



Value Creation Model

OUR CAPITALS...

INPUTS

FC Financial Capital

The pool of funds available to us including debt, retained earnings and sukuk/equity funding.

- Total Equity Attributable to Holders of Stapled Securities: RM13.7 billion
- Total Financing: RM4.3 billion
- Share Capital: RM1.8 billion
- Cash Generated from Operations: RM1.2 billion
- Total Assets: RM18.7 billion
- Managing financial resources through the implementation of a disciplined investment strategy

MC Manufactured Capital

- We are a diversified REIT with a portfolio of 7 properties in Malaysia
- Iconic and High-quality assets:
 - 5 Offices (3 GBI-Certified) | 2 Retails | 1 Hotel
- State-of-the-Art Infrastructure & Facilities to ensure best-in-class products and services

IC Intellectual Capital

Intangible assets – knowledge and capability intrinsic to our organisation, our systems and processes – reputation and brand.

- Digital enablers to create value through innovation
- Specialised facilities management expertise
- Boards and Manager’s deep industry knowledge
- Efficient business processes and robust management systems
- Robust governance structures centred on ethical conduct
- Integrated risk management culture and framework

HC Human Capital

Our Board members and employees, each of whom plays an important role in our operations and in ensuring the success of our strategies.

- Total full time employees: 1,048
- RM2.2 million invested in Learning & Development
- High performing talents and future-driven culture
- Implementation of Human Right policies
- Reward structures linked to performance and value drivers
- Investing in training programmes and workshops to upskill employees towards a stronger workforce
- Strong monitoring of HSE operations discipline on the ground, driven by leadership at all levels to uphold the HSE Policy

SR Social and Relationship Capital

We have built strong relationships with stakeholders, including tenants, investors, regulators, and the community.

- High integrity, trust and transparent communication with our key stakeholders
- Local Procurement:
 - Local Procurement: 99% | International Procurement: 1%
- Embracing sustainable development as well as responsible ESG practices
- Building strong public awareness and brand leadership commitments towards sustainability
- Continual engagements with all key stakeholders to understand their business strategies and needs

NC Natural Capital

The renewable and non-renewable resources that are used throughout the Group, including fuel, water and land, among others.

- Energy consumption: 136,419 MWh
- Initiatives to reduce consumption of natural resources
- Solidified carbon emissions inventory
- Digitalisation efforts and initiatives to reduce environmental footprint
- 50 acres of KLCC Park (green lung) with 1,700 trees

Material Sustainability Matters

PLANET

- M1** Climate Change and Energy Management
- M2** Environmental Management

PEOPLE

- M3** Human Capital Development
- M4** Human Rights
- M5** Labour Standard and Practices
- M6** Health, Safety and Security

PEACE

- M7** Corporate Governance
- M8** Business Ethics
- M9** Cyber Security and Data Privacy

PROSPERITY

- M10** Financial Sustainability
- M11** Customer and Tenant Management
- M12** Supply Chain Management
- M13** Corporate Social Responsibility

See pages 47 to 55

Market Trends

- Tourism Revival Boosting Growth
- Thriving in Competitive Market
- Digital Transformation Reshaping Business
- Adapting to Consumer Shifts
- Accelerating Sustainability Agenda
- Regulatory Landscape

See pages 71 to 76

Sustainability Pillars

- Planet**
- People**
- Peace**
- Prosperity**

See pages 154 to 165

OUR 3-PRONGED GROWTH STRATEGY

Strategic Pillars

- MC** Maximising Cash Generator
- EB** Expanding Core Business
- SO** Stepping Out

See pages 88 to 91

Key Risks

- R1** Financial Risk
- R2** Market Risk
- R3** Human Capital Risk
- R4** Health, Safety and Environment Risk
- R5** Security Risk
- R6** Asset Management Risk
- R7** Facility Management Risk
- R8** Supplier Risk

See pages 77 to 87

ENABLE VALUE-ADDING ACTIVITIES



OFFICE



RETAIL



HOTEL



MANAGEMENT SERVICES



OUTPUTS

OUR PRODUCTS

- KLCCP Stapled Group’s core output is quality real estate assets. Through our business activities in developing and managing these properties to recycle capital, we aim to create value across our capitals, while recognising that some capitals are negatively affected through this process, despite our best efforts
- Quality real estate investments that add value to society and deliver sustained cash flow. Our end products include:
 - Office: 5.6 million sq. ft. NLA
 - Retail: 1.1 million sq. ft. NLA
 - Hotel: 629 rooms
 - Facilities Managed: 25
 - Car Park Bays Managed: 17,421
 - Total Directly & Indirectly held Portfolio GFA of 12.0 million sq. ft.

