

ECONOMIC

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As a real estate player, KLCCP Stapled Group plays a part in contributing towards the nation's economic and industry growth. Since its inception, KLCCP Stapled Group has achieved significant milestones, being the largest Malaysian REIT with a diversified asset portfolio, strategically located in Kuala Lumpur's most premium location. We are committed to deliver sustainable returns and long term value to our holders of Stapled Securities



### SUPPORTING THE UNSDGs



### MATERIAL MATTERS

- 1 Financial Sustainability
- 2 Economic, Social and Industry Growth

### MAPPED TO OUR CAPITALS



### RELATED PRINCIPAL RISKS

- 1 Finance
- 2 Market
- 3 Asset Management
- 4 Facilities Management

“We continue to explore new digital solutions to tackle challenges, improve processes and explore new business opportunities”

### WHY IT MATTERS TO US

- Ensure improving sustainable returns and yields for our holders of Stapled Securities through stable dividend payout
- High quality office buildings and good track record enable us to secure high quality tenants
- Maintaining a healthy working capital, assets, liabilities and cash flow to produce a conducive business environment and long-term stability
- Playing our role in nation-building and contributing towards industry growth

### VALUES WE CREATE

- Our strong fundamentals and management capabilities underpin our sustainable growth which is reflected through our stable performance for the year
- Diversified portfolio of iconic and high quality assets offering balance between commercial and public spaces
- Efficient business operations and contributing towards achieving long-term goals
- Spurring commercial and residential development and heightened economic activities surrounding the KLCC Precinct

### OUR APPROACH

In the pursuit of creating values and delivering long-term financial sustainability to our stakeholders, KLCCP Stapled Group is committed to manage its business responsibly, aligning our business processes and strategies to support sustainable development and growth across our operations. We remain committed in driving sustainable growth through efficient cost management, service level improvements and capitalising on growth opportunities to maximise and enhance stakeholders value and investments.



### FOCUS FOR THE YEAR

- Implementation of digitalisation initiatives at NWD car park – cashless payment, LED advertising panel
- Space reconfiguration at Suria KLCC to reinvent shopping experience
- Completing WFT project at PETRONAS Twin Towers, Menara 3 PETRONAS and Menara ExxonMobil

### OUR 5-YEAR TARGET (2019-2023)

To be a **Digitally Competent** Organisation –  
Focus area: Smart Park, Innovation and Digitalisation

As technology advancement is moving at a rapid pace, it is imperative for KLCCP Stapled Group to seize the opportunity and be part of the race in embracing the right digital solutions across our businesses. We aim to reach our goals to stay in the forefront of digitalisation, implementing and creating value from new dynamic technology to create the best solutions for our businesses, today, tomorrow and in the future.



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### FINANCIAL SUSTAINABILITY

The continued economic uncertainty coupled with the challenging market landscape during the year contributed to the slower pace in industry growth. This was further impacted by the cautious market conditions and uncertain political landscape.

In responding to these challenges, KLCCP Stapled Group continues to leverage on its premium assets to deliver sustainable returns and ensure that our assets are well maintained in pristine condition. Our strategies of maximising values of investment saw us collaborating with our strategic brand retailers and business alliance partners on solutions to embed resilience for the longer term and create sustainable value, leveraging opportunities and technology.

These strategic priorities coupled with our diligent monitoring of financial, operational initiatives and cost optimization efforts resulted in KLCCP Stapled Group delivering a stable and sustainable total annual return of 7.9% to the holders of Stapled Securities.

### ECONOMIC, SOCIAL AND INDUSTRY GROWTH

KLCCP Stapled Group's role in spurring growth and strengthening the infrastructure surrounding the city centre for accelerated economic expansion and development has long been recognised. The integrated KLCC Development, with a myriad of attractions, has evolved to become The Place that people look forward to come to, offering the best in shopping, dining, entertainment, meeting facilities and a host of other offerings.

KLCCP Stapled Group's participation as a sponsor in the Le Tour de Langkawi 2019 has given us the opportunity to showcase KLCC Precinct as an iconic destination and more importantly, putting Malaysia on the world sporting and tourism map. As the biggest cycling event in the country, the race has garnered a lot of interest among the cycling community both locally and abroad. The event successfully achieved a 5.9 billion global reach featuring over 1000 stories across 11 different platforms including digital and traditional media with RM26.6 million of PR value generated from the local media.



### Driving Sustainable Growth

OUR COMMITMENTS	VALUES	IMPACT
<b>Customer Experience</b>	<ul style="list-style-type: none"> <li>Workplace that promotes greater interaction and collaboration, productivity and efficiency</li> <li>Innovative retail mix and digitalised customer services</li> <li>Attractive hotel offerings from dining, spa, meetings and conventions</li> <li>Digitalised and innovative car park facilities which include License Plate Recognition (LPR), digital LED signage</li> <li>ICONIK mobile application for online ticket payment</li> </ul>	<ul style="list-style-type: none"> <li>Creating a conducive working environment for over 12,000 PETRONAS' Group employees.</li> <li>Achieved 100% completion of WFT</li> <li>120,000 sq. ft. of space reconfiguration at Suria KLCC for F&amp;B and new concept specialty stores featuring approximately 80 exclusive sought-after brands stores for the fashion savvy</li> <li>Immersive digital customer experience and empowers retailers' marketing strategies</li> <li>Achieved 92% hotel guest satisfaction</li> <li>Achieved a monthly average of 30,000 customers using cashless payment method</li> </ul>
<b>Nation Building</b>	<ul style="list-style-type: none"> <li>A smart and safe Precinct</li> <li>Iconic attractions ranging from shopping to entertainment and relaxation to exploration</li> <li>Enhancing connectivity and creating greater convenience and accessibility to various points within the city and the suburbs</li> </ul>	<ul style="list-style-type: none"> <li>Visitors safety and well-being were heightened                             <ul style="list-style-type: none"> <li>1,076 CCTVs within and surrounding the KLCC Precinct</li> <li>139 Help Points installed at KLCC Park and Northwest Development (NWD) Car Park</li> </ul> </li> <li>Approximately 3 million visitors annually to the various attractions in KLCC Precinct</li> </ul>
<b>Spurring Growth (complementing existing developments)</b>	<ul style="list-style-type: none"> <li>Kuala Lumpur Convention Centre's new expansion provide larger meeting venue that can accommodate large scale conventions and exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>36 conventions and exhibitions held at Kuala Lumpur Convention Centre with over 100,000 visitors and delegates</li> </ul>

### Digitalisation

With digitalisation at the forefront of today businesses, KLCCP Stapled Group is also stepping up its pace to accelerate its effort in leveraging on digital technology to enable, improve and transform towards a more efficient and sustainable business operations and functions. We continue to explore new digital solutions to tackle challenges, improve processes and explore new business opportunities.

During the year, we embarked on several digitalisation initiatives to improve our processes and service level for more effective transactions and immersive customers experience.

