



LETTER FROM THE CHAIRMAN

Dear Stakeholders,

The global economy continued to grow in 2024, despite the ongoing geopolitical uncertainties. In Malaysia, various Government initiatives strengthened development, fostering a more equitable and balanced growth path. As a result, real gross domestic product (GDP) grew by 5% in 2024. Businesses across the country have stood to gain from the country's steady post-pandemic recovery, with KLCCP Stapled Group making its mark as amongst one of the top achievers, attaining record financial performance for the year.

Our performance aside, it is an honour to be elected Chairman to KLCCP Stapled Group. As the largest REIT, commanding no less than 30% of the Malaysian REIT market, the Group is responsible for the investments of countless Malaysians and others. Our asset portfolio includes the PETRONAS Twin Towers which houses one of Malaysia's best-known global brands, i.e. the Fortune 500 national oil company, PETRONAS. The towers themselves are the most recognisable architectural constructs in the country which in 2024 further entrenched their iconic status by being presented the Global Icon Award by the Council on Tall Buildings and Urban Habitat.

In assuming responsibility for this reputable company, I would like to reiterate my commitment to working closely with my fellow Board members as well as the Group's leadership to continue adding value to all our stakeholders.

VALUE CREATION AT THE STAPLED GROUP

In 2024, both revenue and profit surpassed all expectations to hit new post-listing highs. We saw our revenue grow by 5.7% to RM1,710.9 million while profit attributable to equity holders (PATMI) – excluding fair value adjustments of RM234.7 million – increased by 7.4% to RM790.1 million. Based on these results, the Boards of KLCC Property Holdings Berhad (KLCCP) and KLCC REIT Management Sdn Bhd (KLCCRM) approved four interim dividends totalling 44.50 sen. This was yet another record and includes 16.80 sen from KLCCP together with 27.70 sen from KLCC REIT, bringing the total full-year dividend to RM803.4 million, compared to RM731.2 million in 2023. These commendable results, also translated to a distribution yield of 5.5% while total annual return improved significantly to 20.4% compared to 11.4% in the previous year.

Our performance was due to a confluence of factors but, most importantly, years of effective asset management and laser-focused efforts to maximise our occupancy rates while exploring new initiatives to increase footfall in KLCC The Place. In the office segment, we are fortunate to enjoy stable long-term agreements with anchor tenants; whereas in the hotel and retail space, a key element to maintaining consistently high occupancy and tenancy rates has been to engage with and understand our stakeholders. This, in turn, allows us not just to meet, but to exceed their expectations.





Letter From The Chairman

In an increasingly competitive environment, we stand out by creating vibrant ecosystems where people and businesses can flourish. We invest significantly into technology and other upgrades to continuously refresh our assets for the physical comfort, convenience and safety of our tenants, while focusing on placemaking activities that reinvent the customer experience. With our business partners and suppliers, we collaborate to create synergies that can lead to cost savings and innovation.

Our employees are without doubt our most important asset and we invest substantially in their professional training and development while keeping them engaged in our KLCC culture. This has resulted in a highly motivated and productive workforce that is driving us towards our growth ambitions.

To the community, we offer KLCC Park, a 50-acre green lung in the middle of the city which presents an unrivalled venue for recreational activities and where we have hosted various events including KL Fashion Week. Like New York's Times Square, KLCC Park has become the place to be for the new year countdown in Kuala Lumpur. A people magnet from the start, the park has a growing legion of fans and has been recognised with numerous awards.

The Boards oversee all these value creation initiatives and ensure appropriate feedback mechanisms are in place to keep a pulse on their efficacy. Through frequent and transparent engagements, we are able to keep track of how satisfied stakeholders are with our efforts, and to fine-tune our strategies whenever needed. It is also through discussion and dialogue with our stakeholders that we broaden our understanding of trends that could impact the Group. Having identified our risks, the Boards ensure effective risk management across our operations to safeguard our investments and protect the interests of our shareholders, tenants, customers, employees and other stakeholders.

