

CEO'S YEAR IN REVIEW



2

Rallied my leadership team and the KLCC family on a business and culture transformation journey in positioning KLCC for the next growth **#IAmAccountable**

3

Focused on our digital efforts in bringing our Statement of Purpose to life, enriching our customer experience

1

My 3 priorities for the year - Business Performance & Operational Resilience, Workforce Agility and Sustainable Customer Solutions

4

We cared for our people, providing work-life integration to nurture innovativeness and yield higher performance



MD. SHAH MAHMOOD

Chief Executive Officer



Q1

How would you describe your first year at the helm of KLCCP Stapled Group?

Exciting yet challenging! I came on onboard amidst the chaos of the prolonged COVID-19 pandemic when the whole organisation was practically working from home. I did not have the opportunity to meet most of the KLCC family in person. I had to contend in engaging with the Board members, my leadership team, and the employees all virtually. Nevertheless, it has been a good 8 months since my tenure took effect on 1 May 2021 and I am thankful to the Boards for entrusting me to lead the largest REIT in the country. I would like to also extend my gratitude to my leadership team and all the KLCC family who had fully supported and worked with me towards ensuring the business remains well-placed to continue generating value for our stakeholders.

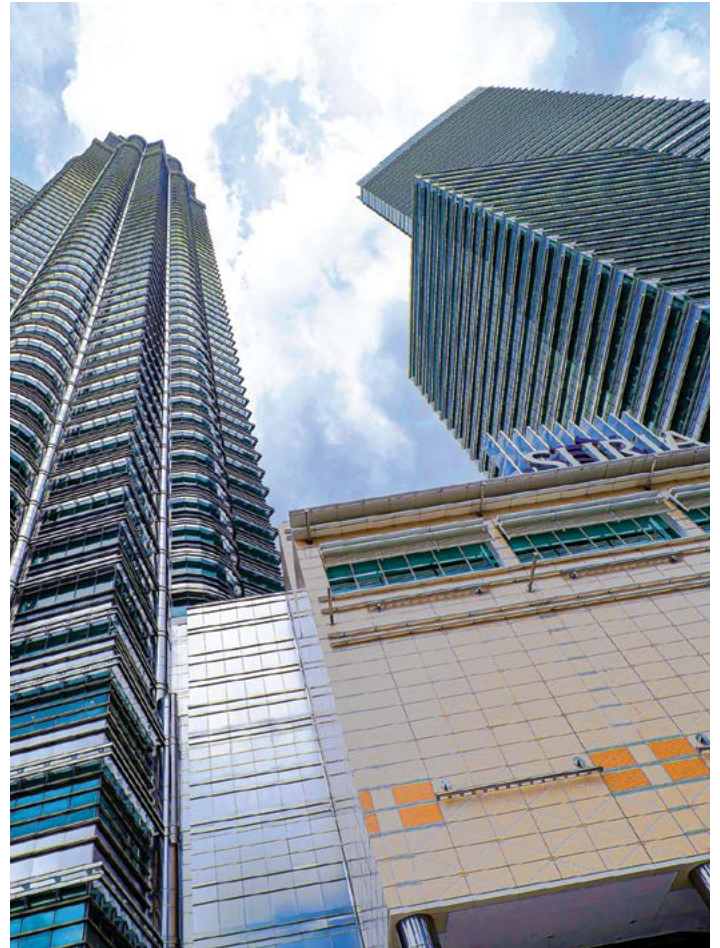
Q2

What were your main priorities during the year and what steps did you take to position the Group's business strategy for 2021 and beyond, in responding to external challenges of the COVID-19 pandemic and adapting to the new trends that emerged from it?

Business Performance & Operational Resilience, Workforce Agility and Sustainable Customer Solutions. Those were my 3 priorities. It was a case for change – to transform and pivot the organisation with a focused and aligned workforce, positioning the Group in the new norm and winning as a Solutions Partner to our many stakeholders. We prioritised our overall health, focused on long-term survival, and move forward with pace and urgency.

Together with my leadership team, we set about to co-create the Group's strategic agenda and agree on a set of goals and targets with our resolution in mind as we steer our strategies and initiatives. This also entails a fit for purpose structure reorganisation to drive commercial, project and operational excellence with an integrated and efficient operating model as well as institutionalising a culture which reinforces mindset and behaviour to support the implementation of our strategies - the **#IAmAccountable** culture with an enterprise mindset. The Group embarked on a structured and holistic culture transformation programme to anchor on our Cultural Beliefs, with defined strategies and outcomes. Retooling our human capital was also critical in equipping our people with the right capabilities to navigate the new norm and deliver new value. This involved assessment on the core capabilities, digital learning series including focused talent and leadership development programs. All these efforts towards positioning the Group in delivering our targets with credible and proven performance.

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Q3

What were the key highlights and achievements during the year?

2021 was definitely a tougher year compared to 2020. With three lockdowns and movement control order of 162 days in the year, our performance as a Group was impacted which saw revenue decrease by 5.5% to RM1.2 billion, mainly contributed by our retail and hotel segments. In spite of that, KLCCP Stapled Group achieved a Profit Before Tax (excluding fair value adjustments) of RM712.5 million, a 3.2% increase from the corresponding year driven by lower impairment recorded on the investment property under construction (IPUC) for Phase 3 Redevelopment of Kompleks Dayabumi. We distributed 95% of the Group's distributable income, a total of 33.60 sen per stapled security for the year, delivering on our commitment to the holders of Stapled Securities.

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programmes amounting to RM127.1 million, 36% more compared to 2020 and rewarded its shoppers with almost RM400,000 in Suria KLCC vouchers during the "The Great Giveaway" and the "The Golden Ticket Campaign", bringing in increased footfalls and significant direct sales for our retail partners. Suria KLCC was also the first mall in the country to create a "Safe Space" for its community to drive mental health awareness campaign whilst promoting an environment of acceptance and compassion.



At our North-West Development basement carpark beneath the PETRONAS Twin Towers, KLCC Parking Management Sdn Bhd (KPM), our car-parking company, launched its premium parking of 49 car park bays, fitted with 20 Electric Vehicle Charging Stations, providing its customers convenience, safety and security. This was also in support of the Government's initiative for green economy by 2050 and our 5-year Sustainability Roadmap, in minimising our carbon footprint. KPM also secured management of 3 new car parks in Putrajaya and successfully embarked on cashless and ticketless operations at these sites.

Our operational excellence achievements did not go unnoticed by the industry and we are proud that KLCCP was recognised as the "Pembayar Cukai Terbaik 2020" in March 2021 by the Inland Revenue Board for our commitment and highest standards of compliance to tax rulings and documentations. KLCCUH and KPM received the ROSPA awards of Gold and Silver respectively on the 10 September 2021, upholding the Group's commitment to health & safety excellence. KLCCUH had also received the MSOSH OSH Gold Class 2 award for proactively and continuously improving their occupational safety and health standards across their facilities management services.

Q4

How has the Group strengthened its organisational capabilities particularly in leveraging digitalisation to optimise asset performance and safety and security of the KLCC Precinct?

We have been looking at ways to reimagine our services to better meet the demands of our tenants, customers, and community. In April 2021, we launched our Integrated Building Command Centre (IBCC) located at PETRONAS Tower 2 which is able to integrate all the facilities management services and safety features of our office buildings. This is truly “hands off, eyes on”! The IBCC is a real-time monitoring dashboard of Building Management Systems – chilled water, alarm systems, and Building Energy Index. Currently 3 facilities are operated through IBCC – PETRONAS Twin Towers, Menara 3 PETRONAS, and the KLCC Park Irrigation System. Through the IBCC, KLCC Park is now digitally operated via the KLCC Park System Automation, which reduces the number of manual manning activities by 93% and in turn saving costs and reducing the risk of working at height in confined spaces. The IBCC project is expected to be fully completed by the end 2022 with a more seamless integration of facilities management operations.

We also embarked on a new security operating model, transforming our KLCC Precinct Security Operating to risk-based intelligent patrolling and rapid response auxiliary police, with heavy reliance on digital technology. This entails an integrated security operation centre which serves as a central nerve for the KLCC Precinct Security, an integrated Security Surveillance System with high-definition CCTV cameras, multi camera search and video synopsis, intrusion detection and automated number plate recognition, amongst others. In November 2021, the crowd management and people counting feature was implemented at KLCC Precinct. The presence of sensor counters enabled us to perform intelligent patrolling and security operations at high density areas with large numbers of visitors more effectively.