OUR WASTE AND EMISSIONS

- Total GHG Emissions of: 102,513 tCO₂e (2023: 97,577 tCO₂e)
- 7,806 tonnes of non-hazardous waste generated from the Group’s operation, with 11% diverted from landfill 6,708 (2023: 21%)

OUTCOMES

FC Financial Capital

- Ranked 1st place in the MREITs Industry
- + By Market Capitalisation: RM14.7 billion (2023: RM12.8 billion)
- + By Property Value: RM16.2 billion (2023: RM16.0 billion)
- + Annual Total Return: 20.4% (2023: 11.4%)
- + Revenue: RM1.7 billion (2023: RM1.6 billion)

MC Manufactured Capital

- + Increased fair value adjustment to RM234.7 million (2023: RM221.9 million)
- Average Occupancy Rate
 - Office: 100% (2023: 100%)
 - + Retail: 99% (2023: 96%)
 - + Hotel: 58% (2023: 55%)

IC Intellectual Capital

- Strong governance structure and transparency
- + Enhanced IT security systems with zero incidents of cybersecurity breaches
- + To-date 56% Women Directors on Boards (2023: 50%)
- + Conferred with 22 awards and accolades

HC Human Capital

- + 48 hours employee training hours (2023: 41 hours)
- + Enhanced employee skillset and capabilities, 40 employees graduated from Marketing & Sales Accelerator Programme

SR Social and Relationship Capital

- + RM5.3 million spent on Corporate Social Responsibility (2023: RM4.6 million)
- + KLCC The Place Instagram & Tiktok followers increased to 35,256 (2023: 18,186) (94% growth)
- + Employee volunteerism: 3,582 hours
- Optimum customer and tenant satisfaction achieved through excellent customer service delivered by a highly skilled workforce

NC Natural Capital

- + Minimised environmental impact
- + Achievement of Sustainability Roadmap
- + 11.3% (2023: 15.9%) reduction in total electricity consumption vs. base year 2019