CONTINUOUS GOVERNANCE ENHANCEMENT

Since joining the Boards, I have been impressed by the level of commitment to maintaining a consistently high level of corporate governance. The Boards continuously review the Group's processes and procedures to further strengthen transparency and accountability across the organisation. This builds greater trust with investors, shareholders and other stakeholders, ensuring their interests are always safeguarded.

Good governance at KLCCP Stapled Group is reflected in the Boards' composition and the diversity we have established in terms of experience, skills and competencies. Specifically, we seek to maintain a high level of independence to ensure objectivity and safeguard the rights of all stakeholders, as well as fostering diversity for broader perspectives. Towards these ends, I am pleased to share that currently 56% of our directors are women and an equal number are independent.



Succession planning was an important topic of discussion by the Boards in 2024, especially with the appointments of the two most important positions at the executive and governance levels, namely that of our Chief Executive Officer (CEO) and Chairman. In this regard, the Boards have been assisted by our Nomination and Remuneration Committee (NRC) which monitors directors' tenures and maintains a pool of potential directors who have the experience, skills and knowledge that match our needs. With the NRC's support, Boards continuity and diversity are maintained in line with the Group's strategy.

SUSTAINABILITY

Having spent most of my career in Government service, my belief system is naturally aligned with national development, hence also the principles of sustainability which are geared towards the greater good of people and the planet. I feel reassured by having a like-minded leadership in KLCCP Stapled Group that has nurtured a very strong culture of sustainability in the organisation. This is reflected in the manner in which environmental, social and governance (ESG) principles are firmly embedded in the Group's business operations.

The Boards guide the Group's sustainability policies and strategies. This year, the Boards approved the KLCCP Stapled Group Sustainability Plan 2030, to steer the direction for the Group in the coming years. Climate change remains a top priority, driving more concerted efforts to enhance our climate-related strategies and programmes. We were also encouraged by progress made in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.



Following a comprehensive climate-related risks and opportunities assessment, we have integrated the identified risks and opportunities into the Group's corporate governance, strategy, risk management, metrics and targets. For more information on this, I encourage you to read our first climate-related disclosure in our Sustainability Report. Having successfully embarked on climate-related reporting, we are well positioned to fulfil the requirements of the National Sustainability Reporting Framework when it is enforced.

Going forward, the Boards will continue to monitor and guide the Group's sustainability endeavours as environmental and social issues become more critical and urgent.

SR To read more on the Group's sustainability efforts and disclosures, please refer to the Sustainability Report 2024

ACKNOWLEDGEMENTS

I would like to express my gratitude to the Boards for their trust and confidence in appointing me as Chairman. I would also like to welcome our new CEO, Datuk Sr Mohd. Salem Bin Kailany. On behalf of the Boards, I would like to acknowledge the invaluable contributions of our former Chairman Tan Sri Ahmad Nizam Bin Salleh and CEO Datuk Md. Shah Bin Mahmood, for their leadership and dedication in guiding the Group through a period of significant and meaningful changes. Their vision and strategic direction have laid a solid foundation for continued growth and success.

DISTRIBUTION PER STAPLED SECURITY

44.50 sen

(2023: 40.50 sen)

TOTAL ANNUAL RETURN

20.4%

(2023: 11.4%)

More recently, the Boards have appointed Puan Freida binti Amat as a Non-Independent Non-Executive Director. We extend a warm welcome to her and look forward to her contributions at our meetings. To all our Board members, thank you for your guidance, insights and unwavering support which have been instrumental in driving the Group forward. My gratitude extends to the entire KLCC family – it is thanks to your commitment, resilience and hard work that we have achieved another record-breaking year.

Meanwhile, it would be incomplete without acknowledging our many external stakeholders, from our shareholders to our business partners, tenants, customers, suppliers and community at large. Your contributions and support are deeply appreciated. Rooted in our legacy, KLCCP Stapled Group remains committed to shaping vibrant urban landscapes that drive economic growth, strengthen community connections, and empower future generations. As we uphold our iconic presence, we will continue to have your interests at heart, creating spaces that add value to your lives which reflect our enduring Statement of Purpose.

Datuk Ir. Annies Bin Md Ariff
Chairman