> (Independent Non-Executive Director)	5/5	5/5

The agenda and a set of meeting papers encompassing information relevant to the business of the meetings were distributed to the members of the BACs via a secured board meeting automation system no less than six (6) days from the date of the meetings.

All the proceedings and resolutions of the meetings were recorded by the Company Secretary. Minutes of the meetings were circulated to all members of the BACs and tabled for confirmation at the next BACs meeting, after which the said minutes were circulated to the Boards for notation.

The Chief Executive Officer, Chief Financial Officer, Group Internal Audit ("GIA") of KLCC (Holdings) Sdn Bhd ("KLCCCH"), representatives from the external auditors, and other representatives of the Group were also invited by the BACs to attend and deliberate on specific matters which required their input or advice.



## Board Audit Committees Report

### SUMMARY OF THE WORK OF THE BOARD AUDIT COMMITTEES

The BACs are collectively responsible in assisting the Boards on matters relating to corporate governance and compliance of the KLCCP Stapled Group. A summary of the work and key matters considered by the BACs during the financial year ended 31 December 2024 are described below:

#### (1) Internal Audit

- (a) Reviewed and approved the Performance Report of the GIA's Strategy and Balanced Scorecard ("BSC") for 2023. The BSC for 2024 and its subsequent half-year Performance Report was also reviewed and approved by the BACs;
- (b) Deliberated and approved the internal audit reports which highlighted major findings, agreed mitigation actions and management's responses;
- (c) Deliberated and approved the Quarterly Audit Status Reports which highlighted the outstanding agreed mitigation actions to ensure all audit issues are resolved on a timely basis;
- (d) Deliberated and approved the Review on Sustainability Report of KLCCP Stapled Group;
- (e) Deliberated and approved the Annual Audit Plan for activities to be undertaken for 2025.
- (f) Noted the independence of GIA for the period 1 January to 31 December 2023; and
- (g) Deliberated and approved GIA Digital Audit Masterplan.

#### (2) Financial Statements and Reporting

- (a) Reviewed and discussed the unaudited quarterly financial results of the KLCCP Stapled Group with the Management and recommended the same for the Boards' consideration and approval before releasing to Bursa Malaysia Securities Berhad ("Bursa Securities"). The review was to ensure compliance with the Main Market Listing Requirements ("MMLR"), Malaysian Financial Reporting Standards, Companies Act 2016, Listed REIT Guidelines and any other applicable legislations and regulations;
- (b) Reviewed and discussed the audited financial statements with the external auditors and the management. Recommended to the respective Board's for consideration and approval upon BAC's satisfaction on the due compliance of the financial statements and reports to the relevant applicable accounting standards and other applicable laws and regulations;

- (c) Discussed the key audit matters raised by the external auditors with the Management and the disclosure thereof in the Auditors' Report for the financial year ended 31 December 2024 for KLCCP, KLCC REIT and KLCCRM which is in line with the requirements of the new International Standards on Auditing 701; and
- (d) Recommended to the Boards of KLCCP and KLCCRM (as approved by the Trustee) for approvals on dividends and income distributions respectively for payment to the holders of Stapled Securities.

#### (3) External Audit

- (a) Reviewed the external auditors' scope of work, audit plans and fees for the year under review. Prior to the audit, representatives from the external auditors presented their audit strategies and plans;
- (b) Discussed with the external auditors on the Audited Financial Statements for the financial year ended 31 December 2024, particularly on any issues that arose during the course of the audit and their resolution, key accounting and audit adjustments, as well as any unadjusted differences identified during the audit;
- (c) Discussed with external auditors on issues arising from financial audits and other matters in the absence of the Management, once this year; and
- (d) Reviewed the independence and objectivity of the external auditors and their services rendered including non-audit services:
  - For KLCCP, the BAC made recommendations to the Board for the re-appointment of the external auditors and approvals of their audit and non-audit fees.
  - In respect of KLCCRM, the BAC recommended the appointment and remuneration of the external auditors of KLCC REIT upon the approval of the Trustee of KLCC REIT.





The details of fees paid/payable to the external auditors for the year in respect of statutory audit and other services rendered to KLCCP Stapled Group are set out below:

	KLCCP Stapled Group RM'000*	KLCCP RM'000	KLCC REIT RM'000#
• Statutory Audit	748	264	110
• Non-Audit Fee	16	16	–
<b>Total</b>	<b>764</b>	<b>280</b>	<b>110</b>

**Note:**

\* inclusive of fees paid by subsidiaries of KLCCP

# inclusive of fees paid by Midciti Sukuk Berhad

The Boards of KLCCP and KLCCRM considered the provision of other services by the external auditors to the KLCCP Stapled Group as cost effective and efficient due to their knowledge and understanding of the operations of KLCCP Stapled Group, with no undue compromise to their independence and objectivity.

**(4) Related Party Transactions**

- (a) Reviewed and recommended to the Boards for approval on the recurrent related party transactions to be entered into by KLCCP Stapled Group based on the following requirements:
- The MMLR, Listed REIT Guidelines and other applicable laws and regulations;
  - On arm's-length basis under normal commercial terms and to be in the best interest of the holders of Stapled Securities;
  - Interested Directors are to abstain from voting at Board Meetings;
  - Disclosure via Bursa Announcements, Quarterly Reports and Annual Report (if applicable); and
  - Approval by the Trustee (for KLCC REIT only).
- (b) Reviewed the quarterly report on recurrent related party transactions of KLCCP Stapled Group.

**(5) Corporate Governance and Regulatory Compliance**

- (a) Reviewed and recommended to the Boards on the following:
- Corporate Governance ("CG") Overview Statement and CG Report;
  - Statement on Risk Management and Internal Control;
  - BACs Report; and
- (b) Reviewed and monitored any conflict of interest ("COI") or potential COI. During the year under review, the BACs:
- Reviewed the quarterly COI declarations by the Boards and Senior Management and provided guidance to mitigate conflicts in strengthening transparency and accountability of decision making.
  - Reviewed and reported to the Boards on any COI or potential COI situations in relation to the appointments of Chief Executive Officer and Directors.



## Board Audit Committees Report

### INTERNAL AUDIT FUNCTION

The BACs are supported by the GIA of KLCCH in their oversight of governance, risk management and controls established and implemented by the management of KLCCP Stapled Group. GIA provides an independent and objective risk-based assurance and advisory activity designed to add value and improve KLCCP Stapled Group's operations in achieving its goals. This is accomplished by adopting a systematic and disciplined approach in evaluating and improving the effectiveness of governance, risk management and control processes within the Group.

The GIA is led by Puan Julika Ishak, who is certified in Committee of Sponsoring Organizations of the Treadway Commission ("COSO") Internal Control – Integrated Framework, and is a member of the Institute of Internal Auditors Malaysia ("IIAM").

The GIA is governed by its Internal Audit Charter, approved by the respective BACs. This charter establishes a framework for the GIA's effective and efficient functioning. In executing its planning and assurance activities, the KLCCH GIA adopts a risk-based approach guided by internal policies and procedures, the COSO Internal Control – Integrated Framework, and the International Professional Practices Framework (IPPF) promulgated by the IIAM.

For the financial year ended 31 December 2024, the GIA of KLCCH had executed the following activities:

- (1) Conducted assurance activities based on the approved annual audit plan 2024 covering:
  - Audit on Overall Governance and Management of Group Health, Safety & Environment
  - Audit on Leasing Activities and Facilities Management of Permata Sapura
  - Audit on Facilities Management of Menara 3 PETRONAS (office)
  - Audit on Cybersecurity and Application Control of Integrated Building Command Centre System
  - Audit on Overall Governance of Suria KLCC
  - Review on Sustainability Report of KLCCP Stapled Group

The resulting audit reports, including findings, recommendations and Management responses, were presented to the BACs except for the Audit on Overall Governance of Suria KLCC and the Review on Sustainability Report of KLCCP Stapled Group which would be presented to the BACs in the first quarter of 2025.

- (2) Conducted periodic monitoring and reporting on the implementation status of agreed mitigation actions by the managements of KLCCP and KLCCRM. This ensured that key risks and control weaknesses were addressed effectively and promptly. The status of these mitigation actions was reported to the BACs on a quarterly basis.
- (3) Prepared the Annual Audit Plan for 2025 to ensure that all high-risk areas in significant businesses and support units were assessed and identified for the BACs' deliberations and approvals.

The total costs incurred for the internal audit activities of the KLCCP Stapled Group for the year under review amounted to RM2,373,725.

Further details of the activities of GIA of KLCCH are set out in the Statement on Risk Management and Internal Control of this Integrated Report.

This Report was approved by the Board on 5 February 2025



## Board Risk Committees Report

The Board Risk Committees of KLCCP and KLCCRM ("BRCs") were established on 9 December 2021 by the Board of Directors of KLCCP and KLCCRM respectively.

### TERMS OF REFERENCE

The Terms of Reference ("TOR") of the BRCs set out the direction, guidance, and oversight of all aspects of risk policies, strategies, principal risks, and risk practices. The TOR also address Environment, Social & Governance Compliance, including sustainability matters. These are aligned with the requirements of the Malaysian Code on Corporate Governance. The TOR for the respective BRCs is available on the KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my)

### COMPOSITION

The BRCs consist of three members each, all of whom are Independent Non-Executive Directors. Members of the BRCs possess sound judgement, objectivity, management experience, professionalism, integrity and knowledge of the industry.

### MEETINGS AND ATTENDANCE

The BRCs met four times during the year and details of attendance are set out below:

Committee Members	No. of Meetings Attended	
	KLCCP	KLCCRM
<b>Chairman</b>		
<b>Dato' Jamaludin bin Osman</b> Independent Non-Executive Director	4/4	4/4
<b>Members</b>		
<b>Farina binti Farikhullah Khan</b> Independent Non-Executive Director	4/4	4/4
<b>Datin Noor Lily Zuriati binti Abdullah</b> Independent Non-Executive Director	4/4	4/4

The agenda and a set of meeting papers encompassing information relevant to the business of the meetings were distributed to members of the BRCs via a secured board meeting automation system no less than six days from the date of the meetings.

All the proceedings and resolutions of the meetings were recorded by the Company Secretary. Minutes of the meetings were circulated to all members of the BRCs and tabled for confirmation at the next meeting of the BRCs, after which the said minutes were circulated to the respective Boards for notation.

The Chief Executive Officer ("CEO"), Chief Financial Officer, Head of Governance, Risk and Assurance, Head of Group Strategy and Sustainability and other representatives of the Group were also invited by the BRCs to attend and deliberate on specific matters which required their input or advice.



## Board Risk Committees Report

### BRC'S ACTIVITIES 2024

A summary of the activities undertaken for the year under review is as follows:

#### 1. Risk Management

- (a) Reviewed quarterly updates on KRI and risk appetite results to gain early insights of any potential risk exposure to the Group.
- (b) Annual review of risk appetite to provide comprehensiveness to the current risk appetite statement in ensuring the financial and non-financial risk exposure and type of risk to be pursued or retained by the KLCCP Stapled Group in achieving its strategic objectives are properly defined. The annual review is crucial to ensure that the risk exposure and risk tolerance level are relevant and up to date to achieve our strategic objectives.
- (c) Annual review of risk profiling exercise to review, assess and update the principal risks to safeguard the KLCCP Stapled Group's investments and key business activities and to ensure the risk exposures are relevant and up-to-date taking into account current and emerging risks.

#### 2. Environmental, Social & Governance ("ESG")

- (a) Reviewed and endorsed the KLCCP Stapled Group Sustainability Report 2023.
- (b) Reviewed and assessed the KLCCP Stapled Group's readiness to comply with the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Securities) on Enhanced Sustainability Disclosure. Progress on closing any gaps was reported to the Boards quarterly.
- (c) Reviewed and endorsed the KLCCP Stapled Group Sustainability Plan 2030, continuing the concluded Sustainability Roadmap 2019 – 2023.
- (d) Reviewed the results of the company's climate-related risk and opportunities assessment and achievements to date in integrating climate-related financial risks and opportunities into corporate governance, strategy, risk management, metrics and targets.
- (e) Noted the ESG performance rating by external agencies such as Sustainalytics and GRESB Real Estate Assessment Public Disclosure Score.

#### 3. Internal Review on Sustainability Report

- (a) Deliberated and endorsed the Internal Review Report and Statement of Assurance for Sustainability Report of KLCCP Stapled Group.

### ANNUAL REPORTING

The BRCs reviewed the BRCs Reports and Statement on Risk Management and Internal Control for the financial year ended 31 December 2024 to ensure that the reports are prepared in compliance with the requirements and guidelines of the MMLR of Bursa Securities.



## Statement on Risk Management and Internal Control

The Boards of KLCCP and KLCCRM are responsible for and committed to maintain a sound and effective risk management and internal control system of the KLCCP Stapled Group. In the KLCCP Stapled Group, risk management is integrated into our business planning, investment decisions, internal control and day-to-day operations to enhance ownership and agility in managing risks.

The system encompasses risk management, organisation policies and processes, corporate governance, financial information integrity, operational and regulatory controls. The system is designed to manage instead of eliminating all inherent risks associated with the business as well as any weaknesses in the processes and policies of the KLCCP Stapled Group. An effective and sound risk management and internal control system is important for the KLCCP Stapled Group to achieve its business strategies and objectives.

### RISK MANAGEMENT

The Boards have established sound risk management practices guided by the KLCC Group Enterprise Risk Management (ERM) Framework to safeguard the KLCCP Stapled Group's business interest from risk events that may impede the achievement of its business strategies and growth opportunities besides providing assurances to all stakeholders.

The ERM Framework sets out the governing elements and processes as the foundation of ERM practices to assess, treat, monitor and review risk for KLCCP Stapled Group. The said governance document defines the roles of the Board, Management and the rest of the organisation in fulfilling our aim of building a high performing sustainable organisation. The framework also ensures that sustainability related risks are effectively identified, assessed and managed in a timely manner, while improving transparency through disclosures and reporting to promote overall accountability. Primarily, the framework has been developed to institutionalise vigilance and awareness of the most significant risks and is underpinned by components that act to steer a fortified risk management culture, embracing practices and processes that include risk governance and oversight.

KLCC Stapled Group is committed to providing a reasonable level of confidence that risks and their associated controls are adequately, effectively and safely managed through a comprehensive assurance programme.

The Risk Management Oversight Structure establishes a three-line defense model. This model clarifies roles, responsibilities, and accountability for risk management. It also streamlines the process of assessing risk issues and communicating them from operational levels to the Board. The structure consists of the Boards, Board Risk Committees (BRCs), Risk Management Committee (RMC) and Top Management. The structure enables effective strategic risk communication to take place between the above-mentioned parties on a quarterly basis.

The Boards are responsible for the overall risk oversight for the KLCCP Stapled Group and have implemented the ERM processes in accordance with ISO 31000:2018 – Risk Management Guidelines. The Boards' roles include identifying and approving the key principal risks for the KLCCP Stapled Group and ensuring the implementation of appropriate and prudent systems to manage the identified risks.

The BRCs provide advice to the Boards on risk matters. This includes reviewing the adequacy and effectiveness of risk management, internal control system and key control processes as adopted by the KLCCP Stapled Group.

The Management is accountable to the Board to ensure effective implementation of risk management and internal controls. The Management formulates and endorses the risk management policy, frameworks and guidelines including their implementation across the Group. The risks are reviewed and additional course of action to mitigate the identified risks are then recommended. The Management also assigns accountabilities and responsibilities at appropriate levels within the Group as well as ensures that all the necessary resources are efficiently allocated to manage risks.

The RMC provides oversight on ERM implementation and ensures the adequacy and effectiveness of ERM practices within KLCCP Stapled Group. It undertakes the review process of relevant risk management matters before submission to the BRCs and the Boards for deliberation and approval. In discharging its risk management function, the RMC is assisted by the Governance, Risk & Assurance Department of KLCCP Stapled Group in managing principal risks, providing assurance on the effectiveness of the risk management framework, and promoting sound risk management practices to enhance the risk management culture across the KLCCP Stapled Group.



## Statement on Risk Management and Internal Control

Concerns on all principal risks are shared with Group Internal Audit (GIA) of KLCC (Holdings) Sdn. Bhd. which then uses the risk assessment reports as reference to develop the annual audit plans for the KLCCP Stapled Group. Training and upskilling programmes are regularly conducted for all levels of staff as part of the ongoing initiative to enhance risk awareness and risk management capabilities towards inculcating risk management culture within the KLCCP Stapled Group.

### Risk Profiling

A risk profiling exercise was conducted to ensure the KLCCP Stapled Group's risk exposures are properly mitigated and updated. This reflects the current economic environment and new government regulations impacting the Group's risk exposures.

The KLCCP Stapled Group has identified the following principal risks which are critical to the success of the KLCCP Stapled Group's business objectives:

1	Financial
2	Market
3	Human Capital
4	Health, Safety & Environment
5	Security
6	Asset Management
7	Facilities Management
8	Supplier

The likelihood and impact of the risks have been assessed and evaluated against the KLCCP Stapled Group's risk appetite and risk tolerance level followed by identification of appropriate key risk indicators and mitigation plans for the risks. The status of the principal risks and key risk indicator performances are then reported to the RMC, BRCs and the Boards for their deliberation and guidance on a quarterly basis.

During the year under review, the Boards carried out the following:

- (i) Review of quarterly update on KRI and risk appetite results to gain an early insight of any potential risk exposure to the Company.
- (ii) Annual review of the Risk Appetite to ensure that the risk exposure and risk tolerance level are relevant and up to date to achieve our strategic objectives.

- (iii) Annual review of Corporate Risk Profile in compliance with the ERM Framework where the principal risks were reviewed, assessed and updated to safeguard the KLCCP Stapled Group's investment and key business activities. The review also ensures that the risk exposures are relevant and up to date taking into account of the current as well as emerging risks including sustainability risk.
- (iv) Annual review of Risk Profile for entities under the KLCCP Stapled Group namely KLCC Parking Management Sdn. Bhd. and KLCC Urusharta Sdn. Bhd.
- (v) Analyse the risk assessment on business proposals, new initiatives and any other Board decision papers for deliberation and decision-making.

All risk profiles are monitored via myRisk, a centralised risk information platform which provides complete risk overview for reporting to the Boards. It is a web-enabled system where users are able to access the organisation risk profile on a real-time basis anytime and anywhere.

### Crisis Management

The Crisis Management Plan (CMP) was established to address and respond to incidents where risk mitigation fails or when full prevention of the risk occurring is unlikely.

The CMP is to ensure preparedness in managing and responding in HSE and areas beyond HSE which are Human Capital, Finance, Digital, Facility Management, Legal and Regulatory and Security in the event of emergency/crisis.

The CMP includes the objective and scope, roles and responsibilities, activation thresholds and procedures, notification and communication process, strategies and actions for responding pre, during and post emergency/crisis, escalation process and resource requirement.

During the year under review, the KLCCP Stapled Group conducted the following exercises:

- Briefing on fire & life safety programme including evacuation procedure with floor safety managers and tenants at PETRONAS Twin Towers, Menara 3 PETRONAS, Kompleks Dayabumi and Menara ExxonMobil.
- Evacuation drill and Fire Extinguisher training conducted at Menara ExxonMobil.
- Tabletop exercise on Fire at EV Charging Stations and EV Fire with Common Facilities, KLCC Parking Management and ERT at PETRONAS Twin Towers.
- Towerwalk at PETRONAS Twin Towers in collaboration with GHSE PETRONAS and Group Security.
- EV Fire Drill Tier 1 in collaboration with GENTARI at PETRONAS Twin Towers.



These exercises are to ensure the readiness and effectiveness of the evacuation and communication processes together with the recovery action plan in responding to the crisis.

Based on the above exercises, staff and tenants were trained and familiarised with the respective roles and responsibilities in the event a crisis occurs.

### Business Continuity Management

Business Continuity Management was established to provide guidance in resuming key business functions in the event a crisis occurs and has a major or catastrophic impact on business in terms of financial, operation and reputation.

During the year under review, the KLCCP Stapled Group updated its Business Impact Analysis (BIA) to identify critical business functions (CBF). The BIA assesses the impact of function unavailability, sets recovery timeframes, and specifies minimum resource requirements (people, equipment, technology, assets, and interdependencies) for recovery and resumption.

The Call Tree Verification exercise was conducted twice for the financial year to validate the contact information of relevant personnel and stakeholders. This ensures effective communication to critical business function (CBF) staff upon Business Continuity Plan (BCP) activation. The exercises also trained CBF staff to respond promptly to BCP activation.

### INTERNAL CONTROL PROCESSES

The Boards continue to uphold and implement strong control structure and environment with the following key control processes to identify, evaluate and manage weaknesses of the KLCCP Stapled Group's internal control system:

- 1) The Boards meet at least quarterly and have set a schedule of matters, which is required to be deliberated and approved by the Boards, thus ensuring that the Boards maintain full and effective supervision over the control processes.
- 2) The CEO of KLCCP and KLCCRM leads the presentation of board papers and provides comprehensive information and explanation for each discussion paper. In arriving at any decision, on recommendation by the Management, a thorough deliberation and discussion by the Boards is a prerequisite.
- 3) Updates on the KLCCP Stapled Group's operations and performance are provided to the Boards at every meeting and the CEO also reports on any significant changes in the business operations and risk profiles of the KLCCP Stapled Group. In addition, the CEO and the Chief Financial Officer ("CFO") of KLCCP (who is also the Head of Finance/Head of Investment of KLCCRM) assure the Boards that adequate processes and controls are in place for the preparation of quarterly and annual financial statements.
- 4) KLCCP Stapled Group has an organisational structure with defined lines of responsibilities, delegation of authority and accountability. A hierarchical reporting structure has been established to provide documentary and auditable trail of accountability. In this respect, Limits of Authority Manuals are in place to define the lines of accountability and responsibility in relation to the KLCCP Stapled Group's operations and functions.
- 5) KLCCP Stapled Group has established the Code of Conduct and Business Ethics (CoBE), Anti-Bribery and Corruption Manual and the Whistleblowing Policy to ensure that Directors, Management and employees, as well as third parties, when performing any work or services for the KLCCP Stapled Group, will act ethically and remain above board at all times and their individual behaviour is in line with the PETRONAS Shared Values, i.e. Loyalty, Professionalism, Integrity and Cohesiveness. The detailed policy statements on Zero Tolerance against Bribery and Corruption Culture including the standards of behaviour and ethical conduct of the CoBE can be accessed at KLCCP's corporate website.
- 6) KLCCP Stapled Group undertakes an annual planning and budgeting exercise including development of business strategies for forthcoming years and establishes key performance indicators for each business segment to achieve. Variance against budgets is analysed and reported on a quarterly basis to the Boards.
- 7) KLCCP Stapled Group's strategic directions are also reviewed annually taking into consideration changes in market conditions and significant business risks.
- 8) The CFO (who is also the Head of Finance/Head of Investment of KLCCRM) report to the BAC of KLCCP and BAC of KLCCRM respectively that the accounting policies and procedures as set out in the Accounting Procedures Manual are in place and applied consistently to ensure that the financial statements are in compliance with the Malaysian Financial Reporting Standards and the relevant regulatory disclosure requirements.
- 9) For the associate company, it is done via representation on the associate company's board. Information on the financial performance of the associate company is provided monthly.



## Statement on Risk Management and Internal Control

### INTERNAL AUDIT

The GIA of KLCCCH provides an independent and objective assurance on the efficiency and effectiveness of governance, risk management and internal controls implemented by the KLCCP Stapled Group, to the BACs of KLCCP and KLCCRM. This is to support the BACs in the discharge of their oversight over governance and internal controls responsibilities. The BACs have full access to the services of GIA and receive reports on audits and reviews that are performed via quarterly BACs meetings.

Governed by the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) and its Internal Audit Charter, the GIA of KLCCCH is independent of the activities being audited and performs its duties with integrity, objectivity, confidentiality and competency. The GIA of KLCCCH is also a corporate member of the IIA Malaysia chapter.

GIA adopts a systematic and risk-based approach in reviewing the KLCCP Stapled Group's governance, risk management and internal controls, guided by the COSO (i.e. The Committee of Sponsoring Organisations of the Treadway Commission) Internal Control – Integrated Framework.

GIA also performs a risk based annual audit plan by assessing the risk profile, materiality and sensitivity, past audit history, strategy and business developments, feedbacks and requests, and other significant changes and developments within and outside the organisation.

### MANAGEMENT ROLE

The respective Boards have received assurances from the CEO and CFO that the KLCCP Stapled Group's risk management and internal control system is operating effectively in all material aspects based on the processes as approved by the Boards.

The Boards are of the view that the KLCCP Stapled Group's internal control system is sound and effective to safeguard the Stapled Securities holders' investment, the interests of customers, employees and other stakeholders, and the KLCCP Stapled Group's assets.

### REVIEW OF THIS STATEMENT

The External Auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control (Statement) in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000, Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report.

They have reported to the Boards that nothing has come to their attention that causes them to believe the Statement intended to be included in the Annual Report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers nor is the Statement factually inaccurate.

This Statement was approved by the Board on 5 February 2025





## Additional Compliance Information

The information set out below is disclosed in compliance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Guidelines on Listed Real Estate Investment Trusts issued by Securities Commission Malaysia.

### (i) Material Contracts

There were no material contracts or loans entered into by KLCCP or KLCCP's subsidiaries involving the interests of the Directors or major Stapled Securities holders, either still subsisting at the end of the financial year ended 31 December 2024 or entered into since the end of the financial year, except as disclosed in the Prospectus of Stapled Securities dated 7 May 2013 and the audited financial statements of KLCCP.

### (ii) Utilisation of Proceeds

Refer to respective Notes 13 of the KLCCP Stapled Group's Financial Statements and the KLCC REIT's Financial Statements for more information.

### (iii) Sanctions and/or Penalties

During the financial year, there was no public sanction or penalty imposed by the relevant regulatory bodies on the management company of KLCC REIT.

### (iv) Recurrent Related Party Transaction ("RRPT")

Both KLCCP and KLCC REIT did not seek any mandate from the holders of Stapled Securities on RRPT during the financial year.

### (v) List of Property Development Activities

During the financial year, there were no property development activities including acquisition of vacant land carried out by KLCC REIT.





# Financial Statements

<b>229</b>	Directors' Report	<b>239</b>	Consolidated Statement of Changes in Equity
<b>234</b>	Statement by Directors	<b>240</b>	Consolidated Statement of Cash Flows
<b>234</b>	Statutory Declaration	<b>242</b>	Statement of Financial Position
<b>235</b>	Consolidated Statement of Financial Position	<b>243</b>	Statement of Comprehensive Income
<b>237</b>	Consolidated Statement of Comprehensive Income	<b>244</b>	Statement of Changes in Equity
<b>238</b>	Statement of Income Distribution to Stapled Securities Holders	<b>245</b>	Statement of Cash Flows
		<b>246</b>	Notes to the Financial Statements
		<b>304</b>	Independent Auditors' Report





# Directors' Report

## For The Year Ended 31 December 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2024.

### PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year remained unchanged and consist of investment holding, property development management and the provision of management services.

The principal activities of subsidiaries and an associate are stated in Note 5 and Note 6 to the financial statements respectively. The Board of Directors deems such information is included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

### CORPORATE INFORMATION

The Company is a public limited liability company, incorporated on 7 February 2004 and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

Upon the completion of the listing of stapled securities on 7 May 2013, the Group now comprises:

- (a) KLCC Property Holdings Berhad ("KLCCP") Group, being the Company, its existing subsidiaries and associate company; and
- (b) KLCC Real Estate Investment Trust ("KLCC REIT") Group.

### HOLDING COMPANIES

The immediate and ultimate holding companies of the Company are KLCC (Holdings) Sdn Bhd ("KLCCCH") and Petroliam Nasional Berhad ("PETRONAS") respectively, all of which are incorporated in Malaysia.

### SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

### RESULTS

	Group RM'000	Company RM'000
Profit for the year	1,057,223	315,148
Attributable to:		
Equity holders of the Company	498,214	315,148
Non-controlling interests relating to KLCC REIT	518,319	–
Other non-controlling interests	40,690	–
	1,057,223	315,148



## Directors' Report

### For The Year Ended 31 December 2024

#### DIVIDENDS

During the financial year, the amount of dividends paid were as follows:

	RM'000
In respect of the financial year ended 31 December 2023 as reported in the Directors' Report of that year:	
A fourth interim dividend of 8.00%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 7 February 2024 and paid on 29 February 2024.	144,427
In respect of the financial year ended 31 December 2024:	
A first interim dividend of 2.20%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 23 May 2024 and paid on 28 June 2024.	39,717
A second interim dividend of 2.46%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 28 August 2024 and paid on 30 September 2024.	44,411
A third interim dividend of 2.41%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 25 November 2024 and paid on 30 December 2024.	43,509
	272,064

A fourth interim dividend in respect of the financial year ended 31 December 2024, of 9.73%, tax exempt under the single tier system on 1,805,333,083 ordinary shares, declared on 5 February 2025 amounting to a dividend payable of RM175,658,909 will be payable on 28 February 2025.

The financial statements for the current year do not reflect this fourth interim dividend. Such dividend will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2025.

#### RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the year other than as disclosed in the financial statements.

#### DIRECTORS

Directors who served during the financial year until the date of this report are:

Datuk Ir. Annies Bin Md Ariff	(appointed w.e.f. 1 July 2024)
Datuk Sr. Mohd. Salem Bin Kailany	(appointed w.e.f. 1 December 2024)
Farina Binti Farikhullah Khan	
Dato' Jamaludin Bin Osman	
Liza Binti Mustapha	
Chong Chye Neo	
Dato' Sr. Mazuki Bin A Aziz	
Datin Noor Lily Zuriati Binti Abdullah	
Freida Binti Amat	(appointed w.e.f. 1 January 2025)
Tan Sri Ahmad Nizam Bin Salleh	(resigned w.e.f. 1 September 2024)
Datuk Md. Shah Bin Mahmood	(resigned w.e.f. 1 December 2024)

The Company has been granted a relief order pursuant to Section 255(1) of the Companies Act, 2016 relieving the Company's Directors from full compliance to the requirements under Section 253(2) of the Companies Act, 2016.

The names of Directors of subsidiaries are available in the respective subsidiaries' Directors' Report or at the Company's registered office that the Board deems such information is included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.





## DIRECTORS' INTERESTS

None of the Directors holding office at 31 December 2024 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than the benefit shown below), by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2024 was RM1,292,000 comprising fees and other short-term employee benefits.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

## ISSUE OF SHARES

There were no changes in the issued and paid up capital of the Company during the financial year.

## OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

## INDEMNITY AND INSURANCE COSTS

During the financial year, PETRONAS and its subsidiaries (hereinafter referred to as "PETRONAS Group"), including the Company, maintained a Directors' and Officers' Liability Insurance in accordance with Section 289 of the Companies Act, 2016. The total insured limit for the Directors and Officers Liability Insurance effected for the Directors and Officers of PETRONAS Group was RM1,290 million per occurrence and in the aggregate. The insurance premium for the Company is RM1,000.

## OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain:

- (i) that necessary actions had been taken in relation to the writing off of bad debts and the provisioning of doubtful debts and satisfied themselves that all known bad debts have been written off and adequate provision made for doubtful debts; and
- (ii) that any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent;
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading;
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.



## Directors' Report

### For The Year Ended 31 December 2024

#### **OTHER STATUTORY INFORMATION (continued)**

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any material contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No material contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## AUDITORS

The auditors, Ernst & Young PLT, have indicated their willingness to accept reappointment.

The auditors' remunerations for the financial year ended 31 December 2024 of the Group and the Company are as follows:

	Group RM'000	Company RM'000
<b>Audit fees</b>		
Ernst & Young PLT	748	264
<b>Non audit service fees</b>		
Ernst & Young PLT	16	16

Signed on behalf of the Board of Directors  
in accordance with a resolution of the Directors:



**Datuk Ir. Annies Bin Md Ariff**  
Chairman



**Datuk Sr. Mohd. Salem Bin Kailany**  
Director

Kuala Lumpur, Malaysia  
Date: 5 February 2025



## Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 235 to 303, are drawn up in accordance with MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year then ended on that date.

