



Financial Statements

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Directors' Report

For The Year Ended 31 December 2024

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Company in the course of the financial year remained unchanged and consist of investment holding, property development management and the provision of management services.

The principal activities of subsidiaries and an associate are stated in Note 5 and Note 6 to the financial statements respectively. The Board of Directors deems such information is included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

CORPORATE INFORMATION

The Company is a public limited liability company, incorporated on 7 February 2004 and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

Upon the completion of the listing of stapled securities on 7 May 2013, the Group now comprises:

- (a) KLCC Property Holdings Berhad ("KLCCP") Group, being the Company, its existing subsidiaries and associate company; and
- (b) KLCC Real Estate Investment Trust ("KLCC REIT") Group.

HOLDING COMPANIES

The immediate and ultimate holding companies of the Company are KLCC (Holdings) Sdn Bhd ("KLCCCH") and Petroliaam Nasional Berhad ("PETRONAS") respectively, all of which are incorporated in Malaysia.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	1,057,223	315,148
Attributable to:		
Equity holders of the Company	498,214	315,148
Non-controlling interests relating to KLCC REIT	518,319	—
Other non-controlling interests	40,690	—
	1,057,223	315,148



Directors' Report

For The Year Ended 31 December 2024

DIVIDENDS

During the financial year, the amount of dividends paid were as follows:

	RM'000
In respect of the financial year ended 31 December 2023 as reported in the Directors' Report of that year:	
A fourth interim dividend of 8.00%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 7 February 2024 and paid on 29 February 2024.	144,427
In respect of the financial year ended 31 December 2024:	
A first interim dividend of 2.20%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 23 May 2024 and paid on 28 June 2024.	39,717
A second interim dividend of 2.46%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 28 August 2024 and paid on 30 September 2024.	44,411
A third interim dividend of 2.41%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 25 November 2024 and paid on 30 December 2024.	43,509
	272,064

A fourth interim dividend in respect of the financial year ended 31 December 2024, of 9.73%, tax exempt under the single tier system on 1,805,333,083 ordinary shares, declared on 5 February 2025 amounting to a dividend payable of RM175,658,909 will be payable on 28 February 2025.

The financial statements for the current year do not reflect this fourth interim dividend. Such dividend will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2025.

RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the year other than as disclosed in the financial statements.

DIRECTORS

Directors who served during the financial year until the date of this report are:

Datuk Ir. Annies Bin Md Ariff	(appointed w.e.f. 1 July 2024)
Datuk Sr. Mohd. Salem Bin Kailany	(appointed w.e.f. 1 December 2024)
Farina Binti Farikhullah Khan	
Dato' Jamaludin Bin Osman	
Liza Binti Mustapha	
Chong Chye Neo	
Dato' Sr. Mazuki Bin A Aziz	
Datin Noor Lily Zuriati Binti Abdullah	
Freida Binti Amat	(appointed w.e.f. 1 January 2025)
Tan Sri Ahmad Nizam Bin Salleh	(resigned w.e.f. 1 September 2024)
Datuk Md. Shah Bin Mahmood	(resigned w.e.f. 1 December 2024)

The Company has been granted a relief order pursuant to Section 255(1) of the Companies Act, 2016 relieving the Company's Directors from full compliance to the requirements under Section 253(2) of the Companies Act, 2016.

The names of Directors of subsidiaries are available in the respective subsidiaries' Directors' Report or at the Company's registered office that the Board deems such information is included in the Company's Directors' Report by such reference and shall form part of the Company's Directors' Report.

DIRECTORS' INTERESTS

None of the Directors holding office at 31 December 2024 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than the benefit shown below), by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2024 was RM1,292,000 comprising fees and other short-term employee benefits.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

ISSUE OF SHARES

There were no changes in the issued and paid up capital of the Company during the financial year.

OPTIONS GRANTED OVER UNISSUED SHARES

No options were granted to any person to take up unissued shares of the Company during the financial year.

INDEMNITY AND INSURANCE COSTS

During the financial year, PETRONAS and its subsidiaries (hereinafter referred to as "PETRONAS Group"), including the Company, maintained a Directors' and Officers' Liability Insurance in accordance with Section 289 of the Companies Act, 2016. The total insured limit for the Directors and Officers Liability Insurance effected for the Directors and Officers of PETRONAS Group was RM1,290 million per occurrence and in the aggregate. The insurance premium for the Company is RM1,000.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain:

- (i) that necessary actions had been taken in relation to the writing off of bad debts and the provisioning of doubtful debts and satisfied themselves that all known bad debts have been written off and adequate provision made for doubtful debts; and
- (ii) that any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Company, had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts, in the Group and in the Company inadequate to any substantial extent;
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading;
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Company misleading.



Directors' Report

For The Year Ended 31 December 2024

OTHER STATUTORY INFORMATION (continued)

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any material contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No material contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Ernst & Young PLT, have indicated their willingness to accept reappointment.

The auditors' remunerations for the financial year ended 31 December 2024 of the Group and the Company are as follows:

	Group RM'000	Company RM'000
Audit fees		
Ernst & Young PLT	748	264
Non audit service fees		
Ernst & Young PLT	16	16

Signed on behalf of the Board of Directors
in accordance with a resolution of the Directors:



Datuk Ir. Annies Bin Md Ariff
Chairman



Datuk Sr. Mohd. Salem Bin Kailany
Director

Kuala Lumpur, Malaysia
Date: 5 February 2025



Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 235 to 303, are drawn up in accordance with MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2024 and of their financial performance and cash flows for the financial year then ended on that date.

Signed on behalf of the Board of Directors
in accordance with a resolution of the Directors:

Datuk Ir. Annies Bin Md Ariff
Chairman

Datuk Sr. Mohd. Salem Bin Kailany
Director

Kuala Lumpur, Malaysia
Date: 5 February 2025

Statutory Declaration

I, Rohizal Bin Kadir, the officer primarily responsible for the financial management of KLCC Property Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 235 to 303 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed

Rohizal Bin Kadir,
MIA Membership Number: 50742
at **Kuala Lumpur** in **Wilayah Persekutuan**
on 5 February 2025

Rohizal Bin Kadir,

BEFORE ME:

Y.M. Tengku Nur Athiya Tengku Fariddudin
Commissioner for Oaths



Consolidated Statement of Financial Position

As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	540,579	547,763
Investment properties	4	16,200,530	15,953,114
Investment in an associate	6	268,437	266,687
Trade and other receivables	7	196,238	270,954
Right-of-use assets	22	1,838	2,495
Deferred tax assets	8	2,791	1,513
		17,210,413	17,042,526
Current Assets			
Inventories	9	2,089	1,607
Trade and other receivables	7	86,671	94,182
Tax recoverable		3,225	3,167
Cash and bank balances	10	1,360,879	1,192,076
		1,452,864	1,291,032
TOTAL ASSETS		18,663,277	18,333,558
EQUITY			
Equity Attributable to Equity Holders of the Company			
Share capital	11	1,823,386	1,823,386
Capital reserve	12	3,164,736	3,008,866
Retained profits	12	576,708	435,883
Total equity attributable to shareholder of the Company		5,564,830	5,268,135
Non-controlling interests ("NCI") relating to KLCC REIT	5	8,106,723	8,070,969
Stapled Securities holders interests in the Group		13,671,553	13,339,104
Other NCI	5	33,031	2,050,350
TOTAL EQUITY		13,704,584	15,389,454



Consolidated Statement of Financial Position

As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
LIABILITIES			
Non-Current Liabilities			
Trade and other payables	14	167,042	149,515
Deferred revenue	15	85,539	83,951
Financings	13	3,905,165	1,289,572
Deferred tax liabilities	8	79,014	62,850
		4,236,760	1,585,888
Current Liabilities			
Trade and other payables	14	278,646	261,158
Financings	13	412,302	1,074,600
Taxation		30,985	22,458
		721,933	1,358,216
TOTAL LIABILITIES		4,958,693	2,944,104
TOTAL EQUITY AND LIABILITIES		18,663,277	18,333,558
Net asset value ("NAV")		13,671,553	13,339,104
Less: Fourth interim distribution		(308,712)	(259,968)
Net NAV after distribution		13,362,841	13,079,136
Number of stapled securities/shares in circulation ('000)		1,805,333	1,805,333
NAV per stapled security/share (RM)			
– before distribution		7.57	7.39
– after distribution		7.40	7.24

The notes set out on pages 246 to 303 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue		1,710,860	1,619,163
Operating profit	16	1,067,330	1,020,226
Interest/profit income	19	52,313	42,391
Financing costs	20	(167,299)	(111,312)
Share of profit of an associate	6	14,290	14,204
Fair value adjustments of investment properties	4	234,731	221,914
Profit before taxation	17	1,201,365	1,187,423
Tax expense	21	(144,142)	(121,041)
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,057,223	1,066,382
Profit attributable to:			
Equity holders of the Company		498,214	396,662
NCI relating to KLCC REIT	5	518,319	534,632
		1,016,533	931,294
Other NCI	5	40,690	135,088
		1,057,223	1,066,382
Earnings per share attributable to equity holders of the Company (sen):			
Basic/diluted	23	27.60	21.97
Earnings per stapled security (sen):			
Basic/diluted	23	56.31	51.59

The notes set out on pages 246 to 303 are an integral part of these financial statements.



Statement of Income Distribution to Stapled Securities Holders

For The Year Ended 31 December 2024

	2024 RM'000	2023 RM'000
Overall distributable income is derived as follows:		
Profit attributable to the equity holders of the Company	498,214	396,662
Add: Unrealised fair value adjustments attributable to the equity holders	(155,870)	(111,676)
	342,344	284,986
Distributable income of KLCC REIT	526,337	508,925
Total available for income distribution	868,681	793,911
Distribution to equity holders of the Company in respect of financial year ended 31 December:		
First interim dividend of 2.20% (2023: 1.41%)	(39,717)	(25,455)
Second interim dividend of 2.46% (2023: 1.80%)	(44,411)	(32,496)
Third interim dividend of 2.41% (2023: 2.50%)	(43,509)	(45,134)
Fourth interim dividend of 9.73% (2023: 8.00%)	(175,659)	(144,427)
	(303,296)	(247,512)
Distribution to KLCC REIT holders in respect of financial year ended 31 December:		
First interim income distribution of 6.80% (2023: 7.09%)	(122,763)	(127,998)
Second interim income distribution of 6.74% (2023: 7.00%)	(121,679)	(126,373)
Third interim income distribution of 6.79% (2023: 6.30%)	(122,582)	(113,736)
Fourth interim income distribution of 7.37% (2023: 6.40%)	(133,053)	(115,541)
	(500,077)	(483,648)
Balance undistributed	65,308	62,751

Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2024

	Note	← Attributable to Equity Holders of the Company →			Total equity attributable to holders of the Company RM'000	NCI relating to KLCC REIT RM'000 (Note 5)	Other NCI RM'000	Total Equity RM'000
		Non-Distributable	← Distributable →					
			Share Capital RM'000 (Note 11)	Capital Reserve RM'000 (Note 12)				
Balance at 1 January 2024		1,823,386	3,008,866	435,883	5,268,135	8,070,969	2,050,350	15,389,454
Total comprehensive income for the year		—	—	498,214	498,214	518,319	40,690	1,057,223
Transfer of fair value adjustments net of tax	12	—	155,870	(155,870)	—	—	—	—
Dividends paid		—	—	(272,064)	(272,064)	(482,565)	(31,433)	(786,062)
Acquisition of NCI		—	—	70,545	70,545	—	(2,026,576)	(1,956,031)
Balance at 31 December 2024		1,823,386	3,164,736	576,708	5,564,830	8,106,723	33,031	13,704,584
Balance at 1 January 2023		1,823,386	2,897,190	392,812	5,113,388	8,018,361	2,035,529	15,167,278
Total comprehensive income for the year		—	—	396,662	396,662	534,632	135,088	1,066,382
Transfer of fair value adjustments net of tax	12	—	111,676	(111,676)	—	—	—	—
Dividends paid		—	—	(241,915)	(241,915)	(482,024)	(120,267)	(844,206)
Balance at 31 December 2023		1,823,386	3,008,866	435,883	5,268,135	8,070,969	2,050,350	15,389,454

The notes set out on pages 246 to 303 are an integral part of these financial statements.