+ Value Enhanced – Value Preserved – Value Diminished



THAT CREATE VALUE FOR OUR STAKEHOLDERS

	ACTIONS TO ENHANCE OUTCOMES	STAKEHOLDERS	UNSDG	TRADE-OFFS
<ul style="list-style-type: none"> + PATMI (excluding fair value adjustments): RM0.8 billion (2023: RM0.7 billion) = Maintained RAM Rating AAA/ Stable outlook for KLCCP, KLCC REIT and Suria KLCC 	<ul style="list-style-type: none"> • Maintain discipline in credit management, operating expenses and financing costs • Maintain healthy liquidity and a robust balance sheet • Enhance efficiencies leveraging technology • Manage financing and re-financing efficiently 			<p>We apply our financial capital to enhance the performance of our assets and execute our growth strategy, which increases our manufactured capital. It is important to balance the allocation of our financial capital prudently to maintain healthy cash flow and capital position without impeding our growth aspirations. In a stable and growing environment, we can enhance our intellectual, social & relationship capital.</p>
<ul style="list-style-type: none"> + Secured operations of 926 car park bays within Putrajaya 	<ul style="list-style-type: none"> • Constant maintenance of properties to keep them in pristine condition • Modernisation and refurbishment of office, retail and hotel spaces to enhance property value • Retrofitting with energy-efficient electrical and mechanical systems for lower carbon footprint and costs 			<p>Investments into optimal maintenance of our physical properties decreases our financial capital in the short term but increases our property value in the long term, as reflected in their increased valuation. These investments result in enhanced energy efficiency and other environmentally-friendly initiatives (natural capital), increased tenant and customer satisfaction (social and relationship capital) and a stronger brand (intellectual capital).</p>
<ul style="list-style-type: none"> = Robust corporate governance backed by board leadership and effectiveness = Continuous oversight of Risk Management and Internal Controls 	<ul style="list-style-type: none"> • Maintenance of good corporate governance, including Board diversity • Investment into digital infrastructure and cybersecurity protocols • Robust enterprise risk management framework incorporating three-line defense model • KLCC brand building for continued visibility 			<p>Increasing our intellectual capital involves investing into our digital platforms and technologies, building the knowledge and expertise of our talents, and continuously enhancing our organisational processes and procedures. The use of our financial capital for this purpose will reap long-term benefits as we maintain quality assets (manufactured capital), satisfy customers' and tenants' needs (social & relationship), increase our organisational capabilities (human capital), and reduce our carbon footprint (natural capital).</p>
<ul style="list-style-type: none"> + Improvement on Health and Safety Performance with zero non-compliance with all relevant laws and regulations + Improvement in Organisational Culture Survey Index Score to 80 (2023: 78) 	<ul style="list-style-type: none"> • Continuous training and development of employees to enhance capabilities and competencies • Develop pool of Subject Matter Experts (SMEs) to contribute to business excellence • Commitment to the highest standards of safety, maintaining ISO 45001 OSH management system certification • Competitive remuneration and benefits • Awareness and understanding of Human Rights Policy 			<p>Our people are key to our sustained success, hence it is important to channel sufficient resources into their training and development, engagement, remuneration and benefits. This results in stronger organisational expertise and brand equity (intellectual capital) leading to improvement in the quality of our assets (manufactured capital), reduction of our carbon footprint (natural capital), the development of better stakeholder relationships (social & relationship capital), and better performance and enhanced profits.</p>
<ul style="list-style-type: none"> + Community investment beneficiaries: 814,302 (2023: 16,983) 	<ul style="list-style-type: none"> • Constant engagement with tenants and customers • Encourage feedback and timely response to customers • Strong CSR platform and spirit of volunteerism amongst employees • Leverage KLCC Park for community events, ensuring the highest level of safety 			<p>We invest into building strong relationships with key stakeholders including our customers, tenants, suppliers and the community. This helps build our brand equity and maintain tenant loyalty (intellectual capital). We are best in class in managing our facilities (manufactured and natural capitals) thereby continuously improving our property valuation (financial capital).</p>
<ul style="list-style-type: none"> + Total reduction in Scope 1 and Scope 2 GHG emissions vs. base year 2019: 11.0% (2023: 13.3%) 	<ul style="list-style-type: none"> • More focused initiatives to reduce carbon footprint • Enhanced efforts to reduce waste to landfills via recycling and use of food waste digester • Adoption of responsible hazardous waste management • Responsible water consumption practices including adoption of water-efficient systems and behaviours 			<p>Through increased use of energy-efficient technologies (financial & intellectual capital), we are able to reduce our energy consumption (natural capital) and therefore our carbon emissions are in line with our corporate agenda to attain net zero carbon status by 2050. This demonstrates our commitment to the carbon transition, safeguarding our reputation (intellectual capital) while saving costs and enhancing our business in the long term (financial capital).</p>



Our Strategy

STATEMENT OF PURPOSE

A Progressive Energy and Solutions Partner
Enriching Lives for a Sustainable Future

Cash Flow from Operations improvement by 2025

New Revenue by 2030

Net Zero Carbon Emissions by 2050

3-PRONGED GROWTH STRATEGY

01 Maximising Cash Generator

Our high-quality investment portfolio provides strong and stable cashflows. Protecting and maximising these assets provide a solid base for profitability and a foundation for growth.