Signed on behalf of the Board of Directors  
in accordance with a resolution of the Directors:

**Datuk Ir. Annies Bin Md Ariff**  
Chairman

**Datuk Sr. Mohd. Salem Bin Kailany**  
Director

Kuala Lumpur, Malaysia  
Date: 5 February 2025

## Statutory Declaration

I, Rohizal Bin Kadir, the officer primarily responsible for the financial management of KLCC Property Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 235 to 303 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed

**Rohizal Bin Kadir,**  
MIA Membership Number: 50742  
at **Kuala Lumpur** in **Wilayah Persekutuan**  
on 5 February 2025

Rohizal Bin Kadir,

BEFORE ME:

**Y.M. Tengku Nur Athiya Tengku Fariddudin**  
Commissioner for Oaths







# Consolidated Statement of Financial Position

As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	540,579	547,763
Investment properties	4	16,200,530	15,953,114
Investment in an associate	6	268,437	266,687
Trade and other receivables	7	196,238	270,954
Right-of-use assets	22	1,838	2,495
Deferred tax assets	8	2,791	1,513
		<b>17,210,413</b>	17,042,526
<b>Current Assets</b>			
Inventories	9	2,089	1,607
Trade and other receivables	7	86,671	94,182
Tax recoverable		3,225	3,167
Cash and bank balances	10	1,360,879	1,192,076
		<b>1,452,864</b>	1,291,032
<b>TOTAL ASSETS</b>		<b>18,663,277</b>	18,333,558
<b>EQUITY</b>			
<b>Equity Attributable to Equity Holders of the Company</b>			
Share capital	11	1,823,386	1,823,386
Capital reserve	12	3,164,736	3,008,866
Retained profits	12	576,708	435,883
<b>Total equity attributable to shareholder of the Company</b>		<b>5,564,830</b>	5,268,135
Non-controlling interests ("NCI") relating to KLCC REIT	5	8,106,723	8,070,969
<b>Stapled Securities holders interests in the Group</b>		<b>13,671,553</b>	13,339,104
Other NCI	5	33,031	2,050,350
<b>TOTAL EQUITY</b>		<b>13,704,584</b>	15,389,454



## Consolidated Statement of Financial Position

As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Trade and other payables	14	167,042	149,515
Deferred revenue	15	85,539	83,951
Financings	13	3,905,165	1,289,572
Deferred tax liabilities	8	79,014	62,850
		<b>4,236,760</b>	1,585,888
<b>Current Liabilities</b>			
Trade and other payables	14	278,646	261,158
Financings	13	412,302	1,074,600
Taxation		30,985	22,458
		<b>721,933</b>	1,358,216
<b>TOTAL LIABILITIES</b>		<b>4,958,693</b>	2,944,104
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b>18,663,277</b>	18,333,558
Net asset value ("NAV")		<b>13,671,553</b>	13,339,104
Less: Fourth interim distribution		<b>(308,712)</b>	(259,968)
<b>Net NAV after distribution</b>		<b>13,362,841</b>	13,079,136
<b>Number of stapled securities/shares in circulation ('000)</b>		<b>1,805,333</b>	1,805,333
<b>NAV per stapled security/share (RM)</b>			
– before distribution		<b>7.57</b>	7.39
– after distribution		<b>7.40</b>	7.24

The notes set out on pages 246 to 303 are an integral part of these financial statements.



## Consolidated Statement of Comprehensive Income

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue		<b>1,710,860</b>	1,619,163
<b>Operating profit</b>	16	<b>1,067,330</b>	1,020,226
Interest/profit income	19	<b>52,313</b>	42,391
Financing costs	20	<b>(167,299)</b>	(111,312)
Share of profit of an associate	6	<b>14,290</b>	14,204
Fair value adjustments of investment properties	4	<b>234,731</b>	221,914
<b>Profit before taxation</b>	17	<b>1,201,365</b>	1,187,423
Tax expense	21	<b>(144,142)</b>	(121,041)
<b>PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>1,057,223</b>	1,066,382
<b>Profit attributable to:</b>			
Equity holders of the Company		<b>498,214</b>	396,662
NCI relating to KLCC REIT	5	<b>518,319</b>	534,632
		<b>1,016,533</b>	931,294
Other NCI	5	<b>40,690</b>	135,088
		<b>1,057,223</b>	1,066,382
<b>Earnings per share attributable to equity holders of the Company (sen):</b>			
Basic/diluted	23	<b>27.60</b>	21.97
<b>Earnings per stapled security (sen):</b>			
Basic/diluted	23	<b>56.31</b>	51.59

The notes set out on pages 246 to 303 are an integral part of these financial statements.



## Statement of Income Distribution to Stapled Securities Holders

For The Year Ended 31 December 2024

	2024 RM'000	2023 RM'000
Overall distributable income is derived as follows:		
Profit attributable to the equity holders of the Company	<b>498,214</b>	396,662
Add: Unrealised fair value adjustments attributable to the equity holders	<b>(155,870)</b>	(111,676)
	<b>342,344</b>	284,986
Distributable income of KLCC REIT	<b>526,337</b>	508,925
Total available for income distribution	<b>868,681</b>	793,911
Distribution to equity holders of the Company in respect of financial year ended 31 December:		
First interim dividend of 2.20% (2023: 1.41%)	<b>(39,717)</b>	(25,455)
Second interim dividend of 2.46% (2023: 1.80%)	<b>(44,411)</b>	(32,496)
Third interim dividend of 2.41% (2023: 2.50%)	<b>(43,509)</b>	(45,134)
Fourth interim dividend of 9.73% (2023: 8.00%)	<b>(175,659)</b>	(144,427)
	<b>(303,296)</b>	(247,512)
Distribution to KLCC REIT holders in respect of financial year ended 31 December:		
First interim income distribution of 6.80% (2023: 7.09%)	<b>(122,763)</b>	(127,998)
Second interim income distribution of 6.74% (2023: 7.00%)	<b>(121,679)</b>	(126,373)
Third interim income distribution of 6.79% (2023: 6.30%)	<b>(122,582)</b>	(113,736)
Fourth interim income distribution of 7.37% (2023: 6.40%)	<b>(133,053)</b>	(115,541)
	<b>(500,077)</b>	(483,648)
Balance undistributed	<b>65,308</b>	62,751





## Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2024

	Note	← Attributable to Equity Holders of the Company →			Total equity attributable to holders of the Company RM'000	NCI relating to KLCC REIT RM'000 (Note 5)	Other NCI RM'000	Total Equity RM'000
		Non-Distributable	← Distributable →					
		Share Capital RM'000 (Note 11)	Capital Reserve RM'000 (Note 12)	Retained Profits RM'000 (Note 12)				
<b>Balance at 1 January 2024</b>		<b>1,823,386</b>	<b>3,008,866</b>	<b>435,883</b>	<b>5,268,135</b>	<b>8,070,969</b>	<b>2,050,350</b>	<b>15,389,454</b>
Total comprehensive income for the year		–	–	<b>498,214</b>	<b>498,214</b>	<b>518,319</b>	<b>40,690</b>	<b>1,057,223</b>
Transfer of fair value adjustments net of tax	12	–	<b>155,870</b>	<b>(155,870)</b>	–	–	–	–
Dividends paid		–	–	<b>(272,064)</b>	<b>(272,064)</b>	<b>(482,565)</b>	<b>(31,433)</b>	<b>(786,062)</b>
Acquisition of NCI		–	–	<b>70,545</b>	<b>70,545</b>	–	<b>(2,026,576)</b>	<b>(1,956,031)</b>
<b>Balance at 31 December 2024</b>		<b>1,823,386</b>	<b>3,164,736</b>	<b>576,708</b>	<b>5,564,830</b>	<b>8,106,723</b>	<b>33,031</b>	<b>13,704,584</b>
<b>Balance at 1 January 2023</b>		1,823,386	2,897,190	392,812	5,113,388	8,018,361	2,035,529	15,167,278
Total comprehensive income for the year		–	–	396,662	396,662	534,632	135,088	1,066,382
Transfer of fair value adjustments net of tax	12	–	111,676	(111,676)	–	–	–	–
Dividends paid		–	–	(241,915)	(241,915)	(482,024)	(120,267)	(844,206)
<b>Balance at 31 December 2023</b>		1,823,386	3,008,866	435,883	5,268,135	8,070,969	2,050,350	15,389,454

The notes set out on pages 246 to 303 are an integral part of these financial statements.



## Consolidated Statement of Cash Flows

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before taxation</b>		<b>1,201,365</b>	1,187,423
Adjustments for:			
Interest/profit income	19	(52,313)	(42,391)
Financing costs		167,208	111,314
Amortisation of attributable transaction cost		91	–
Amortisation of accrued rental income and deferred revenue		67,277	50,972
Depreciation of property, plant and equipment	3	28,977	31,459
Depreciation of right-of-use assets	22	1,031	1,418
Property, plant and equipment written off	17	39	–
Investment properties written off	4	75	–
Loss/(gain) on disposal of property, plant and equipment	17	380	(27)
Gain on fair value adjustments of investment properties	4	(234,731)	(221,914)
Net reversal for impairment losses of receivables	17	(440)	(205)
Share of profit of an associate	6	(14,290)	(14,204)
<b>Operating cash flows before changes in working capital</b>		<b>1,164,669</b>	1,103,845
Changes in working capital:			
Trade and other receivables		10,227	(674)
Amount due from related companies		3,513	1,726
Amount due from immediate holding company		(6,871)	12,168
Amount due to ultimate holding company		(4,213)	4,387
Trade and other payables		38,287	(6,983)
Inventories		(482)	(49)
<b>Cash generated from operations</b>		<b>1,205,130</b>	1,114,420
Interest received		51,757	42,343
Taxation paid		(120,787)	(104,477)
Taxation refunded		–	503
<b>Net cash generated from operating activities</b>		<b>1,136,100</b>	1,052,789
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividend received from an associate	6	12,540	12,540
Purchase of property, plant and equipment		(22,082)	(9,255)
Subsequent expenditure on investment properties		(8,073)	(5,435)
Proceeds from disposal of property, plant and equipment		63	126
Acquisition of other NCI		(1,950,000)	–
Cost incidental to acquisition of other NCI		(6,031)	–
Increase in deposits with tenure more than 3 months		(27,744)	(65,169)
<b>Net cash used in investing activities</b>		<b>(2,001,327)</b>	(67,193)



	Note	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Drawdown of Sukuk Murabahah and Sukuk Wakalah		<b>3,005,000</b>	-
Transaction cost incidental to the drawdown of Sukuk Wakalah		<b>(615)</b>	-
Repayment of term loans		<b>(10,000)</b>	(10,000)
Repayment of Sukuk Murabahah		<b>(1,055,000)</b>	-
Repayment of lease liabilities		<b>(1,194)</b>	(1,380)
Dividends paid to shareholders	24	<b>(272,064)</b>	(241,915)
Dividends paid to other NCI	5	<b>(31,433)</b>	(120,267)
Dividends paid to NCI relating to KLCC REIT		<b>(482,525)</b>	(482,235)
Interest/profit paid		<b>(145,883)</b>	(107,864)
Decrease/(increase) in deposits restricted		<b>213</b>	(244)
<b>Net cash generated from/(used in) financing activities</b>		<b>1,006,499</b>	(963,905)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>141,272</b>	21,691
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>990,423</b>	968,732
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	10	<b>1,131,695</b>	990,423
The additions in property, plant and equipment and investment properties were acquired by way of:			
Cash		<b>15,181</b>	1,838
Accruals		<b>19,854</b>	14,974
		<b>35,035</b>	16,812
Cash paid for additions in prior years		<b>14,974</b>	12,852
Cash paid for additions in current year		<b>15,181</b>	1,838
<b>Total cash paid for investment properties and property, plant and equipment</b>		<b>30,155</b>	14,690

The notes set out on pages 246 to 303 are an integral part of these financial statements.



## Statement of Financial Position

As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	19	68
Investment in subsidiaries	5	3,327,836	1,371,796
Investment in an associate	6	99,195	99,195
Deferred tax assets	8	1,272	829
		<b>3,428,322</b>	1,471,888
<b>Current Assets</b>			
Trade and other receivables	7	6,230	11,563
Tax recoverable		3,120	2,184
Cash and bank balances	10	742,127	684,703
		<b>751,477</b>	698,450
<b>TOTAL ASSETS</b>		<b>4,179,799</b>	2,170,338
<b>EQUITY</b>			
Share capital	11	1,823,386	1,823,386
Retained profits	12	376,596	333,512
<b>TOTAL EQUITY</b>		<b>2,199,982</b>	2,156,898
<b>LIABILITIES</b>			
<b>Non-Current Liabilities</b>			
Financings	13	1,949,597	–
<b>Current Liabilities</b>			
Trade and other payables	14	13,023	13,440
Financings	13	17,197	–
		<b>30,220</b>	13,440
<b>TOTAL LIABILITIES</b>		<b>1,979,817</b>	13,440
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,179,799</b>	2,170,338

The notes set out on pages 246 to 303 are an integral part of these financial statements.





## Statement of Comprehensive Income

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue		399,712	300,195
<b>Operating profit</b>	16	<b>348,863</b>	255,408
Interest/profit income	19	26,227	21,778
Financing costs	20	(54,792)	(5)
<b>Profit before taxation</b>		<b>320,298</b>	277,181
Tax expense	21	(5,150)	(6,061)
<b>PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>315,148</b>	271,120

The notes set out on pages 246 to 303 are an integral part of these financial statements.



## Statement of Changes in Equity

For The Year Ended 31 December 2024

	Note	Non Distributable Share Capital RM'000 (Note 11)	Distributable Retained Profits RM'000 (Note 12)	Total Equity RM'000
<b>Balance at 1 January 2024</b>		<b>1,823,386</b>	<b>333,512</b>	<b>2,156,898</b>
Total comprehensive income for the year		–	<b>315,148</b>	<b>315,148</b>
Dividends paid	24	–	<b>(272,064)</b>	<b>(272,064)</b>
<b>Balance at 31 December 2024</b>		<b>1,823,386</b>	<b>376,596</b>	<b>2,199,982</b>
<b>Balance at 1 January 2023</b>		1,823,386	304,307	2,127,693
Total comprehensive income for the year		–	271,120	271,120
Dividends paid	24	–	(241,915)	(241,915)
<b>Balance at 31 December 2023</b>		1,823,386	333,512	2,156,898

## Statement of Cash Flows

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Profit before taxation</b>		<b>320,298</b>	277,181
Adjustments for:			
Interest/profit income	19	(26,227)	(21,778)
Financing costs	20	54,701	5
Amortisation of attributable transaction cost	20	91	–
Depreciation of property, plant and equipment	3	60	79
Depreciation of right-of-use assets	22	–	388
Dividend income		(371,107)	(274,940)
<b>Operating cash flows before changes in working capital</b>		<b>(22,184)</b>	(19,065)
Changes in working capital:			
Trade and other receivables		4,584	(2,638)
Amount due from subsidiaries		(96)	324
Amount due from related companies		1,848	(792)
Amount due from immediate holding company		(3,309)	3,768
Amount due to ultimate holding company		(933)	3,527
Trade and other payables		2,822	(559)
<b>Cash used in operations</b>		<b>(17,268)</b>	(15,435)
Interest received		26,227	21,778
Taxation paid		(6,529)	(2,294)
Taxation refunded		–	503
<b>Net cash generated from operating activities</b>		<b>2,430</b>	4,552
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends received from subsidiaries and an associate		371,107	274,940
Purchase of property, plant and equipment		(11)	–
Acquisition of remaining shares in a subsidiary		(1,950,000)	–
Cost incidental to acquisition of remaining shares in a subsidiary		(6,031)	–
Advances to a subsidiary		(9)	(3)
<b>Net cash (used in)/generated from investing activities</b>		<b>(1,584,944)</b>	274,937
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of lease liabilities		–	(410)
Dividends paid		(272,064)	(241,915)
Drawdown of Sukuk Wakalah		1,950,000	–
Transaction cost incidental to the drawdown of Sukuk Wakalah		(615)	–
Profit expenses paid		(37,383)	–
<b>Net cash generated from/(used in) financing activities</b>		<b>1,639,938</b>	(242,325)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>57,424</b>	37,164
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>684,703</b>	647,539
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	10	<b>742,127</b>	684,703

The notes set out on pages 246 to 303 are an integral part of these financial statements.



# Notes to the Financial Statements

31 December 2024

## 1. BASIS OF PREPARATION

### 1.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act, 2016 in Malaysia.

As of 1 January 2024, the Group and the Company had adopted Amendments to MFRS ("pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 30.

MASB has also issued new and revised pronouncements which are not yet effective for the Group and the Company and therefore, have not been adopted in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in Note 31. New and revised pronouncements that are not relevant to the operations of the Group and of the Company are set out in Note 32.

These financial statements were approved and authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 February 2025.

### 1.2 Basis of measurement

The financial statements of the Group and of the Company have been prepared on historical cost basis except for certain items which are measured at fair value, as disclosed in the accounting policies below.

### 1.3 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency.

All financial information is presented in RM and has been rounded to the nearest thousands, unless otherwise stated.

### 1.4 Use of estimates and judgments

The preparation of financial statements in conformity with MFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

#### (i) Critical judgement made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

#### (ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

#### Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group had engaged independent professional valuers to determine the fair values and there are no material events that affect the valuation between the valuation date and financial year end.

The fair values of the investment properties derived by the independent professional valuers is most sensitive to the estimated reversion and term yield rate and discount rate. The range of the reversion and term yield rate and the discount rate used in the valuation is described in Note 4.



## 1. BASIS OF PREPARATION (continued)

### 1.4 Use of estimates and judgments (continued)

#### (ii) Key sources of estimation uncertainty (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below: (continued)

#### Fair value of investment properties (continued)

The following table demonstrates the sensitivity of the fair value measurement to changes in estimated reversion and term yield rate and discount rate:

	Fair value (Decrease)/increase	
	2024 RM'000	2023 RM'000
<b>Reversion and term yield rate</b>		
+ 0.25%	<b>(441,000)</b>	(368,044)
- 0.25%	<b>454,000</b>	381,202
<b>Discount rate</b>		
+ 0.25%	<b>(178,000)</b>	(223,705)
- 0.25%	<b>173,000</b>	223,409

The other key assumptions used to determine the fair value of the investment properties are further explained in Note 4.

## 2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

### 2.1 Basis of Consolidation

#### Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

All inter-company transactions are eliminated on consolidation and revenue and profits relate to external transactions only. Unrealised losses resulting from inter-company transactions are also eliminated unless cost cannot be recovered.



## Notes to the Financial Statements

31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### 2.1 Basis of Consolidation (continued)

##### Business combination

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration transferred and the amount of any non-controlling interests in the acquiree. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

When a business combination is achieved in stages, the Group remeasures its previously held non-controlling equity interest in the acquiree at fair value at the acquisition date, with any resulting gain or loss recognised in the profit or loss. Increase in the Group's ownership interest in an existing subsidiary is accounted for as equity transactions with differences between the fair value of consideration paid and the Group's proportionate share of net assets acquired, recognised directly in equity.

The Group measures goodwill as the excess of the cost of an acquisition and the fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

##### Non-controlling interests

Non-controlling interests at the end of the reporting period, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the shareholders of the Company.

Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and other consolidated statement of comprehensive income as an allocation of the profit or loss and total comprehensive income for the year between the non-controlling interests and shareholders of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

##### Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a fair value through other comprehensive income financial asset depending on the level of influence retained.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.2 Associates

Associates are entities in which the Group has significant influence including representation on the Board of Directors, but not control or joint control, over the financial and operating policies of the investee company.

Associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The consolidated financial statements include the Group's share of post-acquisition profits or losses and other comprehensive income of the equity-accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

The Group's share of post-acquisition reserves and retained profits less losses is added to the carrying value of the investment in the consolidated statement of financial position. These amounts are taken from the latest audited financial statements or management financial statements of the associates.

When the Group's share of post-acquisition losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments such as loans and advances) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with the resulting gain or loss being recognised in the profit or loss. Any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset.

When the Group's interest in an associate decreases but does not result in loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets and liabilities.

Unrealised profits arising from transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated partially, unless cost cannot be recovered.

### 2.3 Property, plant and equipment and depreciation

#### Recognition and measurement

Freehold land and projects-in-progress are stated at cost less accumulated impairment losses and are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the assets to working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of material and direct labour. For qualifying assets, financing costs are capitalised in accordance with the accounting policy on financing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



## Notes to the Financial Statements

31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### 2.3 Property, plant and equipment and depreciation (continued)

##### Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced item of property, plant and equipment is derecognised with any corresponding gain or loss recognised in the profit or loss accordingly. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

##### Depreciation

Depreciation for property, plant and equipment other than freehold land, and projects-in-progress, is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives of the other property, plant and equipment are as follows:

Hotel building	80 years
Building improvements	5 – 6 years
Furniture and fittings	5 – 10 years
Plant and equipment	4 – 10 years
Office equipment	5 years
Renovation	5 years
Motor vehicles	4 – 5 years
Crockery, linen and utensils	3 years

The depreciable amount is determined after deducting residual value. The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, period and method of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

##### Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the profit or loss.

#### 2.4 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purpose. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair value of investment properties are recognised in the profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year in which they arise.

Where the fair value of the Investment Property Under Construction ("IPUC") is not reliably determinable, the IPUC is measured at cost until either its fair value has been reliably determinable or construction is complete, whichever is earlier.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.5 Leases

#### (i) Recognition and initial measurement

##### As a lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate is used. Generally, the Group entities use their incremental borrowing rate as the discount rate.

The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options in determining the lease term.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

##### As a lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

#### (ii) Subsequent measurement

##### As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Depreciation of certain right-of-use assets are subsequently capitalised into carrying amount of other assets whenever they meet the criteria for capitalisation. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The Group will reassess whether it is reasonably certain to exercise the extension option if there is a significant change in circumstances within its control.



## Notes to the Financial Statements

31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### 2.5 Leases (continued)

##### (ii) Subsequent measurement (continued)

###### As a lessor

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### 2.6 Investments

Long-term investments in subsidiaries and an associate are stated at cost less impairment loss, if any, in the Company's financial statements unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

The carrying amount of these investments includes fair value adjustments on shareholders loans and advances, if any.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

#### 2.7 Intangible assets

##### Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The entire carrying amount of the investment is reviewed for impairment when there is objective evidence of impairment.

#### 2.8 Financial instruments

A financial instrument is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

##### Classification and subsequent measurement

###### (i) Financial assets

Financial assets are classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), as appropriate.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.8 Financial instruments (continued)

#### Classification and subsequent measurement (continued)

##### (i) Financial assets (continued)

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Company commits to purchase or sell the asset.

#### Amortised cost

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### (ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables and loans and borrowings.

#### Amortised cost (financings)

This is the category most relevant to the Group and the Company. After initial recognition, interest bearing financings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to profit rate financings.

##### (iii) Effective interest method

Amortised cost was computed using the effective interest method. This method used effective interest rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial instrument. Amortised cost takes into account any transaction costs and any discount or premium on settlement.



## Notes to the Financial Statements

31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### 2.9 Impairment

##### (i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original Effective Interest Rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is past due.

The Group and the Company consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security.





## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.9 Impairment (continued)

#### (ii) Other assets

The carrying amounts of other assets, other than inventories, deferred tax assets and non-current assets or disposal groups classify as held for sale, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

A cash-generating unit is the smallest identifiable asset group that generates cash flows from continuing use that are largely independent from other assets and groups. An impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less cost to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed in the subsequent period. In respect of other assets, impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are credited to the profit or loss in the year in which the reversals are recognised.

### 2.10 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, deposits with licensed financial institutions and highly liquid investments which have an insignificant risk of changes in fair value and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and deposits restricted as they are considered an integral part of the Group's cash management, if any.

### 2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of material stores and spares consists of the invoiced value from suppliers and import duty charges and is determined on a weighted average basis.

### 2.12 Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.



## Notes to the Financial Statements

31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### 2.13 Employee benefits

##### (i) Short term benefits

Wages and salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company.

##### (ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

Such contributions are recognised as an expense in the profit or loss as incurred.

#### 2.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent it relates to a business combination or items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

##### (i) Current tax

Current tax expense is the expected tax payable on the taxable income for the year, using the statutory tax rates at the reporting date, and any adjustment to tax payable in respect of previous years.

##### (ii) Deferred tax

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities where they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the future taxable profit will be available against which the related tax benefit can be realised.

Deferred tax provided for the investment properties is at 10% which reflects the expected manner of recovery of the investment properties through sale.

The expected manner of recovery of the Group's other investment properties that are not within KLCC REIT is through sale to a real estate investment trust ("REIT"). No deferred tax is recognised on the fair valuation of these properties as chargeable gains accruing on the disposal of any chargeable assets to a REIT is tax exempted.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.15 Foreign currency transactions

In preparing the financial statements of individual entities in the Group, transactions in currencies other than the entity's functional currency ("foreign currencies") are translated to the functional currencies at rates of exchange ruling on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date have been retranslated to the functional currency at rates ruling on the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies, which are measured at fair value, are retranslated to the functional currency at the foreign exchange rates ruling at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

The principal exchange rates used for each respective unit of foreign currency ruling at the reporting date are as follows:

	2024 RM	2023 RM
United States Dollar	4.48	4.60

### 2.16 Revenue

#### (i) Rental income

Rental income is recognised based on the accrual basis unless collection is in doubt, in which case it is recognised on the receipt basis.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation.

Contingent rent such as turnover rent is recognised as income in the profit or loss on an accrual basis.

#### (ii) Others

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group or the Company recognises revenue when or as it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

Performance obligation by categories are as follows:

##### (a) Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established.

##### (b) Hotel operations

Revenue from rental of spaces of events, hotel rooms, sale of food and beverage and other related income is recognised upon provision of the services.



## Notes to the Financial Statements

31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### 2.16 Revenue (continued)

##### (ii) Others (continued)

##### (c) Revenue from management fees

Revenue from management fees is recognised when the services are performed. The revenue comprises of:

##### (i) Building and facilities management services

Revenue from buildings and facilities management services is recognised when the services are performed.

##### (ii) Car park operations

Revenue from car park operations is recognised on the accrual basis.

##### (d) Interest/profit income

Interest/profit income is recognised on an accrual basis using the effective interest method.

#### 2.17 Financing Costs

Financing costs comprise interest payable on borrowings and profit share margin on Islamic Financing Facilities, as well as accretion in provision due to the passage of time. All other financing costs are charged to the profit or loss as an expense in the year in which they are incurred.

#### 2.18 Operating segments

An operating segment is a component of the Group and of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's and the Company's other components, and for which discrete financial information is available.

An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors, to make decisions about resources to be allocated to the segment and to assess its performance.

#### 2.19 Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

##### (i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. Where fair value cannot be reliably estimated, assets are carried at cost less impairment losses, if any.

##### (ii) Non-financial assets

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.





## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.19 Fair value measurement (continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

### 2.20 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

#### Ordinary shares

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

#### Transaction costs

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

### 2.21 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products.
- Fair value measurement. For investment properties and revalued office properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of buildings due to climate related legislation and regulations as tenants' increasing demands for low-emission buildings.



## Notes to the Financial Statements

31 December 2024

### 3. PROPERTY, PLANT AND EQUIPMENT

Group	Lands and buildings* RM'000	Project in progress RM'000	Furniture and fittings RM'000	Plant and equipment RM'000	Office equipment RM'000	Motor vehicles RM'000	Crockery, linen and utensils RM'000	Total RM'000
<b>Cost</b>								
At 1 January 2024	634,748	5,209	160,904	198,231	93,828	1,137	10,312	1,104,369
Additions	220	6,508	12,830	489	2,219	9	–	22,275
Transfer within property, plant and equipment	407	(8,285)	5,850	1,284	744	–	–	–
Disposals	(158)	–	(4,154)	(39)	(2,933)	–	(118)	(7,402)
Write off	(71)	–	(1,668)	–	(1,481)	–	–	(3,220)
At 31 December 2024	635,146	3,432	173,762	199,965	92,377	1,146	10,194	1,116,022
<b>Accumulated Depreciation</b>								
At 1 January 2024	159,080	–	132,543	168,657	84,901	1,113	10,312	556,606
Charge for the year (Note 17)	7,583	–	8,471	9,242	3,654	27	–	28,977
Disposals	(158)	–	(3,715)	(35)	(2,933)	–	(118)	(6,959)
Write off	(71)	–	(1,629)	–	(1,481)	–	–	(3,181)
At 31 December 2024	166,434	–	135,670	177,864	84,141	1,140	10,194	575,443
<b>Net Carrying Amount</b>	<b>468,712</b>	<b>3,432</b>	<b>38,092</b>	<b>22,101</b>	<b>8,236</b>	<b>6</b>	<b>–</b>	<b>540,579</b>
<b>Cost</b>								
At 1 January 2023	634,555	7,641	158,952	196,907	87,302	1,137	10,312	1,096,806
Additions	166	2,530	2,559	760	2,377	–	–	8,392
Transfer within property, plant and equipment	166	(4,962)	70	564	4,162	–	–	–
Reclassification	(139)	–	139	–	–	–	–	–
Disposals	–	–	(816)	–	(13)	–	–	(829)
At 31 December 2023	634,748	5,209	160,904	198,231	93,828	1,137	10,312	1,104,369
<b>Accumulated Depreciation</b>								
At 1 January 2023	151,916	–	124,317	158,271	80,024	1,038	10,311	525,877
Charge for the year (Note 17)	7,164	–	8,943	10,386	4,890	75	1	31,459
Disposals	–	–	(717)	–	(13)	–	–	(730)
At 31 December 2023	159,080	–	132,543	168,657	84,901	1,113	10,312	556,606
<b>Net Carrying Amount</b>	<b>475,668</b>	<b>5,209</b>	<b>28,361</b>	<b>29,574</b>	<b>8,927</b>	<b>24</b>	<b>–</b>	<b>547,763</b>

**3. PROPERTY, PLANT AND EQUIPMENT (continued)**

\*Land and buildings

Group	Freehold land RM'000	Hotel building RM'000	Renovation RM'000	Building improvements RM'000	Total RM'000
<b>Cost</b>					
At 1 January 2024	85,889	389,797	20,844	138,218	634,748
Additions	–	–	220	–	220
Transfer within property, plant and equipment	–	–	407	–	407
Disposals	–	(158)	–	–	(158)
Write off	–	–	(71)	–	(71)
At 31 December 2024	85,889	389,639	21,400	138,218	635,146
<b>Accumulated Depreciation</b>					
At 1 January 2024	–	96,096	20,027	42,957	159,080
Charge for the year	–	5,531	628	1,424	7,583
Disposals	–	(158)	–	–	(158)
Write off	–	–	(71)	–	(71)
At 31 December 2024	–	101,469	20,584	44,381	166,434
<b>Net Carrying Amount</b>	<b>85,889</b>	<b>288,170</b>	<b>816</b>	<b>93,837</b>	<b>468,712</b>
<b>Cost</b>					
At 1 January 2023	85,889	389,797	20,512	138,357	634,555
Additions	–	–	166	–	166
Transfer within property, plant and equipment	–	–	166	–	166
Reclassification	–	–	–	(139)	(139)
At 31 December 2023	85,889	389,797	20,844	138,218	634,748
<b>Accumulated Depreciation</b>					
At 1 January 2023	–	90,682	19,795	41,439	151,916
Charge for the year	–	5,414	232	1,518	7,164
At 31 December 2023	–	96,096	20,027	42,957	159,080
<b>Net Carrying Amount</b>	<b>85,889</b>	<b>293,701</b>	<b>817</b>	<b>95,261</b>	<b>475,668</b>

Property, plant and equipment of a subsidiary at carrying amount of RM529,393,000 (2023: RM526,351,000) has been pledged as securities for loan facilities as disclosed in Note 13(c).



