

# KLCC PROPERTY HOLDINGS BERHAD

## 16<sup>th</sup> ANNUAL GENERAL MEETING

# KLCC REAL ESTATE INVESTMENT TRUST

## 6<sup>th</sup> ANNUAL GENERAL MEETING

Financial year ended 31 December 2018  
3 April 2019, Wednesday

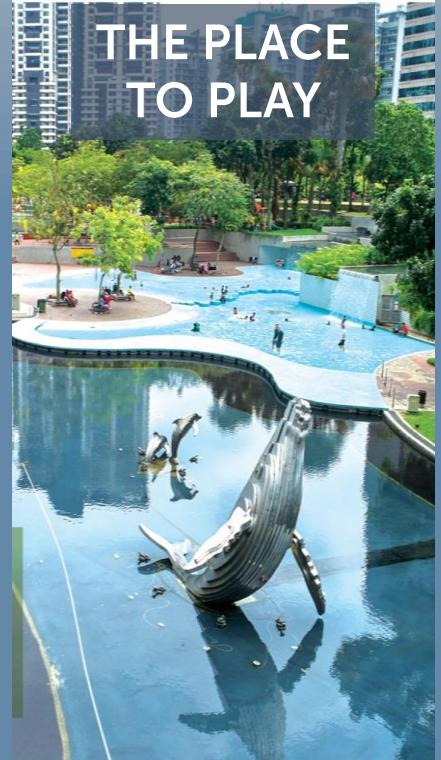


01



THE PLACE

# WE CREATE PLACES PEOPLE LOOK FORWARD TO, CONVERGING CULTURAL DIVERSITY, COMMERCIAL VIBRANCY AND SUSTAINABLE LIVING



# THE PLACE TO WORK



—  
**“Grade A offices, equipped with state-of-the-art security, building management system and multi-faceted work spaces that promote collaboration and interaction”**





# THE PLACE TO SHOP

“Suria KLCC introduced a new level of style to the city with its stunning array of retail splendor, exclusive services and differentiation providing shoppers with a seamless yet exciting retail experience and more”



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# THE PLACE TO DINE

“Well regarded for its wide array of tantalising local delicacies and international cuisines, it is indeed a place worth exploring”

# THE PLACE TO STAY

**“Elevating the hotel experience which transcends accommodation, MOKL Hotel’s legendary quality service provides a tailor-made stay**



# TOP PLAY

THE PLACE



—  
"Wholesome choices of attractions to visit and enjoy, from the art gallery, the science discovery centre, state-of-the-art ocenarium, the Malaysian Philharmonic, KLCC Park and the Lake Symphony Fountains, it is an endless discovery"



A large, semi-transparent circular overlay is centered on the image. Inside this circle, the number '02' is displayed in a bold, dark brown, sans-serif font.

02

A white, horizontally rounded rectangular bar is positioned at the bottom of the image, partially overlapping the city skyline. The text '2018 AT A GLANCE' is centered within this bar in a bold, dark brown, sans-serif font.

2018 AT A GLANCE

# A year filled with intense challenges globally and domestically

- **Trade tensions** between the US and China
- Tighter **monetary conditions**
- **Supply** outstripping **demand** affecting rental and occupancy
- **Demand for flexible** and more collaborative workspaces and amenity oriented
- **Heightened competition** from newer hotels
- Slower **growth of tourist** arrivals in the country



- **Softer consumer** sentiment in light of market volatility
- **Changes in Government** policies
- **Evolution of social media** and **technology development** (online shopping)
- Influx of **in-coming supply**
- Responding to **changing customer lifestyle**

# FY2018 At a Glance

Credible performance in challenging markets, underpinned by our strong fundamentals