Consolidated Statement of Cash Flows

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,201,365	1,187,423
Adjustments for:			
Interest/profit income	19	(52,313)	(42,391)
Financing costs		167,208	111,314
Amortisation of attributable transaction cost		91	–
Amortisation of accrued rental income and deferred revenue		67,277	50,972
Depreciation of property, plant and equipment	3	28,977	31,459
Depreciation of right-of-use assets	22	1,031	1,418
Property, plant and equipment written off	17	39	–
Investment properties written off	4	75	–
Loss/(gain) on disposal of property, plant and equipment	17	380	(27)
Gain on fair value adjustments of investment properties	4	(234,731)	(221,914)
Net reversal for impairment losses of receivables	17	(440)	(205)
Share of profit of an associate	6	(14,290)	(14,204)
Operating cash flows before changes in working capital		1,164,669	1,103,845
Changes in working capital:			
Trade and other receivables		10,227	(674)
Amount due from related companies		3,513	1,726
Amount due from immediate holding company		(6,871)	12,168
Amount due to ultimate holding company		(4,213)	4,387
Trade and other payables		38,287	(6,983)
Inventories		(482)	(49)
Cash generated from operations		1,205,130	1,114,420
Interest received		51,757	42,343
Taxation paid		(120,787)	(104,477)
Taxation refunded		–	503
Net cash generated from operating activities		1,136,100	1,052,789
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received from an associate	6	12,540	12,540
Purchase of property, plant and equipment		(22,082)	(9,255)
Subsequent expenditure on investment properties		(8,073)	(5,435)
Proceeds from disposal of property, plant and equipment		63	126
Acquisition of other NCI		(1,950,000)	–
Cost incidental to acquisition of other NCI		(6,031)	–
Increase in deposits with tenure more than 3 months		(27,744)	(65,169)
Net cash used in investing activities		(2,001,327)	(67,193)

	Note	2024 RM'000	2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of Sukuk Murabahah and Sukuk Wakalah		3,005,000	-
Transaction cost incidental to the drawdown of Sukuk Wakalah		(615)	-
Repayment of term loans		(10,000)	(10,000)
Repayment of Sukuk Murabahah		(1,055,000)	-
Repayment of lease liabilities		(1,194)	(1,380)
Dividends paid to shareholders	24	(272,064)	(241,915)
Dividends paid to other NCI	5	(31,433)	(120,267)
Dividends paid to NCI relating to KLCC REIT		(482,525)	(482,235)
Interest/profit paid		(145,883)	(107,864)
Decrease/(increase) in deposits restricted		213	(244)
Net cash generated from/(used in) financing activities		1,006,499	(963,905)
NET INCREASE IN CASH AND CASH EQUIVALENTS		141,272	21,691
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		990,423	968,732
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	1,131,695	990,423
The additions in property, plant and equipment and investment properties were acquired by way of:			
Cash		15,181	1,838
Accruals		19,854	14,974
		35,035	16,812
Cash paid for additions in prior years		14,974	12,852
Cash paid for additions in current year		15,181	1,838
Total cash paid for investment properties and property, plant and equipment		30,155	14,690

The notes set out on pages 246 to 303 are an integral part of these financial statements.



Statement of Financial Position

As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	19	68
Investment in subsidiaries	5	3,327,836	1,371,796
Investment in an associate	6	99,195	99,195
Deferred tax assets	8	1,272	829
		3,428,322	1,471,888
Current Assets			
Trade and other receivables	7	6,230	11,563
Tax recoverable		3,120	2,184
Cash and bank balances	10	742,127	684,703
		751,477	698,450
TOTAL ASSETS		4,179,799	2,170,338
EQUITY			
Share capital	11	1,823,386	1,823,386
Retained profits	12	376,596	333,512
TOTAL EQUITY		2,199,982	2,156,898
LIABILITIES			
Non-Current Liabilities			
Financings	13	1,949,597	–
Current Liabilities			
Trade and other payables	14	13,023	13,440
Financings	13	17,197	–
		30,220	13,440
TOTAL LIABILITIES		1,979,817	13,440
TOTAL EQUITY AND LIABILITIES		4,179,799	2,170,338

The notes set out on pages 246 to 303 are an integral part of these financial statements.

Statement of Comprehensive Income

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue		399,712	300,195
Operating profit	16	348,863	255,408
Interest/profit income	19	26,227	21,778
Financing costs	20	(54,792)	(5)
Profit before taxation		320,298	277,181
Tax expense	21	(5,150)	(6,061)
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		315,148	271,120

The notes set out on pages 246 to 303 are an integral part of these financial statements.



Statement of Changes in Equity

For The Year Ended 31 December 2024

	Note	Non Distributable Share Capital RM'000 (Note 11)	Distributable Retained Profits RM'000 (Note 12)	Total Equity RM'000
Balance at 1 January 2024		1,823,386	333,512	2,156,898
Total comprehensive income for the year		–	315,148	315,148
Dividends paid	24	–	(272,064)	(272,064)
Balance at 31 December 2024		1,823,386	376,596	2,199,982
Balance at 1 January 2023		1,823,386	304,307	2,127,693
Total comprehensive income for the year		–	271,120	271,120
Dividends paid	24	–	(241,915)	(241,915)
Balance at 31 December 2023		1,823,386	333,512	2,156,898

The notes set out on pages 246 to 303 are an integral part of these financial statements.

Statement of Cash Flows

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		320,298	277,181
Adjustments for:			
Interest/profit income	19	(26,227)	(21,778)
Financing costs	20	54,701	5
Amortisation of attributable transaction cost	20	91	–
Depreciation of property, plant and equipment	3	60	79
Depreciation of right-of-use assets	22	–	388
Dividend income		(371,107)	(274,940)
Operating cash flows before changes in working capital		(22,184)	(19,065)
Changes in working capital:			
Trade and other receivables		4,584	(2,638)
Amount due from subsidiaries		(96)	324
Amount due from related companies		1,848	(792)
Amount due from immediate holding company		(3,309)	3,768
Amount due to ultimate holding company		(933)	3,527
Trade and other payables		2,822	(559)
Cash used in operations		(17,268)	(15,435)
Interest received		26,227	21,778
Taxation paid		(6,529)	(2,294)
Taxation refunded		–	503
Net cash generated from operating activities		2,430	4,552
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from subsidiaries and an associate		371,107	274,940
Purchase of property, plant and equipment		(11)	–
Acquisition of remaining shares in a subsidiary		(1,950,000)	–
Cost incidental to acquisition of remaining shares in a subsidiary		(6,031)	–
Advances to a subsidiary		(9)	(3)
Net cash (used in)/generated from investing activities		(1,584,944)	274,937
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of lease liabilities		–	(410)
Dividends paid		(272,064)	(241,915)
Drawdown of Sukuk Wakalah		1,950,000	–
Transaction cost incidental to the drawdown of Sukuk Wakalah		(615)	–
Profit expenses paid		(37,383)	–
Net cash generated from/(used in) financing activities		1,639,938	(242,325)
NET INCREASE IN CASH AND CASH EQUIVALENTS		57,424	37,164
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		684,703	647,539
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	742,127	684,703

The notes set out on pages 246 to 303 are an integral part of these financial statements.



Notes to the Financial Statements

31 December 2024

1. BASIS OF PREPARATION

1.1 Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act, 2016 in Malaysia.

As of 1 January 2024, the Group and the Company had adopted Amendments to MFRS ("pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 30.

MASB has also issued new and revised pronouncements which are not yet effective for the Group and the Company and therefore, have not been adopted in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in Note 31. New and revised pronouncements that are not relevant to the operations of the Group and of the Company are set out in Note 32.

These financial statements were approved and authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 February 2025.

1.2 Basis of measurement

The financial statements of the Group and of the Company have been prepared on historical cost basis except for certain items which are measured at fair value, as disclosed in the accounting policies below.

1.3 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM") which is the Company's functional currency.

All financial information is presented in RM and has been rounded to the nearest thousands, unless otherwise stated.

1.4 Use of estimates and judgments

The preparation of financial statements in conformity with MFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(i) Critical judgement made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group had engaged independent professional valuers to determine the fair values and there are no material events that affect the valuation between the valuation date and financial year end.

The fair values of the investment properties derived by the independent professional valuers is most sensitive to the estimated reversion and term yield rate and discount rate. The range of the reversion and term yield rate and the discount rate used in the valuation is described in Note 4.

1. BASIS OF PREPARATION (continued)**1.4 Use of estimates and judgments (continued)****(ii) Key sources of estimation uncertainty (continued)**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below: (continued)

Fair value of investment properties (continued)

The following table demonstrates the sensitivity of the fair value measurement to changes in estimated reversion and term yield rate and discount rate:

	Fair value (Decrease)/increase	
	2024 RM'000	2023 RM'000
Reversion and term yield rate		
+ 0.25%	(441,000)	(368,044)
– 0.25%	454,000	381,202
Discount rate		
+ 0.25%	(178,000)	(223,705)
– 0.25%	173,000	223,409

The other key assumptions used to determine the fair value of the investment properties are further explained in Note 4.

2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group and the Company, unless otherwise stated.

2.1 Basis of Consolidation**Subsidiaries**

Subsidiaries are entities, including structured entities, controlled by the Company. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

All inter-company transactions are eliminated on consolidation and revenue and profits relate to external transactions only. Unrealised losses resulting from inter-company transactions are also eliminated unless cost cannot be recovered.



Notes to the Financial Statements

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of Consolidation (continued)

Business combination

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration transferred and the amount of any non-controlling interests in the acquiree. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

When a business combination is achieved in stages, the Group remeasures its previously held non-controlling equity interest in the acquiree at fair value at the acquisition date, with any resulting gain or loss recognised in the profit or loss. Increase in the Group's ownership interest in an existing subsidiary is accounted for as equity transactions with differences between the fair value of consideration paid and the Group's proportionate share of net assets acquired, recognised directly in equity.

The Group measures goodwill as the excess of the cost of an acquisition and the fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Non-controlling interests

Non-controlling interests at the end of the reporting period, being the portion of the net assets of subsidiaries attributable to equity interests that are not owned by the Company, whether directly or indirectly through subsidiaries, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the shareholders of the Company.

Non-controlling interests in the results of the Group are presented in the consolidated statement of profit or loss and other consolidated statement of comprehensive income as an allocation of the profit or loss and total comprehensive income for the year between the non-controlling interests and shareholders of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

The Group treats all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a fair value through other comprehensive income financial asset depending on the level of influence retained.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Associates

Associates are entities in which the Group has significant influence including representation on the Board of Directors, but not control or joint control, over the financial and operating policies of the investee company.