## Notes to the Financial Statements

31 December 2024

### 3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Renovation RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
<b>Cost</b>					
At 1 January 2024	7,223	2,364	8	1,865	11,460
Additions	–	–	9	2	11
At 31 December 2024	7,223	2,364	17	1,867	11,471
<b>Accumulated Depreciation</b>					
At 1 January 2024	7,160	2,361	8	1,863	11,392
Charge for the year (Note 17)	53	1	2	4	60
At 31 December 2024	7,213	2,362	10	1,867	11,452
<b>Net Carrying Amount</b>	<b>10</b>	<b>2</b>	<b>7</b>	<b>–</b>	<b>19</b>
<b>Cost</b>					
At 1 January 2023/ 31 December 2023	7,223	2,364	8	1,865	11,460
<b>Accumulated Depreciation</b>					
At 1 January 2023	7,107	2,352	8	1,846	11,313
Charge for the year (Note 17)	53	9	–	17	79
At 31 December 2023	7,160	2,361	8	1,863	11,392
<b>Net Carrying Amount</b>	<b>63</b>	<b>3</b>	<b>–</b>	<b>2</b>	<b>68</b>

### 4. INVESTMENT PROPERTIES

Group	Completed investment properties RM'000	IPUC land at fair value RM'000	IPUC at cost RM'000	Total RM'000
At 1 January 2024	15,338,046	477,300	137,768	15,953,114
Additions	12,760	–	–	12,760
Write off	(75)	–	–	(75)
Fair value adjustments	234,031	700	–	234,731
At 31 December 2024	15,584,762	478,000	137,768	16,200,530
At 1 January 2023	15,121,012	464,000	137,768	15,722,780
Additions	8,420	–	–	8,420
Fair value adjustments	208,614	13,300	–	221,914
At 31 December 2023	15,338,046	477,300	137,768	15,953,114





#### 4. INVESTMENT PROPERTIES (continued)

The following investment properties are held under lease terms:

	Group	
	2024 RM'000	2023 RM'000
Completed investment property	451,000	451,000
IPUC land at fair value	188,000	187,300
IPUC at cost	115,000	115,000
	<b>754,000</b>	753,300

The investment properties are stated at fair value, which have been determined based on valuations performed by independent professional valuers. There are no material events that affect the valuation between the valuation date and financial year end. The valuation methods used in determining the valuations are the investment method, residual method and comparison method. During the financial year, the Group has recognised a total fair value gain of RM234,731,000 (2023: RM221,914,000).

IPUC is measured at cost until the earlier of the date of construction is completed or the date at which the fair value becomes reliably determinable.

Consequently, there was no impairment loss recognised on the IPUC during the current and previous financial years.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2024 RM'000	2023 RM'000
Rental income	1,134,680	1,098,625
Direct operating expenses of income generating investment properties	(106,003)	(104,683)
	<b>1,028,677</b>	993,942

#### Fair value information

Fair value of investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2024</b>				
– Office properties	–	–	9,485,036	9,485,036
– Retail properties	–	–	6,287,726	6,287,726
– Land	–	–	290,000	290,000
	–	–	<b>16,062,762</b>	<b>16,062,762</b>
<b>2023</b>				
– Office properties	–	–	9,402,938	9,402,938
– Retail properties	–	–	6,122,408	6,122,408
– Land	–	–	290,000	290,000
	–	–	15,815,346	15,815,346



## Notes to the Financial Statements

31 December 2024

### 4. INVESTMENT PROPERTIES (continued)

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can assess at the measurement date.

#### Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly or indirectly.

#### Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

#### Transfer between Level 1, 2 and 3 fair values

There is no transfer between Level 1, 2 and 3 fair values during the financial year.

The following table shows a reconciliation of Level 3 fair values:

	2024 RM'000	2023 RM'000
Valuation per valuers' report	16,259,000	16,086,300
Less: Accrued rental income	(196,238)	(270,954)
	<b>16,062,762</b>	15,815,346
Adjusted valuation on 1 January	<b>15,815,346</b>	15,585,012
Additions	<b>12,760</b>	8,420
Write off	<b>(75)</b>	–
Gain on fair value adjustments of investment properties	<b>234,731</b>	221,914
At 31 December	<b>16,062,762</b>	15,815,346

**4. INVESTMENT PROPERTIES (continued)**

Valuation technique	Significant unobservable inputs	Range		Inter-relationship between significant unobservable inputs and fair value measurement
		2024	2023	
Investment method (refer a)	<b>Office:</b>			The estimated fair value would increase/(decrease) if:
	– Market rental rate (RM/psf/month)			
	– Term	<b>4.95 – 12.99</b>	4.95 – 12.99	– expected market rental growth was higher/(lower)
	– Reversion	<b>6.33 – 13.50</b>	6.19 – 13.30	– expected market rental growth was higher/(lower)
	– Outgoings (RM/psf/month)			
	– Term	<b>2.85</b>	2.80	– expected inflation rate was lower/(higher)
	– Reversion	<b>2.37 – 3.05</b>	2.33 – 2.80	– expected inflation rate was lower/(higher)
	– Void rate (%)	<b>5.00 – 12.50</b>	5.00 – 12.50	– void rate was lower/(higher)
	– Term yield (%)	<b>5.50 – 6.50</b>	5.75 – 6.50	– term yield rate was lower/(higher)
	– Reversionary yield (%)	<b>5.75 – 7.00</b>	6.00 – 7.00	– reversionary yield was lower/(higher)
	– Discount rate (%)	<b>5.50 – 7.00</b>	5.75 – 7.00	– discount rate was lower/(higher)
	<b>Retail:</b>			
	– Market rental rate (RM/psf/month)			
	– Term	<b>3.00 – 432.73</b>	3.00 – 432.14	– expected market rental growth was higher/(lower)
	– Reversion	<b>3.00 – 432.73</b>	3.00 – 419.74	– expected market rental growth was higher/(lower)
	– Outgoings (RM/psf/month)			
	– Term	<b>7.09 – 7.85</b>	6.80 – 7.20	– expected inflation rate was lower/(higher)
– Reversion	<b>7.48 – 7.85</b>	6.80 – 7.56	– expected inflation rate was lower/(higher)	
– Void rate (%)	<b>5.00 – 8.00</b>	5.00 – 8.00	– void rate was lower/(higher)	
– Term yield (%)	<b>6.25</b>	6.25 – 6.50	– term yield rate was lower/(higher)	
– Reversionary yield (%)	<b>6.50 – 7.50</b>	6.50 – 7.00	– reversionary yield was lower/(higher)	
– Discount rate (%)	<b>6.25 – 7.50</b>	6.25 – 7.00	– discount rate was lower/(higher)	
Comparison method (refer b)	Adjustment factors to prices of comparable properties	<b>-19% – 25%</b>	-50% – 15%	The estimated fair value would increase/(decrease) if: – expected market growth was higher/(lower) – expected size of land was higher/(lower)

(a) Investment method entails the capitalisation of the net rent from a property. Net rent is the residue of gross annual rent less annual expenses (outgoings) required to sustain the rent with allowance for void and management fees.

(b) Under the comparison method, a property's fair value is estimated based on the comparable transactions.

**Valuation processes applied by the Group for Level 3 fair value**

The fair value of investment properties is determined by independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent professional valuers provide the fair value of the Group's investment properties portfolio annually. Changes in Level 3 fair values are analysed by the management annually after obtaining the valuation report from the independent professional valuers.



## Notes to the Financial Statements

31 December 2024

### 5. INVESTMENT IN SUBSIDIARIES

	Note	Company	
		2024 RM'000	2023 RM'000
Investment at cost			
– unquoted shares	(i)	<b>6,486,140</b>	4,530,109
Discount on loans to subsidiaries		<b>196,314</b>	196,314
Effects of conversion of amounts due from subsidiaries to investment	(ii)	<b>724,242</b>	724,233
Less: Capital reduction		<b>(780,916)</b>	(780,916)
Less: Write-down in value	(iii)	<b>(3,296,954)</b>	(3,296,954)
Less: Impairment loss	(iv)	<b>(990)</b>	(990)
		<b>3,327,836</b>	1,371,796

#### (i) Acquisition of the remaining 40% NCI in Suria KLCC Sdn Bhd

During the year, KLCCP has acquired the remaining 40% equity interest in Suria KLCC Sdn Bhd for a total consideration of RM1,950 million by way of Sukuk Wakalah financing as disclosed in Note 13(b). Suria KLCC Sdn Bhd has become a wholly owned subsidiary of KLCCP.

#### (ii) Effects of conversion of amount due from subsidiaries to investment

During the year, a subsidiary, Arena Johan Sdn Bhd has issued ordinary shares to the Company to settle its amount due to the Company.

#### (iii) Write-down in value

The investments in certain subsidiaries have been adjusted to their recoverable amount subsequent to the disposal of their assets and liabilities to KLCC REIT.

#### (iv) Impairment review of cost of investment in subsidiaries

An impairment review of the carrying amount of investment in subsidiaries at the reporting date was undertaken by comparing it to respective recoverable amount. No additional impairment was recognised during the current and previous financial year.



**5. INVESTMENT IN SUBSIDIARIES (continued)**

Companies incorporated in Malaysia	Effective ownership interest and voting interest		Principal activities
	2024 %	2023 %	
<b>Name of subsidiaries</b>			
<b>Subsidiaries of the Company</b>			
Suria KLCC Sdn Bhd ("SKSB")	<b>100</b>	60	Ownership and management of a shopping centre and provision of business management services
Asas Klasik Sdn Bhd ("AKSB")	<b>75</b>	75	Property investment in a hotel
Arena Johan Sdn Bhd ("AJSB")	<b>100</b>	100	Inactive
KLCC Parking Management Sdn Bhd ("KPM")	<b>100</b>	100	Management of car park operations
KLCC Urusharta Sdn Bhd ("KLCCUH")	<b>100</b>	100	Facilities management
Kompleks Dayabumi Sdn Bhd ("KDSB")	<b>100</b>	100	Property investment
Midciti Resources Sdn Bhd ("MRSB")	<b>100</b>	100	Inactive
Impian Cemerlang Sdn Bhd ("ICSB")	<b>100</b>	100	Property investment
Arena Merdu Sdn Bhd ("AMSB")	<b>100</b>	100	Inactive
KLCC REIT Management Sdn Bhd ("KLCC REIT Management")	<b>100</b>	100	Management of a real estate investment trust
KLCC REIT	<b>*</b>	*	To invest in a Shariah compliant portfolio or real estate assets and real estate related assets
<b>Subsidiary of KLCC REIT</b>			
Midciti Sukuk Berhad ("MSB")*	<b>100</b>	100	To act as a special-purpose company for the purpose of raising Islamic financing for KLCC REIT

\* Whilst the Group has no ownership interests in KLCC REIT, the Directors have deemed it to be a subsidiary as:

- (i) the Group exercises power over KLCC REIT by virtue of its control over KLCC REIT Management, the manager of KLCC REIT; and
- (ii) KLCC REIT units are stapled to the ordinary shares of the Company such that the shareholders of the Company are exposed to variable returns from its involvement with KLCC REIT and the Group has the ability to affect those returns through its power over KLCC REIT.



## Notes to the Financial Statements

31 December 2024

### 5. INVESTMENT IN SUBSIDIARIES (continued)

#### NCI in subsidiaries

	2024			Total RM'000
	KLCC REIT 100.00% RM'000	SKSB* 0.00% RM'000	AKSB 25.00% RM'000	
<b>NCI percentage ownership interest and voting interest</b>				
Carrying amount of NCI	8,106,723	–	33,031	8,139,754
Profit allocated to NCI	518,319	39,337	1,353	559,009
Dividend paid to NCI	(482,565)	(31,433)	–	(513,998)

#### Summarised financial information before intra-group elimination

	KLCC REIT RM'000
<b>As at 31 December</b>	
Non-current assets – Investment properties	9,353,707
Non-current assets – Others	176,543
Current assets	195,817
Non-current liabilities	(1,569,840)
Current liabilities	(49,504)
Net assets	8,106,723
<b>Year ended 31 December</b>	
Revenue	579,031
Profit for the year, representing total comprehensive income	518,319
Cash flows generated from operating activities	595,328
Cash flows used in investing activities	(57,306)
Cash flows used in financing activities	(540,135)
Net decrease in cash and cash equivalents	(2,113)

\* Relates to results for the period ended 23 April 2024 prior to the acquisition of NCI.

**5. INVESTMENT IN SUBSIDIARIES (continued)****NCI in subsidiaries (continued)**

	2023			Total RM'000
	KLCC REIT 100.00% RM'000	SKSB 40.00% RM'000	AKSB 25.00% RM'000	
<b>NCI percentage ownership interest and voting interest</b>				
Carrying amount of NCI	8,070,969	2,017,792	32,558	10,121,319
Profit allocated to NCI	534,632	134,229	859	669,720
Dividend paid to NCI	(482,024)	(120,267)	–	(602,291)

**Summarised financial information before intra-group elimination**

	KLCC REIT RM'000	SKSB RM'000
<b>As at 31 December</b>		
Non-current assets – Investment properties	9,271,852	5,615,193
Non-current assets – Others	256,593	18,898
Current assets	146,132	186,154
Non-current liabilities	(1,097,163)	(78,561)
Current liabilities	(506,445)	(713,550)
Net assets	8,070,969	5,028,134
<b>Year ended 31 December</b>		
Revenue	582,169	488,403
Profit for the year, representing total comprehensive income	534,632	335,571
Cash flows generated from operating activities	572,327	327,708
Cash flows used in investing activities	(420)	(4,401)
Cash flows used in financing activities	(540,988)	(329,898)
Net increase/(decrease) in cash and cash equivalents	30,919	(6,591)

**Reconciliation of net assets to carrying amount as at 31 December**

2023	SKSB RM'000
Group's share of net assets	2,011,254
Adjustment	6,538
Carrying amount in the statement of financial position	2,017,792



## Notes to the Financial Statements

31 December 2024

### 6. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares at cost	99,195	99,195	99,195	99,195
Share of post-acquisition reserves	169,242	167,492	–	–
	<b>268,437</b>	266,687	<b>99,195</b>	99,195

Companies incorporated in Malaysia	Effective ownership interest and voting interest		Principal Activities
	2024 %	2023 %	
<b>Name of associate</b>			

#### Associates of the Company

Impian Klasik Sdn Bhd ("IKSB")*	33	33	Property investment
---------------------------------	----	----	---------------------

\* Audited by a firm of auditors other than Ernst & Young PLT.

Summary of financial information on associate:

	2024 RM'000	2023 RM'000
<b>Assets and liabilities</b>		
Non-current assets	807,139	799,390
Current assets	9,254	11,566
Non-current liabilities	(95,460)	(95,489)
Current liabilities	(2,489)	(2,324)
Net assets	<b>718,444</b>	713,143
<b>Results</b>		
Revenue	57,554	57,554
Profit for the year, representing total comprehensive income	<b>43,300</b>	43,044
<b>Reconciliation of net assets to carrying amount as at 31 December</b>		
Group's share of net assets	237,087	235,337
Goodwill	31,350	31,350
Carrying amount in the statement of financial position	<b>268,437</b>	266,687
Group's share of profit from continuing operations	<b>14,290</b>	14,204
<b>Other information</b>		
Dividend received	<b>12,540</b>	12,540



**7. TRADE AND OTHER RECEIVABLES**

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current</b>					
Accrued rental income		<b>196,238</b>	270,954	–	–
<b>Current</b>					
Trade receivables		<b>10,286</b>	15,296	–	–
Other receivables and deposits		<b>14,222</b>	20,371	<b>696</b>	5,280
Amount due from:					
Ultimate holding company		<b>1,441</b>	1,499	–	–
Immediate holding company		<b>53,485</b>	48,544	<b>1,003</b>	–
Subsidiaries		–	–	<b>1,606</b>	1,510
Related companies		<b>11,695</b>	14,669	<b>2,925</b>	4,773
		<b>91,129</b>	100,379	<b>6,230</b>	11,563
Less: Impairment loss		<b>(4,458)</b>	(6,197)	–	–
		<b>86,671</b>	94,182	<b>6,230</b>	11,563
Total trade and other receivables		<b>282,909</b>	365,136	<b>6,230</b>	11,563
Add: Cash and bank balances	10	<b>1,360,879</b>	1,192,076	<b>742,127</b>	684,703
Less: Accrued rental income	4	<b>(196,238)</b>	(270,954)	–	–
Less: Prepayments		<b>(1,990)</b>	(4,113)	<b>(16)</b>	(158)
Total financial assets carried at amortised cost		<b>1,445,560</b>	1,282,145	<b>748,341</b>	696,108

Amounts due from subsidiaries, ultimate holding company, immediate holding company and related companies arose in the normal course of business are unsecured, non-interest bearing and repayable on demand.

**8. DEFERRED TAX**

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January		<b>61,337</b>	52,518	<b>(829)</b>	(1,437)
Recognised in profit or loss	21	<b>14,886</b>	8,819	<b>(443)</b>	608
At 31 December		<b>76,223</b>	61,337	<b>(1,272)</b>	(829)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.



## Notes to the Financial Statements

31 December 2024

### 8. DEFERRED TAX (continued)

Deferred tax assets and liabilities are attributable to the following:

Recognised deferred tax (assets)/liabilities

	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Group</b>						
Property, plant and equipment	(826)	(417)	77,222	71,242	76,396	70,825
Investment properties	–	–	58,710	50,874	58,710	50,874
Lease liabilities	(362)	(609)	–	–	(362)	(609)
Right-of-use assets	–	–	354	594	354	594
Unused tax losses	–	(721)	–	–	–	(721)
Unabsorbed capital allowances	(20,037)	(20,837)	–	–	(20,037)	(20,837)
Unused investment tax allowances	(37,815)	(37,815)	–	–	(37,815)	(37,815)
Provisions	(4,689)	(4,526)	–	–	(4,689)	(4,526)
Others	(1,131)	(16)	4,797	3,568	3,666	3,552
	<b>(64,860)</b>	<b>(64,941)</b>	<b>141,083</b>	<b>126,278</b>	<b>76,223</b>	<b>61,337</b>
<b>Company</b>						
Property, plant and equipment	(2)	–	–	14	(2)	14
Provisions	(1,270)	(843)	–	–	(1,270)	(843)
	<b>(1,272)</b>	<b>(843)</b>	<b>–</b>	<b>14</b>	<b>(1,272)</b>	<b>(829)</b>

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets	(2,791)	(1,513)
Deferred tax liabilities	79,014	62,850
	<b>76,223</b>	<b>61,337</b>

**8. DEFERRED TAX (continued)**

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group	At 1.1.2024 RM'000	Credited/ (Charged) to profit or loss RM'000	At 31.12.2024 RM'000
<b>Deferred tax liabilities</b>			
Property, plant and equipment	70,825	5,571	76,396
Investment properties	50,874	7,836	58,710
Others	4,146	989	5,135
	<b>125,845</b>	<b>14,396</b>	<b>140,241</b>
<b>Deferred tax assets</b>			
Unused tax losses	(721)	721	–
Unabsorbed capital allowances	(20,837)	800	(20,037)
Unused investment tax allowances	(37,815)	–	(37,815)
Others	(5,135)	(1,031)	(6,166)
	<b>(64,508)</b>	<b>490</b>	<b>(64,018)</b>
	<b>61,337</b>	<b>14,886</b>	<b>76,223</b>

Group	At 1.1.2023 RM'000	Credited/ (Charged) to profit or loss RM'000	At 31.12.2023 RM'000
<b>Deferred tax liabilities</b>			
Property, plant and equipment	70,689	136	70,825
Investment properties	41,554	9,320	50,874
Others	3,618	528	4,146
	115,861	9,984	125,845
<b>Deferred tax assets</b>			
Unused tax losses	(876)	155	(721)
Unabsorbed capital allowances	(20,048)	(789)	(20,837)
Unused investment tax allowances	(37,815)	–	(37,815)
Others	(4,604)	(531)	(5,135)
	(63,343)	(1,165)	(64,508)
	52,518	8,819	61,337



## Notes to the Financial Statements

31 December 2024

### 8. DEFERRED TAX (continued)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (continued)

Company	At 1.1.2024 RM'000	Charged to profit or loss RM'000	At 31.12.2024 RM'000
<b>Deferred tax liabilities</b>			
Property, plant and equipment	14	(16)	(2)
<b>Deferred tax assets</b>			
Others	(843)	(427)	(1,270)
	<b>(829)</b>	<b>(443)</b>	<b>(1,272)</b>

Company	At 1.1.2023 RM'000	Credited/ (Charged) to profit or loss RM'000	At 31.12.2023 RM'000
<b>Deferred tax liabilities</b>			
Property, plant and equipment	15	(1)	14
Others	93	(93)	–
	108	(94)	14
<b>Deferred tax assets</b>			
Unused tax losses	(155)	155	–
Unabsorbed capital allowances	(22)	22	–
Others	(1,368)	525	(843)
	(1,545)	702	(843)
	<b>(1,437)</b>	<b>608</b>	<b>(829)</b>

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 RM'000	2023 RM'000
Unutilised tax loss	70,667	67,663
Year of expiry is analysed as follows:		
Expired by 2028	2,997	2,997
Expired by 2030	32,771	32,771
Expired by 2031	34,899	31,895
	<b>70,667</b>	<b>67,663</b>

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits. In accordance with the provision of Malaysian Finance Act 2021 requirement, the utilisation of unused tax losses will be limited to ten years with effect from year of assessment 2019.





## 9. INVENTORIES

The inventories comprise general merchandise and operating supplies, and are stated at cost.

## 10. CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash with PETRONAS Integrated Financial Shared Services Centre	<b>924,390</b>	836,772	<b>742,013</b>	684,688
Cash and bank balances	<b>16,897</b>	6,868	<b>114</b>	15
Deposits with licensed banks	<b>419,592</b>	348,436	<b>–</b>	–
	<b>1,360,879</b>	1,192,076	<b>742,127</b>	684,703
Less: Deposits restricted	<b>(2,193)</b>	(2,406)	<b>–</b>	–
Less: Deposits with tenure of more than 3 months	<b>(226,991)</b>	(199,247)	<b>–</b>	–
Cash and cash equivalents	<b>1,131,695</b>	990,423	<b>742,127</b>	684,703

The Group's and the Company's cash and bank balances are held in the In-House Account ("IHA") managed by PETRONAS Integrated Financial Shared Service Centre ("IFSSC") to enable more efficient cash management for the Group and the Company.

Included in cash with IFSSC and cash and bank balances of the Group and of the Company are interest bearing balances amounting to RM932,080,000 (2023: RM839,111,000) and RM742,122,000 (2023: RM684,698,000) respectively.

Included in deposits restricted are monies held on behalf of clients held in designated accounts, which represent cash calls less payments in the course of rendering building and facilities management services on behalf of clients.

The weighted average effective interest/profit rates applicable to the deposits with licensed banks of the Group is 3.93% per annum (2023: 3.99% per annum).

Deposits with licensed banks of the Group have an average maturity of 82 days (2023: 73 days).

## 11. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2024 Unit'000	2023 Unit'000	2024 RM'000	2023 RM'000
<b>Issued and fully paid:</b>				
<b>Ordinary shares</b>				
At the beginning/end of the year	<b>1,805,333</b>	1,805,333	<b>1,823,386</b>	1,823,386

### Stapled security:

Stapled security means one ordinary share in the Company stapled to one unit in KLCC REIT ("Unit"). Holders of KLCCP Stapled Group securities are entitled to receive distributions and dividends declared from time to time and are entitled to one vote per stapled security at Shareholders' and Unitholders' meetings.



## Notes to the Financial Statements

31 December 2024

### 12. RESERVES

#### Retained profits

As at 31 December 2024, the Company may distribute the entire balance of the retained profits under the single-tier system.

#### Capital reserve

Fair value adjustments on investment property are transferred from retained profits to capital reserve and such surplus will be considered distributable upon the sale of investment properties.

### 13. FINANCINGS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current</b>				
<b>Secured:</b>				
Sukuk Murabahah				
– KLCC REIT	<b>1,355,000</b>	900,000	–	–
– Other subsidiary	<b>599,672</b>	–	–	–
Sukuk Wakalah	<b>1,949,597</b>	–	<b>1,949,597</b>	–
Term loans	–	388,182	–	–
Lease liabilities	<b>896</b>	1,390	–	–
Total non-current secured financings	<b>3,905,165</b>	1,289,572	<b>1,949,597</b>	–
<b>Total non-current financings</b>	<b>3,905,165</b>	1,289,572	<b>1,949,597</b>	–
<b>Current</b>				
<b>Secured:</b>				
Sukuk Murabahah				
– KLCC REIT	<b>5,537</b>	461,422	–	–
– Other subsidiary	–	600,000	–	–
Sukuk Wakalah	<b>17,197</b>	–	<b>17,197</b>	–
Term loans	<b>388,451</b>	11,867	–	–
Lease liabilities	<b>1,117</b>	1,311	–	–
Total current secured financings	<b>412,302</b>	1,074,600	<b>17,197</b>	–
<b>Total current financings</b>	<b>412,302</b>	1,074,600	<b>17,197</b>	–
<b>Total financings</b>	<b>4,317,467</b>	2,364,172	<b>1,966,794</b>	–
<b>Total financings which are secured, comprise:</b>				
Sukuk Murabahah (a)	<b>1,960,209</b>	1,961,422	–	–
Sukuk Wakalah (b)	<b>1,966,794</b>	–	<b>1,966,794</b>	–
Term loans (c)	<b>388,451</b>	400,049	–	–
Lease liabilities	<b>2,013</b>	2,701	–	–
	<b>4,317,467</b>	2,364,172	<b>1,966,794</b>	–

**13. FINANCINGS (continued)****Terms and debt repayment schedule**

	Group				
	Total RM'000	Under 1 year RM'000	1 – 2 years RM'000	3 – 5 years RM'000	Over 5 years RM'000
<b>2024</b>					
<b>Secured</b>					
Sukuk Murabahah	1,960,209	5,537	500,000	–	1,454,672
Sukuk Wakalah	1,966,794	17,197	–	1,949,597	–
Term loans	388,451	388,451	–	–	–
Lease liabilities	2,013	1,117	330	566	–
	<b>4,317,467</b>	<b>412,302</b>	<b>500,330</b>	<b>1,950,163</b>	<b>1,454,672</b>
<b>2023</b>					
<b>Secured</b>					
Sukuk Murabahah	1,961,422	1,061,422	–	500,000	400,000
Term loans	400,049	11,867	388,182	–	–
Lease liabilities	2,701	1,311	824	566	–
	2,364,172	1,074,600	389,006	500,566	400,000
	Company				
	Total RM'000	Under 1 year RM'000	1 – 2 years RM'000	3 – 5 years RM'000	Over 5 years RM'000
<b>2024</b>					
<b>Secured</b>					
Sukuk Wakalah	1,966,794	17,197	–	1,949,597	–

**(a) Sukuk Murabahah**

Sukuk Murabahah consists of Islamic Commercial Programme (“ICP”) of up to RM500 million and Islamic medium term notes (“IMTN”) of up to RM3 billion subject to a combined limit of RM3 billion. It is primarily secured against assignment and charge over the Finance Service Account and Revenue Account maintained by the REIT Trustee.

The Group paid its RM455 million Sukuk Murabahah upon maturity on 25 April 2024 and on the same date issued RM455 million of Sukuk Murabahah with a profit rate of 4.19% per annum, maturing on 25 April 2034. Details of the drawdown that are outstanding as at year end are as follows:

Tenure	Value (RM)	Profit rate	Maturity
7 years	500,000,000	4.20%	25 April 2026
10 years	400,000,000	4.00%	23 April 2031
10 years	455,000,000	4.19%	25 April 2034

The profit rate is payable semi-annually.



## Notes to the Financial Statements

31 December 2024

### 13. FINANCINGS (continued)

#### (a) Sukuk Murabahah (continued)

Another subsidiary of the Group also successfully issued Sukuk Murabahah amounting to RM600 million on 31 December 2024. The Series 2 of Sukuk Murabahah Programme is upsize of up to RM2 billion limit in nominal value. The proceeds from the issuance of Sukuk Murabahah are utilised for redemption of the first issuance of RM600 million made on 31 December 2014 with the maturity date of 31 December 2024. RM600 million has been drawdown at the profit rate of 4.00% per annum and maturing on 29 June 2035.

The profit rate is payable semi-annually.

#### (b) Sukuk Wakalah

On 5 April 2024, the Group successfully issued its first issuance of Sukuk Wakalah amounting to an aggregate of RM1,950 million in nominal value pursuant to the Sukuk Wakalah Programme.

The Sukuk Wakalah Programme shall have a perpetual tenure and allows for the issuance of Sukuk Wakalah from time to time, provided that the aggregate outstanding nominal value of Sukuk Wakalah does not exceed the Sukuk Wakalah Programme's size of RM5 billion at any one time. Details of the drawdown that are outstanding as at year end are as follows:

Tenure	Value (RM)	Profit rate	Maturity
3 years	900,000,000	3.73%	5 April 2027
4 years	600,000,000	3.81%	5 April 2028
5 years	450,000,000	3.85%	5 April 2029

The profit rate is payable semi-annually.

#### (c) Term loans

On 27 May 2015, a subsidiary of the Group entered into a Supplemental Agreement with Public Bank Berhad to restructure the term loan with an aggregate sum of RM378 million, comprising the following:

Type of Facilities	Revised Principal Limit (RM'000)
Term Loan Facility 1	239,540
Term Loan Facility 2	138,460

The term loans are repayable at RM7.5 million per annum for 7 years commencing on the 3rd year with the final bullet payment of the remainder in the final year.

Type of Facilities	Revised Principal Limit (RM'000)
Term Loan Facility 3	102,000

Term loan facility 3 was approved on 25 May 2016. The subsidiary has utilised RM78 million from the total facility of RM102 million.

The term loan facility 3 is repayable by way of 6 annual principal repayments of RM2.5 million each commencing on the 3rd year with one final principal payment of the remainder sum in the final year.

The term loan is secured by way of a fixed charge over the hotel property as well as debenture covering all fixed and floating assets of the hotel property as disclosed in Note 3.

The loan bears an interest rate of 4.70% per annum (2023: 5.38% per annum).

The RM388 million term loan facilities are expected to mature on 28 May 2025 and 2 June 2025 respectively.

Other information on financial risks of financings are disclosed in Note 27.



**13. FINANCINGS (continued)****Reconciliation of movement of liabilities to cash flows arising from financing activities**

Group	Liabilities						
	Sukuk Wakalah RM'000	Sukuk Murabahah RM'000	Term loans RM'000	Lease liabilities RM'000	Dividend paid RM'000	Other* RM'000	Total RM'000
<b>Balance at 1 January 2024</b>	–	1,961,422	400,049	2,701	–	–	2,364,172
<b>Changes from financing cash flows</b>							
Repayment of Sukuk Murabahah	–	(1,055,000)	–	–	–	–	(1,055,000)
Drawdown of Sukuk Murabahah	–	1,055,000	–	–	–	–	1,055,000
Drawdown of Sukuk Wakalah	1,950,000	–	–	–	–	–	1,950,000
Transaction cost incidental to the drawdown of Sukuk Wakalah	(615)	–	–	–	–	–	(615)
Repayment of term loans	–	–	(10,000)	–	–	–	(10,000)
Repayment of lease liabilities	–	–	–	(1,194)	–	–	(1,194)
Dividend paid	–	–	–	–	(786,022)	–	(786,022)
Interest/profit paid	(37,383)	(86,220)	(22,280)	–	–	–	(145,883)
<b>Total changes from financing cash flows</b>	<b>1,912,002</b>	<b>(86,220)</b>	<b>(32,280)</b>	<b>(1,194)</b>	<b>(786,022)</b>	<b>–</b>	<b>1,006,286</b>
<b>Other changes</b>							
Liability-related							
Interest/profit expenses	54,701	85,335	20,682	132	–	71	160,921
Amortisation of transaction cost	91	–	–	–	–	–	91
Accrued transaction cost incidental to the drawdown of Sukuk Murabahah	–	(328)	–	–	–	–	(328)
Remeasurement of lease	–	–	–	374	–	–	374
Dividend payable	–	–	–	–	786,022	–	786,022
Others	–	–	–	–	–	(71)	(71)
<b>Total liability-related other changes</b>	<b>54,792</b>	<b>85,007</b>	<b>20,682</b>	<b>506</b>	<b>786,022</b>	<b>–</b>	<b>947,009</b>
<b>Balance at 31 December 2024</b>	<b>1,966,794</b>	<b>1,960,209</b>	<b>388,451</b>	<b>2,013</b>	<b>–</b>	<b>–</b>	<b>4,317,467</b>



## Notes to the Financial Statements

31 December 2024

### 13. FINANCINGS (continued)

#### Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Group	Liabilities						Total RM'000
	Sukuk Wakalah RM'000	Sukuk Murabahah RM'000	Term loans RM'000	Lease liabilities RM'000	Dividend paid RM'000	Other* RM'000	
<b>Balance at 1 January 2023</b>	–	1,963,874	410,690	3,909	–	–	2,378,473
<b>Changes from financing cash flows</b>							
Repayment of term loan	–	–	(10,000)	–	–	–	(10,000)
Repayment of lease liabilities	–	–	–	(1,380)	–	–	(1,380)
Dividend paid	–	–	–	–	(844,417)	–	(844,417)
Interest/profit paid	–	(87,055)	(20,809)	–	–	–	(107,864)
<b>Total changes from financing cash flows</b>	–	(87,055)	(30,809)	(1,380)	(844,417)	–	(963,661)
<b>Other changes</b>							
Liability-related							
Interest/profit expenses	–	84,603	20,168	172	–	654	105,597
Dividend payable	–	–	–	–	844,417	–	844,417
Others	–	–	–	–	–	(654)	(654)
<b>Total liability-related other changes</b>	–	84,603	20,168	172	844,417	–	949,360
<b>Balance at 31 December 2023</b>	–	1,961,422	400,049	2,701	–	–	2,364,172

\* Other relates to commitment fee for term loan.

