

PROSPERITY

PLANET

PEOPLE AND PARTNERSHIP

PEACE

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ADVANCING ECONOMIC RESILIENCE

As a real estate player, KLCCP Stapled Group plays an important role in creating a positive environment and contributing towards the country’s socio-economic development. We have achieved significant milestones, being the largest REIT and only stapled security in Malaysia with a diversified asset portfolio, strategically located in Kuala Lumpur’s most premium location. We endeavor to create long-term value and deliver sustainable returns and yields for our holders of Stapled Securities, towards economic resilience.



SUPPORTING THE UNSDGs



MATERIAL MATTERS

Financial Sustainability  
Economic, Social and Industry Growth

MAPPED TO OUR CAPITALS



RELATED PRINCIPAL RISKS

Finance  
Market  
Asset Management  
Facilities Management

5-YEAR SUSTAINABILITY ROADMAP (2019-2023)

**Goal 1**  
Building a Smart, Safe and Sustainable KLCC Precinct

The unprecedented COVID-19 outbreak posed great challenges to the Group and has significantly impacted the Group’s performance for the year. The changing market landscape brought about by the pandemic required us to adapt quickly to the current environment and technological innovations that came on stream. Amidst this challenging environment, we continued to focus on survival and recovery efforts with the re-opening of our businesses following the easing of the movement restrictions and maintaining a healthy working capital and cash flow to enable a conducive business environment and for long-term stability. Our efforts go beyond seeking creative ideas and trends to safeguard our business continuity including working with our business partners to ensure the business continuity of our value chain.

In support of the various economic sectors which were impacted by the pandemic, the Government announced various stimulus packages to empower the people, propel businesses and stimulate the economy.

OUR APPROACH

Our economic contribution is delivered by going beyond business-as-usual to create value for our shareholders and stakeholders including our customers, employees, suppliers, regulators and the Government. We are committed to manage our business responsibly and align our business processes and strategies to support sustainable development and growth across our operations.

As a property investment and development group, and the owner of the iconic properties which placed Malaysia firmly on the world map, we acknowledge our role in contributing positively to the industry’s and the nation’s growth through nation building, spurring social development, enhancing customer experiences, providing building-to-building connectivity, being the catalyst for surrounding development and providing the balance between commercial, public space and greenery through sustainable development. By upholding our resilience and financial strength, we are focused in our commitment to drive sustainable returns for our shareholders and generate growth where the benefits are broadly shared throughout the society.

**FOCUS FOR THE YEAR**

- Supporting Government’s effort in economic recovery through campaigns for local entrepreneurs
- Raising business resilience and business continuity in responding to the market and economic challenges
- Building trust through continued engagement with investment community via virtual platforms
- Elevating customer, guest and community experience, leveraging technology and data analytics

FINANCIAL SUSTAINABILITY

COVID-19 has caused significant instability and high volatility in global capital markets and it is expected that the adverse impact is likely to continue for a longer period of time. At the home front, disruption to businesses and services, along with border closure and movement controls have outsized impact on private consumption and business investment. Individuals and businesses affected by the crisis are at high risk of facing immediate cash flow constraints as their earnings dwindle. In navigating the challenges brought about by the pandemic, KLCCP Stapled Group continued to focus its priority to drive sustainable growth and create significant value for its stakeholders through various strategic recovery efforts within our portfolio during the year.

We undertook several measures to mitigate the impact of the pandemic by closely monitoring our cash flow, making priority-based payments and sturdier negotiations with suppliers for mutual sustenance. We also focused on cost optimisation through the implementation of a series of cost containment measures by suspending all non-essential OPEX and CAPEX and temporary closure of unoccupied hotel rooms and amenities.

Our strategy to deliver sustainable growth and long-term value to our stakeholders were underpinned by four strategic pillars of maximising value of investments, resilience in soft market conditions and creating sustainable value which saw us responding to the harsh impact of COVID-19 on our businesses. We continue to ensure that our properties are maintained in pristine condition with re-configured office spaces aligned to the new normal and equipped with health and safety Standard Operating Procedures (SOPs) to drive longer term tenancy prospects and restore confidence of our tenants in returning to the workplace.

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ECONOMIC, SOCIAL AND INDUSTRY GROWTH

KLCCP Stapled Group is dedicated to enhancing real estate development to facilitate economic growth whilst promoting societal well-being. Our development within the KLCC Precinct has long been the catalyst for growth, in particular for the city of Kuala Lumpur, making its mark as an iconic destination and is today becoming **The Place** that people look forward to coming to. Having all the components of a city-within-a-city, it is a place where people converge for business and leisure, bridging people together and building a stronger sense of community.

<p><b>Customer and Guest Experience</b></p>	<ul style="list-style-type: none"> <li>Secured 40 new retail tenants which included six first-to-market tenants and exclusive to Suria KLCC, providing a wider mix of retail offerings to meet current demands</li> <li>Boosted sales and drove footfall to our retail mall through promotional activities, reward programmes, discount vouchers and other incentives to shoppers such as the "Golden Ticket" reward campaign where shoppers spent a minimum of RM150 and were eligible to draw RM5000 Suria's cash vouchers that can be spent at any participating outlet</li> <li>Introduced exciting hotel offerings which included staycation packages, meeting packages and new F&amp;B experiences</li> </ul>
<p><b>Spurring Economic Growth</b></p>	<ul style="list-style-type: none"> <li>Supporting the Government in the Buy Malaysian Campaign 2020 as a venue sponsor for the campaign launch and Suria KLCC as the venue for the local entrepreneurs to showcase their products during the campaign</li> <li>Suria KLCC collaborated with community interest group, the <i>Komuniti Tukang Jahit</i> to support the low-income earners affected by the pandemic</li> <li>Completed the 10-metre new pedestrian bridge connecting Menara Dayabumi to Central Market, enhancing connectivity surrounding the older business district of Kuala Lumpur</li> </ul>
<p><b>Nation Building</b></p>	<ul style="list-style-type: none"> <li>One of the largest integrated real estate developments in the world and a much sought-after business address. A benchmark for property development in the country, spurring economic activities within and surrounding the development, creating a vibrant place for people from all walks of life</li> <li>KLCC is the home to many iconic attractions. It has become <b>The Place</b> where business thrives and a must visit destination for both local and foreign tourists alike</li> <li>Maintaining public infrastructure such as the pedestrian bridges and tunnels surrounding KLCC Precinct and Menara Dayabumi to ease connectivity to and from the city centre</li> </ul>