 To read more, refer to Digitalisation at the Forefront on pages 28 to 29



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Q5

Your KLCC family is your greatest asset. How did you keep the workforce intact whilst providing work-life integration amidst the protracted COVID-19 pandemic?

Indeed, our people are the essence of the organisation and the ones responsible for ensuring our Statement of Purpose comes to life. We take pride in our collective decision not to downsize our workforce nor cut any salaries during the tough times of the pandemic. Throughout the year, our priority has been the wellbeing of our people. We have worked hard to foster employee engagement through virtual platforms to create a culture of support and understanding where everyone has access to the assistance they need. Regular communication, employee pulse surveys, and increased visibility of our leaders have encouraged feedback via regular check-ins.

We introduced the flexwear or smart casual dress code in September 2021 to provide a positive, flexible, and inclusive workplace environment. Through our KLCC Sports Club in collaboration with the Ministry of Federal Territories, we facilitated about 1,000 of our frontliners with their COVID-19 vaccination via the MYMedic @ Wilayah Mobile Vaccine Truck programme at two locations, in Kuala Lumpur and Putrajaya.

With flexible working arrangements supported by technology-enabled working environment, our employees were able to manage work whilst balancing their personal needs. Nevertheless, mental health wellbeing was a focus area during the year. Based on the Mental Wellbeing Survey conducted in September 2021, 82% of our people were able to maintain a healthy mental health whilst 18% experienced challenges to their mental health conditions. The Group took steps to address this and collaborated with Naluri Life

Sdn Bhd as our partner, to provide an Employee Assistance Programme under the KLCC MyWellness banner. This programme was launched in early January 2022 and aims to provide a comprehensive and personalised experience in creating a conducive and healthy working environment which nurtures innovativeness and yields higher performance.

 To read more, refer to **Empowering Positive and Healthy Minds** on pages 30 to 31

When the major floods affected many parts across the country towards the end of 2021, 35 of our people were affected, suffering loss of belongings, and damage to their homes. It was heartwarming to see how expeditiously the KLCC taskforce of “*Banjir Care*” was set up and 100 volunteers of our KLCC family came together to assist in the cleaning up of the damaged homes and rendering aid relief of basic necessities to their colleagues. The Group contributed over RM32,000 to assist these affected employees. In prioritising the health and safety of our people, we also reviewed our employee insurance health coverage across the Group and extended the coverage to include hospitalisation and treatment for COVID-19 as well as mental health, for staff and its dependents with effect from 2022.

Throughout the year, our priority has been the wellbeing of our people. We have worked hard to foster employee engagement through virtual platforms to create a culture of support and understanding where everyone has access to the assistance they need.

Q6

What is the Group's outlook for 2022 and strategic direction to generate value for its holders of Stapled Securities?

After two tough years, we remain hopeful that 2022 will provide the reprieve which we are all in search of though we are still cautious as waves of new COVID-19 variants are surging across the world, as we speak. Nevertheless, with the Strategic Agenda for the Group being completed and rolled-out by quarter 1, 2022 coupled with an aligned organisation design, I am confident that this will provide clear purpose and priorities for all segments of the business and renewed strategic direction, supported by our values and cultural beliefs to future-ready the Group and be in a position of strength.

As a Group, we remain committed to creating iconic and lifestyle experiences at KLCC **The Place** for our stakeholders and strengthening our Sustainability Agenda as well as to

guide our sustainability initiatives for the greater good of the society and the environment.

My heartfelt appreciation to the Boards of KLCCP and KLCC REIT for their astute insights, counsel, and stewardship during this challenging year. My thanks to my immediate predecessor, Datuk Hashim Wahir, for making the transition a smooth one for me. To my leadership team and the KLCC family, my utmost gratitude for your resilience, commitment, and willingness to be on this transformation journey towards our readiness as a Group and fostering a culture of greater accountability. To our holders of Stapled Securities, thank you for your trust in our ability and we look forward in continuing to deliver on our commitment towards sustainable value creation for the long-term.



Md. Shah Mahmood
Chief Executive Officer