**13. FINANCINGS (continued)****Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)**

Company	Liabilities			Total RM'000
	Sukuk Wakalah RM'000	Lease liabilities RM'000	Dividend paid RM'000	
<b>Balance at 1 January 2024</b>	–	–	–	–
<b>Changes from financing cash flows</b>				
Drawdown of Sukuk Wakalah	1,950,000	–	–	1,950,000
Transaction cost incidental to the drawdown of Sukuk Wakalah	(615)	–	–	(615)
Dividend paid	–	–	(272,064)	(272,064)
Interest/profit paid	(37,383)	–	–	(37,383)
<b>Total changes from financing cash flows</b>	<b>1,912,002</b>	<b>–</b>	<b>(272,064)</b>	<b>1,639,938</b>
<b>Other changes</b>				
Liability-related				
Interest/profit expenses	54,701	–	–	54,701
Amortisation of transaction cost	91	–	–	91
Dividend payable	–	–	272,064	272,064
<b>Total liability-related other changes</b>	<b>54,792</b>	<b>–</b>	<b>272,064</b>	<b>326,856</b>
<b>Balance at 31 December 2024</b>	<b>1,966,794</b>	<b>–</b>	<b>–</b>	<b>1,966,794</b>
<b>Balance at 1 January 2023</b>	–	405	–	405
<b>Changes from financing cash flows</b>				
Repayment of lease liabilities	–	(410)	–	(410)
Dividend paid	–	–	(241,915)	(241,915)
<b>Total changes from financing cash flows</b>	<b>–</b>	<b>(410)</b>	<b>(241,915)</b>	<b>(242,325)</b>
<b>Other changes</b>				
Liability-related				
Interest/profit expenses	–	5	–	5
Dividend payable	–	–	241,915	241,915
<b>Total liability-related other changes</b>	<b>–</b>	<b>5</b>	<b>241,915</b>	<b>241,920</b>
<b>Balance at 31 December 2023</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>



## Notes to the Financial Statements

31 December 2024

### 14. TRADE AND OTHER PAYABLES

	Note	Group	
		2024 RM'000	2023 RM'000
<b>Non-current</b>			
Security deposit payables	(i)	166,444	149,515
Other payables		598	–
		<b>167,042</b>	149,515
<b>Current</b>			
Trade payables	(ii)	33,352	34,904
Other payables		151,847	125,498
Deferred revenue		21,738	21,738
Security deposits		57,428	59,075
Amount due to:	(iii)		
Ultimate holding company		9,056	13,327
Immediate holding company		822	2,752
Other related companies		4,403	3,864
		<b>278,646</b>	261,158
Total trade and other payables		<b>445,688</b>	410,673
Add: Financings	13	<b>4,317,467</b>	2,364,172
Less: Deferred revenue		<b>(21,738)</b>	(21,738)
Total financial liabilities carried at amortised cost		<b>4,741,417</b>	2,753,107

	Note	Company	
		2024 RM'000	2023 RM'000
<b>Current</b>			
Trade payables	(ii)	414	102
Other payables		9,611	7,101
Amount due to:	(iii)		
Ultimate holding company		2,998	3,931
Immediate holding company		–	2,306
		<b>13,023</b>	13,440
Total trade and other payables		<b>13,023</b>	13,440
Add: Financings	13	<b>1,966,794</b>	–
Total financial liabilities carried at amortised cost		<b>1,979,817</b>	13,440

- i. Security deposit payables are interest-free, unsecured and refundable upon expiry of the respective lease agreements. The fair values at initial recognition were determined based on interest rates ranging from 4.31% to 4.73% (2023: 4.34% to 4.73%) per annum.
- ii. Trade payables are denominated in Ringgit Malaysia and credit terms vary up from 30 to 45 days (2023: 30 to 45 days).
- iii. The amounts due to ultimate holding company, immediate holding company, and related companies arose in the normal course of business, are unsecured, non-interest bearing and repayable on demand.





## 15. DEFERRED REVENUE

Deferred revenue relates to the excess of the principal amount of security deposits received over their fair value which is accounted for as prepaid lease income and amortised over the lease term on a straight line basis.

## 16. OPERATING PROFIT

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Revenue</b>				
Property investment				
– Office	<b>583,443</b>	582,496	–	–
– Retail	<b>551,237</b>	516,129	–	–
Hotel operations	<b>239,823</b>	210,932	–	–
Management services	<b>336,357</b>	309,606	<b>28,605</b>	25,255
Dividend income from subsidiaries	–	–	<b>358,567</b>	262,400
Dividend income from an associate	–	–	<b>12,540</b>	12,540
	<b>1,710,860</b>	1,619,163	<b>399,712</b>	300,195
<b>Cost of revenue:</b>				
– Cost of services and goods	<b>(475,094)</b>	(448,781)	–	–
<b>Gross profit</b>	<b>1,235,766</b>	1,170,382	<b>399,712</b>	300,195
Selling and distribution expenses	<b>(16,361)</b>	(14,502)	–	–
Administration expenses	<b>(156,705)</b>	(140,621)	<b>(50,856)</b>	(44,793)
Other operating income	<b>4,630</b>	4,967	<b>7</b>	6
<b>Operating profit</b>	<b>1,067,330</b>	1,020,226	<b>348,863</b>	255,408

All the revenue of the Group and of the Company are derived from the same geographical market as the Group and the Company operate predominantly in Malaysia. The services are transferred to the customers at a point in time.



## Notes to the Financial Statements

31 December 2024

### 17. PROFIT BEFORE TAXATION

The following amounts have been included in arriving at profit before taxation:

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration					
– statutory audit		<b>748</b>	706	<b>264</b>	249
– non-statutory audit		<b>16</b>	16	<b>16</b>	16
Depreciation					
– property, plant and equipment	3	<b>28,977</b>	31,459	<b>60</b>	79
– right-of-use assets	22	<b>1,031</b>	1,418	–	388
Valuation fees		<b>564</b>	367	–	–
Employee benefits expense	18	<b>155,772</b>	145,072	<b>31,246</b>	28,085
Directors' remuneration	26	<b>1,292</b>	1,217	<b>1,292</b>	1,217
Fee in relation to services of Executive Director		<b>1,321</b>	1,571	<b>1,321</b>	1,571
Loss/(gain) on disposal of property, plant and equipment		<b>380</b>	(27)	–	–
Property, plant and equipment written off		<b>39</b>	–	–	–
Investment properties written off		<b>75</b>	–	–	–
Rental expenses relating to short-term lease and lease of low-value assets		<b>416</b>	411	<b>10</b>	10
Net reversal for impairment losses of receivables		<b>(440)</b>	(205)	–	–

### 18. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages, salaries and others	<b>142,286</b>	133,207	<b>27,920</b>	25,050
Defined contribution plans	<b>13,486</b>	11,865	<b>3,326</b>	3,035
Total	<b>155,772</b>	145,072	<b>31,246</b>	28,085

### 19. INTEREST/PROFIT INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest/profit income from:				
Deposits	<b>52,313</b>	42,391	<b>26,227</b>	21,778

**20. FINANCING COSTS**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest/profit expense on:				
Term loans	20,682	20,822	–	–
Sukuk Murabahah	85,335	84,603	–	–
Sukuk Wakalah	54,701	–	54,701	–
Lease liabilities	132	172	–	5
Accretion of financial instruments	6,358	5,715	–	–
Amortisation of attributable transaction cost	91	–	91	–
	<b>167,299</b>	111,312	<b>54,792</b>	5

**21. TAX EXPENSE**

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Current tax expense</b>				
Current year	129,232	111,246	5,651	5,171
Under/(over) provision of tax in prior year	24	976	(58)	282
<b>Total current tax expense</b>	<b>129,256</b>	112,222	<b>5,593</b>	5,453
<b>Deferred tax expense/(credit) (Note 8)</b>				
Origination/(reversal) of temporary differences	11,971	11,771	(432)	64
Under/(over) provision in prior years	2,915	(2,952)	(11)	544
<b>Total deferred tax expense/(credit)</b>	<b>14,886</b>	8,819	<b>(443)</b>	608
<b>Total tax expense</b>	<b>144,142</b>	121,041	<b>5,150</b>	6,061

Domestic current income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.



## Notes to the Financial Statements

31 December 2024

### 21. TAX EXPENSE (continued)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	2024 RM'000	2023 RM'000
Profit before taxation	<b>1,201,365</b>	1,187,423
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	<b>288,328</b>	284,982
Expenditure allowed under section 60F	<b>(11)</b>	–
Expenses not deductible for tax purposes	<b>24,693</b>	8,129
Income not subject to tax	<b>(39,861)</b>	(34,637)
Income exempted from tax	<b>(137,073)</b>	(141,368)
Effects of share of profit of an associate	<b>(3,430)</b>	(3,409)
Deferred tax recognised at different tax rates	<b>7,836</b>	9,320
Deferred tax assets not recognised during the year	<b>721</b>	–
Under/(over) provision of deferred tax in prior year	<b>2,915</b>	(2,952)
Under provision of taxation in prior year	<b>24</b>	976
Tax expense	<b>144,142</b>	121,041

	Company	
	2024 RM'000	2023 RM'000
Profit before taxation	<b>320,298</b>	277,181
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	<b>76,872</b>	66,523
Expenses not deductible for tax purposes	<b>17,413</b>	4,698
Income not subject to tax	<b>(89,066)</b>	(65,986)
(Over)/under provision of deferred tax in prior year	<b>(11)</b>	544
(Over)/under provision of taxation in prior year	<b>(58)</b>	282
Tax expense	<b>5,150</b>	6,061

The Company's current tax and deferred tax position is derived based on current tax legislation and best available information at the reporting date.





## 22. LEASE

The Group and the Company have lease contracts for office spaces with contract terms of 2 to 3 years and the lease contracts do not contain variable lease payments.

The Group and the Company also have certain leases of office equipments with lease terms of 12 months or less and leases of office equipment with low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 January		<b>2,495</b>	3,913	–	388
Depreciation	17	<b>(1,031)</b>	(1,418)	–	(388)
Remeasurement		<b>374</b>	–	–	–
As at 31 December		<b>1,838</b>	2,495	–	–

Set out below are the carrying amounts of lease liabilities (included under interest/profit-bearing loans and financings) and the movements during the year:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 January	<b>2,701</b>	3,909	–	405
Accretion of interest/profit	<b>132</b>	172	–	5
Payments	<b>(1,194)</b>	(1,380)	–	(410)
Remeasurement	<b>374</b>	–	–	–
As at 31 December	<b>2,013</b>	2,701	–	–
Current	<b>1,117</b>	1,311	–	–
Non-current	<b>896</b>	1,390	–	–
	<b>2,013</b>	2,701	–	–

The maturity analysis of lease liabilities are disclosed in Note 27.



## Notes to the Financial Statements

31 December 2024

### 22. LEASE (continued)

The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Depreciation expense of right-of-use assets	<b>1,031</b>	1,418	–	388
Interest expense on lease liabilities	<b>132</b>	172	–	5
Rental expenses relating to short-term lease and lease of low-value assets	<b>416</b>	411	<b>10</b>	10
Total amount recognised in profit or loss	<b>1,579</b>	2,001	<b>10</b>	403

The Group and the Company have several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's and the Company's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised (Note 2.5).

#### Operating lease commitments

The Group has entered into non-cancellable commercial property leases on its investment properties. The future minimum rental receivable under these operating leases at the reporting date is as follows:

	Group	
	2024 RM'000	2023 RM'000
Less than one year	<b>1,114,931</b>	1,050,257
One to five years	<b>2,664,654</b>	2,918,050
More than five years	<b>6,444,965</b>	6,986,158
As at 31 December	<b>10,224,550</b>	10,954,465

### 23. EARNINGS PER SHARE/STAPLED SECURITY - BASIC AND DILUTED

Basic/diluted earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

Basic/diluted earnings per stapled security amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company and unitholders of the KLCC REIT by the weighted average number of stapled securities in issue during the financial year.

	2024	2023
Profit attributable to equity holders of the Company (RM'000)	<b>498,214</b>	396,662
Profit attributable to NCI relating to KLCC REIT (RM'000)	<b>518,319</b>	534,632
Profit attributable to stapled securities holders (RM'000)	<b>1,016,533</b>	931,294
In thousand of shares		
Weighted average number of stapled securities/shares in issue	<b>1,805,333</b>	1,805,333
Basic/diluted earnings per share (sen)	<b>27.60</b>	21.97
Basic/diluted earnings per stapled security (sen)	<b>56.31</b>	51.59

Basic earnings per share/stapled security equals to diluted earnings per share/stapled security as there are no potential dilutive units in issue.



## 24. DIVIDENDS

	Dividends Recognised in Year		Net Dividends per Ordinary Share	
	2024 RM'000	2023 RM'000	2024 sen	2023 sen
Recognised during the year:				
A fourth interim dividend of 8.00% (2022: 7.69%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2023/2022	<b>144,427</b>	138,830	<b>8.00</b>	7.69
A first interim dividend of 2.20% (2023: 1.41%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	<b>39,717</b>	25,455	<b>2.20</b>	1.41
A second interim dividend of 2.46% (2023: 1.80%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	<b>44,411</b>	32,496	<b>2.46</b>	1.80
A third interim dividend of 2.41% (2023: 2.50%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	<b>43,509</b>	45,134	<b>2.41</b>	2.50
	<b>272,064</b>	241,915	<b>15.07</b>	13.40

A fourth interim dividend in respect of the financial year ended 31 December 2024, of 9.73%, tax exempt under the single tier system on 1,805,333,083 ordinary shares, declared on 5 February 2025 amounting to a dividend payable of RM175,658,909 will be payable on 28 February 2025.

The financial statements for the current year do not reflect this fourth interim dividend. Such dividend will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2025.

## 25. COMMITMENTS

### Capital commitments

	Group	
	2024 RM'000	2023 RM'000
<b>Investment properties</b>		
Approved and contracted for	<b>2,200</b>	6,070
Approved but not contracted for	<b>29,608</b>	18,383
	<b>31,808</b>	24,453
<b>Property, plant and equipment</b>		
Approved and contracted for	<b>4,719</b>	9,438
Approved but not contracted for	<b>5,197</b>	6,249
	<b>9,916</b>	15,687



## Notes to the Financial Statements

31 December 2024

### 26. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and an entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Company, and certain members of senior management of the Group.

The Group's and the Company's related parties include subsidiaries and associates as well as the Government of Malaysia and its related entities as the ultimate holding company is wholly-owned by the Government of Malaysia.

#### Key management personnel compensation

##### Directors

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors of the Company				
Executive*	–	–	–	–
Non-Executive: Fees	<b>1,292</b>	1,217	<b>1,292</b>	1,217
	<b>1,292</b>	1,217	<b>1,292</b>	1,217

\* The remuneration of the Executive Director is paid to KLCCH as fee in relation to services of Executive Director as disclosed in Note 17.

The Company reimbursed the ultimate holding company for compensation of certain key management personnel attributable to services rendered to the Company as well as fees for Directors who are appointees of the holding company as disclosed below.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Analysis excluding benefits-in-kind: Total Non-Executive Directors' remuneration (Note 17)	<b>1,292</b>	1,217	<b>1,292</b>	1,217



**26. RELATED PARTY DISCLOSURES (continued)****Key management personnel compensation (continued)****Directors (continued)**

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Group		Company	
	2024	2023	2024	2023
Executive Director*	1	1	1	1
Non-Executive Directors				
RMNil – RM50,000	–	–	–	–
RM50,001 – RM100,000	–	–	–	–
RM100,001 – RM150,000	2	1	2	1
RM150,001 – RM200,000	6	5	6	5
RM200,001 – RM250,000	–	–	–	–
RM250,001 – RM300,000	–	1	–	1

\* The remuneration of the Executive Director is paid to KLCCH as fee in relation to services of Executive Director as disclosed in Note 17.

**Other key management personnel**

Datuk Sr. Mohd. Salem Bin Kailany, successor of Datuk Md. Shah Bin Mahmood as Executive Director and Chief Executive Officer of the Company with effect from 1 December 2024 is an employee of KLCCH. KLCCH charges fees in consideration for their services to the Company during the current and previous financial years as disclosed in Note 17.

**Significant transactions with related parties**

The names of subsidiaries and associates, all of which are incorporated in Malaysia have been disclosed in Notes 5 to 6 respectively.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Expense)/income				
<b>Federal Government of Malaysia:</b>				
Property licences and taxes	(13,439)	(13,376)	–	–
Sales and Service Tax and Tourism Tax	(40,763)	(35,212)	(10)	(107)
<b>Government of Malaysia's related entities:</b>				
Purchase of utilities	(25,152)	(24,733)	–	–
Hotel revenue	2,388	4,303	–	–



## Notes to the Financial Statements

31 December 2024

### 26. RELATED PARTY DISCLOSURES (continued)

#### Significant transactions with related parties (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Expense)/income (continued)				
<b>Ultimate Holding Company:</b>				
Rental income	<b>559,464</b>	556,439	–	–
Facilities management and manpower fees	<b>145,103</b>	136,262	–	–
Interest income	<b>26,178</b>	26,538	<b>19,182</b>	21,717
Rental of car park spaces	<b>(7,831)</b>	(7,396)	–	–
Fees for representation on the Board of Directors*	<b>(138)</b>	(134)	<b>(138)</b>	(134)
Hotel revenue	<b>3,561</b>	5,402	–	–
Centralised Head Office Services charges	<b>(19,749)</b>	(15,060)	<b>(3,953)</b>	(3,223)
Learning and development cost	<b>(672)</b>	(560)	<b>(364)</b>	(297)
<b>Immediate Holding Company:</b>				
General management services fee payables	<b>(10,353)</b>	(8,384)	<b>(3,364)</b>	(3,268)
General management services fee receivables	<b>6,299</b>	4,976	<b>6,299</b>	4,976
Fee in relation to services of Executive Director	<b>(1,321)</b>	(1,571)	<b>(1,321)</b>	(1,571)
<b>Subsidiaries:</b>				
Facilities management and manpower fees	–	–	<b>(280)</b>	(209)
General management services fee receivable	–	–	<b>7,210</b>	6,616
Hotel charges	–	–	<b>(516)</b>	(516)
<b>Other Related Companies:</b>				
Facilities management and manpower fees	<b>66,610</b>	59,917	–	–
General management services fee receivable	<b>15,097</b>	13,662	<b>15,097</b>	13,662
Hotel revenue	<b>89</b>	2	–	–
Management and incentive fees	<b>3,147</b>	3,486	–	–
Chilled water supply	<b>(37,988)</b>	(37,080)	–	–
Project management fees	<b>(1,840)</b>	(2,195)	–	–
Fees for secondment of executive director	<b>(21)</b>	(644)	–	–
Rental of car park spaces	<b>(7,893)</b>	(7,480)	–	–
Learning and development cost	<b>(299)</b>	(253)	<b>(210)</b>	(122)

\* Fee paid directly to PETRONAS in respect of the Non-Executive Director appointed by the ultimate holding company.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a commercial basis. The above has been stated at contracted amount.

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 and 31 December 2023 are disclosed in Notes 7 and 14.



## 27. FINANCIAL INSTRUMENTS

### Financial risk management objectives and policies

As the Group and the Company owns a diverse property portfolio, the Group and the Company are exposed to various risks that are particular to its various businesses. These risks arise in the normal course of the Group's and the Company's business.

The Group has a Risk Management Framework and Guidelines that set the foundation for the establishment of effective risk management across the Group.

Risk taking activities are undertaken within acceptable level of risk or risk appetite, whereby the risk appetite level reflects business considerations and capacity to assume such risks. The risk appetite is established at Board level, where relevant, based on defined methodology and translated into operational thresholds.

The Group's and the Company's goal in risk management are to ensure that the management understands, measures, monitors and reports the financial risks that arise in connection with their operations. The policies, standards and guidelines have been developed to identify, analyse, appraise, monitor and report the dynamic risks facing the Group and the Company. Based on this assessment, each business unit adopts appropriate measures to mitigate these risks in accordance with the business unit's view of the balance between risk and reward.

#### (a) Market risk

Market risk is the risk or uncertainty arising from change in market prices and their impact on the performance of the business. The market price changes that the Group and the Company are exposed to include interest rates, foreign currency exchange rates, commodity prices, equity prices and other indices that could affect the value of the Group's and the Company's financial assets, liabilities or expected future cash flows.

Financial instruments affected by market risk include loans and financings and deposits.

#### (b) Interest/profit rate risk

Interest/profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest/profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest/profit rates. As the Group has no significant interest/profit-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest/profit rates. The Group's interest/profit-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest/profit rate risk arises primarily from interest/profit-bearing financings. Financings at floating rates expose the Group to cash flow interest/profit rate risk. Financings obtained at fixed rates expose the Group to fair value interest/profit rate risk. The Group manages its interest/profit rate exposure by maintaining a mix of fixed and floating rate financings.

The carrying amount of the Group's and the Company's interest/profit-bearing financial instruments as at reporting date is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Fixed rate instruments</b>				
Financial assets	<b>419,592</b>	348,436	–	–
Financial liabilities	<b>(3,927,003)</b>	(1,961,422)	<b>(1,966,794)</b>	–
<b>Floating rate instruments</b>				
Financial assets	<b>932,080</b>	839,111	<b>742,122</b>	684,698
Financial liabilities	<b>(388,451)</b>	(400,049)	–	–



## Notes to the Financial Statements

31 December 2024

### 27. FINANCIAL INSTRUMENTS (continued)

#### (b) Interest/profit risk (continued)

##### Cash flow sensitivity analysis for floating rate instruments

The following table demonstrates the indicative pre-tax effects on the profit or loss of applying reasonably foreseeable market movements in the interest rates of floating rate instruments:

	Increase/ (decrease) in interest rate b.p.s	Group Profit or loss RM'000	Company Profit or loss RM'000
<b>2024</b>			
KLIBOR	-50	(2,718)	(3,711)
KLIBOR	+50	2,718	3,711
<b>2023</b>			
KLIBOR	-50	(2,195)	(3,423)
KLIBOR	+50	2,195	3,423

A decrease/increase in interest rate above would have had equal but opposite effect, on the basis that all other variables remain constant.

#### (c) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will have insufficient funds to meet financial commitments in a timely manner. The Group's and the Company's exposure to liquidity risk arises principally from its trade and other payables, and financings. In managing its liquidity risk, the Group and the Company maintains sufficient cash and liquid marketable assets. The Company's current credit rating enables it to access banking facilities in excess of current and immediate future requirements of the Group and the Company.



**27. FINANCIAL INSTRUMENTS (continued)****(c) Liquidity Risk (continued)****Maturity analysis**

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the reporting date based on undiscounted contractual payments:

	Group						
	Carrying amount RM'000	Contractual interest/ profit rate	Contractual cash flow* RM'000	Within 1 year RM'000	1-2 years RM'000	3-5 years RM'000	More than 5 years RM'000
<b>2024</b>							
<b>Financial Liabilities</b>							
Sukuk Murabahah	1,960,209	4.00% – 4.20%	2,523,921	80,439	569,484	177,303	1,696,695
Sukuk Wakalah	1,966,794	3.73% – 3.85%	2,191,503	73,553	73,553	2,044,397	–
Term loans	388,451	4.70%	402,690	402,690	–	–	–
Trade and other payables (excluding deferred revenue)	423,950	4.31% – 4.73%	526,188	278,646	54,707	38,457	154,378
Lease liabilities	2,013	4.30% – 5.49%	2,158	1,195	622	151	190
<b>2023</b>							
<b>Financial Liabilities</b>							
Sukuk Murabahah	1,961,422	4.00% – 4.80%	2,152,589	1,117,154	36,942	558,515	439,978
Term loans	400,049	5.38%	429,665	33,025	396,640	–	–
Trade and other payables (excluding deferred revenue)	388,935	4.34% – 4.73%	497,283	261,158	44,755	47,347	144,023
Lease liabilities	2,701	4.88% – 5.49%	2,896	1,363	1,150	383	–

\* The contractual cash flow is inclusive of the principal and interest/profit but excluding interest accretion due to MFRS 9 measurement.



## Notes to the Financial Statements

31 December 2024

### 27. FINANCIAL INSTRUMENTS (continued)

#### (c) Liquidity Risk (continued)

##### Maturity analysis (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the reporting date based on undiscounted contractual payments: (continued)

	Company						
	Carrying amount RM'000	Contractual interest/ profit rate	Contractual cash flow* RM'000	Within 1 year RM'000	1-2 years RM'000	3-5 years RM'000	More than 5 years RM'000
<b>2024</b>							
<b>Financial Liabilities</b>							
Sukuk Wakalah	1,966,794	3.73% – 3.85%	2,191,503	73,553	73,553	2,044,397	–
Trade and other payables	13,023	–	13,023	13,023	–	–	–
<b>2023</b>							
<b>Financial Liabilities</b>							
Trade and other payables	13,440	–	13,440	13,440	–	–	–

\* The contractual cash flow is inclusive of the principal and interest/profit but excluding interest accretion due to MFRS 9 measurement.



## 27. FINANCIAL INSTRUMENTS (continued)

### (d) Credit risk

Credit risk is the risk of potential exposure of the Group and of the Company to losses in the event of non-performance by counterparties. The Group and the Company's exposures to credit risk arise principally from customers and placement in financial institutions. Credit risks are controlled by individual subsidiaries in line with Group's Risk Management Framework and Guideline.

#### Receivables

#### **Risk management objectives, policies and processes for managing the risk**

The Group and the Company minimise credit risk by entering into contracts with highly credit rated counterparty and through credit approval, financial limits and monitoring procedures. Counterparty credit evaluations are done systematically using quantitative and qualitative criteria on credit risks as specified by individual operating units.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Company.

At each reporting date, the Group and the Company assess whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

#### **Concentration of credit risk**

Exposure to losses increases with concentrations of credit risk which may exist when a number of counterparties are involved in similar activities or operate in the same industry sector or geographical area, which may result in their ability to meet contractual obligations being impacted by changes in economic, political or other conditions. The Group's principal customers with which it conducts business are located globally and there is no significant concentration of credit risk at reporting date.

#### **Recognition and measurement of impairment loss**

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

In managing credit risk of trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Company perform credit rating assessment of all its counterparties in order to measure ECL of trade receivables for all segments using the PETRONAS Credit Risk Rating system. This credit rating assessment considers quantitative assessment using the counterparties' financial statements or a qualitative assessment of the counterparties which includes but is not limited to their reputation, competitive position, industry and geopolitical outlook.

In determining the ECL, the probability of default assigned to each counterparty is based on their individual credit rating. This probability of default is derived by benchmarking against available third party and market information, which also incorporates forward looking information.

Loss given default is the assumption of the proportion of financial asset that cannot be recovered by conversion of collateral to cash or by legal process, and is assessed based on the Group's and the Company's historical experience.

The Group and the Company have not recognised any loss allowance for trade receivables that are secured by collateral and/or other credit enhancements such as cash deposits, letter of credit and bank guarantees.



## Notes to the Financial Statements

31 December 2024

### 27. FINANCIAL INSTRUMENTS (continued)

#### (d) Credit risk (continued)

Receivables (continued)

#### Recognition and measurement of impairment loss (continued)

The ageing of trade receivables as at the end of the reporting period is analysed below:

	Group	
	2024 RM'000	2023 RM'000
At gross:		
Not past due	4,366	5,769
Past due 1 to 30 days	1,116	2,367
Past due 31 to 60 days	152	604
Past due 61 to 90 days	97	104
Past due more than 90 days	4,555	6,452
	<b>10,286</b>	15,296
Less: Allowance for impairment losses	<b>(4,458)</b>	(6,197)
	<b>5,828</b>	9,099

The movement in the allowance account is as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 January	6,197	7,574
Net reversal for impairment	(436)	(212)
Bad debt written off	(1,303)	(1,165)
At 31 December	<b>4,458</b>	6,197

The Group does not typically renegotiate the terms of trade receivables. There were no renegotiated balances outstanding as at 31 December 2024 and 31 December 2023.

#### (e) Fair Values

##### Recognised financial instruments

The Group's and the Company's financial instruments consist of cash and bank balances, trade and other receivables, financings, and trade and other payables.

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and short term financings approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amounts of other long term liabilities approximate its fair value amount.

This analysis assumes that all other variables remain constant.



**27. FINANCIAL INSTRUMENTS (continued)****(e) Fair Values (continued)****Recognised financial instruments (continued)**

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The different levels have been defined as follows:

	Group				
	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>2024</b>					
<b>Financial liabilities</b>					
Sukuk Murabahah	–	1,929,268	–	1,929,268	1,960,209
Sukuk Wakalah	–	1,878,485	–	1,878,485	1,966,794
<b>2023</b>					
<b>Financial liabilities</b>					
Sukuk Murabahah	–	1,933,265	–	1,933,265	1,961,422
	Company				
	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
<b>2024</b>					
<b>Financial liabilities</b>					
Sukuk Wakalah	–	1,878,485	–	1,878,485	1,966,794

For the financial instruments listed above, fair values have been determined by discounting expected future cash flows at market incremental lending rate for similar types of financings at the reporting date. There were no transfers between Level 1, 2 and 3 fair values during the financial year (2023: no transfer between Level 1, 2 and 3 fair values).

**(f) Foreign Currency Risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates predominantly in Malaysia and transacts mainly in Malaysian Ringgit. As such, it is not exposed to any significant foreign currency risk.



## Notes to the Financial Statements

31 December 2024

### 28. CAPITAL MANAGEMENT

The Group and the Company define capital as the total equity and debts of the Company. The objective of the Group's and the Company's capital management is to maintain an optimal capital structure and ensuring availability of funds in order to support its business and maximise shareholder value. As a subsidiary of PETRONAS, the Group's and the Company's approach in managing capital is set out in the KLCC Group Corporate Financial Policies.

The Group and the Company monitor and maintain a prudent level of total debts to total equity ratio to optimise shareholder value and to ensure compliance with covenants under debt and shareholders' agreements.

The debt to equity ratio as at 31 December 2024 and 31 December 2023 is as follows:

	Group	
	2024 RM'000	2023 RM'000
Total debt	<b>4,317,467</b>	2,364,172
Total equity (excluding Other NCI)	<b>13,671,553</b>	13,339,104
Debt equity ratio	<b>32:68</b>	18:82

Under the requirement of Bursa Malaysia Practice Note No.17/2005, the Company is required to maintain consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

### 29. SEGMENTAL INFORMATION

#### (a) Reporting Format

Segment information is presented in respect of the Group's business segments.

Inter-segment transactions have been entered into in the normal course of business and have been established on commercial basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest/profit-earning assets and revenue, interest/profit-bearing financings and expenses, and corporate assets and expenses.

