



RELIABLE PARTNER



KLCCP STAPLED GROUP IS COMMITTED TO TAKING AN ACTIVE AND LONG-TERM ROLE IN MANAGING THE RELATIONSHIP WITH OUR STAKEHOLDERS AND WORKING AS A RELIABLE PARTNER WITH THE COMMUNITIES, TO ENGAGE BOTH CITIZENS AND COMMUNITY PARTNERS TO ENSURE CONTINUOUS IMPROVEMENT IN OUR APPROACH TO SUSTAINABILITY AND IN GIVING BACK TO THE COMMUNITY



Material Sustainable Matters

- Financial Sustainability
- Economic, Social & Industry Growth
- Customer & Tenant Engagement
- Supply Chain Management
- Corporate Social Investment

We are conscious of our role in promoting economic, social and industry betterment to ensure the interest and well-being of our stakeholders is optimised.

Context

As a property investment and development group, creating value and delivering lasting impact to the community is integral to our role as a reliable partner. We believe that building dynamic, long-lasting partnerships help us achieve our sustainability goals and be a supporter of the community, strategically, financially and socially.

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f Workplace For Tomorrow at the PETRONAS Twin Towers

A number of growing agenda recognises the importance of diverse development pathways in achieving an environmentally and socio-economically better world. Integrated development incorporates the well-being of all citizens through economic development, social development and environmental protection. This is achieved by stepping-up necessary efforts at the educational, economic, social, political, technological and environmental levels for a better living.

Our Approach

Our objective as a reliable property investment and development group is to make meaningful contributions economically and socially and grow with our stakeholders which includes our suppliers, customers, tenants and business partners to maintain long-term partnerships across our business portfolios. We also invest in community and sustainable development programmes in the areas of education, health, environment and special community needs. Our contributions include the development of infrastructure, the support for charity associations through fundraising activities, as well as education and environmental initiatives.

FINANCIAL SUSTAINABILITY

The year saw an upswing in the market sentiment from the confluence of recovering inflation, higher employment and improved sentiments providing a positive backdrop for corporate earnings. With this, KLCCP Stapled Group continued to focus its priority to drive sustainable growth and create significant value for its stakeholders through various repositioning efforts in our portfolio during the year.

We successfully reverted the office segment back to 100% occupancy through the lease transition at Menara ExxonMobil generating a stable income for the office portfolio. Taking the cue of unfolding new demands for more efficient office space, we worked closely with our tenant, PETRONAS in undertaking a revamp of their office space under their "Workplace For Tomorrow" (WFT) project. This transformation does not only encourage more collaborative interaction among employees but at the same time saves costs for employers and building owners by enabling them to right-size their office space and operate buildings more efficiently.

Despite the ongoing challenges faced in the retail sector, Suria KLCC has seen good results from its tenant remixing exercise in meeting the customers' demand as well as its intensive research and engagement with tenants. Suria KLCC together with the adjacent retail podium of Menara 3 PETRONAS achieved RM2.6 billion in Total Moving Annual Turnover with customer footfall exceeding 48 million annually.

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The performance of our hotel segment also saw stronger performance during the year backed by higher occupancy for its newly refurbished Club Rooms and Suites, supported by the improved demand in the banqueting and F&B segment. The hotel had also redirected its efforts to leverage on its newly refurbished ballroom and function rooms, boosting the revenue growth in 2017 compared to 2016.

Our strategy and focus to deliver stable and sustainable returns to the holders of Stapled Securities remained paramount during the year. We distributed 97% of our overall distributable income with a distribution per stapled security of 36.15 sen, an increase of 1.4% from 2016. This is in line with our continued quest in delivering value and growth to the holders of Stapled Securities.

PROMOTING ECONOMIC, SOCIAL AND INDUSTRY GROWTH

KLCCP Stapled Group has been involved in Nation building, realising the vision of making Kuala Lumpur a world class city.

The development within KLCC Precinct has marks a milestone in the growth of Kuala Lumpur and is the benchmark for the urban spatial planning and development in Malaysia. Designed to be a city-within-a-city, the KLCC Development sits on a 100-acre precinct and is an integrated mixed development with residential, hotel, convention, retail and leisure components. Our properties within the KLCC Precinct have bridged people together and built a stronger sense of community where people can work, live, shop, play, meet, visit and eat. Our development within the KLCC Precinct has also created significant value enhancements to the properties surrounding and in the periphery of the KLCC Precinct.

KLCCP Stapled Group is committed to building and managing our properties to ensure safety, accessibility and vibrancy to meet social integration and enhance lives of its tenants, shoppers, guests and community.

