



# CFO'S REVIEW

The year 2024 was a milestone year for KLCCP Stapled Group since our listing, seeing us achieve record revenue, profit and dividends, exceeding our initial forecast while creating immense value for our holders of Stapled Securities. That we achieved our results in a financially challenging landscape makes it all the more noteworthy.

**ROHIZAL BIN KADIR**  
Chief Financial Officer



## REVENUE

**RM1,710.9  
million**

(2023: RM1,619.2 million)

## INVESTMENT PROPERTIES

**RM16,200.5  
million**

(2023: RM15,953.1 million)

We started the year on a cautious note, with heightened competition from newly open retails and hotels, operating in a high-cost environment from disruptions in global supply chain and shortage of casual workers to support growth of hotel occupancy. The revision of Sales & Service Tax (SST) rates and reallocation of diesel subsidies in the first half of the year requires businesses to proactively manage their operation cost to maintain profit margin. In addition, we faced the challenge of maintaining optimal financing costs as approximately half of our financings were set to mature throughout the year.

Despite these challenges, the Group achieved excellent financial performance with the increase in Group's revenue of 5.7% to RM1,710.9 million from RM1,619.2 million in 2023 while our profit before tax (PBT) excluding fair value adjustments inched up from RM965.5 million to RM967.1 million. Meanwhile, the Group's profit attributable to equity holders (PATMI) excluding fair value adjustments grew by 7.4% to RM790.1 million from RM735.7 million, reflecting the gain from acquisition of Suria KLCC's remaining equity, financed by the new Sukuk issuance.

We are also pleased with our robust balance sheet bolstered by our high quality assets and optimal financings. Underlying the strength of our properties was a resilient recovery in valuations, which increased our property value by RM234.7 million to RM16.2 billion.

Maintaining a healthy level of liquidity and a well positioned balance sheet were among our key priorities, especially in light of the need to issue and refinance RM3.0 billion Sukuk during the year. Our strategy was to leverage on our strong business performance and high quality assets to secure the highest credit rating and I am happy to say that we were successful in this regard. This is evident by the achievement of AAA rating and lower cost of debt of 4.0% from 4.6% in 2023.

The refinancing of RM455.0 million KLCC REIT and RM600.0 million Suria KLCC Sukuk exercise has resulted in a 14% saving on financing costs annually. We were thrilled with the Suria KLCC Sukuk because, despite having a unique tenure of 10.5 years, we were able to secure an impressive profit rate of 4.0% per annum, garnering nearly 4 times over the amount of issuance.

Our remarkable results translated into another record-breaking dividend distribution of 44.50 sen, marking a 10.4% increase from 2023 and the highest payout in a decade – which is testament to the Group's commitment to creating value for our holders of Stapled Securities.

We believe our continuous strong performance has boosted confidence in our share price which has improved by 15.0% during the year, higher than the Bursa Malaysia REIT Index. Added with highest dividend distributed, our annual total return stood at 20.4%, reflecting our commitment to maximising value for our holders of Stapled Securities.

While we were extremely delighted with the numbers on their own, the icing on the cake was being recognised by The Edge for the highest growth in PAT over three years among REITs. Like The Edge Awards, our annual performance is a testament to our ongoing commitment and hard work over the years. It reflects our dedication to maximising the value of our assets while upholding the highest standards in capital management and cost optimisation to sustain robust margins. These are prudent financial principles that we have adopted from the start, but have further honed since the pandemic, when they were critical.

## SEGMENTAL PERFORMANCE

The star performer in our stable this year was the Hotel segment, where revenue increased by 13.7% to RM239.8 million and, most impressively, PBT quadrupled from RM3.0 million in 2023 to RM12.2 million. Our Retail segment also grew substantially, driven by the Group's commitment to enriching the retail experience and ensuring sustainable growth. Retail revenue improved by 6.8% to RM551.2 million from RM516.1 million while PBT rose by 9.2% to RM429.1 million from RM392.9 million. On the Office front, although the market was stagnant, we stood to gain from our long-term TNL which guarantees steady revenue, contributing a substantial 30% of our total revenue. Our Management Services also performed well, recording a 5.3% increase in PBT to RM51.3 million on the back of an 8.3% increase in revenue to RM315.0 million, driven by expanded car park operations.

## OUTLOOK

Malaysia's economy is anticipated to continue to strengthen in 2025, providing a positive backdrop for the property and retail sectors, while preparations for Visit Malaysia 2026 are expected to further boost tourist arrivals. These are positive factors for the Group and lend us good reason to believe this will help to cushion any impact of domestic and international economic uncertainty.

In 2025, the Group will be undergoing another refinancing of the RM388.2 million term loan for MOKUL Hotel that will be maturing in May and June 2025. In line with the success of our refinancing exercise in 2024, the Group is confident on the ability to reduce our financing cost backed by the hotel's performance.

We will continue investing to ensure our assets are in pristine condition. This includes refurbishment of the hotel's grand ballroom, which is expected to be completed by April 2025, in time for the peak season from 2Q 2025 onwards; and modernisation of facilities at Suria KLCC.

Collaboration with our partners in the KLCC Precinct will be our focus to drive footfall and sustaining our occupancy. Specific attention will be channelled towards the KLCC Park, as there remains much untapped potential in this 50-acre hothouse of biodiversity. Malaysia's Chairmanship of ASEAN will present various opportunities that we will also leverage to further elevate our properties and the KLCC Precinct as a top regional destination.

**Rohizal Bin Kadir**  
Chief Financial Officer