The Group comprises the following main business segments:

Property investment – Office	Rental of office spaces and other related activities.
Property investment – Retail	Rental of retail spaces and other related activities.
Hotel operations	Rental of hotel rooms, the sale of food and beverages and other related activities.
Management services	Facilities management, car park operations, management of a real estate investment trust and general management services.

Details on geographical segments are not applicable as the Group operates predominantly in Malaysia.

**29. SEGMENTAL INFORMATION (continued)****(b) Allocation Basis and Transfer Pricing**

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest/profit-earning assets and revenue, interest/profit-bearing financings and expenses, and corporate assets and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. Inter-segment transactions have been entered into in the normal course of business and have been established on commercial basis. These transfers are eliminated on consolidation.

2024 Business Segments	Property investment – Office RM'000	Property investment – Retail RM'000	Hotel operations RM'000	Management services RM'000	Elimination & Others RM'000	Consolidated RM'000
<b>Revenue</b>						
External customers	583,443	551,237	239,823	336,357	–	1,710,860
Inter-segment revenue	1,657	12,278	–	67,350	(81,285)	–
<b>Total revenue</b>	<b>585,100</b>	<b>563,515</b>	<b>239,823</b>	<b>403,707</b>	<b>(81,285)</b>	<b>1,710,860</b>
<b>Results</b>						
Operating profit	512,207	464,379	31,429	81,461	(22,146)	1,067,330
Fair value adjustments on investment properties	77,132	157,599	–	–	–	234,731
Financing costs	(56,377)	(35,622)	(20,680)	(10)	(54,610)	(167,299)
Interest/profit income						52,313
Share of profit of an associate						14,290
Tax expense						(144,142)
Profit after tax but before NCI						1,057,223
Segment assets	10,425,995	6,513,992	581,364	156,541	716,948	18,394,840
Investment in an associate	–	–	–	99,195	169,242	268,437
<b>Total assets</b>						<b>18,663,277</b>
<b>Total liabilities</b>	<b>1,619,287</b>	<b>822,812</b>	<b>449,862</b>	<b>108,923</b>	<b>1,957,809</b>	<b>4,958,693</b>
Capital expenditure	5,110	8,251	20,885	789	–	35,035
Depreciation	227	793	17,362	11,626	–	30,008
Non-cash items other than depreciation	–	(367)	419	(4)	–	48



## Notes to the Financial Statements

31 December 2024

### 29. SEGMENTAL INFORMATION (continued)

2023 Business Segments	Property investment – Office RM'000	Property investment – Retail RM'000	Hotel operations RM'000	Management services RM'000	Elimination & Others RM'000	Consolidated RM'000
<b>Revenue</b>						
External customers	582,496	516,129	210,932	309,606	–	1,619,163
Inter-segment revenue	1,399	12,484	–	63,261	(77,144)	–
<b>Total revenue</b>	<b>583,895</b>	<b>528,613</b>	<b>210,932</b>	<b>372,867</b>	<b>(77,144)</b>	<b>1,619,163</b>
<b>Results</b>						
Operating profit	506,595	429,480	23,102	80,391	(19,342)	1,020,226
Fair value adjustments on investment properties	160,470	49,444	–	12,000	–	221,914
Financing costs	(55,695)	(34,973)	(20,822)	–	178	(111,312)
Interest/profit income						42,391
Share of profit of an associate						14,204
Tax expense						(121,041)
Profit after tax but before NCI						1,066,382
Segment assets	10,336,846	6,335,853	571,852	157,624	664,696	18,066,871
Investment in an associate	–	–	–	99,195	167,492	266,687
<b>Total assets</b>						<b>18,333,558</b>
<b>Total liabilities</b>	<b>1,591,681</b>	<b>817,799</b>	<b>445,761</b>	<b>96,133</b>	<b>(7,270)</b>	<b>2,944,104</b>
Capital expenditure	4,209	4,802	4,985	2,816	–	16,812
Depreciation	368	765	19,605	12,139	–	32,877
Non-cash items other than depreciation	–	(212)	(27)	7	–	(232)

### 30. ADOPTION OF REVISED PRONOUNCEMENTS

During the financial year, the Group and the Company adopted the following pronouncements that have been issued by the MASB and are applicable as listed below:

#### Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 101 Presentation of Financial Statements (Classification of as Current or Non-current)  
Amendments to MFRS 101 Presentation of Financial Statements (Non-current Liabilities with Covenants)

The initial application of the above-mentioned pronouncements did not have any material impact to the financial statements of the Group and the Company.





### 31. PRONOUNCEMENTS YET IN EFFECT

The following pronouncements that have been issued by the MASB will become effective in future financial reporting periods and have not been adopted by the Group and the Company in these financial statements:

#### Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

#### Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures (Amendments to the Classification and Measurement of Financial Instruments)

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards, MFRS 7 Financial Instruments: Disclosure, MFRS 9 Financial Instruments, MFRS 10 Consolidated Financial Statements and MFRS 107 Statements of Cash Flows (Annual Improvements to MFRS Accounting Standards)

#### Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

#### Effective for a date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

Amendments to MFRS 128 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The Group and the Company are expected to apply the above-mentioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not expected to have any material impact to the financial statements of the Group and the Company, except for MFRS 18 pronouncement, which impact on initial application is currently being assessed.

### 32. NEW AND REVISED PRONOUNCEMENTS NOT APPLICABLE TO THE GROUP AND THE COMPANY

The MASB has issued pronouncements which are not relevant to the Group and the Company and hence, no further disclosure is warranted.

#### Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases (Lease Liability in a Sale and Leaseback)

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements)

#### Effective for annual periods beginning on or after 1 January 2027

MFRS 19 Subsidiaries without Public Accountability: Disclosures

### 33. SIGNIFICANT EVENT

On 26 January 2024, the Company has entered into a share purchase agreement to acquire the remaining 136,666,668 ordinary shares representing 40% of the issued share capital of SKSB from Ocmador (Malaysia) City Retail Centre Sdn. Bhd., Port Moresby Investments Limited and Bold Peak Sdn. Bhd., for a cash consideration of RM1,950,000,000.

The aforesaid acquisition was financed by external financings and SKSB has become a wholly owned subsidiary of the Company upon completion.



## Independent Auditors' Report

To The Members of KLCC Property Holdings Berhad (Incorporated in Malaysia)

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of KLCC Property Holdings Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, as set out on pages 235 to 303.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

#### *Valuation of investment properties*

As at 31 December 2024, the carrying value of the Group's investment properties carried at fair value amounted to RM16,062,762,000 which represents 86% of the Group's total assets. The Group adopts the fair value model for its investment properties. The valuation of completed investment properties carried at fair value is significant to our audit due to their magnitude, complex valuation method and high dependency on a range of estimates (amongst others, rental income data, yield rate and discount rate) which are based on current and future market or economic conditions. The Group has engaged external valuers to determine the fair value of the investment properties carried at fair value at the reporting date and a fair value gain of RM234,371,000 has been recognised during the year.



#### *Valuation of investment properties (continued)*

Our audit procedures focused on the valuations performed by firms of independent valuers, which included, amongst others, the following procedures:

- We considered the objectivity, independence and expertise of the firms of independent valuers;
- We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuers to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, rental income data and yield rate;
- We assessed the reasonableness of the property related data by corroborating those data used in the valuation to available market data;
- We tested the accuracy of rental income data applied in the valuation by comparing them with lease agreements and challenged the yield rate by comparing them with available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and held further discussions with the valuers;
- We assessed whether the discount rate used to determine the present value of the cash flows reflects the estimated market rate of return for comparable assets with similar profile; and
- We also evaluated the Group's disclosures on those assumptions to which the outcome of the valuation is most sensitive. The Group's disclosures on the valuation sensitivity and significant assumptions used, including relationships between key unobservable inputs and fair values, are included in Notes 1.4 and 4 to the financial statements respectively.

#### *Information other than the financial statements and auditors' report thereon*

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the directors for the financial statements*

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



## Independent Auditors' Report To The Members of KLCC Property Holdings Berhad (Incorporated in Malaysia)

### *Auditors' responsibilities for the audit of the financial statements (continued)*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Muhammad Syarizal Bin Abdul Rahim  
No. 03157/01/2027 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
5 February 2025





# Financial Statements

**308** Manager's Report

**312** Statement by The Manager

**312** Statutory Declaration

**313** Trustee's Report

**314** Shariah Adviser's Report

**315** Consolidated Statement of Financial Position

**316** Consolidated Statement of Comprehensive Income

**317** Consolidated Statement of Changes in Net Asset Value

**318** Consolidated Statement of Cash Flows

**319** Statement of Financial Position

**320** Statement of Comprehensive Income

**321** Statement of Changes in Net Asset Value

**322** Statement of Cash Flows

**323** Notes to the Financial Statements

**361** Independent Auditors' Report





## Manager's Report

### For The Year Ended 31 December 2024

The Manager of KLCC Real Estate Investment Trust ("KLCC REIT" or "the Fund"), KLCC REIT Management Sdn. Bhd. ("the Manager"), has pleasure in submitting their report and the audited financial statements of the Group and of the Fund for the financial year ended 31 December 2024.

#### PRINCIPAL ACTIVITIES

The principal activities of the Fund during the financial year are investing directly and indirectly, in a Shariah-compliant portfolio of income producing real estate used primarily for office and retail purposes as well as real estate related assets.

The principal activity of its subsidiary is stated in Note 5 to the financial statements.

#### CORPORATE INFORMATION

The Fund is a Malaysia-domiciled real estate investment trust constituted pursuant to the Trust Deed dated 2 April 2013 (as amended and restated by the Amended and Restated Trust Deed dated 3 September 2019) (the "Amended and Restated Trust Deed") entered into between the Manager and Maybank Trustees Berhad (the "Trustee"). The Amended and Restated Trust Deed was registered with the Securities Commission Malaysia on 16 October 2019. The Fund was listed on the Main Market of Bursa Malaysia Securities Berhad on 9 May 2013. The registered office of the Manager is located at Level 54, Tower 2, PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

#### HOLDING COMPANIES

The Directors of the Manager regard KLCC Property Holdings Berhad, KLCC (Holdings) Sdn. Bhd. and Petroliam Nasional Berhad ("PETRONAS"), as the immediate holding, penultimate holding and ultimate holding companies respectively, all of which are incorporated and domiciled in Malaysia.

#### RESULTS

	Group RM'000	Fund RM'000
Profit for the year	518,319	518,323



## DISTRIBUTION OF INCOME

The amount of income distributions paid by the Fund were as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
Fourth interim income distribution of 6.40% on 1,805,333,083 units, declared on 7 February 2024 and paid on 29 February 2024	115,541
In respect of the financial year ended 31 December 2024:	
First interim income distribution of 6.80% on 1,805,333,083 units, declared on 23 May 2024 and paid on 28 June 2024	122,763
Second interim income distribution of 6.74% on 1,805,333,083 units, declared on 28 August 2024 and paid on 30 September 2024	121,679
Third interim income distribution of 6.79% on 1,805,333,083 units, declared on 25 November 2024 and paid on 30 December 2024	122,582
	482,565

A fourth interim income distribution in respect of the financial year ended 31 December 2024 of 7.37% on 1,805,333,083 units, declared on 5 February 2025, amounting to an income distribution payable of RM133,053,048 will be payable on 28 February 2025.

The financial statements for the current year do not reflect this fourth interim income distribution. Such income distribution will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2025.

## RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the year other than as disclosed in the financial statements.

## DIRECTORS

Directors who served on the Board of the Manager during the financial year until the date of this report are:

Datuk Ir. Annies Bin Md Ariff	(appointed w.e.f. 1 July 2024)
Datuk Sr. Mohd. Salem Bin Kailany	(appointed w.e.f. 1 December 2024)
Farina Binti Farikhullah Khan	
Dato' Jamaludin Bin Osman	
Liza Binti Mustapha	
Chong Chye Neo	
Dato' Sr. Mazuki Bin A Aziz	
Datin Noor Lily Zuriati Binti Abdullah	
Freida Binti Amat	(appointed w.e.f. 1 January 2025)
Tan Sri Ahmad Nizam Bin Salleh	(resigned w.e.f. 1 September 2024)
Datuk Md. Shah Bin Mahmood	(resigned w.e.f. 1 December 2024)



## Manager's Report

### For The Year Ended 31 December 2024

#### DIRECTORS OF MANAGER'S INTERESTS

None of the Directors holding office at 31 December 2024 had any interest in the ordinary shares of the Fund and of its related corporations during the financial year.

#### DIRECTORS OF MANAGER'S BENEFITS

Since the end of the previous financial year, no Director of the Manager has received nor become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors from certain related corporations) by reason of a contract made by the Fund or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Manager to acquire benefits by means of the acquisition of units in or debentures of the Fund or any other body corporate.

#### ISSUE OF UNITS

There were no changes in the issued and paid up units of the Fund during the financial year.

#### OPTIONS GRANTED OVER UNISSUED UNITS

No options were granted to any person to take up unissued units of the Fund during the financial year.

#### SOFT COMMISSION

There was no soft commission received by the Manager during the financial year from broker or dealer by virtue of transactions conducted for the Fund.

#### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Fund were made out, the Manager took reasonable steps to ascertain:

- (i) that necessary actions had been taken in relation to the writing off of bad debts and the provisioning of doubtful debts and satisfied themselves that no known bad debts have been written off and no provision made for doubtful debts; and
- (ii) that any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Fund, had been written down to an amount which they might be expected so to realise.

At the date of this report, the Manager is not aware of any circumstances:

- (i) that would render it necessary to write off any bad debts, or to make any the provision for doubtful debts in respect of the financial statements of the Group and of the Fund;
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Fund misleading;
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Fund misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Fund misleading.



## OTHER STATUTORY INFORMATION (continued)

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Fund that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any material contingent liability in respect of the Group or of the Fund that has arisen since the end of the financial year.

No material contingent liability or other liability of the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Manager, will or may substantially affect the ability of the Group and of the Fund to meet their obligations as and when they fall due.

In the opinion of the Manager, the financial performance of the Group and of the Fund for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

## AUDITORS

The auditors, Ernst & Young PLT, have indicated their willingness to accept re-appointment.

The auditors' remunerations for the financial year ended 31 December 2024 of the Group and the Fund are as follows:

	Group RM'000	Fund RM'000
<b>Statutory audit fees</b>		
Ernst & Young PLT	110	105

Signed on behalf of the Board of the Manager  
in accordance with a resolution of the Directors of the Manager:



**Datuk Ir. Annies Bin Md Ariff**

Chairman



**Datuk Sr. Mohd. Salem Bin Kailany**

Director

Kuala Lumpur, Malaysia

Date: 5 February 2025



**KLCC REIT**

## Statement by The Manager

In the opinion of the Directors of the Manager, the financial statements set out on pages 315 to 360 are drawn up in accordance with the provision of the Trust Deed dated 2 April 2013 and an Amended and Restated Trust Deed dated 3 September 2019 (collectively referred to as the "Deed"), the Securities Commission's Guidelines on Listed Real Estate Investment Trusts in Malaysia, MFRS Accounting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended on that date.

For and on behalf of the Manager,  
**KLCC REIT MANAGEMENT SDN. BHD.**

Signed on behalf of the Board of the Manager  
 in accordance with a resolution of the Directors of the Manager:

**Datuk Ir. Annies Bin Md Ariff**  
 Chairman

**Datuk Sr. Mohd. Salem Bin Kailany**  
 Director

Kuala Lumpur, Malaysia  
 Date: 5 February 2025

## Statutory Declaration

I, Rohizal Bin Kadir, the officer of the Manager primarily responsible for the financial management of KLCC Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 315 to 360 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed

**Rohizal Bin Kadir,**  
 MIA Membership Number: 50742  
 at **Kuala Lumpur** in **Wilayah Persekutuan**  
 on 5 February 2025

Rohizal Bin Kadir

BEFORE ME:

**Y.M. Tengku Nur Athiya Tengku Fariddudin**  
 Commissioner for Oaths



## Trustee's Report

### To the unitholders of KLCC REAL ESTATE INVESTMENT TRUST

We have acted as Trustee of KLCC Real Estate Investment Trust ("KLCC REIT") for the financial year ended 31 December 2024. To the best of our knowledge, KLCC REIT Management Sdn. Bhd. ("the Manager") has managed KLCC REIT in the financial year under review in accordance to the following:

- (a) the limitation imposed on the investment powers of the Manager and the Trustee under the Deed, other applicable provisions of the Deed, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, the Capital Markets & Services Act 2007 and other applicable laws; and
- (b) the valuation of KLCC REIT is carried out in accordance with the Deed and other regulatory requirements.

There are four (4) income distributions to the unitholders of KLCC REIT in the financial year under review, details of which are stated below:

- (i) First interim income distribution of 6.80 sen per unit distributed on 28 June 2024;
- (ii) Second interim income distribution of 6.74 sen per unit distributed on 30 September 2024;
- (iii) Third interim income distribution of 6.79 sen per unit distributed on 30 December 2024;
- (iv) Fourth interim income distribution of 7.37 sen per unit for year ended 31 December 2024 declared and will be payable on 28 February 2025.

We are of the view that the distributions are consistent with the objectives of KLCC REIT.

For and on behalf of

**MAYBANK TRUSTEES BERHAD**

[Registration No.: 196301000109 (5004-P)]



**Noradilah Binti Nordin**

Head, Corporate Trust

Kuala Lumpur, Malaysia



## Shariah Adviser's Report

### To the unitholders of KLCC REIT

We have acted as the Shariah Adviser of KLCC REIT. Our responsibility is to ensure that the procedures and processes employed by KLCC REIT Management Sdn. Bhd. and that the provisions of the Trust Deed are in accordance with Shariah principles.

In our opinion, KLCC REIT Management Sdn. Bhd. has managed and administered KLCC REIT in accordance with Shariah principles and complied with the applicable guidelines, rulings and decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 December 2024.

In addition, we also confirm that the investment portfolio of KLCC REIT:

- (a) Comprises investment properties and rental income which complied with the Securities Commission's Guidelines on Islamic Capital Market Products and Services and Guidelines on Listed Real Estate Investment Trusts. The percentage ratio of Shariah Non-Compliant Rental for the financial year ended 31 December 2024 is 1.25%;
- (b) KLCCP Stapled Securities is listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by Shariah Advisory Council of the Securities Commission;
- (c) Cash placement and liquid assets, which are placed in Shariah-compliant investments and/or instruments;
- (d) There is no acquisition of real estate during the financial year; and
- (e) The percentage of Shariah Non-Compliant Rental by the end of 10th financial year post listing or establishment has been complied with.

For and on behalf of Shariah Adviser

**CIMB Islamic Bank Berhad**

A handwritten signature in blue ink, appearing to read 'Ahmad Suhaimi Yahya'.

**Ahmad Suhaimi Yahya**

Regional Head, Shariah Advisory & Governance, Group Islamic Banking  
Designated Person Responsible for Shariah Advisory

Kuala Lumpur, Malaysia





# Consolidated Statement of Financial Position

As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	250	445
Investment properties	4	9,353,707	9,271,852
Trade and other receivables	6	176,293	256,148
		<b>9,530,250</b>	9,528,445
<b>Current Assets</b>			
Trade and other receivables	6	3,945	4,148
Cash and bank balances	7	191,872	141,984
		<b>195,817</b>	146,132
<b>TOTAL ASSETS</b>		<b>9,726,067</b>	9,674,577
<b>TOTAL UNITHOLDERS' FUND AND LIABILITIES</b>			
<b>Unitholders' Fund</b>			
Unitholders' capital	8	7,212,684	7,212,684
Merger reserve	9	6,212	6,212
Capital reserve	10	528,383	457,860
Retained profits		359,444	394,213
<b>Total Unitholders' Fund</b>		<b>8,106,723</b>	8,070,969
<b>Non-Current Liabilities</b>			
Other long term liabilities	11	80,426	71,899
Financing	13	1,355,000	900,000
Deferred tax liability	14	58,709	50,873
Other payables	15	75,705	74,391
		<b>1,569,840</b>	1,097,163
<b>Current Liabilities</b>			
Other payables	15	43,967	45,022
Financing	13	5,537	461,423
		<b>49,504</b>	506,445
<b>Total Liabilities</b>		<b>1,619,344</b>	1,603,608
<b>TOTAL UNITHOLDERS' FUND AND LIABILITIES</b>		<b>9,726,067</b>	9,674,577
<b>Number of units in circulation ('000 units)</b>		<b>1,805,333</b>	1,805,333
<b>Net asset value ("NAV")</b>			
– before income distribution		<b>8,106,723</b>	8,070,969
– after income distribution		<b>7,973,670</b>	7,955,428
<b>NAV per unit (RM)</b>			
– before income distribution		<b>4.49</b>	4.47
– after income distribution		<b>4.42</b>	4.41

The notes set out on pages 323 to 360 are an integral part of these financial statements.



## Consolidated Statement of Comprehensive Income

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue	16	579,031	582,169
Property operating expenses	17	(33,023)	(32,622)
<b>Net property income</b>		<b>546,008</b>	549,547
Fair value adjustments of investment properties	4	78,359	93,200
Profit income		7,291	6,138
		<b>631,658</b>	648,885
Management fees	18	(44,983)	(45,084)
Trustee's fee	19	(600)	(600)
Financing costs	20	(59,920)	(59,249)
<b>Profit before tax</b>	21	<b>526,155</b>	543,952
Tax expense	22	(7,836)	(9,320)
<b>PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME</b>		<b>518,319</b>	534,632
<b>Basic earnings per unit (sen)</b>	23	<b>28.71</b>	29.61

	2024 RM'000	2023 RM'000
<b>Income Distribution</b>		
Total comprehensive income for the financial year	518,319	534,632
Add/(less) adjustments:		
Accrued rental income	79,855	61,585
Amortisation of deferred revenue	(4,394)	(4,202)
Amortisation of premium for Sukuk Murabahah	(321)	(2,507)
Deferred tax liabilities	7,836	9,320
Depreciation of property, plant and equipment	205	350
Accretion of financial instruments	3,196	2,947
Fair value adjustments of investment properties	(78,359)	(93,200)
	<b>8,018</b>	(25,707)
Total income available for distribution	<b>526,337</b>	508,925
Distribution to unitholders in respect of financial year 2024/2023:		
First interim income distribution of 6.80% (2023: 7.09%) on 1,805,333,083 units	(122,763)	(127,998)
Second interim income distribution of 6.74% (2023: 7.00%) on 1,805,333,083 units	(121,679)	(126,373)
Third interim income distribution of 6.79% (2023: 6.30%) on 1,805,333,083 units	(122,582)	(113,736)
Fourth interim income distribution of 7.37% (2023: 6.40%) on 1,805,333,083 units	(133,053)	(115,541)
Balance undistributed	<b>26,260</b>	25,277

The notes set out on pages 323 to 360 are an integral part of these financial statements.



## Consolidated Statement of Changes in Net Asset Value

For The Year Ended 31 December 2024

	← Non-distributable →		← Distributable →		Total Group RM'000
	Unitholders' Capital RM'000 (Note 8)	Merger Reserve RM'000 (Note 9)	Capital Reserve RM'000 (Note 10)	Retained Profits RM'000	
<b>As at 1 January 2024</b>	<b>7,212,684</b>	<b>6,212</b>	<b>457,860</b>	<b>394,213</b>	<b>8,070,969</b>
Total comprehensive income for the year	–	–	–	<b>518,319</b>	<b>518,319</b>
Transfer of fair value adjustments net of tax	–	–	<b>70,523</b>	<b>(70,523)</b>	–
Income distribution (Note 24)	–	–	–	<b>(482,565)</b>	<b>(482,565)</b>
Net total comprehensive income for the year attributable to unitholders	–	–	<b>70,523</b>	<b>(34,769)</b>	<b>35,754</b>
<b>As at 31 December 2024</b>	<b>7,212,684</b>	<b>6,212</b>	<b>528,383</b>	<b>359,444</b>	<b>8,106,723</b>
<b>As at 1 January 2023</b>	7,212,684	6,212	373,980	425,485	8,018,361
Total comprehensive income for the year	–	–	–	534,632	534,632
Transfer of fair value adjustments net of tax	–	–	83,880	(83,880)	–
Income distribution (Note 24)	–	–	–	(482,024)	(482,024)
Net total comprehensive income for the year attributable to unitholders	–	–	83,880	(31,272)	52,608
<b>As at 31 December 2023</b>	7,212,684	6,212	457,860	394,213	8,070,969

The notes set out on pages 323 to 360 are an integral part of these financial statements.



## Consolidated Statement of Cash Flows

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		526,155	543,952
Adjustments for:			
Profit income		(7,291)	(6,138)
Financing costs	20	59,920	59,249
Accrued rental income and amortisation of deferred revenue		75,461	57,383
Depreciation of property, plant and equipment	3	205	350
Fair value adjustments on investment properties	4	(78,359)	(93,200)
<b>Operating cash flows before changes in working capital</b>		<b>576,091</b>	561,596
Changes in working capital:			
Trade and other receivables		579	32
Trade and other payables including other long term liabilities		11,592	4,626
Cash generated from operations		588,262	566,254
Profit income received		7,066	6,073
<b>Net cash generated from operating activities</b>		<b>595,328</b>	572,327
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions for investment properties	4	(5,295)	(401)
Purchase of property, plant and equipment	3	(10)	(18)
Increase in deposits with tenure of more than 3 months		(52,001)	(1)
<b>Net cash used in investing activities</b>		<b>(57,306)</b>	(420)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Income distributions paid		(482,525)	(482,235)
Financing cost paid		(57,610)	(58,753)
Proceed from issuance of Sukuk Murabahah		455,000	–
Payment of Sukuk Murabahah		(455,000)	–
<b>Net cash used in financing activities</b>		<b>(540,135)</b>	(540,988)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,113)</b>	30,919
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>141,945</b>	111,026
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	7	<b>139,832</b>	141,945

The notes set out on pages 323 to 360 are an integral part of these financial statements.





# Statement of Financial Position

As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	3	250	445
Investment properties	4	9,353,707	9,271,852
Investment in a subsidiary	5	*	*
Trade and other receivables	6	176,293	256,148
		<b>9,530,250</b>	9,528,445
<b>Current Assets</b>			
Trade and other receivables	6	3,945	4,149
Cash and bank balances	7	191,597	141,808
		<b>195,542</b>	145,957
<b>TOTAL ASSETS</b>		<b>9,725,792</b>	9,674,402
<b>TOTAL UNITHOLDERS' FUND AND LIABILITIES</b>			
<b>Unitholders' Fund</b>			
Unitholders' capital	8	7,212,684	7,212,684
Merger reserve	9	6,212	6,212
Capital reserve	10	528,383	457,860
Retained profits		359,516	394,281
<b>Total Unitholders' Fund</b>		<b>8,106,795</b>	8,071,037
<b>Non-Current Liabilities</b>			
Other long term liabilities	11	80,426	71,899
Amount due to a subsidiary	12	1,355,000	900,000
Deferred tax liability	14	58,709	50,873
Other payables	15	75,705	74,391
		<b>1,569,840</b>	1,097,163
<b>Current Liabilities</b>			
Other payables	15	43,958	45,011
Amount due to a subsidiary	12	5,199	461,191
		<b>49,157</b>	506,202
<b>Total Liabilities</b>		<b>1,618,997</b>	1,603,365
<b>TOTAL UNITHOLDERS' FUND AND LIABILITIES</b>		<b>9,725,792</b>	9,674,402
<b>Number of units in circulation ('000 units)</b>		<b>1,805,333</b>	1,805,333
<b>Net asset value ("NAV")</b>			
– before income distribution		<b>8,106,795</b>	8,071,037
– after income distribution		<b>7,973,742</b>	7,955,496
<b>NAV per unit (RM)</b>			
– before income distribution		<b>4.49</b>	4.47
– after income distribution		<b>4.42</b>	4.41

\* Represents RM2 in Midciti Sukuk Berhad

The notes set out on pages 323 to 360 are an integral part of these financial statements.



## Statement of Comprehensive Income

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue	16	579,031	582,169
Property operating expenses	17	(33,019)	(32,616)
<b>Net property income</b>		<b>546,012</b>	549,553
Fair value adjustments of investment properties	4	78,359	93,200
Profit income		7,291	6,138
		<b>631,662</b>	648,891
Management fees	18	(44,983)	(45,084)
Trustee's fee	19	(600)	(600)
Financing costs	20	(59,920)	(59,249)
<b>Profit before tax</b>	21	<b>526,159</b>	543,958
Tax expense	22	(7,836)	(9,320)
<b>PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME</b>		<b>518,323</b>	534,638
<b>Basic earnings per unit (sen)</b>	23	<b>28.71</b>	29.61

	2024 RM'000	2023 RM'000
<b>Income Distribution</b>		
Total comprehensive income for the financial year	518,323	534,638
Add/(less) adjustments:		
Accrued rental income	79,855	61,585
Amortisation of deferred revenue	(4,394)	(4,202)
Amortisation of premium for Sukuk Murabahah	(321)	(2,507)
Deferred tax liabilities	7,836	9,320
Depreciation of property, plant and equipment	205	350
Accretion of financial instruments	3,196	2,947
Fair value adjustments of investment properties	(78,359)	(93,200)
	<b>8,018</b>	(25,707)
Total income available for distribution	<b>526,341</b>	508,931
Distribution to unitholders in respect of financial year 2024/2023:		
First interim income distribution of 6.80% (2023: 7.09%) on 1,805,333,083 units	(122,763)	(127,998)
Second interim income distribution of 6.74% (2023: 7.00%) on 1,805,333,083 units	(121,679)	(126,373)
Third interim income distribution of 6.79% (2023: 6.30%) on 1,805,333,083 units	(122,582)	(113,736)
Fourth interim income distribution of 7.37% (2023: 6.40%) on 1,805,333,083 units	(133,053)	(115,541)
Balance undistributed	<b>26,264</b>	25,283

The notes set out on pages 323 to 360 are an integral part of these financial statements.



## Statement of Changes in Net Asset Value

For The Year Ended 31 December 2024

	← Non-distributable →		← Distributable →		Total Funds RM'000
	Unitholders' Capital RM'000 (Note 8)	Merger Reserve RM'000 (Note 9)	Capital Reserve RM'000 (Note 10)	Retained Profits RM'000	
<b>As at 1 January 2024</b>	<b>7,212,684</b>	<b>6,212</b>	<b>457,860</b>	<b>394,281</b>	<b>8,071,037</b>
Total comprehensive income for the year	–	–	–	<b>518,323</b>	<b>518,323</b>
Transfer of fair value adjustments net of tax	–	–	<b>70,523</b>	<b>(70,523)</b>	–
Income distribution (Note 24)	–	–	–	<b>(482,565)</b>	<b>(482,565)</b>
Net total comprehensive income for the year attributable to unitholders	–	–	<b>70,523</b>	<b>(34,765)</b>	<b>35,758</b>
<b>As at 31 December 2024</b>	<b>7,212,684</b>	<b>6,212</b>	<b>528,383</b>	<b>359,516</b>	<b>8,106,795</b>
<b>As at 1 January 2023</b>	7,212,684	6,212	373,980	425,547	8,018,423
Total comprehensive income for the year	–	–	–	534,638	534,638
Transfer of fair value adjustments net of tax	–	–	83,880	(83,880)	–
Income distribution (Note 24)	–	–	–	(482,024)	(482,024)
Net total comprehensive income for the year attributable to unitholders	–	–	83,880	(31,266)	52,614
<b>As at 31 December 2023</b>	7,212,684	6,212	457,860	394,281	8,071,037

The notes set out on pages 323 to 360 are an integral part of these financial statements.



## Statement of Cash Flows

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		526,159	543,958
Adjustments for:			
Profit income		(7,291)	(6,138)
Financing costs	20	59,920	59,249
Accrued rental income and amortisation of deferred revenue		75,461	57,383
Depreciation of property, plant and equipment	3	205	350
Fair value adjustments on investment properties	4	(78,359)	(93,200)
<b>Operating cash flows before changes in working capital</b>		<b>576,095</b>	561,602
Changes in working capital:			
Trade and other receivables		579	32
Trade and other payables including other long term liabilities		11,489	4,530
Cash generated from operations		588,163	566,164
Profit income received		7,066	6,073
<b>Net cash generated from operating activities</b>		<b>595,229</b>	572,237
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions for investment properties	4	(5,295)	(401)
Purchase of property, plant and equipment	3	(10)	(18)
Increase in deposits with tenure of more than 3 months		(52,000)	–
<b>Net cash used in investing activities</b>		<b>(57,305)</b>	(419)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Income distributions paid		(482,525)	(482,235)
Financing cost paid		(57,610)	(58,753)
Proceed received from a subsidiary		455,000	–
Payment of amount due to a subsidiary		(455,000)	–
<b>Net cash used in financing activities</b>		<b>(540,135)</b>	(540,988)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(2,211)</b>	30,830
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>141,808</b>	110,978
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	7	<b>139,597</b>	141,808

The notes set out on pages 323 to 360 are an integral part of these financial statements.