Sustain investments to maximise our current cash generators

02 Expanding Core Business

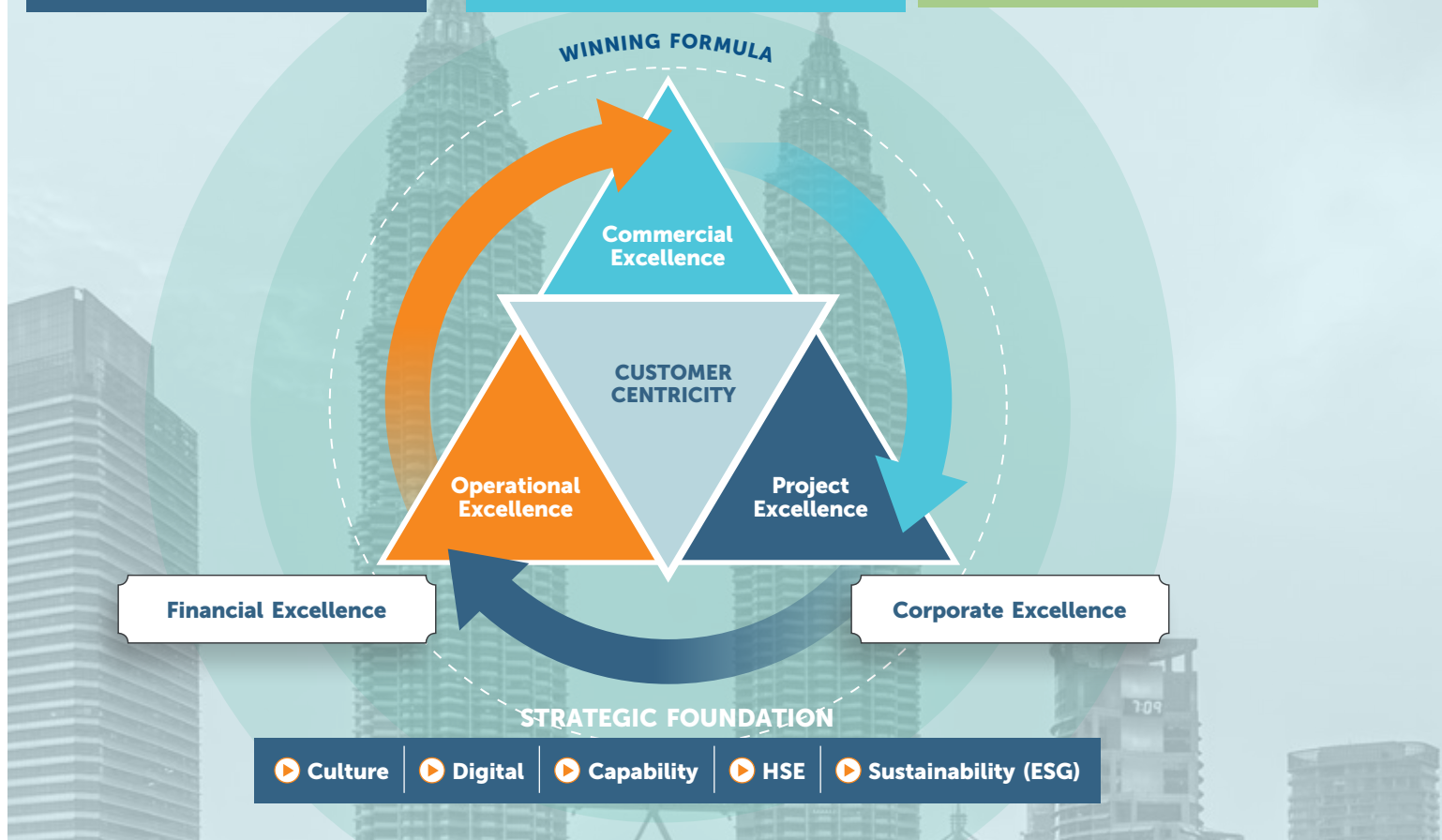
Property investment and development remain our core business. We are defining opportunities for further growth and value enhancement.

Invest to broaden the resource base and build the next line of cash generators

03 Stepping Out

Accelerated key global and industry trends are reshaping the real estate landscape, customer behaviour and expectations. We continue to build our capabilities in order to allocate resources to better position ourselves for the future.