Associates are accounted for in the consolidated financial statements using the equity method less any impairment losses, unless it is classified as held for sale or distribution. The consolidated financial statements include the Group's share of post-acquisition profits or losses and other comprehensive income of the equity-accounted associates, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

The Group's share of post-acquisition reserves and retained profits less losses is added to the carrying value of the investment in the consolidated statement of financial position. These amounts are taken from the latest audited financial statements or management financial statements of the associates.

When the Group's share of post-acquisition losses exceeds its interest in an equity accounted associate, the carrying amount of that interest (including any long-term investments such as loans and advances) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with the resulting gain or loss being recognised in the profit or loss. Any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset.

When the Group's interest in an associate decreases but does not result in loss of significant influence, any retained interest is not re-measured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets and liabilities.

Unrealised profits arising from transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses on such transactions are also eliminated partially, unless cost cannot be recovered.

2.3 Property, plant and equipment and depreciation

Recognition and measurement

Freehold land and projects-in-progress are stated at cost less accumulated impairment losses and are not depreciated. Other property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the assets to working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of material and direct labour. For qualifying assets, financing costs are capitalised in accordance with the accounting policy on financing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



Notes to the Financial Statements

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Property, plant and equipment and depreciation (continued)

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company and its cost can be measured reliably. The carrying amount of the replaced item of property, plant and equipment is derecognised with any corresponding gain or loss recognised in the profit or loss accordingly. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation for property, plant and equipment other than freehold land, and projects-in-progress, is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful lives of the other property, plant and equipment are as follows:

Hotel building	80 years
Building improvements	5 – 6 years
Furniture and fittings	5 – 10 years
Plant and equipment	4 – 10 years
Office equipment	5 years
Renovation	5 years
Motor vehicles	4 – 5 years
Crockery, linen and utensils	3 years

The depreciable amount is determined after deducting residual value. The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, period and method of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in the profit or loss.

2.4 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purpose. Subsequent to initial recognition, investment properties are stated at fair value. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair value of investment properties are recognised in the profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the profit or loss in the year in which they arise.

Where the fair value of the Investment Property Under Construction ("IPUC") is not reliably determinable, the IPUC is measured at cost until either its fair value has been reliably determinable or construction is complete, whichever is earlier.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Leases

(i) Recognition and initial measurement

As a lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate is used. Generally, the Group entities use their incremental borrowing rate as the discount rate.

The Group and the Company assess at lease commencement whether it is reasonably certain to exercise the extension options in determining the lease term.

The Group and the Company have elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group and the Company recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The Group and the Company present right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'borrowings' in the statement of financial position.

As a lessor

When the Group and the Company act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Company make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

(ii) Subsequent measurement

As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Depreciation of certain right-of-use assets are subsequently capitalised into carrying amount of other assets whenever they meet the criteria for capitalisation. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option. The Group will reassess whether it is reasonably certain to exercise the extension option if there is a significant change in circumstances within its control.



Notes to the Financial Statements

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Leases (continued)

(ii) Subsequent measurement (continued)

As a lessor

The Group and the Company recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of "revenue".

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.6 Investments

Long-term investments in subsidiaries and an associate are stated at cost less impairment loss, if any, in the Company's financial statements unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

The carrying amount of these investments includes fair value adjustments on shareholders loans and advances, if any.

On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.7 Intangible assets

Goodwill

Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. The entire carrying amount of the investment is reviewed for impairment when there is objective evidence of impairment.

2.8 Financial instruments

A financial instrument is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

Classification and subsequent measurement

(i) Financial assets

Financial assets are classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), as appropriate.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient, the Group and the Company initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

Classification and subsequent measurement (continued)

(i) Financial assets (continued)

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Company commits to purchase or sell the asset.

Amortised cost

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities include trade and other payables and loans and borrowings.

Amortised cost (financings)

This is the category most relevant to the Group and the Company. After initial recognition, interest bearing financings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to profit rate financings.

(iii) Effective interest method

Amortised cost was computed using the effective interest method. This method used effective interest rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial instrument. Amortised cost takes into account any transaction costs and any discount or premium on settlement.



Notes to the Financial Statements

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original Effective Interest Rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group and the Company consider a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available.

The Group and the Company assume that the credit risk on a financial asset has increased significantly if it is past due.

The Group and the Company consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Company in full, without recourse by the Group and the Company to actions such as realising security.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Impairment (continued)

(ii) Other assets

The carrying amounts of other assets, other than inventories, deferred tax assets and non-current assets or disposal groups classify as held for sale, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

A cash-generating unit is the smallest identifiable asset group that generates cash flows from continuing use that are largely independent from other assets and groups. An impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less cost to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed in the subsequent period. In respect of other assets, impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are credited to the profit or loss in the year in which the reversals are recognised.

2.10 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, deposits with licensed financial institutions and highly liquid investments which have an insignificant risk of changes in fair value and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and deposits restricted as they are considered an integral part of the Group's cash management, if any.

2.11 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of material stores and spares consists of the invoiced value from suppliers and import duty charges and is determined on a weighted average basis.

2.12 Provisions

A provision is recognised if, as a result of a past event, the Group and the Company have a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the reporting date. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.



Notes to the Financial Statements

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.13 Employee benefits

(i) Short term benefits

Wages and salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company.

(ii) Defined contribution plans

As required by law, companies in Malaysia make contributions to the state pension scheme, the Employees Provident Fund ("EPF").

Such contributions are recognised as an expense in the profit or loss as incurred.

2.14 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent it relates to a business combination or items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

(i) Current tax

Current tax expense is the expected tax payable on the taxable income for the year, using the statutory tax rates at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities where they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the future taxable profit will be available against which the related tax benefit can be realised.

Deferred tax provided for the investment properties is at 10% which reflects the expected manner of recovery of the investment properties through sale.

The expected manner of recovery of the Group's other investment properties that are not within KLCC REIT is through sale to a real estate investment trust ("REIT"). No deferred tax is recognised on the fair valuation of these properties as chargeable gains accruing on the disposal of any chargeable assets to a REIT is tax exempted.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.15 Foreign currency transactions

In preparing the financial statements of individual entities in the Group, transactions in currencies other than the entity's functional currency ("foreign currencies") are translated to the functional currencies at rates of exchange ruling on the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at the reporting date have been retranslated to the functional currency at rates ruling on the reporting date.

Non-monetary assets and liabilities denominated in foreign currencies, which are measured at fair value, are retranslated to the functional currency at the foreign exchange rates ruling at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

The principal exchange rates used for each respective unit of foreign currency ruling at the reporting date are as follows:

	2024 RM	2023 RM
United States Dollar	4.48	4.60

2.16 Revenue

(i) Rental income

Rental income is recognised based on the accrual basis unless collection is in doubt, in which case it is recognised on the receipt basis.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation.

Contingent rent such as turnover rent is recognised as income in the profit or loss on an accrual basis.

(ii) Others

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group or the Company recognises revenue when or as it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

Performance obligation by categories are as follows:

(a) Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established.

(b) Hotel operations

Revenue from rental of spaces of events, hotel rooms, sale of food and beverage and other related income is recognised upon provision of the services.



Notes to the Financial Statements

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.16 Revenue (continued)

(ii) Others (continued)

(c) Revenue from management fees

Revenue from management fees is recognised when the services are performed. The revenue comprises of:

(i) Building and facilities management services

Revenue from buildings and facilities management services is recognised when the services are performed.

(ii) Car park operations

Revenue from car park operations is recognised on the accrual basis.

(d) Interest/profit income

Interest/profit income is recognised on an accrual basis using the effective interest method.

2.17 Financing Costs

Financing costs comprise interest payable on borrowings and profit share margin on Islamic Financing Facilities, as well as accretion in provision due to the passage of time. All other financing costs are charged to the profit or loss as an expense in the year in which they are incurred.

2.18 Operating segments

An operating segment is a component of the Group and of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's and the Company's other components, and for which discrete financial information is available.

An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors, to make decisions about resources to be allocated to the segment and to assess its performance.

2.19 Fair value measurement

Fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

(i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. Where fair value cannot be reliably estimated, assets are carried at cost less impairment losses, if any.

(ii) Non-financial assets

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.19 Fair value measurement (continued)

When measuring the fair value of an asset or a liability, the Group and the Company use observable market data as far as possible. Fair value are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

The Group and the Company recognise transfers between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

2.20 Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

Ordinary shares

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

Transaction costs

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

2.21 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- (i) Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- (ii) Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products.
- (iii) Fair value measurement. For investment properties and revalued office properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of buildings due to climate related legislation and regulations as tenants' increasing demands for low-emission buildings.



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3. PROPERTY, PLANT AND EQUIPMENT

Group	Lands and buildings* RM'000	Project in progress RM'000	Furniture and fittings RM'000	Plant and equipment RM'000	Office equipment RM'000	Motor vehicles RM'000	Crockery, linen and utensils RM'000	Total RM'000
Cost								
At 1 January 2024	634,748	5,209	160,904	198,231	93,828	1,137	10,312	1,104,369
Additions	220	6,508	12,830	489	2,219	9	–	22,275
Transfer within property, plant and equipment	407	(8,285)	5,850	1,284	744	–	–	–
Disposals	(158)	–	(4,154)	(39)	(2,933)	–	(118)	(7,402)
Write off	(71)	–	(1,668)	–	(1,481)	–	–	(3,220)
At 31 December 2024	635,146	3,432	173,762	199,965	92,377	1,146	10,194	1,116,022
Accumulated Depreciation								
At 1 January 2024	159,080	–	132,543	168,657	84,901	1,113	10,312	556,606
Charge for the year (Note 17)	7,583	–	8,471	9,242	3,654	27	–	28,977
Disposals	(158)	–	(3,715)	(35)	(2,933)	–	(118)	(6,959)
Write off	(71)	–	(1,629)	–	(1,481)	–	–	(3,181)
At 31 December 2024	166,434	–	135,670	177,864	84,141	1,140	10,194	575,443
Net Carrying Amount	468,712	3,432	38,092	22,101	8,236	6	–	540,579
Cost								
At 1 January 2023	634,555	7,641	158,952	196,907	87,302	1,137	10,312	1,096,806
Additions	166	2,530	2,559	760	2,377	–	–	8,392
Transfer within property, plant and equipment	166	(4,962)	70	564	4,162	–	–	–
Reclassification	(139)	–	139	–	–	–	–	–
Disposals	–	–	(816)	–	(13)	–	–	(829)
At 31 December 2023	634,748	5,209	160,904	198,231	93,828	1,137	10,312	1,104,369
Accumulated Depreciation								
At 1 January 2023	151,916	–	124,317	158,271	80,024	1,038	10,311	525,877
Charge for the year (Note 17)	7,164	–	8,943	10,386	4,890	75	1	31,459
Disposals	–	–	(717)	–	(13)	–	–	(730)
At 31 December 2023	159,080	–	132,543	168,657	84,901	1,113	10,312	556,606
Net Carrying Amount	475,668	5,209	28,361	29,574	8,927	24	–	547,763

3. PROPERTY, PLANT AND EQUIPMENT (continued)

*Land and buildings

Group	Freehold land RM'000	Hotel building RM'000	Renovation RM'000	Building improvements RM'000	Total RM'000
Cost					
At 1 January 2024	85,889	389,797	20,844	138,218	634,748
Additions	–	–	220	–	220
Transfer within property, plant and equipment	–	–	407	–	407
Disposals	–	(158)	–	–	(158)
Write off	–	–	(71)	–	(71)
At 31 December 2024	85,889	389,639	21,400	138,218	635,146
Accumulated Depreciation					
At 1 January 2024	–	96,096	20,027	42,957	159,080
Charge for the year	–	5,531	628	1,424	7,583
Disposals	–	(158)	–	–	(158)
Write off	–	–	(71)	–	(71)
At 31 December 2024	–	101,469	20,584	44,381	166,434
Net Carrying Amount	85,889	288,170	816	93,837	468,712
Cost					
At 1 January 2023	85,889	389,797	20,512	138,357	634,555
Additions	–	–	166	–	166
Transfer within property, plant and equipment	–	–	166	–	166
Reclassification	–	–	–	(139)	(139)
At 31 December 2023	85,889	389,797	20,844	138,218	634,748
Accumulated Depreciation					
At 1 January 2023	–	90,682	19,795	41,439	151,916
Charge for the year	–	5,414	232	1,518	7,164
At 31 December 2023	–	96,096	20,027	42,957	159,080
Net Carrying Amount	85,889	293,701	817	95,261	475,668

Property, plant and equipment of a subsidiary at carrying amount of RM529,393,000 (2023: RM526,351,000) has been pledged as securities for loan facilities as disclosed in Note 13(c).