# Notes to the Financial Statements

31 December 2024

## 1. BASIS OF PREPARATION

### 1.1 Statement of compliance

The financial statements of the Group and of the Fund have been prepared in accordance with MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board, applicable provisions of the Deed and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts in Malaysia. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

As of 1 January 2024, the Group and the Fund had adopted Amendments to MFRS ("pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 31.

MASB has also issued new and revised pronouncements which are not yet effective for the Group and the Fund and therefore, have not been adopted in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in Note 32. New and revised pronouncements that are not relevant to the operations of the Group and of the Fund are set out in Note 33.

These financial statements were approved and authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors of the Manager on 5 February 2025.

### 1.2 Basis of measurement

The financial statements of the Group and of the Fund have been prepared on historical cost basis except for certain items which are measured at fair value, as disclosed in the accounting policies below.

### 1.3 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM") which is the Fund's functional currency.

All financial information is presented in RM and has been rounded to the nearest thousands, unless otherwise stated.

### 1.4 Use of estimates and judgments

The preparation of financial statements in conformity with MFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

#### (i) Critical judgement made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Fund's accounting policies that have a significant effect on the amounts recognised in the financial statements.

#### (ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

#### Fair value of investment properties

The Group and the Fund carry their investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group and the Fund had engaged an independent professional valuer to determine the fair values and there are no material events that affect the valuation between the valuation date and financial year end.

The determined fair values of the investment properties by the independent professional valuer is most sensitive to the estimated reversion and term yield rate and discount rate. The range of the yield rate and the discount rate used in the valuation is described in Note 4.



## Notes to the Financial Statements

31 December 2024

### 1. BASIS OF PREPARATION (continued)

#### 1.4 Use of estimates and judgments (continued)

##### (ii) Key sources of estimation uncertainty (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below: (continued)

##### Fair value of investment properties (continued)

The following table demonstrates the sensitivity of the fair value measurement to changes in estimated reversion and term yield rate, discount rate and its corresponding sensitivity result in a higher or lower fair value measurement:

	Fair value Increase/(decrease)	
	2024 RM'000	2023 RM'000
<b>Reversion and term yield rate</b>		
– 0.25%	<b>244,000</b>	182,000
+ 0.25%	<b>(231,000)</b>	(169,000)
<b>Discount rate</b>		
– 0.25%	<b>149,000</b>	209,000
+ 0.25%	<b>(154,000)</b>	(199,000)

The other key assumptions used to determine the fair value of the investment properties, are further explained in Note 4.

### 2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group and the Fund, unless otherwise stated.

#### 2.1 Basis of Consolidation

##### Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Fund. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Fund's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

All inter-company transactions are eliminated on consolidation and revenue and profits relate to external transactions only. Unrealised losses resulting from inter-company transactions are also eliminated unless cost cannot be recovered.

## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.1 Basis of Consolidation (continued)

#### Business Combination

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration transferred and the amount of any non-controlling interests in the acquiree. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

When a business combination is achieved in stages, the Group remeasures its previously held non-controlling equity interest in the acquiree at fair value at the acquisition date, with any resulting gain or loss recognised in the profit or loss. Increase in the Group's ownership interest in an existing subsidiary is accounted for as equity transactions with differences between the fair value of consideration paid and the Group's proportionate share of net assets acquired, recognised directly in equity.

The Group measures goodwill as the excess of the cost of an acquisition and the fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

#### Business combination under common control

KLCC REIT applies merger accounting to account for business combinations under common control. Under the merger accounting, assets and liabilities acquired are not restated to their respective fair values but at their carrying amounts in the consolidated financial statements of the holding company. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (at the date of the transaction) of the acquired business is recorded as merger reserve. No additional goodwill is recognised. The acquired business' results and the related assets and liabilities are recognised prospectively from the date on which the business combination between entities under common control occurred.

### 2.2 Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the assets to working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of material and direct labour. For qualifying assets, financing costs are capitalised in accordance with the accounting policy on financing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



## Notes to the Financial Statements

31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### 2.2 Property, Plant and Equipment and Depreciation (continued)

##### Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Fund and its cost can be measured reliably. The carrying amount of the replaced item of property, plant and equipment is derecognised with any corresponding gain or loss recognised in the profit or loss accordingly. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

##### Depreciation

Depreciation for property, plant and equipment other than freehold land, and projects-in-progress, is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful life of the other property, plant and equipment are as follows:

Building improvements	5 to 6 years
Office equipment	5 years

The depreciable amount is determined after deducting residual value. The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, period and method of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

##### Derecognition

An item of the property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

#### 2.3 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both.

Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair value of investment properties are recognised in the profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between net disposal proceeds and the carrying amount is recognised in the profit or loss in the period in which the item is derecognised.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.4 Leases

#### (i) Recognition and initial measurement

##### As a lessor

When the Group and the Fund act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Fund make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

##### Operating Leases – the Fund as lessor

Leases in which the Group and the Fund do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

#### (ii) Subsequent measurement

##### As a lessor

The Group and the Fund recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of "Revenue".

The Group and the Fund recognise finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's and the Fund's net investment in the lease. The Group and the Fund aim to allocate finance income over the lease term on a systematic and rational basis. The Group and the Fund apply the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9 Financial Instruments as stated in Note 2.7.

### 2.5 Investment in Subsidiary

Investment in subsidiary is stated at cost less impairment loss, if any, in the Fund's financial statements. The cost of investment includes transaction cost.

On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

### 2.6 Financial instruments

#### Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Fund become a party to the contractual provisions of the instrument.





## Notes to the Financial Statements

31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### 2.6 Financial instruments (continued)

##### Classification and subsequent measurement

##### (i) Financial assets

Financial assets are classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), as appropriate.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Fund's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Fund have applied the practical expedient, the Group and the Fund initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (or profit in the context of Islamic financial assets) ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Group or the Fund commits to purchase or sell the asset.

##### Amortised cost

This category is the most relevant to the Group and the Fund. The Group and the Fund measure financial assets at amortised cost if both of the following conditions are met:

- i. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

##### Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.6 Financial instruments (continued)

#### Classification and subsequent measurement (continued)

##### (ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financings or payables.

All financial liabilities are recognised initially at fair value and, in the case of financings and payables, net of directly attributable transaction costs.

The Group's and the Fund's financial liabilities include other payables and financings.

##### Amortised cost (financing)

This is the category most relevant to the Group and the Fund. After initial recognition, financings are subsequently measured at amortised cost using the effective profit rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective profit rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective profit rate. The effective profit rate amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to financing costs and financing.

##### (iii) Effective profit rate method

Amortised cost was computed using the effective profit rate method. This method used effective profit rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial instrument. Amortised cost takes into account any transaction costs and any discount or premium on settlement.

### 2.7 Impairment

#### (i) Financial assets

The Group and the Fund recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Fund expect to receive, discounted at an approximation of the original Effective Profit Rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Fund apply a simplified approach in calculating ECLs. Therefore, the Group and the Fund do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Fund have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



## Notes to the Financial Statements

31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### 2.7 Impairment (continued)

##### (i) Financial assets (continued)

The Group and the Fund consider a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group and the Fund may also consider a financial asset to be in default when internal or external information indicates that the Group and the Fund are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Fund consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available. The Group and the Fund assume that the credit risk on a financial asset has increased significantly if it is past due.

The Group and the Fund consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Fund in full, without recourse by the Group and the Fund to actions such as realising security.

##### (ii) Other assets

The carrying amounts of other assets, other than inventories, deferred tax assets and non-current assets or disposal groups classified as held for sale, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

A cash-generating unit is the smallest identifiable asset group that generates cash flows from continuing use that are largely independent from other assets and groups. An impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less cost to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed in the subsequent period. In respect of other assets, impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are credited to the profit or loss in the year in which the reversals are recognised.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.8 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, deposits with licensed financial institutions and highly liquid investments which have an insignificant risk of changes in fair value and are used by the Group and the Fund in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and deposits restricted as they are considered an integral part of the Group's and the Fund's cash management, if any.

### 2.9 Provisions

A provision is recognised when the Group and the Fund have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

### 2.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent it relates to a business combination or items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

#### (i) Current tax

Current tax expense is the expected tax payable on the taxable income for the period, using the statutory tax rate at the reporting date, and any adjustment to tax payable in respect of previous years.

#### (ii) Deferred tax

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2.3, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is expected to be settled, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax provided for the investment properties is at 10% which reflects the expected manner of recovery of the investment properties through sale.

### 2.11 Revenue

#### (i) Rental income

Rental income is recognised based on the accrual basis unless collection is in doubt, in which case it is recognised on the receipt basis.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation.



## Notes to the Financial Statements

31 December 2024

### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### 2.11 Revenue (continued)

##### (ii) Others

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group or the Fund recognises revenue when or as it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

##### Profit income

Profit income is recognised on an accrual basis using the effective profit rate method.

#### 2.12 Financing Costs

Financing costs directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other financing costs are charged to the profit or loss as an expense in the year in which they are incurred.

#### 2.13 Operating segments

An operating segment is a component of the Group and of the Fund that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's and the Fund's other components, and for which discrete financial information is available.

An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors, to make decisions about resources to be allocated to the segment and to assess its performance.

#### 2.14 Fair value measurement

The fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

##### (i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices within the bid-ask spread at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. Where fair value cannot be reliably estimated, assets are carried at cost less impairment losses, if any.

##### (ii) Non-financial assets

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.



## 2. MATERIAL ACCOUNTING POLICIES (continued)

### 2.14 Fair value measurement (continued)

When measuring the fair value of an asset or a liability, the Group and the Fund use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

### 2.15 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Fund after deducting all of its liabilities. Units are classified as equity. Dividends on units are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

### 2.16 Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Fund by the weighted average number of ordinary shares outstanding during the period.

### 2.17 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- (i) Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- (ii) Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products.
- (iii) Fair value measurement. For investment properties and revalued office properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The Group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as tenants' increasing demands for low-emission buildings.



## Notes to the Financial Statements

31 December 2024

### 3. PROPERTY, PLANT AND EQUIPMENT

	Note	Group/Fund		
		Building Improvements RM'000	Office Equipment RM'000	Total RM'000
<b>At 31 December 2024</b>				
<b>Cost</b>				
At 1 January 2024		2,250	1,115	3,365
Additions		–	10	10
At 31 December 2024		2,250	1,125	3,375
<b>Accumulated Depreciation</b>				
At 1 January 2024		2,074	846	2,920
Charge for the year	21	77	128	205
At 31 December 2024		2,151	974	3,125
<b>Net Carrying Amount</b>		<b>99</b>	<b>151</b>	<b>250</b>
<b>At 31 December 2023</b>				
<b>Cost</b>				
At 1 January 2023		2,250	1,097	3,347
Additions		–	18	18
At 31 December 2023		2,250	1,115	3,365
<b>Accumulated Depreciation</b>				
At 1 January 2023		1,893	677	2,570
Charge for the year	21	181	169	350
At 31 December 2023		2,074	846	2,920
<b>Net Carrying Amount</b>		<b>176</b>	<b>269</b>	<b>445</b>

**4. INVESTMENT PROPERTIES**

	Group/Fund	
	2024 RM'000	2023 RM'000
At 1 January	<b>9,271,852</b>	9,175,267
Fair value adjustments	<b>78,359</b>	93,200
Additions during the year	<b>3,496</b>	3,385
At 31 December	<b>9,353,707</b>	9,271,852

The Group and the Fund incurred costs on investment properties during the year by way of:

	Group/Fund	
	2024 RM'000	2023 RM'000
Cash	<b>2,311</b>	401
Other payables	<b>1,185</b>	2,984
	<b>3,496</b>	3,385
Cash paid for additions in prior year	<b>2,984</b>	–
Cash paid for additions in current year	<b>2,311</b>	401
Total cash paid for investment properties	<b>5,295</b>	401

The investment properties are stated at fair value, which have been determined based on valuations performed by an independent professional valuer. There are no material events that affect the valuation between the valuation date and financial year end. The valuation method used in determining the valuations is the investment method.

The following are recognised in profit or loss in respect of the investment properties:

	Group/Fund	
	2024 RM'000	2023 RM'000
Rental Income (Note 16)	<b>579,031</b>	582,169
Direct operating expenses	<b>(31,089)</b>	(30,229)
	<b>547,942</b>	551,940



## Notes to the Financial Statements

31 December 2024

### 4. INVESTMENT PROPERTIES (continued)

#### Fair value information

Fair value of investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>2024</b>				
– Office properties	–	–	8,846,165	8,846,165
– Retail properties	–	–	507,542	507,542
	–	–	9,353,707	9,353,707
<b>2023</b>				
– Office properties	–	–	8,764,638	8,764,638
– Retail properties	–	–	507,214	507,214
	–	–	9,271,852	9,271,852

#### Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

#### Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can assess at the measurement date.

#### Level 2 fair value

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

#### Level 3 fair value

For Level 3 fair value, the Group/Fund uses various valuation techniques in determining the fair value of its investment properties. Such techniques include discounted cash flow method, investment method and market comparable method.

#### Transfer between Level 1, 2 and 3 fair values

There is no transfer between level 1, 2 and 3 fair values during the financial year.

The following table shows a reconciliation of Level 3 fair values:

	Group/Fund	
	2024 RM'000	2023 RM'000
Valuation per valuer's reports	9,530,000	9,528,000
Less: Accrued rental income	(176,293)	(256,148)
	9,353,707	9,271,852



#### 4. INVESTMENT PROPERTIES (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Range		Inter-relationship between significant unobservable inputs and fair value measurement
		2024	2023	
Investment method (refer below)	<b>Office:</b>			The estimated fair value would increase/(decrease) if:
	Market rental rate (RM/psf/month)			
	– Term	<b>8.50 – 12.99</b>	8.50 – 12.99	– expected market rental growth was higher/(lower)
	– Reversion	<b>9.00 – 13.50</b>	9.55 – 13.30	– expected market rental growth was higher/(lower)
	Outgoings (RM/psf/month)			
	– Term	<b>2.85</b>	2.80	– expected inflation rate was lower/(higher)
	– Reversion	<b>2.85 – 3.05</b>	2.70 – 2.80	– expected inflation rate was lower/(higher)
	Void rate (%)	<b>5.00</b>	5.00	– void rate was lower/(higher)
	Term yield (%)	<b>5.50 – 5.75</b>	5.75 – 6.00	– term yield rate was lower/(higher)
	Reversionary yield (%)	<b>5.75 – 6.00</b>	6.00 – 6.25	– reversionary yield was lower/(higher)
	Discount rate (%)	<b>5.50 – 6.00</b>	5.75 – 6.25	– discount rate was lower/(higher)
	<b>Retail:</b>			The estimated fair value would increase/(decrease) if:
	Market rental rate (RM/psf/month)			
	– Term	<b>7.58 – 126.35</b>	6.97 – 138.87	– expected market rental growth was higher/(lower)
	– Reversion	<b>8.34 – 138.99</b>	7.50 – 165.39	– expected market rental growth was higher/(lower)
	Outgoings (RM/psf/month)			
	– Term	<b>7.85</b>	6.80	– expected inflation rate was lower/(higher)
	– Reversion	<b>7.85</b>	6.80	– expected inflation rate was lower/(higher)
	Void rate (%)	<b>5.00</b>	5.00	– void rate was lower/(higher)
	Term yield (%)	<b>6.25</b>	6.25	– term yield rate was lower/(higher)
	Reversionary yield (%)	<b>6.50 – 7.50</b>	6.50	– reversionary yield was lower/(higher)
	Discount rate (%)	<b>6.25 – 7.50</b>	6.25 – 6.50	– discount rate was lower/(higher)

Investment method entails the capitalisation of the net rent from a property. Net rent is the residue of gross annual rent less annual expenses (outgoings) required to sustain the rent with allowance for void and management fees.

#### Valuation processes applied by the Group and the Fund for Level 3 fair value

The fair value of investment properties is determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent professional valuer provides the fair value of the Group's and of the Fund's investment properties portfolio annually. Changes in Level 3 fair values are analysed by the Management annually based on the valuation reports from the independent professional valuer.





## Notes to the Financial Statements

31 December 2024

### 4. INVESTMENT PROPERTIES (continued)

Description of property	Tenure of land	Existing use	Location	Date of acquisition	Acquisition cost RM'000	Carrying value as at 31.12.2024 RM'000	Carrying value as at 31.12.2023 RM'000	Fair value as at 31.12.2024 RM'000	Fair value as at 31.12.2023 RM'000	Percentage of fair value to NAV as at	
										31.12.2024 %	31.12.2023 %
PETRONAS Twin Towers	Freehold	Office	Kuala Lumpur	10.04.2013	6,500,000	<b>6,828,296</b>	6,760,206	6,950,000	6,950,000	85.7	86.1
Menara 3 PETRONAS	Freehold	Office & retail	Kuala Lumpur	10.04.2013	1,790,000	<b>1,985,411</b>	1,971,646	2,040,000	2,038,000	25.2	25.3
Menara ExxonMobil	Freehold	Office	Kuala Lumpur	10.04.2013	450,000	<b>540,000</b>	540,000	540,000	540,000	6.7	6.7
					8,740,000	<b>9,353,707</b>	9,271,852	9,530,000	9,528,000		

### 5. INVESTMENT IN SUBSIDIARY

	Fund	
	2024 RM	2023 RM
Unquoted shares at cost	<b>2</b>	2

Details of the subsidiary, which is incorporated in Malaysia, are as follows:

Name of Subsidiary	Effective ownership interest and voting interest		Principal Activity
	2024 %	2023 %	
Midciti Sukuk Berhad ("MSB")	<b>100</b>	100	To act as a special-purpose company for the purpose of raising Islamic financing for KLCC REIT.

**6. TRADE AND OTHER RECEIVABLES**

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-current</b>				
Accrued rental income	<b>176,293</b>	256,148	<b>176,293</b>	256,148
<b>Current</b>				
Trade receivables	<b>184</b>	144	<b>184</b>	144
Other receivables and deposits	<b>2,517</b>	3,005	<b>2,517</b>	3,006
Amount due from:				
Ultimate holding company	<b>27</b>	276	<b>27</b>	276
Fellow subsidiaries	<b>1,217</b>	723	<b>1,217</b>	723
Total trade and other receivables	<b>3,945</b>	4,148	<b>3,945</b>	4,149
Total	<b>180,238</b>	260,296	<b>180,238</b>	260,297

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables	<b>184</b>	144	<b>184</b>	144
Other receivables	<b>3,761</b>	4,004	<b>3,761</b>	4,005
	<b>3,945</b>	4,148	<b>3,945</b>	4,149
Add: Cash and bank balances (Note 7)	<b>191,872</b>	141,984	<b>191,597</b>	141,808
Total financial assets carried at amortised cost	<b>195,817</b>	146,132	<b>195,542</b>	145,957

Amount due from ultimate holding company and fellow subsidiaries arose in the normal course of business and are unsecured, non-interest bearing and repayable on demand.



## Notes to the Financial Statements

31 December 2024

### 7. CASH AND CASH EQUIVALENTS

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	415	383	180	246
Deposits with licensed banks	191,457	141,601	191,417	141,562
	191,872	141,984	191,597	141,808
Less: Deposits with tenure of more than 3 months	(52,040)	(39)	(52,000)	–
Total cash and cash equivalents	139,832	141,945	139,597	141,808

The weighted average effective profit rate applicable to the deposits with licensed banks for the Group and the Fund at the reporting date were 3.85% per annum (2023: 3.91% per annum) and 3.85% per annum (2023: 3.91% per annum) respectively.

Deposits with licensed banks for the Group and Fund have average maturity of 63 days (2023: 58 days) and 61 days (2023: 56 days) respectively.

### 8. UNITHOLDERS' CAPITAL

	Group/Fund			
	Number of Units		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
<b>Issued and fully paid:</b>				
At 1 January/31 December	1,805,333	1,805,333	7,212,684	7,212,684

#### Stapled Security:

Stapled security means one unit in KLCC REIT is stapled to one ordinary share in KLCCP. Holders of KLCCP Stapled Securities are entitled to receive distributions and dividends as declared from time to time and are entitled to one vote per stapled security at Unitholders' and Shareholders' meetings.

Accordingly, the Fund does not have authorised unitholders' capital, or par value in respect of its issued units.



## 8. UNITHOLDERS' CAPITAL (continued)

### Stapled Security: (continued)

As at 31 December 2024, the Manager did not hold any units in the Fund. However, parties related to the Manager held units in the Fund as follows:

	Group/Fund			
	Number of Units		Market value	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
<b>Direct unitholdings of parties related to the Manager</b>				
KLCCH	<b>1,167,639</b>	1,167,639	<b>9,516,258</b>	8,278,561
PETRONAS	<b>40,817</b>	40,817	<b>332,659</b>	289,393
	<b>1,208,456</b>	1,208,456	<b>9,848,917</b>	8,567,954
<b>Indirect unitholdings of parties related to the Manager</b>				
PETRONAS	<b>1,167,639</b>	1,167,639	<b>9,516,258</b>	8,278,561

The market value of the units held by the parties related to the Manager is determined by using the closing market value of the Fund as at 31 December 2024 of RM8.15 per unit (2023: RM7.09 per unit).

## 9. MERGER RESERVE

KLCC REIT adopts merger accounting as its accounting policy to account for business combination under common control. In accordance with its policy, the difference between the fair value of the units issued as consideration and the aggregate carrying amount of assets and liabilities acquired as of the date of business combination is included in equity as merger reserve.

## 10. CAPITAL RESERVE

Fair value adjustments on investment property are transferred from retained profits to capital reserve and such surplus will be considered distributable upon the sale of investment property.

## 11. OTHER LONG TERM LIABILITIES

	Group/Fund	
	2024 RM'000	2023 RM'000
Security deposits payable	<b>80,426</b>	71,899

Security deposits payable are interest-free, unsecured and refundable upon expiry of the respective lease agreements. The fair values at initial recognition were determined based on effective profit rates at 4.31% (2023: 4.34%) per annum.



## Notes to the Financial Statements

31 December 2024

### 12. AMOUNT DUE TO A SUBSIDIARY

The amount due to a subsidiary relates to Sukuk undertaken by the subsidiary but utilised by the Fund. The profit expenses incurred on the Sukuk is charged to the Fund. The short term amount due is unsecured and is payable semi-annually. The long term amount due is unsecured and is not repayable within the next 12 months.

Information regarding the Sukuk as at 31 December 2024 and 31 December 2023 are disclosed in Note 13.

### 13. FINANCING

	Group	
	2024 RM'000	2023 RM'000
<b>Short term financing</b>		
Secured:		
Sukuk Murabahah	5,537	461,423
<b>Long term financing</b>		
Secured:		
Sukuk Murabahah	1,355,000	900,000
<b>Total financing</b>		
Secured:		
Sukuk Murabahah	1,360,537	1,361,423

#### Terms and debt payment schedule:

	Group				
	Total RM'000	Under 1 year RM'000	1 – 2 years RM'000	3 – 5 years RM'000	Over 5 years RM'000
<b>31 December 2024</b>					
<b>Secured</b>					
Sukuk Murabahah	1,360,537	5,537	500,000	–	855,000
<b>31 December 2023</b>					
<b>Secured</b>					
Sukuk Murabahah	1,361,423	461,423	–	500,000	400,000





### 13. FINANCING (continued)

Sukuk Murabahah consists of Islamic Commercial Programme ("ICP") of up to RM500 million and Islamic medium term notes ("IMTN") of up to RM3 billion subject to a combined limit of RM3 billion. It is primarily secured against assignment and charge over the Finance Service Account and Revenue Account maintained by the REIT Trustee.

The Group had paid its RM455 million Sukuk Murabahah upon maturity on 25 April 2024 and on the same date issued RM455 million of Sukuk Murabahah with a profit rate of 4.19% per annum and maturing on 25 April 2034. Details of the drawdown that are outstanding as at year end are as follows:

Tenure	Value (RM)	Profit rate	Maturity
7 years	500,000,000	4.20%	25 April 2026
10 years	400,000,000	4.00%	23 April 2031
10 years	455,000,000	4.19%	23 April 2034

The profit rate is payable semi-annually and disclosed as short term financing.

#### Reconciliation of the movement of liabilities to cash flows arising from financing activities

Group	Sukuk Murabahah RM'000	Dividend paid RM'000	Total RM'000
Balance at 1 January 2024	<b>1,361,423</b>	–	<b>1,361,423</b>
<b>Changes from financing cash flows</b>			
Proceeds from issuance of Sukuk Murabahah	<b>455,000</b>	–	<b>455,000</b>
Payment of Sukuk Murabahah	<b>(455,000)</b>	–	<b>(455,000)</b>
Financing cost paid	<b>(57,610)</b>	–	<b>(57,610)</b>
Income distribution paid	–	<b>(482,525)</b>	<b>(482,525)</b>
<b>Total changes from financing cash flows</b>	<b>(57,610)</b>	<b>(482,525)</b>	<b>(540,135)</b>
<b>Other changes</b>			
Liability-related			
Financing cost (Note 20)	<b>56,724</b>	–	<b>56,724</b>
Dividend payable	–	<b>482,525</b>	<b>482,525</b>
<b>Total liability-related other changes</b>	<b>56,724</b>	<b>482,525</b>	<b>539,249</b>
Balance at 31 December 2024	<b>1,360,537</b>	–	<b>1,360,537</b>
Balance at 1 January 2023	1,363,874	–	1,363,874
<b>Changes from financing cash flows</b>			
Financing cost paid	(58,753)	–	(58,753)
Income distribution paid	–	(482,235)	(482,235)
<b>Total changes from financing cash flows</b>	<b>(58,753)</b>	<b>(482,235)</b>	<b>(540,988)</b>
<b>Other changes</b>			
Liability-related			
Financing cost (Note 20)	56,302	–	56,302
Dividend payable	–	482,235	482,235
<b>Total liability-related other changes</b>	<b>56,302</b>	<b>482,235</b>	<b>538,537</b>
Balance at 31 December 2023	1,361,423	–	1,361,423



## Notes to the Financial Statements

31 December 2024

### 14. DEFERRED TAX LIABILITY

	Note	Group/Fund	
		2024 RM'000	2023 RM'000
At 1 January		50,873	41,553
Recognised in profit or loss	22	7,836	9,320
At 31 December		58,709	50,873

### 15. OTHER PAYABLES

	Note	Group		Fund	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Non-Current</b>					
Deferred revenue		75,705	74,391	75,705	74,391
<b>Current</b>					
Deferred revenue		21,738	21,738	21,738	21,738
Other payables		5,263	7,103	5,254	7,095
Security deposits payable		3,188	2,683	3,188	2,685
Amount due to:					
Ultimate holding company		–	247	–	247
Immediate holding company		771	678	771	673
Fellow subsidiaries		12,295	11,880	12,295	11,880
Other related companies		712	693	712	693
Total other payables		43,967	45,022	43,958	45,011
Add: Financing	13	1,360,537	1,361,423	–	–
Amount due to a subsidiary		–	–	1,360,199	1,361,191
Other long term liabilities	11	80,426	71,899	80,426	71,899
Less: Deferred revenue		(21,738)	(21,738)	(21,738)	(21,738)
Total financial liabilities carried at amortised cost		1,463,192	1,456,606	1,462,845	1,456,363

Deferred revenue relates to the excess of the principal amount of security deposits received over their fair value which is accounted for as prepaid lease income and amortised over the lease term on a straight line basis.

Amounts due to holding company, fellow subsidiaries and other related companies which arose in the normal course of business are unsecured, interest-free and repayable on demand.

**16. REVENUE**

	Group/Fund	
	2024 RM'000	2023 RM'000
Investment properties (Note 4)		
– Office	<b>542,908</b>	541,959
– Retail	<b>36,123</b>	40,210
	<b>579,031</b>	582,169

**17. PROPERTY OPERATING EXPENSES**

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Utilities expenses	<b>12,269</b>	12,551	<b>12,269</b>	12,551
Maintenance expenses	<b>10,724</b>	10,737	<b>10,724</b>	10,737
Quit rent and assessment	<b>3,441</b>	3,441	<b>3,441</b>	3,441
Other operating expenses	<b>6,589</b>	5,893	<b>6,585</b>	5,887
	<b>33,023</b>	32,622	<b>33,019</b>	32,616

**18. MANAGEMENT FEES**

	Group/Fund	
	2024 RM'000	2023 RM'000
Base fee	<b>28,603</b>	28,598
Performance fee	<b>16,380</b>	16,486
	<b>44,983</b>	45,084

The Manager will receive the following fees from KLCC REIT:

- i) a base fee of 0.3% (2023: 0.3%) per annum of the total asset value of KLCC REIT (excluding cash and bank balances) at each financial year end.
- ii) a performance fee of 3.00% (2023: 3.00%) per annum of KLCC REIT's net property income in the relevant financial year.

**19. TRUSTEE'S FEE**

In accordance with the Deed, an annual trusteeship fee of up to 0.025% per annum of the net asset value of KLCC REIT at each financial year end, subject to a maximum cap of RM600,000 per annum is to be paid to Trustee.



## Notes to the Financial Statements

31 December 2024

### 20. FINANCING COSTS

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit expense:				
Amount due to a subsidiary	–	–	<b>56,724</b>	56,302
Sukuk Murabahah	<b>56,724</b>	56,302	–	–
Accretion of financial instruments	<b>3,196</b>	2,947	<b>3,196</b>	2,947
	<b>59,920</b>	59,249	<b>59,920</b>	59,249

### 21. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Note	Group		Fund	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration		<b>110</b>	104	<b>105</b>	99
Valuation fees		<b>285</b>	160	<b>285</b>	160
Property manager fee		<b>97</b>	95	<b>97</b>	95
Depreciation	3	<b>205</b>	350	<b>205</b>	350

### 22. TAX EXPENSE

Pursuant to Section 61A of the Malaysian Income Tax Act, 1967 ("Act"), income of KLCC REIT will be exempted from tax provided that at least 90% of its total taxable income (as defined in the Act) is distributed to the unitholders' in the basis period of KLCC REIT for that year of assessment within two months after the close of the financial year. If the 90% distribution condition is not complied with or the 90% distribution is not made within two months after the close of KLCC REIT financial year which forms the basis period for a year of assessment, KLCC REIT will be subject to income tax at the prevailing statutory rate on its total taxable income. Income which has been taxed at the KLCC REIT level will have tax credits attached when subsequently distributed to unitholders.

As at the date of this financial statements, KLCC REIT has declared more than 90% of its distributable income to unitholders for the financial year ended 31 December 2024 accordingly. No provision for income tax expense has been made for the year.

Deferred tax liability has been provided for the investment properties held by KLCC REIT at 10% (2023: 10%) which reflects the expected manner of recovery of the investment properties, i.e. recovered through sale.



## 22. TAX EXPENSE (continued)

Reconciliation of the tax expense is as follows:

	Group	
	2024 RM'000	2023 RM'000
Profit before tax	526,155	543,952
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	126,277	130,548
Income exempted from tax	(126,277)	(130,548)
Deferred tax recognised at different tax rate	7,836	9,320
Tax expense	7,836	9,320

	Fund	
	2024 RM'000	2023 RM'000
Profit before tax	526,159	543,958
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	126,278	130,550
Income exempted from tax	(126,278)	(130,550)
Deferred tax recognised at different tax rate	7,836	9,320
Tax expense	7,836	9,320

## 23. BASIC EARNINGS PER UNIT

Basic earnings per unit amounts are calculated by dividing profit for the year attributable to unitholders of the Fund by the weighted average number of units in issue during the financial year.

	Group		Fund	
	2024	2023	2024	2023
Profit attributable to unitholders (RM'000)	518,319	534,632	518,323	534,638
Weighted average number of units in issue ('000)	1,805,333	1,805,333	1,805,333	1,805,333
Basic earnings per unit (sen)	28.71	29.61	28.71	29.61





## Notes to the Financial Statements

31 December 2024

### 24. INCOME DISTRIBUTION

	Income distribution recognised in year		Net income distribution per unit	
	2024 RM'000	2023 RM'000	2023 sen	2022 sen
Recognised during the year:				
A fourth interim income distribution of 6.40% (2022: 6.31%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2023/2022	<b>115,541</b>	113,917	<b>6.40</b>	6.31
A first interim income distribution of 6.80% (2023: 7.09%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	<b>122,763</b>	127,998	<b>6.80</b>	7.09
A second interim income distribution of 6.74% (2023: 7.00%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	<b>121,679</b>	126,373	<b>6.74</b>	7.00
A third interim income distribution of 6.79% (2023: 6.30%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	<b>122,582</b>	113,736	<b>6.79</b>	6.30
	<b>482,565</b>	482,024	<b>26.73</b>	26.70

A fourth interim income distribution in respect of the financial year ended 31 December 2024 of 7.37% on 1,805,333,083 units, declared on 5 February 2025 amounting to an income distribution payable of RM133,053,048 will be payable on 28 February 2025.

The financial statements for the current year do not reflect this fourth interim income distribution. Such income distribution will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2025.

Distribution to unitholders is from the following sources:

	Group	
	2024 RM'000	2023 RM'000
Net property income	<b>546,008</b>	549,547
Profit income	<b>7,291</b>	6,138
Fair value adjustments of investment properties	<b>78,359</b>	93,200
	<b>631,658</b>	648,885
Less: Expenses	<b>(105,503)</b>	(104,933)
Tax expense	<b>(7,836)</b>	(9,320)
Profit for the year	<b>518,319</b>	534,632
Add/(less): Non-cash items	<b>8,018</b>	(25,707)
Add: Brought forward undistributed income available for distribution	<b>118,594</b>	93,317
Total available for income distribution	<b>644,931</b>	602,242
Less: Income distributed	<b>(367,024)</b>	(368,107)
Less: Income to be distributed on 28 February 2025 (2023: 29 February 2024)	<b>(133,053)</b>	(115,541)
Balance undistributed income available for distribution	<b>144,854</b>	118,594
Distribution per unit (sen)	<b>27.70</b>	26.79

**24. INCOME DISTRIBUTION (continued)**

Distribution to unitholders is from the following sources: (continued)

	Fund	
	2024 RM'000	2023 RM'000
Net property income	<b>546,012</b>	549,553
Profit income	<b>7,291</b>	6,138
Fair value adjustments of investment properties	<b>78,359</b>	93,200
	<b>631,662</b>	648,891
Less: Expenses	<b>(105,503)</b>	(104,933)
Tax expense	<b>(7,836)</b>	(9,320)
Profit for the year	<b>518,323</b>	534,638
Add/(less): Non-cash items	<b>8,018</b>	(25,707)
Add: Brought forward undistributed income available for distribution	<b>118,600</b>	93,317
Total available for income distribution	<b>644,941</b>	602,248
Less: Income distributed	<b>(367,024)</b>	(368,107)
Less: Income to be distributed on 28 February 2025 (2023: 29 February 2024)	<b>(133,053)</b>	(115,541)
Balance undistributed income available for distribution	<b>144,864</b>	118,600
Distribution per unit (sen)	<b>27.70</b>	26.79

**25. MANAGEMENT EXPENSE RATIO**

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total Trust expenses	<b>47,516</b>	46,956	<b>47,511</b>	46,951
Net asset value at the end of the financial year	<b>8,106,723</b>	8,070,969	<b>8,106,795</b>	8,071,037
Less: Fourth interim income distribution	<b>(133,053)</b>	(115,541)	<b>(133,053)</b>	(115,541)
Net asset value at the end of the financial year, after interim income distribution	<b>7,973,670</b>	7,955,428	<b>7,973,742</b>	7,955,496
Management Expense Ratio ("MER")	<b>0.60</b>	0.59	<b>0.60</b>	0.59

The calculation of MER is based on the total fees and expenses incurred by the Group and the Fund in the financial year, including Manager's fee and Trustee's fee, auditors' remuneration, tax agent's fee, valuation fees and other Trust expenses to the net asset value (after the fourth interim income distribution) at the end of the respective financial year.



## Notes to the Financial Statements

31 December 2024

### 26. COMMITMENTS

#### (a) Capital commitments

	Group/Fund	
	2024 RM'000	2023 RM'000
<b>Approved but not contracted for</b>		
Investment properties	<b>7,566</b>	7,050

#### (b) Operating lease commitments – as lessor

The Group has entered into non-cancellable commercial property lease on its investment properties. The future minimum rental receivable under this non-cancellable operating lease at the reporting date is as follows:

	Group/Fund	
	2024 RM'000	2023 RM'000
Not later than 1 year	<b>653,915</b>	616,355
Later than 1 year but not later than 5 years	<b>2,257,225</b>	2,370,196
More than 5 years	<b>6,215,484</b>	6,722,989
	<b>9,126,624</b>	9,709,540



## 27. RELATED PARTY DISCLOSURES

### (a) Significant transactions with related parties

- (i) PETRONAS, the ultimate holding company, and its subsidiaries.
- (ii) KLCCCH, the penultimate holding company, and its subsidiaries.
- (iii) KLCCP, the immediate holding company, and its subsidiaries.
- (iv) Subsidiary of the Fund as disclosed in Note 5.

### (b) Other than as disclosed elsewhere in the notes to the financial statements, the significant related party transactions are as follows:

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>(Expense)/income</b>				
<b>Federal Government of Malaysia</b>				
Property licenses and other taxes	<b>(3,441)</b>	(3,441)	<b>(3,441)</b>	(3,441)
<b>Government of Malaysia's related entities</b>				
Purchase of utilities	<b>(4,782)</b>	(5,064)	<b>(4,782)</b>	(5,064)
<b>Ultimate Holding Company</b>				
Rental income	<b>516,803</b>	515,320	<b>516,803</b>	515,320
<b>Fellow subsidiaries</b>				
Management fees	<b>(44,983)</b>	(45,084)	<b>(44,983)</b>	(45,084)
Property management fees	<b>(2,181)</b>	(2,349)	<b>(2,181)</b>	(2,349)
Property maintenance fees	<b>(9,570)</b>	(9,312)	<b>(9,570)</b>	(9,312)
Property advertising and marketing fees	<b>(1,073)</b>	(873)	<b>(1,073)</b>	(873)
Carpark income	<b>863</b>	839	<b>863</b>	839
<b>A subsidiary</b>				
Profit expense	–	–	<b>(59,920)</b>	(59,249)
<b>Other related company</b>				
Chilled water supply	<b>(7,487)</b>	(7,487)	<b>(7,487)</b>	(7,487)

The Directors of the Manager are of the opinion that the above transactions and transactions detailed elsewhere were undertaken at mutually agreed terms between the parties in the normal course of business and the terms and conditions are established under negotiated terms.

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 and 31 December 2023 are disclosed in Notes 6, 12 and 15.



## Notes to the Financial Statements

31 December 2024

### 28. FINANCIAL INSTRUMENTS

#### Financial risk management objectives and policies

The Group has a Risk Management Framework and Guidelines that set the foundation for the establishment of effective risk management across the Group.

Risk taking activities are undertaken within acceptable level of risk or risk appetite, whereby the risk appetite level reflects business considerations and capacity to assume such risks. The risk appetite is established at Board level, where relevant, based on defined methodology and translated into operational thresholds.

The Group's and the Fund's goal in risk management are to ensure that the management understands, measures, monitors and reports the financial risks that arise in connection with their operations. The policies, standards and guidelines have been developed to identify, analyse, appraise, monitor and report the dynamic risks facing the Group and the Fund. Based on this assessment, each business unit adopts appropriate measures to mitigate these risks in accordance with the business unit's view of the balance between risk and reward.

The Group and the Fund have exposure to market risk, profit rate risk, liquidity risk and credit risk arising from its use of financial instruments in the normal course of the Group's and the Fund's business.

#### Market Risk

Market risk is the risk or uncertainty arising from change in market prices and their impact on the performance of the business. The market price changes that the Group and the Fund are exposed to include profit rates, foreign currency exchange rates, commodity prices, equity prices and other indices that could affect the value of the Group's and the Fund's financial assets, liabilities or expected future cash flows.

Financial instruments affected by market risk include financings and deposits.

#### Profit Rate Risk

Profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market profit rates. Fair value profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates. As the Group has no significant profit-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market profit rates. The Group's and the Fund's profit-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's and the Fund's profit rate risk arises primarily from profit-bearing financing. Financing at variable rates expose the Group to cash flow profit rate risk. Financing obtained at fixed rates expose the Group and the Fund to fair value profit rate risk. The Group and the Fund manage their profit expense rate exposure through a balanced portfolio of fixed and variable rate financing.

The profit rate profile of the Group's and the Fund's profit-bearing financial instruments based on carrying amount as at reporting date was:

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
<b>Fixed rate instruments</b>				
Financial assets	<b>191,457</b>	141,601	<b>191,417</b>	141,562
Financial liabilities	<b>(1,360,537)</b>	(1,361,423)	<b>(1,360,199)</b>	(1,361,191)



**28. FINANCIAL INSTRUMENTS (continued)****Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises from the requirement to raise funds for the Group's and the Fund's businesses on an ongoing basis as a result of the existing and future commitments which are not funded from internal resources. As part of its overall liquidity management, the Group and the Fund maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements. As far as possible, the Group and the Fund raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

**Maturity analysis**

The table below summarises the maturity profile of the Group's and the Fund's financial liabilities as at the reporting date based on undiscounted contractual payments:

	Group						
	Carrying amount RM'000	Contractual profit rate	Contractual cash flow RM'000	Within 1 year RM'000	1-2 years RM'000	3-5 years RM'000	More than 5 years RM'000
<b>Financial Liabilities</b>							
<b>31 December 2024</b>							
Sukuk Murabahah	<b>1,360,537</b>	<b>4.00% – 4.20%</b>	<b>1,671,626</b>	<b>56,111</b>	<b>545,484</b>	<b>105,237</b>	<b>964,794</b>
Other payables excluding deferred revenue	<b>22,229</b>	<b>–</b>	<b>22,229</b>	<b>22,229</b>	<b>–</b>	<b>–</b>	<b>–</b>
Other long term liabilities	<b>80,426</b>	<b>4.31%</b>	<b>164,243</b>	<b>2,939</b>	<b>8,288</b>	<b>2,423</b>	<b>150,593</b>
<b>31 December 2023</b>							
Sukuk Murabahah	1,361,423	4.00% – 4.80%	1,538,399	502,964	36,942	558,515	439,978
Other payables excluding deferred revenue	23,284	–	23,284	23,284	–	–	–
Other long term liabilities	71,899	4.34%	152,718	2,472	2,079	8,140	140,027



## Notes to the Financial Statements

31 December 2024

### 28. FINANCIAL INSTRUMENTS (continued)

#### Liquidity Risk (continued)

#### Maturity analysis (continued)

The table below summarises the maturity profile of the Group's and the Fund's financial liabilities as at the reporting date based on undiscounted contractual payments: (continued)

	Fund						
	Carrying amount RM'000	Contractual profit rate	Contractual cash flow RM'000	Within 1 year RM'000	1-2 years RM'000	3-5 years RM'000	More than 5 years RM'000
<b>Financial Liabilities</b>							
<b>31 December 2024</b>							
Amount due to a subsidiary	<b>1,360,199</b>	<b>4.00% - 4.20%</b>	<b>1,671,288</b>	<b>55,773</b>	<b>545,484</b>	<b>105,237</b>	<b>964,794</b>
Other payables excluding deferred revenue	<b>22,220</b>	<b>–</b>	<b>22,220</b>	<b>22,220</b>	<b>–</b>	<b>–</b>	<b>–</b>
Other long term liabilities	<b>80,426</b>	<b>4.31%</b>	<b>164,243</b>	<b>2,939</b>	<b>8,288</b>	<b>2,423</b>	<b>150,593</b>
<b>31 December 2023</b>							
Amount due to a subsidiary	1,361,191	4.00% - 4.80%	1,538,167	502,732	36,942	558,515	439,978
Other payables excluding deferred revenue	23,273	–	23,273	23,273	–	–	–
Other long term liabilities	71,899	4.34%	152,718	2,472	2,079	8,140	140,027

#### Credit risk

Credit risk is the risk of potential exposure of the Group and of the Fund to losses in the event of non-performance by counterparties. The Group and the Fund's exposures to credit risk arise principally from customers and placement in financial institutions. Credit risks are controlled by individual subsidiaries in line with Group's Risk Management Framework and Guideline.

#### Receivables

##### Risk management objectives, policies and processes for managing the risk

The Group and the Fund minimise credit risk by entering into contracts with highly credit rated counterparties and through credit approval, financial limits and on-going monitoring procedures. Counterparties credit evaluation is done systematically using quantitative and qualitative criteria on credit risks specified by individual operating units. Depending on the creditworthiness of the counterparty, the Group and the Fund may require collateral or other credit enhancements.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Fund.

The Group and the Fund use ageing analysis and credit limit review to monitor the credit quality of the receivables. The Fund monitors the results of its subsidiary regularly. Any customers exceeding their credit limit are monitored closely. With respect to the trade and other receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

With respect to the trade and other receivables which have no realistic prospect of recovery, the gross carrying amounts of the credit impaired receivables will be written off (either in partial or in full).

## 28. FINANCIAL INSTRUMENTS (continued)

### Credit risk (continued)

#### Receivables (continued)

##### Recognition and measurement of impairment loss

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

In managing credit risk of trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Fund perform credit rating assessment of all its counterparties in order to measure ECL of trade receivables for all segments using the PETRONAS Credit Risk Rating system. This credit rating assessment considers quantitative assessment using the counterparties' financial statements or a qualitative assessment of the counterparties which includes but is not limited to their reputation, competitive position, industry and geopolitical outlook.

In determining the ECL, the probability of default assigned to each customer is based on their individual credit rating. This probability of default is derived by benchmarking against available third party and market information, which also incorporates forward looking information.

Loss given default is the assumption of the proportion of financial asset that cannot be recovered by conversion of collateral to cash or by legal process, and is assessed based on the Group's and the Fund's historical experience.

The Group and the Fund have not recognised any loss allowance for trade receivables that are secured by collateral and/or other credit enhancements such as cash deposits, letter of credit and bank guarantees.

The ageing of trade receivables as at the reporting date was:

	Group/Fund	
	2024 RM'000	2023 RM'000
<b>At net:</b>		
Not past due	148	143
Past due 1 to 30 days	36	1
Less: Impairment losses	–	–
Net trade receivable	184	144

The Group does not typically negotiate the terms of trade receivables. There were no renegotiated balances outstanding as at 31 December 2024 and 31 December 2023.



## Notes to the Financial Statements

31 December 2024

### 28. FINANCIAL INSTRUMENTS (continued)

#### Fair Value Information

##### Recognised financial instruments

The Group's and the Fund's financial instruments consist of cash and cash equivalents, investments and financing, trade and other receivables, financing, other payables and various debt.

The carrying amounts of cash and cash equivalents, trade and other receivables, other payables and short term financing approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of other long term liabilities approximate its fair value amount.

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
<b>2024</b>					
<b>Financial liabilities</b>					
Sukuk Murabahah	–	1,337,287	–	1,337,287	1,360,537
<b>2023</b>					
<b>Financial liabilities</b>					
Sukuk Murabahah	–	1,329,409	–	1,329,409	1,361,423

For the financial instruments listed above, fair values have been determined by discounting expected future cash flows at market incremental financing rate for similar types of financing at the reporting date. There were no transfers between Level 1, 2 and 3 fair values during the financial year (2023: no transfer between Level 1, 2 and 3 fair values).

### 29. CAPITAL MANAGEMENT

The Group and the Fund define capital as the total equity and debts of the Fund. The objective of the Group's and the Fund's capital management is to maintain an optimal capital structure and ensuring availability of funds in order to support its business and maximise shareholder value. As a subsidiary of PETRONAS, the Group's and the Fund's approach in managing capital is set out in the KLCC Group Corporate Financial Policies.

The Group and the Fund monitor and maintain a prudent level of total debts to total equity ratio to optimise shareholder value and to ensure compliance with covenants under debt and shareholders' agreements.

The Group's capital is represented by its unitholders' fund in the statement of financial position. The capital requirements imposed on the Group is to ensure it maintains a healthy gearing ratio of maximum 50% of the total asset value at the time the financing is incurred, in addition to complying with the financial covenants prescribed by financial institutions as stated in the Facility Agreements. The Directors of the Manager will monitor and are determined to maintain an optimal gearing ratio that will provide an ideal financing to total assets ratio that also complies with regulatory requirements.

## 29. CAPITAL MANAGEMENT (continued)

The financing to total assets ratio as at 31 December 2024 is as follows:

	Group	
	2024 RM'000	2023 RM'000
Total financing	<b>1,360,537</b>	1,361,423
Total assets	<b>9,726,067</b>	9,674,577
Financing to total assets ratio	<b>14.0%</b>	14.1%

The Deed provides that the Manager shall, with the approval of the Trustee, for each distribution year, distribute all (or such other percentage as determined by the Manager at its absolute discretion) of the Group's distributable income. It is the intention of the Manager to distribute at least 90% of the Group's distributable income on a quarterly basis or such other intervals as the Manager may determine at its absolute discretion.

## 30. SEGMENT INFORMATION

### (a) Reporting format

Segment information is presented in respect of the Group's and the Fund's business segments.

Inter-segment transactions have been entered into in the normal course of business and have been established on commercial basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise profit-earning assets and revenue, profit-bearing financing, financing and expenses, and corporate assets and expenses.

The Group and the Fund comprises the following main business segments:

Property investment – Office      Rental of office spaces and other related activities.

Property investment – Retail      Rental of retail spaces and other related activities.

Details on geographical segments are not applicable as the Group operates predominantly in Malaysia.





## Notes to the Financial Statements

31 December 2024

### 30. SEGMENT INFORMATION (continued)

#### (b) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise profit-earning assets and revenue, profit-bearing financing and corporate assets and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. Inter-segment transactions have been entered into in the normal course of business and have been established on commercial basis. These transfers are eliminated on consolidation.

#### Business Segments

31 December 2024	Property investment – office RM'000	Property investment – retail RM'000	Consolidated RM'000
<b>Revenue</b>			
External customers	542,908	36,123	579,031
<b>Results</b>			
Net property income	521,756	24,252	546,008
Profit income			7,291
Fair value adjustments on investment properties			78,359
Management fees			(44,983)
Trustee's fee			(600)
Financing costs			(59,920)
Tax expense			(7,836)
Profit after tax			518,319
Depreciation			205
Non-cash items other than depreciation			7,813
<b>Segment assets</b>	<b>8,902,504</b>	<b>631,691</b>	<b>9,534,195</b>
Cash and bank balances			191,872
Consolidated total assets			9,726,067
<b>Segment liabilities</b>	<b>244,424</b>	<b>14,383</b>	<b>258,807</b>
Financing			1,360,537
Consolidated total liabilities			1,619,344

**30. SEGMENT INFORMATION (continued)****(b) Allocation basis and transfer pricing (continued)****Business Segments (continued)**

<b>31 December 2023</b>	<b>Property investment – office RM'000</b>	<b>Property investment – retail RM'000</b>	<b>Consolidated RM'000</b>
<b>Revenue</b>			
External customers	541,959	40,210	582,169
<b>Results</b>			
Net property income	521,624	27,923	549,547
Profit income			6,138
Fair value adjustments on investment properties			93,200
Management fees			(45,084)
Trustee's fee			(600)
Financing costs			(59,249)
Tax expense			(9,320)
Profit after tax			534,632
Depreciation			350
Non-cash items other than depreciation			(26,057)
<b>Segment assets</b>	<b>8,901,655</b>	<b>630,938</b>	<b>9,532,593</b>
Cash and bank balances			141,984
Consolidated total assets			9,674,577
<b>Segment liabilities</b>	<b>216,497</b>	<b>25,688</b>	<b>242,185</b>
Financing			1,361,423
Consolidated total liabilities			1,603,608

**31. ADOPTION OF REVISED PRONOUNCEMENTS**

During the financial year, the Group and the Fund adopted the following pronouncements that have been issued by the MASB and are applicable as listed below:

**Effective for annual periods beginning on or after 1 January 2024**

Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)  
Amendments to MFRS 101 Presentation of Financial Statements (Non-current Liabilities with Covenants)

The initial application of the above-mentioned pronouncements did not have any material impact to the financial statements of the Group and the Fund.



## Notes to the Financial Statements

31 December 2024

### 32. PRONOUNCEMENTS YET IN EFFECT

The following pronouncements that have been issued by the MASB will become effective in future financial reporting periods and have not been adopted by the Group and the Fund in these financial statements:

#### **Effective for annual periods beginning on or after 1 January 2025**

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

#### **Effective for annual periods beginning on or after 1 January 2026**

Amendments to MFRS 10 Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

Amendments to MFRS 128 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

#### **Effective for annual periods beginning on or after 1 January 2027**

MFRS 18 Presentation and Disclosure in Financial Statements

#### **Effective for a date yet to be confirmed**

Amendments to MFRS 10 Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

Amendments to MFRS 128 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The Group and the Fund are expected to apply the above-mentioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the above-mentioned pronouncements are not expected to have any material impacts to the financial statements of the Group and the Fund, except for MFRS 18 pronouncement, which impact on initial application is currently being assessed.

### 33. NEW AND REVISED PRONOUNCEMENTS NOT APPLICABLE TO THE GROUP AND THE FUND

The MASB has issued pronouncements which are not relevant to the Group and the Fund and hence, no further disclosure is warranted.

#### **Effective for annual periods beginning on or after 1 January 2024**

Amendments to MFRS 16 Leases (Lease Liability in a Sale and Leaseback)

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements)

#### **Effective for annual periods beginning on or after 1 January 2027**

MFRS 19 Subsidiaries without Public Accountability: Disclosures



# Independent Auditors' Report

## To the unitholders of KLCC Real Estate Investment Trust

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of KLCC Real Estate Investment Trust ("KLCC REIT" or the "Fund"), which comprise the statements of financial position as at 31 December 2024 of the Group and of the Fund, and the statements of comprehensive income, statements of changes in net asset value and statements of cash flows of the Group and of the Fund for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, as set out on pages 315 to 360.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia.

#### *Basis for opinion*

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Independence and other ethical responsibilities*

We are independent of the Group and of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Fund for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

#### *Valuation of investment properties*

As at 31 December 2024, the carrying value of the Group and of the Fund's investment properties carried at fair value amounted to RM9,353,707,000 which represents 96% of the Group and of the Fund's total assets. The Group and the Fund adopt the fair value model for its investment properties. The valuation of investment properties carried at fair value is significant to our audit due to their magnitude, complex valuation method and high dependency on a range of estimates (amongst others, rental income data, yield rate and discount rate) which are based on current and future market or economic conditions. The Group and the Fund have engaged an external valuer to determine the fair value of the investment properties at the reporting date and a fair value gain of RM78,359,000 has been recognised during the year.



## Independent Auditors' Report

### To the unitholders of KLCC Real Estate Investment Trust

#### *Valuation of investment properties (continued)*

Our audit procedures focused on the valuations performed by the independent valuer, which included, amongst others, the following procedures:

- We considered the objectivity, independence and expertise of the independent valuer;
- We obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuer to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, rental income data and yield rate;
- We assessed the reasonableness of the property related data by corroborating those data used in the valuation to available market data;
- We tested the accuracy of rental income data applied in the valuation by comparing them with lease agreements and challenged the yield rate by comparing them with available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and held further discussions with the valuer;
- We assessed whether the discount rate used to determine the present value of the cash flows reflects the estimated market rate of return for comparable assets with similar profile; and
- We also evaluated the Group's disclosures on those assumptions to which the outcome of the valuation is most sensitive. The Group's disclosures on the valuation sensitivity and significant assumptions used, including relationships between key unobservable inputs and fair values, are included in Notes 1.4 and 4 to the financial statements respectively.

#### *Information other than the financial statements and auditors' report thereon*

The Manager of the Fund is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### *Responsibilities of the Manager for the financial statements*

The Manager of the Fund is responsible for the preparation of financial statements of the Group and of the Fund that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Group and of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Fund, the Manager is responsible for assessing the Group's and the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or the Fund or to cease operations, or has no realistic alternative to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

#### *Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



*Auditors' responsibilities for the audit of the financial statements (continued)*

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Fund, including the disclosures, and whether the financial statements of the Group and of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Fund for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Other matters**

This report is made solely to the unitholders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Muhammad Syarizal Bin Abdul Rahim  
No. 03157/01/2027 J  
Chartered Accountant

Kuala Lumpur, Malaysia  
5 February 2025



## Analysis of Shareholdings and Unitholdings

As at 20 February 2025

For the purpose of Main Market Listing Requirements of Bursa Malaysia Securities Berhad, both KLCC Property Holdings Berhad ("KLCCP") and KLCC Real Estate Investment Trust ("KLCC REIT") are classified as "listed issuers".

<b>Listed Issuer</b>	KLCC Property Holdings Berhad
<b>Issued Share Capital</b>	1,805,333,083 Ordinary Shares
<b>No. of Shareholders</b>	8,820
<b>Voting Rights</b>	One vote for each share
<b>Listed Issuer</b>	KLCC Real Estate Investment Trust
<b>Approved Fund Size</b>	1,805,333,085 Units
<b>Total Issued Units</b>	1,805,333,083 Units
<b>No. of Unitholders</b>	8,820
<b>Voting Rights</b>	One vote for each unit

Under the "stapled" structure, all ordinary shares of KLCCP are stapled together with all units of KLCC REIT ("Stapled Securities"). Therefore, the information on Distribution of the Stapled Securities Holdings, Directors' Interest in Listed Issuers, Substantial Stapled Securities Holders of the Listed Issuers and Thirty Largest Stapled Securities Holders stated below is based on Stapled Securities structure.

### DISTRIBUTION OF STAPLED SECURITIES HOLDINGS

Size of Stapled Securities Holdings	No. of Stapled Securities Holders	(%)	No. of Stapled Securities Held	(%)
Less than 100	1,896	21.497	10,810	0.001
100 to 1,000	4,077	46.224	2,163,859	0.120
1,001 to 10,000	2,380	26.984	8,769,651	0.486
10,001 to 100,000	357	4.048	11,147,238	0.617
100,001 to less than 5% of issued Stapled Securities	106	1.202	396,600,352	21.968
5% and above of issued Stapled Securities	4	0.045	1,386,641,173	76.808
<b>Total</b>	<b>8,820</b>	<b>100</b>	<b>1,805,333,083</b>	<b>100</b>

### DIRECTORS' INTERESTS IN THE LISTED ISSUERS

None of the Directors of the Listed Issuers have any interest in the Stapled Securities.

### DIRECTORS' INTERESTS IN RELATED CORPORATIONS

Name	PETRONAS Chemicals Group Berhad			
	Direct		Indirect	
	No. of Shares	(%)	No. of Shares	(%)
Freida Binti Amat	6,000	0.000	–	–

**SENIOR MANAGEMENT INTEREST IN THE LISTED ISSUERS**

None of the Senior Management of the Listed Issuers have any interest in the Stapled Securities.

**SUBSTANTIAL STAPLED SECURITIES HOLDERS OF THE LISTED ISSUERS**

Name	Direct		Indirect	
	No. of Stapled Securities Held	(%)	No. of Stapled Securities Held	(%)
1. KLCC (Holdings) Sdn Bhd	1,167,638,804	64.677	–	–
2. CIMB Group Nominees (Tempatan) Sdn Bhd (Exempt AN for Petroliam Nasional Berhad)	40,816,979	2.261	1,167,638,804 <sup>#</sup>	64.677
3. Citigroup Nominees (Tempatan) Sdn Bhd – Employees Provident Fund Board (including Portfolio Managers)	207,071,275	11.470	–	–
4. Amanahraya Trustees Berhad (Amanah Saham Bumiputera)	92,681,000	5.133	–	–

<sup>#</sup> Deemed interest in 1,167,638,804 Stapled Securities held by KLCC (Holdings) Sdn Bhd by virtue of PETRONAS 100% direct interest in KLCC (Holdings) Sdn Bhd.