Embracing A Digital Future

As digitalisation is becoming even more critical in today's landscape and with the increased dependent on technology, KLCCP Stapled Group stepped up its Digital Transformation journey with the implementation of the Group's Digital Roadmap (2020 – 2023), focusing on enhancing operational excellence in the areas of project management, facilities management and safety and security.

To read more on Embracing Digital, Driving Innovation, refer to pages 32 to 33 of the KLCCP Stapled Group's Integrated Annual Report 2020 at [https://www.klcc.com.my/investor-relations/annual\\_report.html](https://www.klcc.com.my/investor-relations/annual_report.html)

Initiatives for the Year

<p><b>Integrated Building Control and Command Centre (IBCC)</b></p>	<ul style="list-style-type: none"> <li>Pilot launch of the Integrated Building Control and Command Centre (IBCC) for the operations of all facilities within KLCCUH that provide real-time and automated monitoring and reporting for quick response and resolution</li> </ul>
<p><b>Smart Alert Video Analytics for HSSE Non-Compliance</b></p>	<ul style="list-style-type: none"> <li>Establishment of smart alert video analytics for HSSE non-compliance, People Counting Sensor and People Heatmap video analytics within KLCC Precinct common areas and real time facial recognition. The video analytics is equipped with features that can detect suspicious activities in real-time and send alarms for security's action</li> </ul>
<p><b>NWD Car Park Cashless Payment Solutions</b></p>	<ul style="list-style-type: none"> <li>Transformation of NWD car park into fully ticketless and cashless payment car park with total digital surveillance</li> </ul>
<p><b>Digital F&amp;B Menus at MOKL Hotel</b></p>	<ul style="list-style-type: none"> <li>Conversion of F&amp;B menus of all MOKL Hotel outlets into digital menus with QR codes</li> </ul>
<p><b>Digital Marketing Materials for Retail mall and Hotel</b></p>	<ul style="list-style-type: none"> <li>Suria KLCC and MOKL Hotel produced electronic/digital materials for sales, spa and F&amp;B as e-Flyers of promotions/offers, for ease of sharing via WhatsApp and emails</li> </ul>
<p><b>HSE Digital Communications</b></p>	<ul style="list-style-type: none"> <li>Suria KLCC produced videos on mall's health and safety measures to communicate adherence to strict hygiene and safety standards</li> </ul>



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**Commitment to Capital Market Development**

As the largest REIT in Malaysia, we are committed to promote REIT as an investment asset class, collaborating with our industry peers in enhancing Malaysian REITs (MREIT) competitiveness domestically and internationally. Together with the 17 REITs, through the Malaysian REIT Managers Association (MRMA) and in collaboration with the Asia Pacific Real Estate (APREA), we organised the 2<sup>nd</sup> MREIT Forum and first virtual webinar on 1 December 2020. Themed “M-REITs Navigating the New Normal”, the event was attended by approximately 900 participants ranging from property stakeholders, international and domestic fund managers, investment bankers and research analysts.

In addition, we were also active with the investing community, participating in various REIT and Sustainability Forums where the topics of discussion ranged from impact of ESG investing to how organisations navigate challenges towards becoming more sustainable and REIT as a defensive investment strategy in volatile market conditions.



**Promoting Industry Growth through Affiliations**

KLCCP Stapled Group are members to many professional bodies and associations and our affiliations with these organisations allows us to actively share our knowledge and expertise and exchange views with our peers in the industry. It also provides us with the opportunities to benchmark against industry best practices and contribute towards nation building and industrial advancement.

**Membership**

**KLCC Property Holdings Berhad** **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

**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

**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

**KLCC REIT** **Malaysian REIT Managers Association (MRMA)**  
 KLCC REIT Management Sdn Bhd is a member of the Malaysian REIT Managers Association (MRMA). MRMA also 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

**Suria KLCC** **Persatuan Pengurusan Kompleks Malaysia (International Council of Shopping Centres)**  
 Suria KLCC has been a member of the Persatuan Pengurusan Kompleks (PPK) Malaysia since 1995 and a member of the International Council of Shopping Centres (ICSC) since 2003

- MOKL Hotel**
- Association of Hotel Employers Peninsula Malaysia
  - Malaysian Association of Hotel Owners
  - Malaysian Employers Federation
  - Malaysian Association of Hotels
  - The Japanese Chamber of Commerce
  - Japanese Chamber of Trade and Industry Malaysia (JACTIM)
  - British Malaysia Chamber of Commerce

To read more, refer to Investor Relations on pages 66 to 69 of the KLCCP Stapled Group's Integrated Annual Report 2020 at [https://www.klcc.com.my/investor-relations/annual\\_report.html](https://www.klcc.com.my/investor-relations/annual_report.html)