Notes to the Financial Statements

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3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	Renovation RM'000	Furniture and fittings RM'000	Motor vehicles RM'000	Office equipment RM'000	Total RM'000
Cost					
At 1 January 2024	7,223	2,364	8	1,865	11,460
Additions	—	—	9	2	11
At 31 December 2024	7,223	2,364	17	1,867	11,471
Accumulated Depreciation					
At 1 January 2024	7,160	2,361	8	1,863	11,392
Charge for the year (Note 17)	53	1	2	4	60
At 31 December 2024	7,213	2,362	10	1,867	11,452
Net Carrying Amount	10	2	7	—	19
Cost					
At 1 January 2023/ 31 December 2023	7,223	2,364	8	1,865	11,460
Accumulated Depreciation					
At 1 January 2023	7,107	2,352	8	1,846	11,313
Charge for the year (Note 17)	53	9	—	17	79
At 31 December 2023	7,160	2,361	8	1,863	11,392
Net Carrying Amount	63	3	—	2	68

4. INVESTMENT PROPERTIES

Group	Completed investment properties RM'000	IPUC land at fair value RM'000	IPUC at cost RM'000	Total RM'000
At 1 January 2024	15,338,046	477,300	137,768	15,953,114
Additions	12,760	—	—	12,760
Write off	(75)	—	—	(75)
Fair value adjustments	234,031	700	—	234,731
At 31 December 2024	15,584,762	478,000	137,768	16,200,530
At 1 January 2023	15,121,012	464,000	137,768	15,722,780
Additions	8,420	—	—	8,420
Fair value adjustments	208,614	13,300	—	221,914
At 31 December 2023	15,338,046	477,300	137,768	15,953,114

4. INVESTMENT PROPERTIES (continued)

The following investment properties are held under lease terms:

	Group	
	2024 RM'000	2023 RM'000
Completed investment property	451,000	451,000
IPUC land at fair value	188,000	187,300
IPUC at cost	115,000	115,000
	754,000	753,300

The investment properties are stated at fair value, which have been determined based on valuations performed by independent professional valuers. There are no material events that affect the valuation between the valuation date and financial year end. The valuation methods used in determining the valuations are the investment method, residual method and comparison method. During the financial year, the Group has recognised a total fair value gain of RM234,731,000 (2023: RM221,914,000).

IPUC is measured at cost until the earlier of the date of construction is completed or the date at which the fair value becomes reliably determinable.

Consequently, there was no impairment loss recognised on the IPUC during the current and previous financial years.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2024 RM'000	2023 RM'000
Rental income	1,134,680	1,098,625
Direct operating expenses of income generating investment properties	(106,003)	(104,683)
	1,028,677	993,942

Fair value information

Fair value of investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
– Office properties	–	–	9,485,036	9,485,036
– Retail properties	–	–	6,287,726	6,287,726
– Land	–	–	290,000	290,000
	–	–	16,062,762	16,062,762
2023				
– Office properties	–	–	9,402,938	9,402,938
– Retail properties	–	–	6,122,408	6,122,408
– Land	–	–	290,000	290,000
	–	–	15,815,346	15,815,346



Notes to the Financial Statements

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4. INVESTMENT PROPERTIES (continued)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can assess at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the investment properties, either directly or indirectly.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment properties.

Transfer between Level 1, 2 and 3 fair values

There is no transfer between Level 1, 2 and 3 fair values during the financial year.

The following table shows a reconciliation of Level 3 fair values:

	2024 RM'000	2023 RM'000
Valuation per valuers' report	16,259,000	16,086,300
Less: Accrued rental income	(196,238)	(270,954)
	16,062,762	15,815,346
Adjusted valuation on 1 January	15,815,346	15,585,012
Additions	12,760	8,420
Write off	(75)	–
Gain on fair value adjustments of investment properties	234,731	221,914
At 31 December	16,062,762	15,815,346

4. INVESTMENT PROPERTIES (continued)

Valuation technique	Significant unobservable inputs	Range		Inter-relationship between significant unobservable inputs and fair value measurement
		2024	2023	
Investment method (refer a)	Office:			The estimated fair value would increase/(decrease) if:
	– Market rental rate (RM/psf/month)			
	– Term	4.95 – 12.99	4.95 – 12.99	– expected market rental growth was higher/(lower)
	– Reversion	6.33 – 13.50	6.19 – 13.30	– expected market rental growth was higher/(lower)
	– Outgoings (RM/psf/month)			
	– Term	2.85	2.80	– expected inflation rate was lower/(higher)
	– Reversion	2.37 – 3.05	2.33 – 2.80	– expected inflation rate was lower/(higher)
	– Void rate (%)	5.00 – 12.50	5.00 – 12.50	– void rate was lower/(higher)
	– Term yield (%)	5.50 – 6.50	5.75 – 6.50	– term yield rate was lower/(higher)
	– Reversionary yield (%)	5.75 – 7.00	6.00 – 7.00	– reversionary yield was lower/(higher)
	– Discount rate (%)	5.50 – 7.00	5.75 – 7.00	– discount rate was lower/(higher)
	Retail:			
	– Market rental rate (RM/psf/month)			
	– Term	3.00 – 432.73	3.00 – 432.14	– expected market rental growth was higher/(lower)
	– Reversion	3.00 – 432.73	3.00 – 419.74	– expected market rental growth was higher/(lower)
	– Outgoings (RM/psf/month)			
	– Term	7.09 – 7.85	6.80 – 7.20	– expected inflation rate was lower/(higher)
	– Reversion	7.48 – 7.85	6.80 – 7.56	– expected inflation rate was lower/(higher)
	– Void rate (%)	5.00 – 8.00	5.00 – 8.00	– void rate was lower/(higher)
	– Term yield (%)	6.25	6.25 – 6.50	– term yield rate was lower/(higher)
	– Reversionary yield (%)	6.50 – 7.50	6.50 – 7.00	– reversionary yield was lower/(higher)
	– Discount rate (%)	6.25 – 7.50	6.25 – 7.00	– discount rate was lower/(higher)
Comparison method (refer b)	Adjustment factors to prices of comparable properties	-19% – 25%	-50% – 15%	The estimated fair value would increase/(decrease) if: – expected market growth was higher/(lower) – expected size of land was higher/(lower)

- (a) Investment method entails the capitalisation of the net rent from a property. Net rent is the residue of gross annual rent less annual expenses (outgoings) required to sustain the rent with allowance for void and management fees.
- (b) Under the comparison method, a property's fair value is estimated based on the comparable transactions.

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is determined by independent professional valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent professional valuers provide the fair value of the Group's investment properties portfolio annually. Changes in Level 3 fair values are analysed by the management annually after obtaining the valuation report from the independent professional valuers.



Notes to the Financial Statements

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5. INVESTMENT IN SUBSIDIARIES

	Note	Company	
		2024 RM'000	2023 RM'000
Investment at cost			
– unquoted shares	(i)	6,486,140	4,530,109
Discount on loans to subsidiaries		196,314	196,314
Effects of conversion of amounts due from subsidiaries to investment	(ii)	724,242	724,233
Less: Capital reduction		(780,916)	(780,916)
Less: Write-down in value	(iii)	(3,296,954)	(3,296,954)
Less: Impairment loss	(iv)	(990)	(990)
		3,327,836	1,371,796

(i) Acquisition of the remaining 40% NCI in Suria KLCC Sdn Bhd

During the year, KLCCP has acquired the remaining 40% equity interest in Suria KLCC Sdn Bhd for a total consideration of RM1,950 million by way of Sukuk Wakalah financing as disclosed in Note 13(b). Suria KLCC Sdn Bhd has become a wholly owned subsidiary of KLCCP.

(ii) Effects of conversion of amount due from subsidiaries to investment

During the year, a subsidiary, Arena Johan Sdn Bhd has issued ordinary shares to the Company to settle its amount due to the Company.

(iii) Write-down in value

The investments in certain subsidiaries have been adjusted to their recoverable amount subsequent to the disposal of their assets and liabilities to KLCC REIT.

(iv) Impairment review of cost of investment in subsidiaries

An impairment review of the carrying amount of investment in subsidiaries at the reporting date was undertaken by comparing it to respective recoverable amount. No additional impairment was recognised during the current and previous financial year.

5. INVESTMENT IN SUBSIDIARIES (continued)

Companies incorporated in Malaysia	Effective ownership interest and voting interest		Principal activities
Name of subsidiaries	2024 %	2023 %	
Subsidiaries of the Company			
Suria KLCC Sdn Bhd ("SKSB")	100	60	Ownership and management of a shopping centre and provision of business management services
Asas Klasik Sdn Bhd ("AKSB")	75	75	Property investment in a hotel
Arena Johan Sdn Bhd ("AJSB")	100	100	Inactive
KLCC Parking Management Sdn Bhd ("KPM")	100	100	Management of car park operations
KLCC Urusharta Sdn Bhd ("KLCCUH")	100	100	Facilities management
Kompleks Dayabumi Sdn Bhd ("KDSB")	100	100	Property investment
Midciti Resources Sdn Bhd ("MRSB")	100	100	Inactive
Impian Cemerlang Sdn Bhd ("ICSB")	100	100	Property investment
Arena Merdu Sdn Bhd ("AMSB")	100	100	Inactive
KLCC REIT Management Sdn Bhd ("KLCC REIT Management")	100	100	Management of a real estate investment trust
KLCC REIT	*	*	To invest in a Shariah compliant portfolio or real estate assets and real estate related assets
Subsidiary of KLCC REIT			
Midciti Sukuk Berhad ("MSB")*	100	100	To act as a special-purpose company for the purpose of raising Islamic financing for KLCC REIT

* Whilst the Group has no ownership interests in KLCC REIT, the Directors have deemed it to be a subsidiary as:

- the Group exercises power over KLCC REIT by virtue of its control over KLCC REIT Management, the manager of KLCC REIT; and
- KLCC REIT units are stapled to the ordinary shares of the Company such that the shareholders of the Company are exposed to variable returns from its involvement with KLCC REIT and the Group has the ability to affect those returns through its power over KLCC REIT.