Invest to future proof our overall portfolio



SUSTAINABILITY ASPIRATION: CLIMATE ACTION

2023 – 2030

- Decarbonisation:
 - Reduce energy consumption in assets
 - Energy efficient equipment
 - Use renewable energy
- Green/low carbon investment portfolio
- Circular economy

2030



10% Reduction in Carbon Emissions

Note:
– 2019 as reference base year
– Targets are set on equity based approach for Scope 1 and 2 emissions aligning with the Group's Sustainability Plan 2030

2030 – 2050

- Continue decarbonisation
- Circular economy
- Carbon offset (2040 onwards)

2050



MEASURING OUR STRATEGIC PROGRESS IN 2024

COMMERCIAL EXCELLENCE

PILLAR

01

KEY PRIORITIES

Increase value through:

- Enhancing profitability by optimising business portfolio and adapting to evolving market needs
- Pursuing and exploring growth opportunities
- Strengthening capabilities

RESOURCE ALLOCATION

- Financial: Allocating financial resources for strategic initiatives that enhance commercial performance.
- Manufactured: Portfolio of diverse, iconic assets in office, retail, hotel, and management services in facilities and car park.
- Intellectual: Continuous learning to stay market relevant.
- Human Capital: Enhance the capabilities of commercial teams through training and development.
- Social and Relationship: Work with strategic partners to elevate asset performance, achieve business growth, and participate in community and corporate social responsibility activities to enhance the Group's reputation.
- Natural: Align business strategies with environmental stewardship to meet evolving market expectations.

INITIATIVES	ACHIEVEMENTS	HEADLINE KPIS	PRIORITIES FOR 2025
Retail <ul style="list-style-type: none"> • Enhanced the retail experience via addition of new tenants including retail, dining and first-to-market brands • Asset enhancements via improved lighting, energy-efficient escalators and modernisation of mall-wide facilities Hotel <ul style="list-style-type: none"> • Enhanced offerings and capitalised on business, leisure and MICE segments KLCC Park <ul style="list-style-type: none"> • Heightened placemaking activities e.g. New Year and Merdeka celebrations, Sustainable September, and Kuala Lumpur Fashion Week (KLFW) Management Services <ul style="list-style-type: none"> • Organic growth through expansion of facilities management and car park management services Commercial Capabilities <ul style="list-style-type: none"> • Strengthen capabilities in Commercial Excellence 	Retail <ul style="list-style-type: none"> • Attracted over 50 million in footfall, compared to 48 million in 2023 • Brought in 28 new tenants, with 5 first-to-market brands Hotel <ul style="list-style-type: none"> • Achieved highest RevPAR to-date RM610, 20.8% higher compared to 2023 • Occupancy: 58% (2023: 55%) KLCC Park <ul style="list-style-type: none"> • Footfall: 1.2 million • PR value: RM395 million Management Services <ul style="list-style-type: none"> • No. of facilities managed: 25 (2023: 25) • Secured 926 new car parking bays, bringing the total to 17,421 Commercial Capabilities <ul style="list-style-type: none"> • Completed competency inventories review and capability assessment of executives and managers 	<ul style="list-style-type: none"> • Revenue • Profit Before Tax • Net Yield • % completion of capability assessment 	<ul style="list-style-type: none"> • Curating tenant partnerships for future success • Retail asset modernisation focusing on aesthetic enhancements and functional improvements to enhance the shopping experience • KLCC Park activation to foster a sense of community, generate interest, and stimulate economic and business activities within KLCC Precinct • Secure new business opportunities • Develop a pool of subject matter experts (SMEs) to contribute to business excellence

Short to Medium Term Priorities

- Sustain investments to maximise current cash generators

Long-Term Priorities

- Build next line of cash generators

Links

Capitals:



Key Risks:



Material Sustainability Matters:



Stakeholders:





Our Strategy

PROJECT EXCELLENCE

PILLAR

02

KEY PRIORITIES

Managing project deliverables through:

- Achieving 100% on time, on budget, on scope (OTOBOS) for all projects
- Enhancing customer satisfaction through quality and timely delivery

RESOURCE ALLOCATION

- Financial: Allocate manpower resources efficiently for projects.
- Manufactured: Portfolio of diverse, iconic assets in office, retail, hotel, and management services in facilities and car park.
- Natural: Sustainable resource utilisation and environmental conservation.
- Intellectual: Leverage culture of continuous improvement to enhance deliverables.
- Social and Relationship: Build strong relationships with contractors and clients.