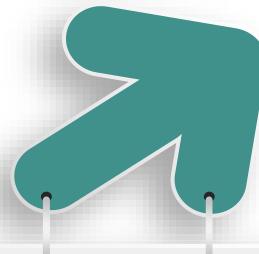


2018  
Revenue

↑ 9.5%

RM1,405.9 mil

-----  
2013  
RM1,283.7 mil

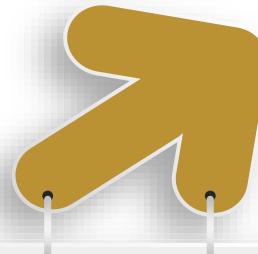


2018  
Profit for the year\*

↑ 12.2%

RM840.1 mil

-----  
2013  
RM749.0 mil

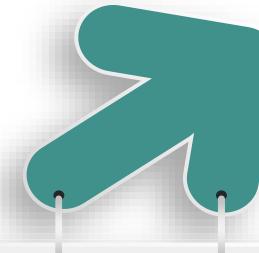


2018  
Property Value

↑ 11.4%

RM15,714.9 mil

-----  
2013  
RM14,108.7 mil



2018  
Net Asset Value per  
Stapled Security

↑ 11.9%

RM7.25

-----  
2013  
RM6.48



2018  
Distribution per  
Stapled Security

↑ 27.9%

37.00 sen

-----  
2013  
28.94 sen



\* Excluding fair value adjustment

# Delivering value beyond numbers across our business



## Catalyst for Surrounding Development

Spurred surrounding commercial and residential development

## Social Development

Bridge people together - work, shop, place, meet, stay, visit and dine

## Nation Building

Malaysia's landmark and game changer for Kuala Lumpur

## Customer Experience

Powerful offerings of best hotels, restaurants, retail and entertainment experience

## Connectivity

Provides building-to-building connectivity within and surrounding the KLCC Precinct

## Sustainable Development

Balance between commercial, public space and natural greenery

# Leading operational excellence with continued industry recognition



National Annual  
Corporate Report  
Awards 2018  
(NACRA)

Industry Excellence  
Award for REITs  
and Investment  
Funds



The Edge Billion  
Ringgit Club  
Corporate Awards  
2018

Highest Return on  
Equity Over 3 years  
(REIT category)  
(2018, 2017 & 2016)



Asia Pacific Best  
of the Breeds  
Awards 2018

Best of the Breeds  
REIT in Office and  
Retail for Malaysia  
(2018 & 2017)



The Asset  
Corporate Awards  
2018

Excellence in  
Environmental,  
Social and Corporate  
Governance  
(2018, 2017 & 2016)



TheEdge Property.com  
Malaysia's Best Managed  
Property Awards &  
Editor's Choice 2018

Gold Award for Above 10  
Years Specialised Category  
& Exemplary Contribution  
to the Nation  
(KLCC Park)



Nation Branding  
2017-2018

BrandLaureate in  
recognition of  
National ICONS  
(PETRONAS Twin  
Towers)



MOSHPA OSH  
Excellence  
Awards 2018

Silver Platinum  
Premier Award for  
OSH Management in  
Car Parking



# Defining transparent and strong sustainability practices across our business



**10.1%**

Reduction on  
GHG Emission  
(from 2014)

**28.5%**

Reduction in Water  
Use (from 2014)

**37.5%**

Women on Board

**RM7.1mil**

Staff Learning and  
Development spent  
on our employees  
(from 2015)

**RM7.4mil**

Contributed to  
the Community  
(from 2015)



Constituents of FTSE4Good  
Emerging Index & FTSE4Good  
ASEAN 5 Index



Gold Award for Excellence  
in Environmental, Social &  
Governance

(2018, 2017 & 2016)



Winner of  
"Best Workforce"  
at Sustainable  
Business Awards  
Malaysia 2018

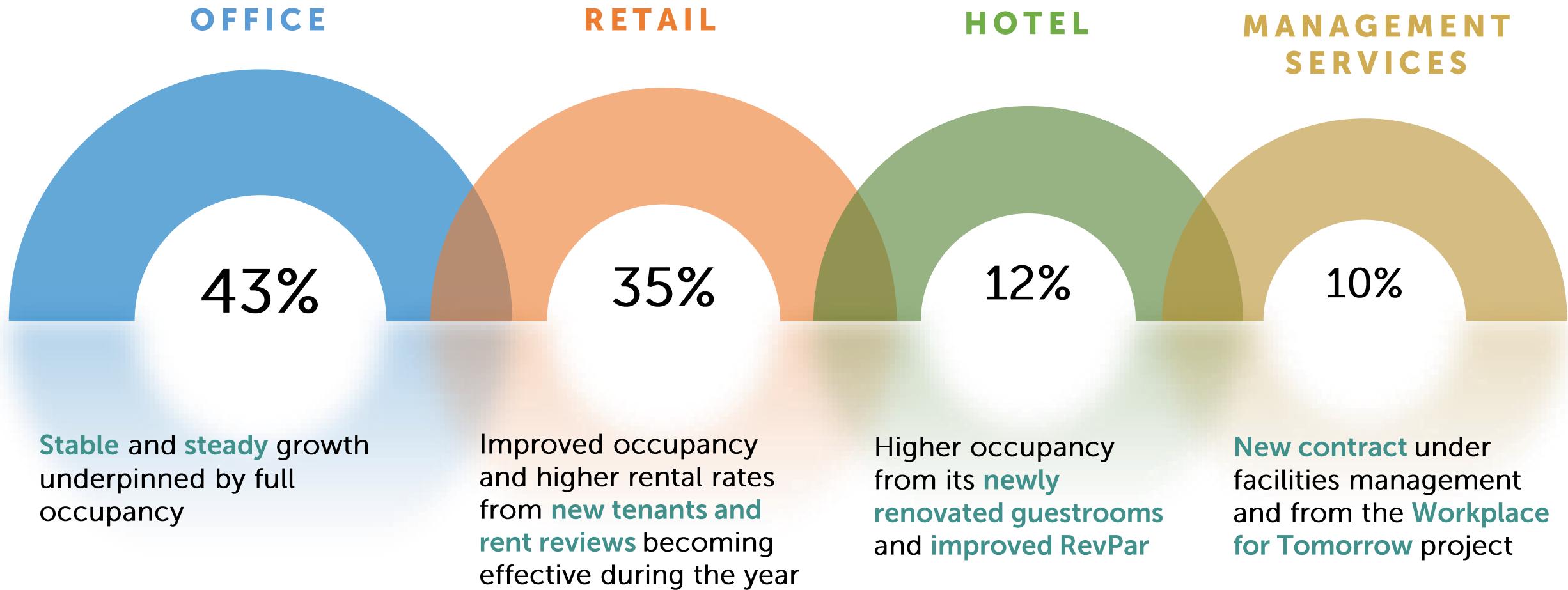
in recognition of our  
commendable  
approach on  
employee engagement  
and  
diversity