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5. INVESTMENT IN SUBSIDIARIES (continued)

NCI in subsidiaries

	2024			
	KLCC REIT 100.00% RM'000	SKSB* 0.00% RM'000	AKSB 25.00% RM'000	Total RM'000
NCI percentage ownership interest and voting interest				
Carrying amount of NCI	8,106,723	–	33,031	8,139,754
Profit allocated to NCI	518,319	39,337	1,353	559,009
Dividend paid to NCI	(482,565)	(31,433)	–	(513,998)

Summarised financial information before intra-group elimination

	KLCC REIT RM'000
As at 31 December	
Non-current assets – Investment properties	9,353,707
Non-current assets – Others	176,543
Current assets	195,817
Non-current liabilities	(1,569,840)
Current liabilities	(49,504)
Net assets	8,106,723
Year ended 31 December	
Revenue	579,031
Profit for the year, representing total comprehensive income	518,319
Cash flows generated from operating activities	595,328
Cash flows used in investing activities	(57,306)
Cash flows used in financing activities	(540,135)
Net decrease in cash and cash equivalents	(2,113)

* Relates to results for the period ended 23 April 2024 prior to the acquisition of NCI.

5. INVESTMENT IN SUBSIDIARIES (continued)

NCI in subsidiaries (continued)

	2023			
	KLCC REIT 100.00% RM'000	SKSB 40.00% RM'000	AKSB 25.00% RM'000	Total RM'000
NCI percentage ownership interest and voting interest				
Carrying amount of NCI	8,070,969	2,017,792	32,558	10,121,319
Profit allocated to NCI	534,632	134,229	859	669,720
Dividend paid to NCI	(482,024)	(120,267)	–	(602,291)

Summarised financial information before intra-group elimination

	KLCC REIT RM'000	SKSB RM'000
As at 31 December		
Non-current assets – Investment properties	9,271,852	5,615,193
Non-current assets – Others	256,593	18,898
Current assets	146,132	186,154
Non-current liabilities	(1,097,163)	(78,561)
Current liabilities	(506,445)	(713,550)
Net assets	8,070,969	5,028,134
Year ended 31 December		
Revenue	582,169	488,403
Profit for the year, representing total comprehensive income	534,632	335,571
Cash flows generated from operating activities	572,327	327,708
Cash flows used in investing activities	(420)	(4,401)
Cash flows used in financing activities	(540,988)	(329,898)
Net increase/(decrease) in cash and cash equivalents	30,919	(6,591)

Reconciliation of net assets to carrying amount as at 31 December

2023	SKSB RM'000
Group's share of net assets	2,011,254
Adjustment	6,538
Carrying amount in the statement of financial position	2,017,792



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6. INVESTMENT IN AN ASSOCIATE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Unquoted shares at cost	99,195	99,195	99,195	99,195
Share of post-acquisition reserves	169,242	167,492	–	–
	268,437	266,687	99,195	99,195

Companies incorporated in Malaysia	Effective ownership interest and voting interest		Principal Activities
Name of associate	2024 %	2023 %	

Associates of the Company

Impian Klasik Sdn Bhd ("IKSB")*	33	33	Property investment
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* Audited by a firm of auditors other than Ernst & Young PLT.

Summary of financial information on associate:

	2024 RM'000	2023 RM'000
Assets and liabilities		
Non-current assets	807,139	799,390
Current assets	9,254	11,566
Non-current liabilities	(95,460)	(95,489)
Current liabilities	(2,489)	(2,324)
Net assets	718,444	713,143
Results		
Revenue	57,554	57,554
Profit for the year, representing total comprehensive income	43,300	43,044
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	237,087	235,337
Goodwill	31,350	31,350
Carrying amount in the statement of financial position	268,437	266,687
Group's share of profit from continuing operations	14,290	14,204
Other information		
Dividend received	12,540	12,540



7. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current					
Accrued rental income		196,238	270,954	–	–
Current					
Trade receivables		10,286	15,296	–	–
Other receivables and deposits		14,222	20,371	696	5,280
Amount due from:					
Ultimate holding company		1,441	1,499	–	–
Immediate holding company		53,485	48,544	1,003	–
Subsidiaries		–	–	1,606	1,510
Related companies		11,695	14,669	2,925	4,773
		91,129	100,379	6,230	11,563
Less: Impairment loss		(4,458)	(6,197)	–	–
		86,671	94,182	6,230	11,563
Total trade and other receivables		282,909	365,136	6,230	11,563
Add: Cash and bank balances	10	1,360,879	1,192,076	742,127	684,703
Less: Accrued rental income	4	(196,238)	(270,954)	–	–
Less: Prepayments		(1,990)	(4,113)	(16)	(158)
Total financial assets carried at amortised cost		1,445,560	1,282,145	748,341	696,108

Amounts due from subsidiaries, ultimate holding company, immediate holding company and related companies arose in the normal course of business are unsecured, non-interest bearing and repayable on demand.

8. DEFERRED TAX

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
At 1 January		61,337	52,518	(829)	(1,437)
Recognised in profit or loss	21	14,886	8,819	(443)	608
At 31 December		76,223	61,337	(1,272)	(829)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority.



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8. DEFERRED TAX (continued)

Deferred tax assets and liabilities are attributable to the following:

Recognised deferred tax (assets)/liabilities

	Assets		Liabilities		Net	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Group						
Property, plant and equipment	(826)	(417)	77,222	71,242	76,396	70,825
Investment properties	–	–	58,710	50,874	58,710	50,874
Lease liabilities	(362)	(609)	–	–	(362)	(609)
Right-of-use assets	–	–	354	594	354	594
Unused tax losses	–	(721)	–	–	–	(721)
Unabsorbed capital allowances	(20,037)	(20,837)	–	–	(20,037)	(20,837)
Unused investment tax allowances	(37,815)	(37,815)	–	–	(37,815)	(37,815)
Provisions	(4,689)	(4,526)	–	–	(4,689)	(4,526)
Others	(1,131)	(16)	4,797	3,568	3,666	3,552
	(64,860)	(64,941)	141,083	126,278	76,223	61,337
Company						
Property, plant and equipment	(2)	–	–	14	(2)	14
Provisions	(1,270)	(843)	–	–	(1,270)	(843)
	(1,272)	(843)	–	14	(1,272)	(829)

	Group	
	2024 RM'000	2023 RM'000
Deferred tax assets	(2,791)	(1,513)
Deferred tax liabilities	79,014	62,850
	76,223	61,337

8. DEFERRED TAX (continued)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Group	At 1.1.2024 RM'000	Credited/ (Charged) to profit or loss RM'000	At 31.12.2024 RM'000
Deferred tax liabilities			
Property, plant and equipment	70,825	5,571	76,396
Investment properties	50,874	7,836	58,710
Others	4,146	989	5,135
	125,845	14,396	140,241
Deferred tax assets			
Unused tax losses	(721)	721	–
Unabsorbed capital allowances	(20,837)	800	(20,037)
Unused investment tax allowances	(37,815)	–	(37,815)
Others	(5,135)	(1,031)	(6,166)
	(64,508)	490	(64,018)
	61,337	14,886	76,223

Group	At 1.1.2023 RM'000	Credited/ (Charged) to profit or loss RM'000	At 31.12.2023 RM'000
Deferred tax liabilities			
Property, plant and equipment	70,689	136	70,825
Investment properties	41,554	9,320	50,874
Others	3,618	528	4,146
	115,861	9,984	125,845
Deferred tax assets			
Unused tax losses	(876)	155	(721)
Unabsorbed capital allowances	(20,048)	(789)	(20,837)
Unused investment tax allowances	(37,815)	–	(37,815)
Others	(4,604)	(531)	(5,135)
	(63,343)	(1,165)	(64,508)
	52,518	8,819	61,337



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8. DEFERRED TAX (continued)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows: (continued)

Company	At 1.1.2024 RM'000	Charged to profit or loss RM'000	At 31.12.2024 RM'000
Deferred tax liabilities			
Property, plant and equipment	14	(16)	(2)
Deferred tax assets			
Others	(843)	(427)	(1,270)
	(829)	(443)	(1,272)

Company	At 1.1.2023 RM'000	Credited/ (Charged) to profit or loss RM'000	At 31.12.2023 RM'000
Deferred tax liabilities			
Property, plant and equipment	15	(1)	14
Others	93	(93)	–
	108	(94)	14
Deferred tax assets			
Unused tax losses	(155)	155	–
Unabsorbed capital allowances	(22)	22	–
Others	(1,368)	525	(843)
	(1,545)	702	(843)
	(1,437)	608	(829)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 RM'000	2023 RM'000
Unutilised tax loss	70,667	67,663
Year of expiry is analysed as follows:		
Expired by 2028	2,997	2,997
Expired by 2030	32,771	32,771
Expired by 2031	34,899	31,895
	70,667	67,663

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits. In accordance with the provision of Malaysian Finance Act 2021 requirement, the utilisation of unused tax losses will be limited to ten years with effect from year of assessment 2019.

9. INVENTORIES

The inventories comprise general merchandise and operating supplies, and are stated at cost.

10. CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash with PETRONAS Integrated Financial Shared Services Centre	924,390	836,772	742,013	684,688
Cash and bank balances	16,897	6,868	114	15
Deposits with licensed banks	419,592	348,436	—	—
	1,360,879	1,192,076	742,127	684,703
Less: Deposits restricted	(2,193)	(2,406)	—	—
Less: Deposits with tenure of more than 3 months	(226,991)	(199,247)	—	—
Cash and cash equivalents	1,131,695	990,423	742,127	684,703

The Group's and the Company's cash and bank balances are held in the In-House Account ("IHA") managed by PETRONAS Integrated Financial Shared Service Centre ("IFSSC") to enable more efficient cash management for the Group and the Company.

Included in cash with IFSSC and cash and bank balances of the Group and of the Company are interest bearing balances amounting to RM932,080,000 (2023: RM839,111,000) and RM742,122,000 (2023: RM684,698,000) respectively.

Included in deposits restricted are monies held on behalf of clients held in designated accounts, which represent cash calls less payments in the course of rendering building and facilities management services on behalf of clients.

The weighted average effective interest/profit rates applicable to the deposits with licensed banks of the Group is 3.93% per annum (2023: 3.99% per annum).

Deposits with licensed banks of the Group have an average maturity of 82 days (2023: 73 days).

11. SHARE CAPITAL

	Group and Company			
	Number of shares		Amount	
	2024 Unit'000	2023 Unit'000	2024 RM'000	2023 RM'000
Issued and fully paid:				
Ordinary shares				
At the beginning/end of the year	1,805,333	1,805,333	1,823,386	1,823,386

Stapled security:

Stapled security means one ordinary share in the Company stapled to one unit in KLCC REIT ("Unit"). Holders of KLCCP Stapled Group securities are entitled to receive distributions and dividends declared from time to time and are entitled to one vote per stapled security at Shareholders' and Unitholders' meetings.



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12. RESERVES

Retained profits

As at 31 December 2024, the Company may distribute the entire balance of the retained profits under the single-tier system.

Capital reserve

Fair value adjustments on investment property are transferred from retained profits to capital reserve and such surplus will be considered distributable upon the sale of investment properties.

13. FINANCINGS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Secured:				
Sukuk Murabahah				
– KLCC REIT	1,355,000	900,000	–	–
– Other subsidiary	599,672	–	–	–
Sukuk Wakalah	1,949,597	–	1,949,597	–
Term loans	–	388,182	–	–
Lease liabilities	896	1,390	–	–
Total non-current secured financings	3,905,165	1,289,572	1,949,597	–
Total non-current financings	3,905,165	1,289,572	1,949,597	–
Current				
Secured:				
Sukuk Murabahah				
– KLCC REIT	5,537	461,422	–	–
– Other subsidiary	–	600,000	–	–
Sukuk Wakalah	17,197	–	17,197	–
Term loans	388,451	11,867	–	–
Lease liabilities	1,117	1,311	–	–
Total current secured financings	412,302	1,074,600	17,197	–
Total current financings	412,302	1,074,600	17,197	–
Total financings	4,317,467	2,364,172	1,966,794	–
Total financings which are secured, comprise:				
Sukuk Murabahah (a)	1,960,209	1,961,422	–	–
Sukuk Wakalah (b)	1,966,794	–	1,966,794	–
Term loans (c)	388,451	400,049	–	–
Lease liabilities	2,013	2,701	–	–
	4,317,467	2,364,172	1,966,794	–

13. FINANCINGS (continued)

Terms and debt repayment schedule

	Group				
	Total RM'000	Under 1 year RM'000	1 – 2 years RM'000	3 – 5 years RM'000	Over 5 years RM'000
2024					
Secured					
Sukuk Murabahah	1,960,209	5,537	500,000	–	1,454,672
Sukuk Wakalah	1,966,794	17,197	–	1,949,597	–
Term loans	388,451	388,451	–	–	–
Lease liabilities	2,013	1,117	330	566	–
	4,317,467	412,302	500,330	1,950,163	1,454,672
2023					
Secured					
Sukuk Murabahah	1,961,422	1,061,422	–	500,000	400,000
Term loans	400,049	11,867	388,182	–	–
Lease liabilities	2,701	1,311	824	566	–
	2,364,172	1,074,600	389,006	500,566	400,000
	Company				
	Total RM'000	Under 1 year RM'000	1 – 2 years RM'000	3 – 5 years RM'000	Over 5 years RM'000
2024					
Secured					
Sukuk Wakalah	1,966,794	17,197	–	1,949,597	–

(a) Sukuk Murabahah

Sukuk Murabahah consists of Islamic Commercial Programme ("ICP") of up to RM500 million and Islamic medium term notes ("IMTN") of up to RM3 billion subject to a combined limit of RM3 billion. It is primarily secured against assignment and charge over the Finance Service Account and Revenue Account maintained by the REIT Trustee.

The Group paid its RM455 million Sukuk Murabahah upon maturity on 25 April 2024 and on the same date issued RM455 million of Sukuk Murabahah with a profit rate of 4.19% per annum, maturing on 25 April 2034. Details of the drawdown that are outstanding as at year end are as follows:

Tenure	Value (RM)	Profit rate	Maturity
7 years	500,000,000	4.20%	25 April 2026
10 years	400,000,000	4.00%	23 April 2031
10 years	455,000,000	4.19%	25 April 2034

The profit rate is payable semi-annually.



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13. FINANCINGS (continued)

(a) Sukuk Murabahah (continued)

Another subsidiary of the Group also successfully issued Sukuk Murabahah amounting to RM600 million on 31 December 2024. The Series 2 of Sukuk Murabahah Programme is upsize of up to RM2 billion limit in nominal value. The proceeds from the issuance of Sukuk Murabahah are utilised for redemption of the first issuance of RM600 million made on 31 December 2014 with the maturity date of 31 December 2024. RM600 million has been drawdown at the profit rate of 4.00% per annum and maturing on 29 June 2035.

The profit rate is payable semi-annually.

(b) Sukuk Wakalah

On 5 April 2024, the Group successfully issued its first issuance of Sukuk Wakalah amounting to an aggregate of RM1,950 million in nominal value pursuant to the Sukuk Wakalah Programme.

The Sukuk Wakalah Programme shall have a perpetual tenure and allows for the issuance of Sukuk Wakalah from time to time, provided that the aggregate outstanding nominal value of Sukuk Wakalah does not exceed the Sukuk Wakalah Programme's size of RM5 billion at any one time. Details of the drawdown that are outstanding as at year end are as follows:

Tenure	Value (RM)	Profit rate	Maturity
3 years	900,000,000	3.73%	5 April 2027
4 years	600,000,000	3.81%	5 April 2028
5 years	450,000,000	3.85%	5 April 2029

The profit rate is payable semi-annually.

(c) Term loans

On 27 May 2015, a subsidiary of the Group entered into a Supplemental Agreement with Public Bank Berhad to restructure the term loan with an aggregate sum of RM378 million, comprising the following:

Type of Facilities	Revised Principal Limit (RM'000)
Term Loan Facility 1	239,540
Term Loan Facility 2	138,460

The term loans are repayable at RM7.5 million per annum for 7 years commencing on the 3rd year with the final bullet payment of the remainder in the final year.

Type of Facilities	Revised Principal Limit (RM'000)
Term Loan Facility 3	102,000

Term loan facility 3 was approved on 25 May 2016. The subsidiary has utilised RM78 million from the total facility of RM102 million.

The term loan facility 3 is repayable by way of 6 annual principal repayments of RM2.5 million each commencing on the 3rd year with one final principal payment of the remainder sum in the final year.

The term loan is secured by way of a fixed charge over the hotel property as well as debenture covering all fixed and floating assets of the hotel property as disclosed in Note 3.

The loan bears an interest rate of 4.70% per annum (2023: 5.38% per annum).

The RM388 million term loan facilities are expected to mature on 28 May 2025 and 2 June 2025 respectively.

Other information on financial risks of financings are disclosed in Note 27.

13. FINANCINGS (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities

Group	Liabilities						
	Sukuk Wakalah RM'000	Sukuk Murabahah RM'000	Term loans RM'000	Lease liabilities RM'000	Dividend paid RM'000	Other* RM'000	Total RM'000
Balance at 1 January 2024	–	1,961,422	400,049	2,701	–	–	2,364,172
Changes from financing cash flows							
Repayment of Sukuk Murabahah	–	(1,055,000)	–	–	–	–	(1,055,000)
Drawdown of Sukuk Murabahah	–	1,055,000	–	–	–	–	1,055,000
Drawdown of Sukuk Wakalah	1,950,000	–	–	–	–	–	1,950,000
Transaction cost incidental to the drawdown of Sukuk Wakalah	(615)	–	–	–	–	–	(615)
Repayment of term loans	–	–	(10,000)	–	–	–	(10,000)
Repayment of lease liabilities	–	–	–	(1,194)	–	–	(1,194)
Dividend paid	–	–	–	–	(786,022)	–	(786,022)
Interest/profit paid	(37,383)	(86,220)	(22,280)	–	–	–	(145,883)
Total changes from financing cash flows	1,912,002	(86,220)	(32,280)	(1,194)	(786,022)	–	1,006,286
Other changes							
Liability-related							
Interest/profit expenses	54,701	85,335	20,682	132	–	71	160,921
Amortisation of transaction cost	91	–	–	–	–	–	91
Accrued transaction cost incidental to the drawdown of Sukuk Murabahah	–	(328)	–	–	–	–	(328)
Remeasurement of lease	–	–	–	374	–	–	374
Dividend payable	–	–	–	–	786,022	–	786,022
Others	–	–	–	–	–	(71)	(71)
Total liability-related other changes	54,792	85,007	20,682	506	786,022	–	947,009
Balance at 31 December 2024	1,966,794	1,960,209	388,451	2,013	–	–	4,317,467



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13. FINANCINGS (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Group	Liabilities						
	Sukuk Wakalah RM'000	Sukuk Murabahah RM'000	Term loans RM'000	Lease liabilities RM'000	Dividend paid RM'000	Other* RM'000	Total RM'000
Balance at 1 January 2023	–	1,963,874	410,690	3,909	–	–	2,378,473
Changes from financing cash flows							
Repayment of term loan	–	–	(10,000)	–	–	–	(10,000)
Repayment of lease liabilities	–	–	–	(1,380)	–	–	(1,380)
Dividend paid	–	–	–	–	(844,417)	–	(844,417)
Interest/profit paid	–	(87,055)	(20,809)	–	–	–	(107,864)
Total changes from financing cash flows	–	(87,055)	(30,809)	(1,380)	(844,417)	–	(963,661)
Other changes							
Liability-related							
Interest/profit expenses	–	84,603	20,168	172	–	654	105,597
Dividend payable	–	–	–	–	844,417	–	844,417
Others	–	–	–	–	–	(654)	(654)
Total liability-related other changes	–	84,603	20,168	172	844,417	–	949,360
Balance at 31 December 2023	–	1,961,422	400,049	2,701	–	–	2,364,172

* Other relates to commitment fee for term loan.

13. FINANCINGS (continued)

Reconciliation of movement of liabilities to cash flows arising from financing activities (continued)

Company	Liabilities			
	Sukuk Wakalah RM'000	Lease liabilities RM'000	Dividend paid RM'000	Total RM'000
Balance at 1 January 2024	–	–	–	–
Changes from financing cash flows				
Drawdown of Sukuk Wakalah	1,950,000	–	–	1,950,000
Transaction cost incidental to the drawdown of Sukuk Wakalah	(615)	–	–	(615)
Dividend paid	–	–	(272,064)	(272,064)
Interest/profit paid	(37,383)	–	–	(37,383)
Total changes from financing cash flows	1,912,002	–	(272,064)	1,639,938
Other changes				
Liability-related				
Interest/profit expenses	54,701	–	–	54,701
Amortisation of transaction cost	91	–	–	91
Dividend payable	–	–	272,064	272,064
Total liability-related other changes	54,792	–	272,064	326,856
Balance at 31 December 2024	1,966,794	–	–	1,966,794
Balance at 1 January 2023	–	405	–	405
Changes from financing cash flows				
Repayment of lease liabilities	–	(410)	–	(410)
Dividend paid	–	–	(241,915)	(241,915)
Total changes from financing cash flows	–	(410)	(241,915)	(242,325)
Other changes				
Liability-related				
Interest/profit expenses	–	5	–	5
Dividend payable	–	–	241,915	241,915
Total liability-related other changes	–	5	241,915	241,920
Balance at 31 December 2023	–	–	–	–



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14. TRADE AND OTHER PAYABLES

	Note	Group	
		2024 RM'000	2023 RM'000
Non-current			
Security deposit payables	(i)	166,444	149,515
Other payables		598	–
		167,042	149,515
Current			
Trade payables	(ii)	33,352	34,904
Other payables		151,847	125,498
Deferred revenue		21,738	21,738
Security deposits		57,428	59,075
Amount due to:	(iii)		
Ultimate holding company		9,056	13,327
Immediate holding company		822	2,752
Other related companies		4,403	3,864
		278,646	261,158
Total trade and other payables		445,688	410,673
Add: Financings	13	4,317,467	2,364,172
Less: Deferred revenue		(21,738)	(21,738)
Total financial liabilities carried at amortised cost		4,741,417	2,753,107

	Note	Company	
		2024 RM'000	2023 RM'000
Current			
Trade payables	(ii)	414	102
Other payables		9,611	7,101
Amount due to:	(iii)		
Ultimate holding company		2,998	3,931
Immediate holding company		–	2,306
		13,023	13,440
Total trade and other payables		13,023	13,440
Add: Financings	13	1,966,794	–
Total financial liabilities carried at amortised cost		1,979,817	13,440

- i. Security deposit payables are interest-free, unsecured and refundable upon expiry of the respective lease agreements. The fair values at initial recognition were determined based on interest rates ranging from 4.31% to 4.73% (2023: 4.34% to 4.73%) per annum.
- ii. Trade payables are denominated in Ringgit Malaysia and credit terms vary up from 30 to 45 days (2023: 30 to 45 days).
- iii. The amounts due to ultimate holding company, immediate holding company, and related companies arose in the normal course of business, are unsecured, non-interest bearing and repayable on demand.

15. DEFERRED REVENUE

Deferred revenue relates to the excess of the principal amount of security deposits received over their fair value which is accounted for as prepaid lease income and amortised over the lease term on a straight line basis.

16. OPERATING PROFIT

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue				
Property investment				
– Office	583,443	582,496	–	–
– Retail	551,237	516,129	–	–
Hotel operations	239,823	210,932	–	–
Management services	336,357	309,606	28,605	25,255
Dividend income from subsidiaries	–	–	358,567	262,400
Dividend income from an associate	–	–	12,540	12,540
	1,710,860	1,619,163	399,712	300,195
Cost of revenue:				
– Cost of services and goods	(475,094)	(448,781)	–	–
Gross profit	1,235,766	1,170,382	399,712	300,195
Selling and distribution expenses	(16,361)	(14,502)	–	–
Administration expenses	(156,705)	(140,621)	(50,856)	(44,793)
Other operating income	4,630	4,967	7	6
Operating profit	1,067,330	1,020,226	348,863	255,408

All the revenue of the Group and of the Company are derived from the same geographical market as the Group and the Company operate predominantly in Malaysia. The services are transferred to the customers at a point in time.



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17. PROFIT BEFORE TAXATION

The following amounts have been included in arriving at profit before taxation:

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration					
– statutory audit		748	706	264	249
– non-statutory audit		16	16	16	16
Depreciation					
– property, plant and equipment	3	28,977	31,459	60	79
– right-of-use assets	22	1,031	1,418	–	388
Valuation fees		564	367	–	–
Employee benefits expense	18	155,772	145,072	31,246	28,085
Directors' remuneration	26	1,292	1,217	1,292	1,217
Fee in relation to services of Executive Director		1,321	1,571	1,321	1,571
Loss/(gain) on disposal of property, plant and equipment		380	(27)	–	–
Property, plant and equipment written off		39	–	–	–
Investment properties written off		75	–	–	–
Rental expenses relating to short-term lease and lease of low-value assets		416	411	10	10
Net reversal for impairment losses of receivables		(440)	(205)	–	–

18. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Wages, salaries and others	142,286	133,207	27,920	25,050
Defined contribution plans	13,486	11,865	3,326	3,035
Total	155,772	145,072	31,246	28,085

19. INTEREST/PROFIT INCOME

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest/profit income from:				
Deposits	52,313	42,391	26,227	21,778

20. FINANCING COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Interest/profit expense on:				
Term loans	20,682	20,822	–	–
Sukuk Murabahah	85,335	84,603	–	–
Sukuk Wakalah	54,701	–	54,701	–
Lease liabilities	132	172	–	5
Accretion of financial instruments	6,358	5,715	–	–
Amortisation of attributable transaction cost	91	–	91	–
	167,299	111,312	54,792	5

21. TAX EXPENSE

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current tax expense				
Current year	129,232	111,246	5,651	5,171
Under/(over) provision of tax in prior year	24	976	(58)	282
Total current tax expense	129,256	112,222	5,593	5,453
Deferred tax expense/(credit) (Note 8)				
Origination/(reversal) of temporary differences	11,971	11,771	(432)	64
Under/(over) provision in prior years	2,915	(2,952)	(11)	544
Total deferred tax expense/(credit)	14,886	8,819	(443)	608
Total tax expense	144,142	121,041	5,150	6,061

Domestic current income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated assessable profit for the year.



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21. TAX EXPENSE (continued)

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group	
	2024 RM'000	2023 RM'000
Profit before taxation	1,201,365	1,187,423
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	288,328	284,982
Expenditure allowed under section 60F	(11)	–
Expenses not deductible for tax purposes	24,693	8,129
Income not subject to tax	(39,861)	(34,637)
Income exempted from tax	(137,073)	(141,368)
Effects of share of profit of an associate	(3,430)	(3,409)
Deferred tax recognised at different tax rates	7,836	9,320
Deferred tax assets not recognised during the year	721	–
Under/(over) provision of deferred tax in prior year	2,915	(2,952)
Under provision of taxation in prior year	24	976
Tax expense	144,142	121,041

	Company	
	2024 RM'000	2023 RM'000
Profit before taxation	320,298	277,181
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	76,872	66,523
Expenses not deductible for tax purposes	17,413	4,698
Income not subject to tax	(89,066)	(65,986)
(Over)/under provision of deferred tax in prior year	(11)	544
(Over)/under provision of taxation in prior year	(58)	282
Tax expense	5,150	6,061

The Company's current tax and deferred tax position is derived based on current tax legislation and best available information at the reporting date.

22. LEASE

The Group and the Company have lease contracts for office spaces with contract terms of 2 to 3 years and the lease contracts do not contain variable lease payments.

The Group and the Company also have certain leases of office equipments with lease terms of 12 months or less and leases of office equipment with low value. The Group and the Company apply the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Note	Group		Company	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 January		2,495	3,913	—	388
Depreciation	17	(1,031)	(1,418)	—	(388)
Remeasurement		374	—	—	—
As at 31 December		1,838	2,495	—	—

Set out below are the carrying amounts of lease liabilities (included under interest/profit-bearing loans and financings) and the movements during the year:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
As at 1 January	2,701	3,909	—	405
Accretion of interest/profit	132	172	—	5
Payments	(1,194)	(1,380)	—	(410)
Remeasurement	374	—	—	—
As at 31 December	2,013	2,701	—	—
Current	1,117	1,311	—	—
Non-current	896	1,390	—	—
	2,013	2,701	—	—

The maturity analysis of lease liabilities are disclosed in Note 27.



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22. LEASE (continued)

The following are the amounts recognised in profit or loss:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Depreciation expense of right-of-use assets	1,031	1,418	–	388
Interest expense on lease liabilities	132	172	–	5
Rental expenses relating to short-term lease and lease of low-value assets	416	411	10	10
Total amount recognised in profit or loss	1,579	2,001	10	403

The Group and the Company have several lease contracts that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's and the Company's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised (Note 2.5).

Operating lease commitments

The Group has entered into non-cancellable commercial property leases on its investment properties. The future minimum rental receivable under these operating leases at the reporting date is as follows:

	Group	
	2024 RM'000	2023 RM'000
Less than one year	1,114,931	1,050,257
One to five years	2,664,654	2,918,050
More than five years	6,444,965	6,986,158
As at 31 December	10,224,550	10,954,465

23. EARNINGS PER SHARE/STAPLED SECURITY - BASIC AND DILUTED

Basic/diluted earnings per share amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

Basic/diluted earnings per stapled security amounts are calculated by dividing profit for the year attributable to ordinary equity holders of the Company and unitholders of the KLCC REIT by the weighted average number of stapled securities in issue during the financial year.

	2024	2023
Profit attributable to equity holders of the Company (RM'000)	498,214	396,662
Profit attributable to NCI relating to KLCC REIT (RM'000)	518,319	534,632
Profit attributable to stapled securities holders (RM'000)	1,016,533	931,294
In thousand of shares		
Weighted average number of stapled securities/shares in issue	1,805,333	1,805,333
Basic/diluted earnings per share (sen)	27.60	21.97
Basic/diluted earnings per stapled security (sen)	56.31	51.59

Basic earnings per share/stapled security equals to diluted earnings per share/stapled security as there are no potential dilutive units in issue.

24. DIVIDENDS

	Dividends Recognised in Year		Net Dividends per Ordinary Share	
	2024 RM'000	2023 RM'000	2024 sen	2023 sen
Recognised during the year:				
A fourth interim dividend of 8.00% (2022: 7.69%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2023/2022	144,427	138,830	8.00	7.69
A first interim dividend of 2.20% (2023: 1.41%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	39,717	25,455	2.20	1.41
A second interim dividend of 2.46% (2023: 1.80%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	44,411	32,496	2.46	1.80
A third interim dividend of 2.41% (2023: 2.50%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	43,509	45,134	2.41	2.50
	272,064	241,915	15.07	13.40

A fourth interim dividend in respect of the financial year ended 31 December 2024, of 9.73%, tax exempt under the single tier system on 1,805,333,083 ordinary shares, declared on 5 February 2025 amounting to a dividend payable of RM175,658,909 will be payable on 28 February 2025.

The financial statements for the current year do not reflect this fourth interim dividend. Such dividend will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2025.

25. COMMITMENTS

Capital commitments

	Group	
	2024 RM'000	2023 RM'000
Investment properties		
Approved and contracted for	2,200	6,070
Approved but not contracted for	29,608	18,383
	31,808	24,453
Property, plant and equipment		
Approved and contracted for	4,719	9,438
Approved but not contracted for	5,197	6,249
	9,916	15,687



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26. RELATED PARTY DISCLOSURES

For the purposes of these financial statements, parties are considered to be related to the Group or the Company if the Group or the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and an entity that provides key management personnel services to the Group. The key management personnel include all the Directors of the Company, and certain members of senior management of the Group.

The Group's and the Company's related parties include subsidiaries and associates as well as the Government of Malaysia and its related entities as the ultimate holding company is wholly-owned by the Government of Malaysia.

Key management personnel compensation

Directors

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Directors of the Company				
Executive*	–	–	–	–
Non-Executive: Fees	1,292	1,217	1,292	1,217
	1,292	1,217	1,292	1,217

* The remuneration of the Executive Director is paid to KLCCH as fee in relation to services of Executive Director as disclosed in Note 17.

The Company reimbursed the ultimate holding company for compensation of certain key management personnel attributable to services rendered to the Company as well as fees for Directors who are appointees of the holding company as disclosed below.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Analysis excluding benefits-in-kind:				
Total Non-Executive Directors' remuneration (Note 17)	1,292	1,217	1,292	1,217

26. RELATED PARTY DISCLOSURES (continued)

Key management personnel compensation (continued)

Directors (continued)

The number of Directors of the Company whose total remuneration during the financial year fell within the following bands is analysed below:

	Group		Company	
	2024	2023	2024	2023
Executive Director*	1	1	1	1
Non-Executive Directors				
RMNil – RM50,000	–	–	–	–
RM50,001 – RM100,000	–	–	–	–
RM100,001 – RM150,000	2	1	2	1
RM150,001 – RM200,000	6	5	6	5
RM200,001 – RM250,000	–	–	–	–
RM250,001 – RM300,000	–	1	–	1

* The remuneration of the Executive Director is paid to KLCCH as fee in relation to services of Executive Director as disclosed in Note 17.