**THIRTY LARGEST STAPLED SECURITIES HOLDERS**

No.	Name	No. of Stapled Securities	(%)
1.	KLCC (Holdings) Sdn Bhd	617,700,294	34.215
2.	KLCC (Holdings) Sdn Bhd	549,938,510	30.461
3.	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board)	126,321,369	6.997
4.	Amanahraya Trustees Berhad (Amanah Saham Bumiputera)	92,681,000	5.133
5.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	53,828,406	2.981
6.	CIMB Group Nominees (Tempatan) Sdn Bhd (Exempt AN for Petroliam Nasional Berhad)	40,816,979	2.261
7.	Amanahraya Trustees Berhad (Amanah Saham Malaysia)	39,999,800	2.215
8.	Lembaga Tabung Haji	36,670,400	2.031
9.	Amanahraya Trustees Berhad (Amanah Saham Malaysia 3)	28,289,800	1.567



## Analysis of Shareholdings and Unitholdings

As at 20 February 2025

### THIRTY LARGEST STAPLED SECURITIES HOLDERS (CONT'D.)

No.	Name	No. of Stapled Securities	(%)
10.	Amanahraya Trustees Berhad (Amanah Saham Malaysia 2 – Wawasan)	23,000,000	1.274
11.	Permodalan Nasional Berhad	14,942,600	0.827
12.	Maybank Nominees (Tempatan) Sdn Bhd (Maybank Trustees Berhad For Public Ittikal Fund (N14011970240))	12,975,100	0.718
13.	Amanahraya Trustees Berhad (Amanah Saham Bumiputra 3 – Didik)	12,060,200	0.668
14.	Amanahraya Trustees Berhad (Amanah Saham Bumiputera 2)	9,472,600	0.524
15.	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board (CGS CIMB))	9,026,000	0.499
16.	Pertubuhan Keselamatan Sosial	8,094,900	0.448
17.	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board (Nomura))	7,424,100	0.411
18.	HSBC Nominees (Tempatan) Sdn Bhd (HSBC (M) Trustee Bhd For Zurich Life Insurance Malaysia Berhad (NP-Other-REITS))	6,523,000	0.361
19.	Amanahraya Trustees Berhad (Public Islamic Dividend Fund)	6,362,000	0.352
20.	Kumpulan Wang Persaraan (Diperbadankan)	5,682,831	0.314
21.	Citigroup Nominees (Tempatan) Sdn Bhd (Employees Provident Fund Board (AsianIslamic))	5,440,400	0.301
22.	Citigroup Nominees (Tempatan) Sdn Bhd (Great Eastern Life Assurance (Malaysia) Berhad (Non Par 16))	5,000,000	0.276
23.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Zurich Life Insurance Malaysia Berhad (Life Par)	4,264,400	0.236
24.	Cartaban Nominees (Tempatan) Sdn Bhd PBTB for Takafulink Dana Ekuiti	4,047,200	0.224
25.	Amanahraya Trustees Berhad Public Islamic Equity Fund	4,033,800	0.223
26.	Lembaga Tabung Angkatan Tentera	3,005,200	0.166
27.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Zurich General Insurance Malaysia Berhad (GI-REITS)	2,732,200	0.151
28.	Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	2,584,600	0.143
29.	Citigroup Nominees (Asing) Sdn Bhd CBNY for DFA International Real Estate Securities Portfolio of DFA Investment Dimensions Group Inc	2,158,900	0.119
30.	Amanah Raya Berhad Kumpulan Wang Bersama Syariah	2,143,000	0.118

## List of Properties of KLCCP Stapled Group

As at 31 December 2024

### KLCC PROPERTY HOLDINGS BERHAD

Registered Owner	Particulars of land title	Date of Revaluation (Tenure)	Description/ Existing use	Land area (sq m)	Built-up area (sq m)	Age of building	Audited net carrying amount as at 31.12.2024 (RM mil)
Suria KLCC Sdn Bhd	Grant 43698 Lot 170, Seksyen 58, Town & District of Kuala Lumpur	31.12.2024 (Freehold)	A 6-storey retail centre (Suria KLCC)/ Shopping centre	28,160	143,569	26 years	5,780.1*
Asas Klasik Sdn Bhd	Grant 43700 Lot 172, Seksyen 58, Town & District of Kuala Lumpur	31.12.2024 (Freehold)	An international class hotel comprising hotel rooms and service apartments (Mandarin Oriental, Kuala Lumpur)/Hotel	8,094	92,783	26 years	529.4
Impian Cemerlang Sdn Bhd	Grant 43701, Lot 173, Seksyen 58, Town & District of Kuala Lumpur	31.12.2024 (Freehold)	A parcel of commercial land	5,726	–	–	312.7**
Kompleks Dayabumi Sdn Bhd	HS(D) 123344 (Formerly PN 2395), PT 50001 (Formerly Lot 38), Seksyen 70, Town & District of Kuala Lumpur	31.12.2024 (Leasehold of 99 years expiring on 05.06.2122)	A 36-storey office building (Menara Dayabumi) and a parcel of vacant contiguous commercial land/ Office building	PT 50001: 52 sq m	125,988	40 years	754.0**
	PN 54859 (Formerly PN 53463), Lot 39, Seksyen 70, Town & District of Kuala Lumpur	31.12.2024 (Leasehold of 99 years expiring on 05.09.2123)		Lot 39: 2,166 sq m			
	HS(D) 123693, (Formerly PN 33471), PT 50000 (Formerly Lot 45), Seksyen 70, Town & District of Kuala Lumpur	31.12.2024 (Leasehold of 99 years expiring on 16.10.2123)		PT 50000: 25,790 sq m			
	HS(D) 123343 (Formerly PN 32233), PT 50003 (Formerly Lot 51), Seksyen 70, Town & District of Kuala Lumpur	31.12.2024 (Leasehold of 98 years expiring on 05.06.2121)		PT 50003: 1,331 sq m			
				<b>Total:</b> <b>29,339 sq m</b>			

\* Investment Properties stated at fair value

\*\* Investment Properties stated at fair value and IPUC stated at cost





## List of Properties of KLCCP Stapled Group

As at 31 December 2024

### KLCC REAL ESTATE INVESTMENT TRUST

Registered Owner	Particulars of land title	Date of Revaluation (Tenure)	Description/ Existing use	Land area (sq m)	Built-up area (sq m)	Age of building	Audited net carrying amount as at 31.12.2024 (RM mil)
Maybank Trustees Berhad as trustee of KLCC Real Estate Investment Trust	Grant 43685 Lot 157, Seksyen 58, Town & District of Kuala Lumpur	31.12.2024 (Freehold)	A 29-storey office building with 3 basement levels (Menara ExxonMobil)/ Office building	3,999	74,369	28 years	540.0*
Maybank Trustees Berhad as trustee of KLCC Real Estate Investment Trust	Grant 43699 Lot 171, Seksyen 58, Town & District of Kuala Lumpur	31.12.2024 (Freehold)	A 58-storey office tower (Menara 3 PETRONAS) cum shopping podium and basement car park/ Office building & retail podium	4,302	155,296	13 years	1,985.4*
Maybank Trustees Berhad as trustee of KLCC Real Estate Investment Trust	Grant 43697 Lot 169, Seksyen 58, Town & District of Kuala Lumpur	31.12.2024 (Freehold)	Two 88-storey office towers (PETRONAS Twin Towers)/Office building	21,740	510,917	27 years	6,828.3*

\* Investment Properties stated at fair value



## Corporate Directory

### KLCC PROPERTY HOLDINGS BERHAD

Levels 33 & 34, Menara Dayabumi  
 Jalan Sultan Hishamuddin  
 50050 Kuala Lumpur  
 Malaysia  
 Telephone : 603 2783 6000  
 Facsimile : 603 2783 7810  
 Website : [www.klcc.com.my](http://www.klcc.com.my)  
 E-mail : [info@klcc.com.my](mailto:info@klcc.com.my)

### KLCC REIT MANAGEMENT SDN BHD

Levels 33 & 34, Menara Dayabumi  
 Jalan Sultan Hishamuddin  
 50050 Kuala Lumpur  
 Malaysia  
 Telephone : 603 2783 6000  
 Facsimile : 603 2783 7810  
 Website : [www.klcc.com.my](http://www.klcc.com.my)  
 E-mail : [info@klcc.com.my](mailto:info@klcc.com.my)

### KLCC PARKING MANAGEMENT SDN BHD

Level P2, Tower 1  
 PETRONAS Twin Towers  
 Kuala Lumpur City Centre  
 50088 Kuala Lumpur  
 Malaysia  
 Telephone : 603 2392 8585  
                   603 2392 8448  
 Facsimile : 603 2392 8407  
 Website : [www.parking.klcc.com.my](http://www.parking.klcc.com.my)  
 E-mail : [klccparking@klcc.com.my](mailto:klccparking@klcc.com.my)

### MANDARIN ORIENTAL, KUALA LUMPUR

Kuala Lumpur City Centre  
 P.O. Box 10905  
 50088 Kuala Lumpur  
 Malaysia  
 Telephone : 603 2380 8888  
 Facsimile : 603 2380 8833  
 Website : [www.mandarinoriental.com](http://www.mandarinoriental.com)  
 E-mail : [mokul-sales@mohg.com](mailto:mokul-sales@mohg.com)

### KLCC URUSHARTA SDN BHD

Level P1, Tower 2  
 PETRONAS Twin Towers  
 Kuala Lumpur City Centre  
 50088 Kuala Lumpur  
 Malaysia  
 Telephone : 603 2392 8768  
 Facsimile : 603 2382 1037  
 Website : [www.klcc.com.my](http://www.klcc.com.my)  
 E-mail : [info@klcc.com.my](mailto:info@klcc.com.my)

### SURIA KLCC SDN BHD

Level 13, Menara Darussalam  
 No 12, Jalan Pinang  
 50450 Kuala Lumpur  
 Malaysia  
 Telephone : 603 2382 3434  
 Facsimile : 603 2382 2838  
 Website : [www.suriaklcc.com.my](http://www.suriaklcc.com.my)  
 E-mail : [info@suriaklcc.com.my](mailto:info@suriaklcc.com.my)



## Notice of Annual General Meeting

**KLCC PROPERTY HOLDINGS BERHAD**  
**200401003073 (641576-U)**  
**(Incorporated in Malaysia)**

**KLCC REAL ESTATE INVESTMENT TRUST**  
**(A real estate investment trust constituted under**  
**the laws of Malaysia) (Managed by KLCC REIT**  
**Management Sdn Bhd ("the Manager"))**

NOTICE IS HEREBY GIVEN THAT the Twelfth Annual General Meeting ("12<sup>th</sup> AGM") of KLCC Real Estate Investment Trust ("KLCC REIT") and the Twenty-Second Annual General Meeting ("22<sup>nd</sup> AGM") of KLCC Property Holdings Berhad (the "Company" or "KLCCP") will be conducted concurrently at the Grand Ballroom, Level 1, Mandarin Oriental, Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on Tuesday, 29 April 2025 at 10:30 a.m. for the following purposes:

### A. KLCC REIT

#### AS ORDINARY BUSINESS:

- To receive the Audited Financial Statements for the financial year ended 31 December 2024 of KLCC REIT together with the Reports attached thereon. **(Please refer to Note 10)**

### B. KLCCP

#### AS ORDINARY BUSINESS:

- To receive the Audited Financial Statements for the financial year ended 31 December 2024 of the Company and the Reports of the Directors and Auditors thereon. **(Please refer to Note 11)**
- To re-elect the following Directors who retire pursuant to the Constitution of the Company:
  - Dato' Sr Mazuki bin A Aziz **Resolution I**
  - Datin Noor Lily Zuriati binti Abdullah **Resolution II**
  - Datuk Ir. Annies bin Md Ariff **Resolution III**
  - Datuk Sr Mohd. Salem bin Kailany **Resolution IV**
  - Puan Freida binti Amat **Resolution V**
- To approve the payment of the following Directors' fees and benefits payable to Non-Executive Directors for the period commencing on the date immediately after the date of the 22<sup>nd</sup> AGM up to the date of the next Annual General Meeting to be held in 2026 of the Company:

Category	Non-Executive Chairman	Non-Executive Directors
<b>The Company</b>	<b>(RM per annum)</b>	<b>(RM per annum)</b>
Directors' Retainer Fees	360,000	240,000
Fuel/Electric Vehicle Charging Allowance	6,000	6,000
	<b>(RM per attendance)</b>	<b>(RM per attendance)</b>
Attendance allowance for Board and Board Committees Meetings	3,500	3,500
<b>The Manager</b>	<b>(RM per attendance)</b>	<b>(RM per attendance)</b>
Attendance allowance for Board and Board Committees Meetings	3,500	3,500

**Resolution VI**

- To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix the Auditors' remuneration. **Resolution VII**

- To transact any other business for which due notice has been given.



FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a holder of the Stapled Securities who shall be entitled to attend the 12<sup>th</sup> AGM of KLCC REIT and the 22<sup>nd</sup> AGM of KLCCP ("AGMs"), the Manager and/or the Trustee and KLCCP shall be requesting Bursa Malaysia Depository Sdn Bhd, in accordance with Paragraph 17 of Schedule 1 of the Amended and Restated Trust Deed dated 3 September 2019 entered into between the Manager and the Trustee, Articles 76(1) and 76(2) of KLCCP's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act, 1991, to issue a General Meeting Record of Depositors as at 21 April 2025 and only a Depositor whose name appears on such Record of Depositors shall be entitled to attend, speak and vote at the said meetings.

BY ORDER OF THE BOARD

**Hanida Hanum Jamon** (SSM PC No. 201908001412) (LS 0007099)  
Company Secretary

Kuala Lumpur  
26 March 2025

**Notes:**

1. A holder of the Stapled Securities who is entitled to attend and vote at the meetings is entitled to appoint not more than 2 proxies to attend and to vote in his/her stead. A proxy may but need not be a holder of the Stapled Securities. There shall be no restriction as to the qualification of the proxy.
2. Where a holder of the Stapled Securities is an authorised nominee, it may appoint at least one proxy but not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company and units of KLCC REIT standing to the credit of the said securities account.
3. Where a holder of the Stapled Securities is an exempt authorised nominee who holds Stapled Securities for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
4. Where a holder of the Stapled Securities or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the appointment shall be invalid unless he specifies the proportions of his/her holdings to be represented by each proxy.
5. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company and KLCC REIT not less than forty-eight (48) hours before the time appointed for holding the AGMs or adjourned general meetings at which the person named in the appointment proposes to vote:
  - (i) In hard copy form  
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company and KLCC REIT at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
  - (ii) By electronic form  
The proxy form can be electronically lodged with the Share Registrar of the Company and KLCC REIT via **TIIH Online** website at <https://tiih.online>. Kindly refer to Administrative Details on the procedures for electronic lodgement of proxy form via TIIH Online.
6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.
7. Last date and time for lodging the proxy form is **Sunday, 27 April 2025** at **10.30 a.m.**
8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company and KLCC REIT at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGMs or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
9. A corporate which is a holder of the Stapled Securities who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company and KLCC REIT at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:
  - (i) If the corporate holder of the Stapled Securities has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate holder of the Stapled Securities.
  - (ii) If the corporate holder of the Stapled Securities does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate holder (if any) and executed by:
    - (a) at least two (2) authorised officers, of whom one shall be a director; or
    - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate holder is incorporated.



## Notice of Annual General Meeting

### Explanatory Notes for Items on the Agenda

#### 10. Explanatory Note for Item 1

This agenda item is meant for discussion only as in accordance with the provision of Paragraph 13.18(b) of the Guidelines on Listed Real Estate Investment Trusts, a formal approval on the Audited Financial Statements of KLCC REIT from the holders of Stapled Securities is not required. Hence, this item is not put forward to the holders of Stapled Securities for voting.

#### 11. Explanatory Note for Item 2

This agenda item is meant for discussion only as the provisions of Sections 248(2) and 340(1) of the Companies Act, 2016 do not require formal approval of the holders of Stapled Securities for the Audited Financial Statements of the Company. Hence, this item is not put forward to the holders of Stapled Securities for voting.

#### 12. Explanatory Note for Items 3

Article 106 of the Company's Constitution provides that one-third of the Directors of the Company for the time being shall retire by rotation at an AGM of the Company provided always that all Directors shall retire from office once at least in each three years but shall be eligible for re-election at the AGM. A Director retiring at a meeting shall retain office until the conclusion of the meeting.

Article 112 of the Company's Constitution provides that the Directors shall have power at any time, and from time to time to appoint any person to be a Director, either to fill a casual vacancy or as an addition to the existing Directors, provided that the total number of Directors shall not at any time exceed the maximum number fixed in accordance with this Constitution. Any Director so appointed shall hold office until the next annual general meeting and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

At the forthcoming 22<sup>nd</sup> AGM, the Directors who will be retiring in accordance with Article 106 of the Company's Constitution are Dato' Sr Mazuki bin A Aziz and Datin Noor Lily Zuriati binti Abdullah. The Directors who will be retiring in accordance with Article 112 of the Company's Constitution are Datuk Ir. Annies bin Md Ariff, Datuk Sr Mohd. Salem bin Kailany and Puan Freida binti Amat (collectively referred to as "Retiring Directors").

The Retiring Directors have offered themselves for re-election at the 22<sup>nd</sup> AGM.

The Retiring Directors have completed the Fit and Proper assessment ("FPA") and based on the FPA assessment, they have met the fit and proper criteria prescribed in the Fit and Proper Policy of the Company.

The Retiring Directors, except for Datuk Sr Mohd. Salem bin Kailany and Puan Freida binti Amat, who were appointed on 1 December 2024 and 1 January 2025 respectively, participated in the Board, Board's Committees and Directors' Effectiveness Evaluation conducted by the Nomination and Remuneration Committee ("NRC") for financial year ended 31 December 2024 ("BDEE FY2024") of the Company.

Based on the results of the BDEE FY2024, the performance of the Retiring Directors met the performance criteria of an effective Board and had successfully discharged their fiduciary duties in utmost good faith and participated actively in all discussions by providing their views of the issues discussed.

Notwithstanding the non-participation of Datuk Sr Mohd. Salem bin Kailany and Puan Freida binti Amat in the BDEE FY2024, their competencies, skills and potential contribution to the Board have been considered and assessed by the NRC and Board of Directors prior to their appointment as Directors of the Company.

Based on the above, the Board approved the NRC's recommendation that the Retiring Directors are eligible to stand for re-election.

The Retiring Directors' profiles are set out in the Profiles of the Board of Directors section of the Integrated Report 2024 of KLCCP Stapled Group.

#### 13. Explanatory Note for Item 4

The holders of Stapled Securities at the last AGM of the Company ("21<sup>st</sup> AGM") held on 24 April 2024 approved the Non-Executive Directors' ("NEDs") fees and benefits for the period from 25 April 2024 until the AGM of the Company to be held in 2025 ("22<sup>nd</sup> AGM").

A total of RM1,292,000.00 of Non-Executive Directors' fees and benefits were incurred for the Company for the financial year ended 31 December 2024 and the details of payment are stated in the NRC Report of the KLCCP Stapled Group Integrated Report 2024 and Corporate Governance Report.

To ensure the directors' remuneration remains competitive and attractive to high calibre individuals, and reflects the responsibilities and expected commitments of the Directors on the Board and Board Committees, as well as their statutory duties, the complexity of the Group's business and increased stakeholder expectations, the NRCs of the Company and the Manager (a wholly-owned subsidiary of the Company) reviewed and recommended revisions to the Directors' fees and benefits for the NEDs. These revisions will apply from the date immediately after the 22<sup>nd</sup> AGM until the next AGM to be held in 2026. The revised Directors' fees and benefits were subsequently endorsed by the respective Boards of Directors of the Company and the Manager.

Resolution VI, regarding the proposed Directors' fees and benefits, will be presented for approval by the holders of Stapled Securities in accordance with Section 230(1)(b) of the Companies Act, 2016.

It is noted that the members of the Board and Board Committees of the Manager are only remunerated for meeting attendance allowance when the meetings of the Manager are held on a date separate from the meetings of the Board and Board Committees of the Company.

#### 14. Explanatory Note for Item 5

The Board of Directors of the Company at its meeting held on 5 February 2025 endorsed for the re-appointment of Ernst & Young PLT as External Auditors of the Company for the financial year ending 31 December 2025 be presented to the holders of Stapled Securities for approval. Based on the annual assessment conducted by Board Audit Committee of the Company on suitability, independence, objectivity and performance of external auditors, Ernst & Young PLT has met the criteria prescribed by Paragraph 15.21 of the Main Market Listing Requirements of Bursa Securities.





## Administrative Details

### KLCC REIT 12<sup>th</sup> Annual General Meeting and KLCCP 22<sup>nd</sup> Annual General Meeting

<b>Date</b>	29 April 2025
<b>Time</b>	10.30 a.m.
<b>Place</b>	Grand Ballroom, Level 1, Mandarin Oriental, Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia

### REGISTRATION

- Registration will start at 8.15 a.m. and the Annual General Meetings ("AGMs") will start punctually at 10.30 a.m. We strongly encourage you to come early to facilitate registration.
- Please ascertain which registration counter you should approach to register yourself for the meetings and join the queue accordingly.
- Please produce your original Identity Card (MyKad) or passport (for foreigners) to the registration staff for verification. Please make sure you collect your MyKad or passport thereafter. The Company will not be responsible for any lost MyKad or Passport.
- Upon verification and registration:
  - Please sign on the Attendance List and an **identification wristband** printed with passcode will be provided at the registration counter; and
  - If you are attending the AGMs as a shareholder as well as proxy, you will be registered once and will only be given one identification wristband to enter the meeting hall. No person will be allowed to enter the meeting hall without wearing the identification wristband. There will be no replacement in the event that you lose/misplace the identification wristband. The said wristband has passcode printed which will be require for electronic voting purpose.
- Once you have collected your **identification wristband** (for voting purpose) and signed the Attendance List, please leave the registration area immediately and proceed for refreshment at the Ballroom foyer.
- No person will be allowed to register on behalf of another person even with the original MyKad or passport of that other person.
- The registration counters will only handle verification for identities and registration. If you have any queries, please proceed to the Help Desk.

### REGISTRATION HELP DESK

- The Registration Help Desk handles revocation of proxy's appointment and/or any clarification or enquiry.

### CAR PARK AND PARKING REDEMPTION COUNTER

- After registration for attendance of the KLCC REIT 12th AGM and the KLCCP 22nd AGM, you are advised to approach the Parking Redemption Counter to redeem for free parking provided by the Company for cars parked only at the following locations in KLCC:

Locations	Enquiry Contact
Mandarin Oriental, Kuala Lumpur	03-2179 8898
KLCC Basement Car Park	03-2392 8585
Kuala Lumpur Convention Centre Car Park	03-2333 2945
Lot D1 Open Car Park (adjacent to Mandarin Oriental, Kuala Lumpur)	03-2392 8585



## Administrative Details

### PROXY

10. A holder of the Stapled Securities entitled to attend and vote is entitled to appoint proxy/proxies, to attend and vote instead of him. If you are unable to attend the meetings and wish to appoint a proxy to vote on your behalf, please submit your proxy form in accordance with the notes and instructions printed therein.
11. If you wish to attend the meetings yourself, please do not submit the proxy form. You will not be allowed to attend the meetings together with a proxy appointed by you.
12. If you have submitted your proxy form prior to the meetings and subsequently decided to attend the meetings yourself, please proceed to the Registration Help Desk to revoke the appointment of your proxy.
13. The appointment of a proxy form can be made in hard copy or by electronic means in the following manners:-

(a) In hard copy form

In the case of an appointment made in hard copy form, the original proxy form must be deposited with the Share Registrar of the Company and KLCC REIT at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the meetings.

(b) In electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company and KLCC REIT via TIIH Online at <https://tiih.online> not less than forty-eight (48) hours before the time appointed for holding the meetings. Kindly refer to the below procedures for electronic lodgement of proxy form via TIIH Online:-

Procedure	Action
<b>i. Steps for Individual Shareholders</b>	
(a) Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>• Using your computer, please access the website at <a href="https://tiih.online">https://tiih.online</a>. Register as a user under the "e-Services" select "<b>Create Account by Individual Holder</b>". Refer to the tutorial guide posted on the homepage for assistance.</li> <li>• Registration as a user will be approved within one (1) working day and you will be notified via e-mail.</li> <li>• If you are already a user with TIIH Online, you are not required to register again.</li> </ul>
(b) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>• After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password.</li> <li>• Select the corporate event: "<b>KLCC REIT AND KLCCP AGMS 2025 - Submission of Proxy Form</b>".</li> <li>• Read and agree to the Terms &amp; Conditions and confirm the Declaration.</li> <li>• Insert your CDS account number and indicate the number of shares for your proxy(s) to vote on your behalf.</li> <li>• Appoint your proxy(s) and insert the required details of your proxy(s) or appoint Chairman as your proxy.</li> <li>• Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote.</li> <li>• Review and confirm your proxy(s) appointment.</li> <li>• Print proxy form for your record</li> </ul>



Procedure	Action
<b>ii. Steps for corporation or institutional shareholders</b>	
(c) Register as a User with TIIH Online	<ul style="list-style-type: none"> <li>• Access TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>• Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects <b>"Create Account by Representative of Corporate Holder"</b>.</li> <li>• Complete the registration form and upload the required documents.</li> <li>• Registration will be verified, and you will be notified by email within one (1) to two (2) working days.</li> <li>• Proceed to activate your account with the temporary password given in the email and re-set your own password.</li> <li>• Note: The representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.</li> </ul>
(d) Proceed with submission of Proxy Form	<ul style="list-style-type: none"> <li>• Login to TIIH Online at <a href="https://tiih.online">https://tiih.online</a></li> <li>• Select the corporate exercise name: <b>"KLCC REIT AND KLCCP AGMS 2025 – Submission of Proxy Form"</b></li> <li>• Agree to the Terms &amp; Conditions and Declaration.</li> <li>• Proceed to download the file format for "Submission of Proxy Form" in accordance with the Guidance Note set therein.</li> <li>• Prepare the file for the appointment of proxies by inserting the required data.</li> <li>• Submit the proxy appointment file.</li> <li>• Login to TIIH Online, select corporate exercise name: <b>"KLCC REIT AND KLCCP AGMS 2025 – Submission of Proxy Form"</b>.</li> <li>• Proceed to upload the duly completed proxy appointment file.</li> <li>• Select "Submit" to complete your submission.</li> <li>• Print the confirmation report of your submission for your record.</li> </ul>

Please ensure **ALL** the particulars as required in the Form of Proxy are completed, signed and dated accordingly.

Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company and KLCC REIT at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGMs or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

A corporate which is a holder of the Stapled Securities who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company and KLCC REIT at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:

- (i) If the corporate holder of the Stapled Securities has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate holder of the Stapled Securities.
- (ii) If the corporate holder of the Stapled Securities does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate holder (if any) and executed by:
  - (a) at least two (2) authorised officers, of whom one shall be a director; or
  - (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate holder is incorporated.



## Administrative Details

### GENERAL MEETING RECORD OF DEPOSITORS

14. Only a depositor whose name appears on the Record of Depositors ("ROD") as at 21 April 2025 shall be entitled to attend, speak and vote at the AGMs or appoint proxies to attend and/or vote on his/her behalf.

### POLL VOTING

15. Voting at the AGMs will be conducted by poll, in accordance with Paragraph 8.29A of the Bursa Malaysia Securities Berhad Main Market Listing Requirements.
16. The Company has appointed Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") to facilitate electronic poll voting via the *Tricor eVote* App. You may cast your vote using either:
- The voting kiosks provided by Tricor, or
  - Your own smartphone or mobile device, by accessing the mobile application.

#### Voting using your own smartphone or mobile device

- You are advised to download *Tricor eVote* App onto your smartphone or mobile device before the meeting starts.
- Tricor eVote* App download is available at no cost from Google Play Store or Apple App Store.

#### Access to *Tricor eVote* App

- To use *Tricor eVote* App, you need to connect to the Wi-Fi network provided by Tricor during the polling session:  
**Wi-fi name: Tricor\_eVote**                      **Password: KLCCP2904**
- A passcode printed on identification wristband has been issued to you by Tricor upon registration of attendance for the meeting.
- Please retain the passcode for voting purpose during the meeting.
- You will be required to use the camera function of your smartphone or mobile device to capture the passcode to access *Tricor eVote* App.
- Detailed instructions on how to vote will be provided in the meeting before the start of the meetings.

### RECORDING OR PHOTOGRAPHY

17. By participating at the AGMs, you agree that no part of the AGMs proceedings may be recorded, photographed, stored in any retrieve systems, reproduced, transmitted or uploaded in any form, platform or social media or by any means whether it is mechanical, electrical, photocopying, recording or otherwise without the prior written consent of the Company. The Company reserves the rights to take appropriate legal actions against anyone who violates this rule.

### REFRESHMENT

18. Light Refreshment shall be provided.

### AGMS ENQUIRY

19. For enquiry prior to the KLCC REIT 12<sup>th</sup> AGM and KLCCP 22<sup>nd</sup> AGM, please contact the following during office hours:

- Group Strategic Communication and Investor Relations, KLCCP  
General Line: 03-2783 6000
- Share Registrar – Tricor Investor & Issuing House Services Sdn Bhd  
General Line: 03-2783 9299  
Email: [is.enquiry@vistra.com](mailto:is.enquiry@vistra.com)

#### Contact Persons

En. Muhamad Asyraf: 03-2783 9244  
En. Jake Too: 03-2783 9285  
En. Muhamad Aiman: 03-2783 9262

### ANNUAL REPORT 2024

20. The Integrated Report 2024 is available on Bursa Malaysia's website at [www.bursamalaysia.com](http://www.bursamalaysia.com) under Company Announcements and also at the KLCC website at [www.klcc.com.my](http://www.klcc.com.my). You may request for a printed copy of the Integrated Report 2024 at <https://tiih.online> by selecting "Request Annual Report/Circular" under "Investor Services". Nevertheless, we hope you would consider the environment before you decide to request the printed copy.

# Proxy Form



**KLCC PROPERTY HOLDINGS BERHAD**  
200401003073 (641576-U) (Incorporated in Malaysia)

**KLCC REAL ESTATE INVESTMENT TRUST**  
(a real estate investment trust constituted under the laws of Malaysia)

No. of Stapled Securities held	CDS Account No. (For Nominee Account Only)

\* I/We \_\_\_\_\_  
(Full Name as per NRIC/Certificate of Incorporation)

Company No./NRIC No. (new) \_\_\_\_\_ (old) \_\_\_\_\_

of \_\_\_\_\_

\_\_\_\_\_ (Full Address)

being a \*holder/holders of the Stapled Securities of KLCC PROPERTY HOLDINGS BERHAD ("Company" or "KLCCP") and KLCC REAL ESTATE INVESTMENT TRUST ("KLCC REIT"), hereby appoint:

## 1. PROXY "A"

Full Name (in block letters)	NRIC/Passport No.	Proportion of shareholdings	
		No. of Stapled Securities	%
Address			

\* and/or failing him (\* delete as appropriate)

## 2. PROXY "B"

Full Name (in block letters)	NRIC/Passport No.	Proportion of shareholdings	
		No. of Stapled Securities	%
Address			

or failing him/them, the CHAIRMAN OF THE MEETINGS as \*my/our \*proxy/proxies to vote for \*me/us and on \*my/our behalf at the Twelfth Annual General Meeting (12<sup>th</sup> AGM) of KLCC REIT and the Twenty Second Annual General Meeting ("22<sup>nd</sup> AGM") of the Company to be held concurrently at the Grand Ballroom, Level 1, Mandarin Oriental, Kuala Lumpur, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on 29 April 2025, Tuesday at 10.30 a.m. and at any adjournment thereof.

Please indicate with an "X" in the appropriate box against each resolution how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

Resolution	PROXY "A"		PROXY "B"	
	For	Against	For	Against
<b>KLCCP</b>				
Re-election of Dato' Sr Mazuki bin A Aziz	I			
Re-election of Datin Noor Lily Zuriati binti Abdullah	II			
Re-election of Datuk Ir. Annies bin Md Ariff	III			
Re-election of Datuk Sr Mohd. Salem bin Kailany	IV			
Re-election of Puan Freida binti Amat	V			
Directors' fees and benefits payable to Non-Executive Directors for the period commencing on the date immediately after the date of the 22 <sup>nd</sup> AGM up to the date of the next Annual General Meeting to be held in 2026 of the Company	VI			
Re-appointment of Ernst & Young PLT as Auditors and to authorise the Directors to fix the Auditors' remuneration	VII			

\_\_\_\_\_  
Contact Number

\_\_\_\_\_  
Signature of holder(s)  
of the Stapled Securities or Common Seal

\_\_\_\_\_  
Dated

\* Strike out whichever is not desired.



Fold here

Share Registrar

**Tricor Investor & Issuing House Services Sdn Bhd 197101000970 (11324-H)**

Unit 32-01, Level 32,  
Tower A, Vertical Business Suite,  
Avenue 3, Bangsar South,  
No. 8, Jalan Kerinchi,  
59200 Kuala Lumpur

Fold here

Affix Stamp  
Here

**NOTES:**

**1. IMPORTANT NOTICE**

A holder of the Stapled Securities who is entitled to attend and vote at the meetings is entitled to appoint not more than 2 proxies to attend and, to vote in his/her stead. A proxy may but need not be a holder of the Stapled Securities. There shall be no restriction as to the qualification of the proxy.

2. Where a holder of the Stapled Securities is an authorised nominee, it may appoint at least one proxy but not more than 2 proxies in respect of each securities account it holds with ordinary shares of the Company and units of KLCC REIT standing to the credit of the said securities account.

3. Where a holder of the Stapled Securities is an exempt authorised nominee who holds Stapled Securities for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA") which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

4. Where a holder of the Stapled Securities or the authorised nominee appoints 2 proxies, or where an exempt authorised nominee appoints 2 or more proxies, the appointment shall be invalid unless he specifies the proportions of his/her holdings to be represented by each proxy.

5. The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company and KLCC REIT not less than forty-eight (48) hours before the time appointed for holding the AGMs or adjourned general meetings at which the person named in the appointment proposes to vote:

(i) In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company and KLCC REIT at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

(ii) By electronic form

The proxy form can be electronically lodged with the Share Registrar of the Company and KLCC REIT via **TIIH Online** website at <https://tiih.online>. Kindly refer to Administrative Details on the procedures for electronic lodgement of proxy form via TIIH Online.

6. Please ensure ALL the particulars as required in the proxy form are completed, signed and dated accordingly.

7. Last date and time for lodging the proxy form is **Sunday, 27 April 2025 at 10.30 a.m.**

8. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Share Registrar of the Company and KLCC REIT at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the AGMs or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.

9. A corporate which is a holder of the Stapled Securities who has appointed a representative, please deposit the **ORIGINAL** certificate of appointment with the Share Registrar of the Company and KLCC REIT at Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the drop box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment should be executed in the following manner:

(i) If the corporate holder of the Stapled Securities has a common seal, the certificate of appointment should be executed under seal in accordance with the constitution of the corporate holder of the Stapled Securities.

(ii) If the corporate holder of the Stapled Securities does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate holder (if any) and executed by:

(a) at least two (2) authorised officers, of whom one shall be a director; or

(b) any director and/or authorised officers in accordance with the laws of the country under which the corporate holder is incorporated.

10. Only a depositor whose name appears on the Record of Depositors as at 21 April 2025 shall be entitled to attend, speak and vote at the AGMs or appoint proxies to attend and/or vote on his/her behalf.



KLCCP STAPLED GROUP

**KLCC PROPERTY HOLDINGS BERHAD**

200401003073(641576-U)

**KLCC REAL ESTATE INVESTMENT TRUST**

Email: [info@klcc.com.my](mailto:info@klcc.com.my)  
Website: [www.klcc.com.my](http://www.klcc.com.my)