03

## STRATEGIC FOCUS & INITIATIVES

# Office segment remains the major contributor to the Stapled Group revenue



# Office - Improving tenant experiences in being THE PLACE to work



## 2018 Focus

### Revolutionising Workplace for Tomorrow

Transformation of office spaces at all our buildings – collaborative workspace which cater to personalised needs, promote productivity and building efficiency



### Going Green

Supporting tenant GBI initiatives for long-term asset operational efficiency towards a greener environment

•••



### Rejuvenation of Kompleks Dayabumi

Bode well with the development of River of Life (RoL) project bringing stronger impact to the heritage trail

•••



## Key Events



Ongoing for all office buildings with **52%** completed, on track for full completion by end 2019

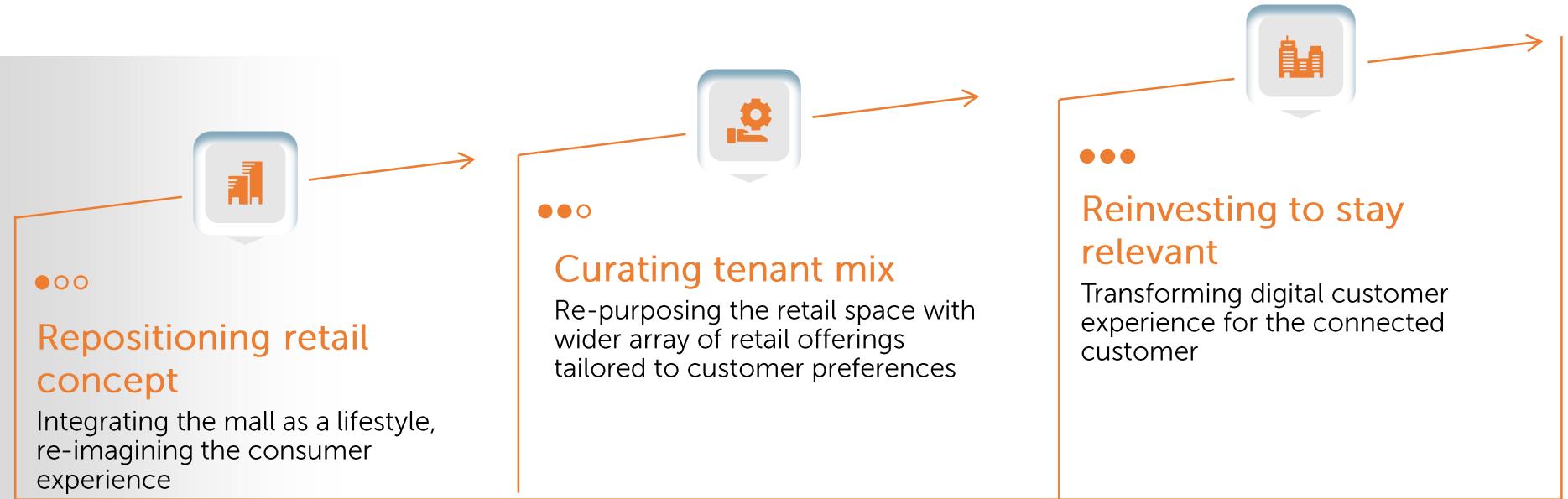


Continued enhancements towards **full GBI certification**  
PETRONAS Twin Towers – Provisional Gold GBI Certification  
Menara 3 PETRONAS – Provisional Silver GBI Certification



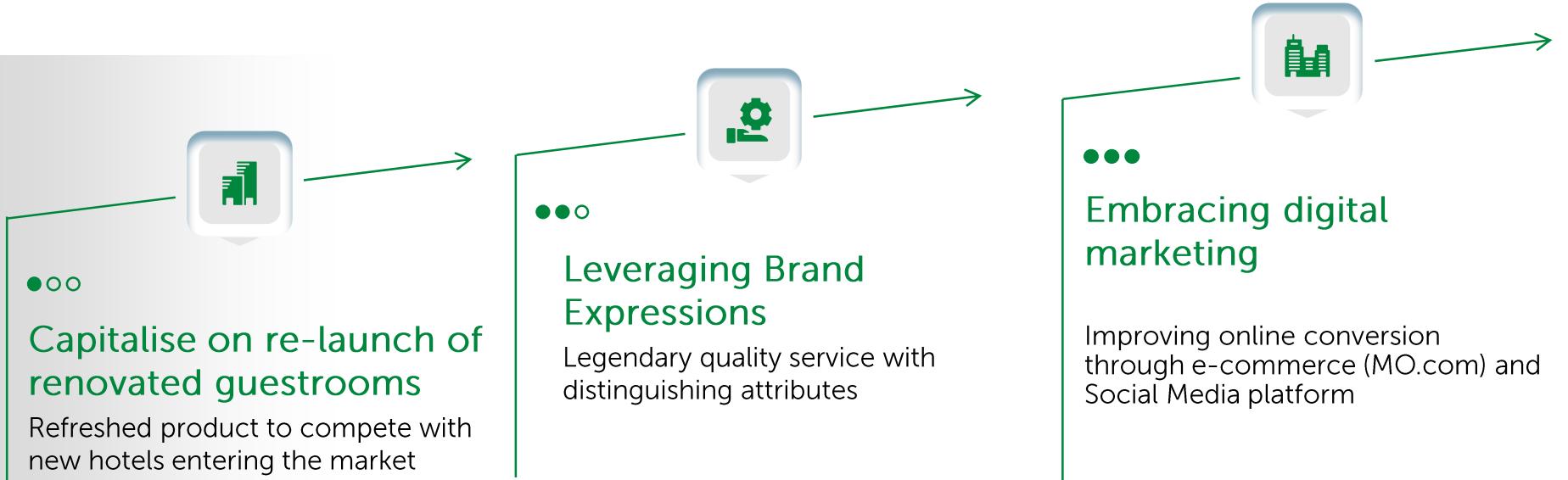
Phase 3 Redevelopment of City Point podium  
• Actively securing an anchor tenant

# Retail - Reinventing store experience for the connected customers



- Brought **1st to market** tenants with exclusive service offerings & differentiation
- Creation of **duplex stores** to deliver a unique customer experience
- Introduced **first of its kind dedicated Men's Precinct** at level 1, bringing the latest fashion & grooming
- **Expansion of food offerings** and exciting F&B concepts
- Installed the **largest rotating double-sided LED screen in the world**
- **Cashless transactions** via **eWallet** – Alipay, with support from 80% of retailers