Malaysia's Iconic Experience in Kuala Lumpur (MIEKL)	<p>MIEKL is KLCCP's 'Iconic Malaysia' project in collaboration with its business partners to promote the Kuala Lumpur City Centre precinct as a must visit destination</p> <p>To create awareness and promote the attractions in KLCC Precinct as well as provide convenient access to information on the places of interest to further boost the tourism industry</p> <p>Various communication modes such as website, touch-screen kiosks, product pamphlets and digital screen advertisement have been established to ensure easy access of information to both local and international visitors</p>
KLCC Park	<p>The KLCCP Stapled Group continued to promote public awareness on environmental protection and the importance of environmental conservation and this is reflected through its exemplary efforts in the upkeep and maintenance of the 50-acre KLCC Park</p> <p>The park signifies the Group's contribution towards social and community well-being by providing a green, convenient, tranquil and conducive destination in the midst of a bustling and dynamic city centre</p> <p>KLCCP Stapled Group also collaborates with local authorities and the KLCC community to observe effective compliance for provision of local facilities. The common cost sharing management policy between landowners of commercial properties known as the Common Estate Committee for the upkeep and maintenance of the park continues to promote positive impact on the commercial environment for local and foreign tourists</p> <p>In 2017, KLCCP Stapled Group incurred approximately RM1.7million for the upkeep and maintenance of KLCC Park</p>
Pedestrian walkways	<p>KLCCP Stapled Group continues to maintain the pedestrian walkways of Kompleks Dayabumi and the National Mosque, and Kompleks Dayabumi to Pasar Seni Light Rail Transit (LRT) for the benefit of the pedestrians' convenient access to surrounding areas</p> <p>In 2017, KLCCP Stapled Group incurred approximately RM40,000 for the costs of maintenance of the pedestrian walkways</p>
As Syakirin Mosque	<p>The As Syakirin Mosque, also known as "The Jewel in the Park", is one of the Group's contributions to the Muslim community living and working around and within the KLCC Precinct, accommodating a congregation of 12,000 people</p> <p>The mosque is being maintained by KLCCP Stapled Group as part of our continuous CSR initiatives involving the community around us</p>
Accessibility in Built Environment	<p>KLCCP Stapled Group places great care and attention to providing convenient accessibility within our properties for children, the elderly and the disabled</p> <p>In addressing the needs of these groups, we have made available child-friendly and disabled-friendly amenities within and surrounding our precinct such as ramps for wheelchairs, disabled-friendly washrooms for our customers, tenants and guests, baby strollers and wheelchair services, elevators at the pedestrian bridge and designated parking bays on every floors of the basement car park as well as other car parks within the KLCC Precinct</p> <p>At our hotel, three disabled rooms are made available on the 9th floor. There are also public toilets with disabled facilities and ramps around public areas for ease of mobility</p> <p>In our basement car park, a total of 43 disabled parking bays are allocated for handicapped drivers, spread over four floors. Ladies parking is also allocated at Level P1 of our North West Development car park to provide a convenient and much safer parking facility for our female customers. A total of 142 parking bays constituting 7% of the total visitor parking bays is allocated under this initiative</p>

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<p>KLCC Property Holdings Berhad (KLCCP)</p>	<p>Council of Tall Buildings and Urban Habitat (CTBUH) KLCCP has been a member of the Council at Patron Level since 1996 and has been actively participating as participants and speakers in conferences organised by the Council. Our contribution has helped put the latest information from research and advanced design practice into the hands of professionals throughout the world.</p> <p>Federation Internationale des Administrateurs de Bien-Conselis Immobiliers (FIABCI) Malaysian Chapter KLCCP is a member of FIABCI Malaysian Chapter and supports the Federation through its various events, seminars and talks organised annually. We also receive updates from FIABCI through their newsletter and emails.</p> <p>Malaysian Investor Relations Association (MIRA) KLCC Property Holdings Berhad registered as a member since 2014. MIRA is the first and only professional association committed to developing and advancing the status and integrity of IR professional. KLCCP participated in 7 MIRA seminars, workshops, networking session and awards ceremony that enable us to reach out to network with IR professionals in the industry.</p>
<p>KLCC REIT</p>	<p>Malaysian REIT Managers Association (MRMA) MRMA represents its members’ interests through engagement with the Malaysian Government and regulators for functional regulations, viable structures and tax harmonisation. This ensures Malaysian REITs remain competitive within the region and internationally.</p>
<p>Suria KLCC</p>	<ul style="list-style-type: none"> • Persatuan Pengurusan Kompleks Malaysia (PPK) • International Council of Shopping Centres (ICSC) <p>Suria KLCC has been a member of PPK Malaysia since 1995 and a member of the ICSC since 2003. Suria KLCC is able to network with the management of other shopping centres and benchmark with the retail industry best practices worldwide. Suria KLCC also receives information pertaining to the shopping centre industry, statistical data and other statistical research from the ICSC.</p>
<p>Mandarin Oriental, Kuala Lumpur (MOKL Hotel)</p>	<p>American Malaysian Chamber of Commerce KLCC Business Events Alliance Malaysian Employers Federation Jactim Foundation Malaysian Association of Hotel Owners Malaysian International Chamber of Commerce & Industry The Japanese Chamber of Commerce Persatuan Hotel Malaysia</p> <p>MOKL Hotel’s membership in these associations enables them to expand their business networking, leverage on the Association’s database and solicit for potential business. MOKL Hotel participates in initiatives and surveys carried out by the associations from time to time, contribute opinions and comments.</p>

Membership and Roles

KLCCP Stapled Group seeks to promote industry growth through the various industry associations it supports that are aligned with our shared values. Our memberships enable us to contribute towards the development of the real estate, retail and hotel industries, directly or indirectly through our participation in event, discussions and working groups network with our industry peers. Through the memberships, we are also able to promote professionalism as well as share best practices in the industry.