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INITIATIVES FOR THE YEAR	DETAILS AND BENEFITS
<b>e-Library for Statutory Document</b>	<ul style="list-style-type: none"> <li>KLCCUH established an e-Library to have their statutory documents in a digital platform for easy retrieval and standard reference for KLCCUH's employees in managing and operating the facilities</li> </ul>
<b>End User Productivity Tools – myMinutes, myMemo, myExplorer, myEvents</b>	<ul style="list-style-type: none"> <li>In 2019, we have leveraged on PETRONAS' end user productivity tools to unite and foster a cohesive ONE PETRONAS experience by centralising information, improving user experience and connecting users</li> <li>List of tools available for employees are:                             <ol style="list-style-type: none"> <li>myMinutes - a web application that allows employees to better capture and document the meeting outcomes and actions, and subsequently delivered to reviewers from which they can view and comment</li> <li>myMemo - a web application that allows employees to send, receive and track electronic memos and recipients can view the memo and take action</li> <li>myExplorer - dedicated application for information dissemination across our organisation where employees can personalise news by subscribing to channels or topics based on interest and division</li> <li>my Events - an application that allows employees to create and participate in events across the Group</li> </ol> </li> </ul>
<b>MyMO Communication Platform</b>	<ul style="list-style-type: none"> <li>This platform which was launched in 2019 is specially created for our hotel employees to keep them engaged with up-to-date hotel happenings or other information</li> <li>It is an interactive platform that allows two-way communication, and provides information such as hotel's events, birthdays, anniversaries, training sessions, safety tips, environmental best practices and food safety reminders which are scheduled on a weekly basis</li> <li>It also includes a chat line and a quick reference guide to emergency situations</li> </ul>
<b>HSE Incidents Management Reporting</b>	<ul style="list-style-type: none"> <li>KLCCP Stapled Group leveraged on several digital platforms under Group HSSE PETRONAS:                             <ol style="list-style-type: none"> <li>PETRONAS HSSE IM - HSSE Incident Management (HSSE IM) System - a system to record, report and track actions on HSE and Security incidents for PETRONAS group wide</li> <li>PETRONAS HSSE MARS - HSSE Monitoring and Reporting System (HSSE MARS) - an integrated and centralised system for PETRONAS to monitor, record and report the HSSE performance indicator</li> <li>PETRONAS HSSE UAUC - HSSE Unsafe Act Unsafe Condition System (HSSE UAUC) - a centralised platform to report, track and provide analytics of unsafe act, unsafe condition and safe observation for PETRONAS group wide</li> </ol> </li> <li>Able to standardise HSE incidents management reporting for all operational units within the Group</li> </ul>

**Commitment to Capital Market Development**

KLCCP Stapled Group's is committed to promote REIT as an investment asset class to retail investors. We continue to engage with retail investors and together with our Malaysian REIT counterparts through the Malaysia REIT Managers Association (MRMA) and in collaboration with Asia Pacific Real Estate Association, we hosted the inaugural Malaysia REIT Forum 2019. The Forum was intended as a platform to grow awareness of REITs and attended by over 250 participants, comprising mainly C-Suite, property developers, government regulators, investment bankers, domestic fund managers and research analysts.

We also participated in the MRMA Bursa Retail Workshops held at Universiti Sains Islam Malaysia (USIM) where we shared on Shariah-Compliance Investment through Islamic REIT and gave an insight on Malaysian REITs to retail investors in Bintulu, Sarawak. Both events received an encouraging participation from over 100 retail investors.

**Promoting Industry Growth Through Affiliations**

KLCCP Stapled Group actively share our knowledge and expertise with our peers in the industry on various Thought Leadership platforms and associations such as The Malaysian REIT Managers Association (MRMA), FIABCI Malaysian Chapter and the Council of Tall Buildings and Urban Habitat (CTBUH). This is part of our contribution towards nation building and industrial advancement.

MEMBERSHIP	
<b>KLCC Property Holdings Berhad</b>	<p><b>Council of Tall Buildings and Urban Habitat (CTBUH)</b> 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</p> <p><b>Federation Internationale des Administrateurs de Bien-Conselis Immobiliers (FIABCI) Malaysian Chapter</b> KLCCP is a member of FIABCI Malaysian Chapter and supports the Federation through its various events, seminars and talks organised annually</p> <p><b>Malaysian Investor Relations Association (MIRA)</b> 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</p>
<b>KLCC REIT</b>	<p><b>Malaysian REIT Managers Association (MRMA)</b> 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</p>
<b>Suria KLCC</b>	<p><b>Persatuan Pengurusan Kompleks Malaysia International Council of Shopping Centres</b> 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</p>
<b>Mandarin Oriental, Kuala Lumpur (MOKL Hotel)</b>	<p><b>Malaysia Association of Hotels (MAH)</b> <b>Malaysian Association of Hotel Owners (MAHO)</b> <b>The Japanese Chamber of Commerce</b> <b>American Malaysia Chamber of Commerce</b> <b>British Malaysia Chamber of Commerce</b></p>