# Hotel - Offering guests a resolutely new hotel experience which transcends accommodation

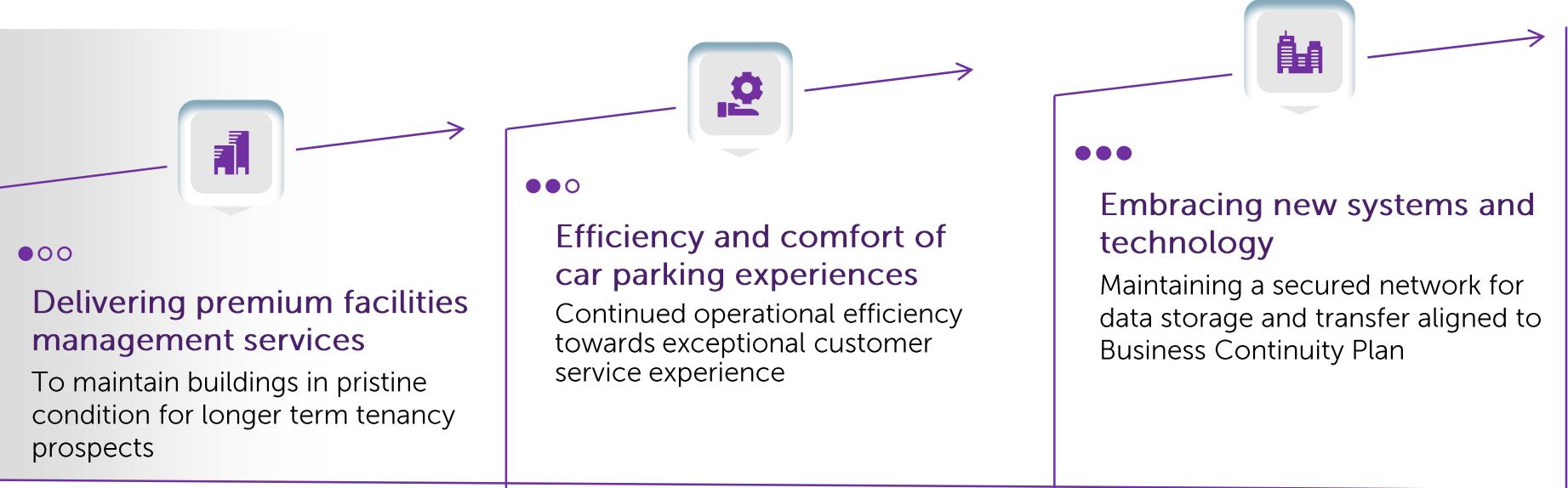


- Successfully reconfigured the original mix of rooms and suites to match the current/future demand
- Increased guest satisfaction score to **92%** (2017: 87%)
- New **educational wellness programs** and unique treatments at MO Spa
- Innovative launch of **on-line gourmet shop** with home delivery
- New **mobile electronic** frequent dining program
- Introduced **Fans of MO**, loyalty program, improve online conversion from **MO.com** platform
- Setting up a **MOKL's WeChat** platform to further cater to the China market

# Management Services - Elevating quality of service and operational efficiency



## 2018 Focus



## Key Events



- Established **Energy Audit Committee** to address management of energy efficiency
- Extending delivery of services to **PETRONAS** facilities



- Introduced **cashless payment** -integrated **credit/debit card & Touch 'n Go readers** at entry and exit terminals
- **Mobile application** for easy payment will be launched in due course



- Implemented **first-ever virtual Parking Management System** in Malaysia utilising a private cloud



04

## OUTLOOK & EXPECTATIONS

# Continued quest in delivering value and growth premised on our strategic priorities

**Maximising value** of our **existing investments** in ensuring our revenue generating potential **remains sustainable** amidst the subdued market conditions



**Business agility** to respond and adapt to the **new pace of change** and **strengthening** our competencies to amplify our skillsets to match the specialisation and mindset required

**Championing sustainability** development premised on our strategies and initiatives to drive our sustainable goals economically, environmentally and socially, **across all our business operations**



**“Rethink, Redefine and Redesign the Future”** of KLCC Group through a digital transformation

# Staying ahead of the curve with competitive differentiators



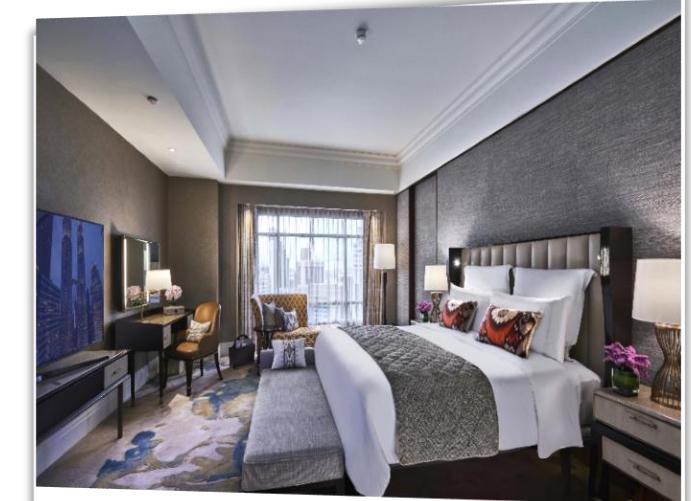
## RETAIL

- **Re-imagining** and **re-purposing** the retail space, creating a sense of novelty to the mall offerings
- Re-defining customer expectations through **digital experience**



## OFFICE

- **Personalising** tenant experience that engage the **"Connected Tenant"**
- Leveraging **technology, amenities** and **community** – smart buildings



## HOTEL

- **Personalised offerings** with **superlative guest experience** which transcends accommodation
- Intensifying **digital marketing** to broaden network and capture market share

# THANK YOU