INITIATIVES	ACHIEVEMENTS	HEADLINE KPIs	PRIORITIES FOR 2025
<ul style="list-style-type: none"> • Ensure projects align with business goals, delivering on time, within budget, and scope, enhancing customer value 	<ul style="list-style-type: none"> • 100% OTOBOS in office asset rejuvenation, enhancement projects, e.g. Workplace for Tomorrow (WFT) in PETRONAS Twin Towers and Menara 3 PETRONAS, LED facade lighting installation at Menara 3 PETRONAS, upgrading and implementation of building control system (BCS) at Menara Exxon Mobil and Menara Dayabumi • Completed and rolled out KLCC Project Phase-Gated Framework to enhance project management governance 	<ul style="list-style-type: none"> • All projects meet OTOBOS • Completion as per milestone 	<ul style="list-style-type: none"> • Sustain 100% OTOBOS for all projects under KLCCP and KLCC REIT

Short to Medium Term Priorities

Streamlining Project Execution Processes:

- Operational procedures and workflows will be optimised to improve efficiency, minimise waste, and accelerate project delivery

Long-Term Priorities

- Strive to lead in sustainable and innovative project delivery

Links

Capitals:



Key Risks:



Material Sustainability Matters:



Stakeholders:



OPERATIONAL EXCELLENCE

PILLAR

03

KEY PRIORITIES

Effective and efficient operations through:

- Zero compromise on HSSE and adherence to ESG best practices
- Optimal resource utilisation
- Innovative technologies & solutions

RESOURCE ALLOCATION

- Financial: Allocate resources to optimise costs through cost containment and reduction initiatives.
- Manufactured: Maintain portfolio of diverse, iconic assets in office, retail and hotel, and management services in facilities and car park.
- Human Capital: Training and development programmes for operations teams.
- Natural: Sustainable resource utilisation and environmental conservation.
- Intellectual: Leverage culture of continuous improvement towards operational efficiencies.
- Social and Relationship: Build strong relationships with customers, service providers and clients.

INITIATIVES	ACHIEVEMENTS	HEADLINE KPIS	PRIORITIES FOR 2025
<ul style="list-style-type: none"> • Strong commitment to Health, Safety and Environment (HSE) best practices, adhering to HSE rules and regulations • Cost containment/reduction initiatives • Digital initiatives to enhance operational excellence • Strengthening capabilities in Operational Excellence 	<ul style="list-style-type: none"> • Recorded zero fatalities and major fire incidents across the year • Replaced conventional lighting with LED for multiple office floors and parking areas • Refurbished cooling tower systems for improved energy efficiency • Replaced 8 out of 14 conventional motorbikes with electric motorbikes • Completed and rolled out Smart GEP in procure-to-pay module to increase procurement and sourcing efficiencies • KPM expanded cashless payment systems and introduced monthly renewal payment methods and E-SMS payment reminders. • Deployed MyRisk, a centralised risk information platform for reporting to the Boards • Suria KLCC implemented SKLCC shopping vouchers, providing seamless and personalised shopping experience • Completion of competency inventories review and capability assessment of targeted executives and managers 	<ul style="list-style-type: none"> • Zero fatalities and major fire incidents • Completion as per milestone • Completion as per milestone • % completion of capability assessment 	<ul style="list-style-type: none"> • Institutionalise and enhance HSE Generative Culture • Operating cost optimisation and cost containment initiatives • Completion of digital initiatives planned in 2025 • Develop a pool of SMEs to contribute to business excellence

Short to Medium Term Priorities

- Implement digital solutions that improve operational efficiency and productivity

Long-Term Priorities

- Expand our commitment to embedding sustainability within our operations with energy-efficient initiatives to reduce our carbon emissions

Links

Capitals:



Key Risks:



Material Sustainability Matters:



Stakeholders:

