



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



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A LANDMARK YEAR

The year was monumental for KLCCP 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.

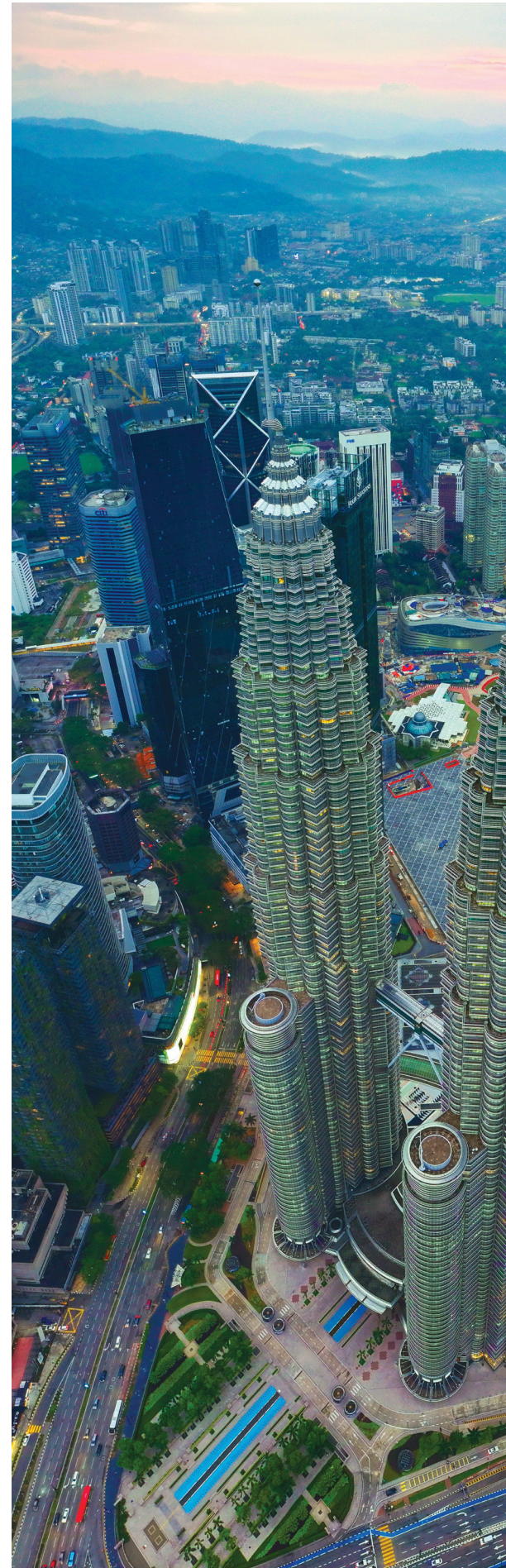
Although the PETRONAS Twin Towers received this award, our commitment at KLCCP Stapled Group is to constantly rejuvenate all our properties to create a safe, ergonomic and sustainable environment. This, in turn, has been instrumental in enhancing the value of our assets, translating into higher occupancy, 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.



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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