Other key management personnel

Datuk Sr. Mohd. Salem Bin Kailany, successor of Datuk Md. Shah Bin Mahmood as Executive Director and Chief Executive Officer of the Company with effect from 1 December 2024 is an employee of KLCCH. KLCCH charges fees in consideration for their services to the Company during the current and previous financial years as disclosed in Note 17.

Significant transactions with related parties

The names of subsidiaries and associates, all of which are incorporated in Malaysia have been disclosed in Notes 5 to 6 respectively.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Expense)/income				
Federal Government of Malaysia:				
Property licences and taxes	(13,439)	(13,376)	–	–
Sales and Service Tax and Tourism Tax	(40,763)	(35,212)	(10)	(107)
Government of Malaysia's related entities:				
Purchase of utilities	(25,152)	(24,733)	–	–
Hotel revenue	2,388	4,303	–	–



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26. RELATED PARTY DISCLOSURES (continued)

Significant transactions with related parties (continued)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Expense)/income (continued)				
Ultimate Holding Company:				
Rental income	559,464	556,439	—	—
Facilities management and manpower fees	145,103	136,262	—	—
Interest income	26,178	26,538	19,182	21,717
Rental of car park spaces	(7,831)	(7,396)	—	—
Fees for representation on the Board of Directors*	(138)	(134)	(138)	(134)
Hotel revenue	3,561	5,402	—	—
Centralised Head Office Services charges	(19,749)	(15,060)	(3,953)	(3,223)
Learning and development cost	(672)	(560)	(364)	(297)
Immediate Holding Company:				
General management services fee payables	(10,353)	(8,384)	(3,364)	(3,268)
General management services fee receivables	6,299	4,976	6,299	4,976
Fee in relation to services of Executive Director	(1,321)	(1,571)	(1,321)	(1,571)
Subsidiaries:				
Facilities management and manpower fees	—	—	(280)	(209)
General management services fee receivable	—	—	7,210	6,616
Hotel charges	—	—	(516)	(516)
Other Related Companies:				
Facilities management and manpower fees	66,610	59,917	—	—
General management services fee receivable	15,097	13,662	15,097	13,662
Hotel revenue	89	2	—	—
Management and incentive fees	3,147	3,486	—	—
Chilled water supply	(37,988)	(37,080)	—	—
Project management fees	(1,840)	(2,195)	—	—
Fees for secondment of executive director	(21)	(644)	—	—
Rental of car park spaces	(7,893)	(7,480)	—	—
Learning and development cost	(299)	(253)	(210)	(122)

* Fee paid directly to PETRONAS in respect of the Non-Executive Director appointed by the ultimate holding company.

The Directors of the Company are of the opinion that the above transactions have been entered into in the normal course of business and have been established on a commercial basis. The above has been stated at contracted amount.

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 and 31 December 2023 are disclosed in Notes 7 and 14.

27. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

As the Group and the Company owns a diverse property portfolio, the Group and the Company are exposed to various risks that are particular to its various businesses. These risks arise in the normal course of the Group's and the Company's business.

The Group has a Risk Management Framework and Guidelines that set the foundation for the establishment of effective risk management across the Group.

Risk taking activities are undertaken within acceptable level of risk or risk appetite, whereby the risk appetite level reflects business considerations and capacity to assume such risks. The risk appetite is established at Board level, where relevant, based on defined methodology and translated into operational thresholds.

The Group's and the Company's goal in risk management are to ensure that the management understands, measures, monitors and reports the financial risks that arise in connection with their operations. The policies, standards and guidelines have been developed to identify, analyse, appraise, monitor and report the dynamic risks facing the Group and the Company. Based on this assessment, each business unit adopts appropriate measures to mitigate these risks in accordance with the business unit's view of the balance between risk and reward.

(a) Market risk

Market risk is the risk or uncertainty arising from change in market prices and their impact on the performance of the business. The market price changes that the Group and the Company are exposed to include interest rates, foreign currency exchange rates, commodity prices, equity prices and other indices that could affect the value of the Group's and the Company's financial assets, liabilities or expected future cash flows.

Financial instruments affected by market risk include loans and financings and deposits.

(b) Interest/profit rate risk

Interest/profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest/profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest/profit rates. As the Group has no significant interest/profit-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market interest/profit rates. The Group's interest/profit-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's interest/profit rate risk arises primarily from interest/profit-bearing financings. Financings at floating rates expose the Group to cash flow interest/profit rate risk. Financings obtained at fixed rates expose the Group to fair value interest/profit rate risk. The Group manages its interest/profit rate exposure by maintaining a mix of fixed and floating rate financings.

The carrying amount of the Group's and the Company's interest/profit-bearing financial instruments as at reporting date is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate instruments				
Financial assets	419,592	348,436	—	—
Financial liabilities	(3,927,003)	(1,961,422)	(1,966,794)	—
Floating rate instruments				
Financial assets	932,080	839,111	742,122	684,698
Financial liabilities	(388,451)	(400,049)	—	—



Notes to the Financial Statements

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27. FINANCIAL INSTRUMENTS (continued)

(b) Interest/profit risk (continued)

Cash flow sensitivity analysis for floating rate instruments

The following table demonstrates the indicative pre-tax effects on the profit or loss of applying reasonably foreseeable market movements in the interest rates of floating rate instruments:

	Increase/ (decrease) in interest rate b.p.s	Group Profit or loss RM'000	Company Profit or loss RM'000
2024			
KLIBOR	-50	(2,718)	(3,711)
KLIBOR	+50	2,718	3,711
2023			
KLIBOR	-50	(2,195)	(3,423)
KLIBOR	+50	2,195	3,423

A decrease/increase in interest rate above would have had equal but opposite effect, on the basis that all other variables remain constant.

(c) Liquidity Risk

Liquidity risk is the risk that the Group and the Company will have insufficient funds to meet financial commitments in a timely manner. The Group's and the Company's exposure to liquidity risk arises principally from its trade and other payables, and financings. In managing its liquidity risk, the Group and the Company maintains sufficient cash and liquid marketable assets. The Company's current credit rating enables it to access banking facilities in excess of current and immediate future requirements of the Group and the Company.

27. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity Risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the reporting date based on undiscounted contractual payments:

	Group						
	Carrying amount RM'000	Contractual interest/ profit rate	Contractual cash flow* RM'000	Within 1 year RM'000	1-2 years RM'000	3-5 years RM'000	More than 5 years RM'000
2024							
Financial Liabilities							
Sukuk Murabahah	1,960,209	4.00% – 4.20%	2,523,921	80,439	569,484	177,303	1,696,695
Sukuk Wakalah	1,966,794	3.73% – 3.85%	2,191,503	73,553	73,553	2,044,397	–
Term loans	388,451	4.70%	402,690	402,690	–	–	–
Trade and other payables (excluding deferred revenue)	423,950	4.31% – 4.73%	526,188	278,646	54,707	38,457	154,378
Lease liabilities	2,013	4.30% – 5.49%	2,158	1,195	622	151	190
2023							
Financial Liabilities							
Sukuk Murabahah	1,961,422	4.00% – 4.80%	2,152,589	1,117,154	36,942	558,515	439,978
Term loans	400,049	5.38%	429,665	33,025	396,640	–	–
Trade and other payables (excluding deferred revenue)	388,935	4.34% – 4.73%	497,283	261,158	44,755	47,347	144,023
Lease liabilities	2,701	4.88% – 5.49%	2,896	1,363	1,150	383	–

* The contractual cash flow is inclusive of the principal and interest/profit but excluding interest accretion due to MFRS 9 measurement.



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27. FINANCIAL INSTRUMENTS (continued)

(c) Liquidity Risk (continued)

Maturity analysis (continued)

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the reporting date based on undiscounted contractual payments: (continued)

	Company						
	Carrying amount RM'000	Contractual interest/ profit rate	Contractual cash flow* RM'000	Within 1 year RM'000	1-2 years RM'000	3-5 years RM'000	More than 5 years RM'000
2024							
Financial Liabilities							
Sukuk Wakalah	1,966,794	3.73% – 3.85%	2,191,503	73,553	73,553	2,044,397	–
Trade and other payables	13,023	–	13,023	13,023	–	–	–
2023							
Financial Liabilities							
Trade and other payables	13,440	–	13,440	13,440	–	–	–

* The contractual cash flow is inclusive of the principal and interest/profit but excluding interest accretion due to MFRS 9 measurement.

27. FINANCIAL INSTRUMENTS (continued)

(d) Credit risk

Credit risk is the risk of potential exposure of the Group and of the Company to losses in the event of non-performance by counterparties. The Group and the Company's exposures to credit risk arise principally from customers and placement in financial institutions. Credit risks are controlled by individual subsidiaries in line with Group's Risk Management Framework and Guideline.

Receivables

Risk management objectives, policies and processes for managing the risk

The Group and the Company minimise credit risk by entering into contracts with highly credit rated counterparty and through credit approval, financial limits and monitoring procedures. Counterparty credit evaluations are done systematically using quantitative and qualitative criteria on credit risks as specified by individual operating units.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Company.

At each reporting date, the Group and the Company assess whether any of the trade receivables and contract assets are credit impaired.

The gross carrying amounts of credit impaired trade receivables and contract assets are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables and contract assets that are written off could still be subject to enforcement activities.

Concentration of credit risk

Exposure to losses increases with concentrations of credit risk which may exist when a number of counterparties are involved in similar activities or operate in the same industry sector or geographical area, which may result in their ability to meet contractual obligations being impacted by changes in economic, political or other conditions. The Group's principal customers with which it conducts business are located globally and there is no significant concentration of credit risk at reporting date.

Recognition and measurement of impairment loss

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables and contract assets are represented by the carrying amounts in the statement of financial position.

In managing credit risk of trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Company perform credit rating assessment of all its counterparties in order to measure ECL of trade receivables for all segments using the PETRONAS Credit Risk Rating system. This credit rating assessment considers quantitative assessment using the counterparties' financial statements or a qualitative assessment of the counterparties which includes but is not limited to their reputation, competitive position, industry and geopolitical outlook.

In determining the ECL, the probability of default assigned to each counterparty is based on their individual credit rating. This probability of default is derived by benchmarking against available third party and market information, which also incorporates forward looking information.

Loss given default is the assumption of the proportion of financial asset that cannot be recovered by conversion of collateral to cash or by legal process, and is assessed based on the Group's and the Company's historical experience.

The Group and the Company have not recognised any loss allowance for trade receivables that are secured by collateral and/or other credit enhancements such as cash deposits, letter of credit and bank guarantees.



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27. FINANCIAL INSTRUMENTS (continued)

(d) Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment loss (continued)

The ageing of trade receivables as at the end of the reporting period is analysed below:

	Group	
	2024 RM'000	2023 RM'000
At gross:		
Not past due	4,366	5,769
Past due 1 to 30 days	1,116	2,367
Past due 31 to 60 days	152	604
Past due 61 to 90 days	97	104
Past due more than 90 days	4,555	6,452
	10,286	15,296
Less: Allowance for impairment losses	(4,458)	(6,197)
	5,828	9,099

The movement in the allowance account is as follows:

	Group	
	2024 RM'000	2023 RM'000
At 1 January	6,197	7,574
Net reversal for impairment	(436)	(212)
Bad debt written off	(1,303)	(1,165)
At 31 December	4,458	6,197

The Group does not typically renegotiate the terms of trade receivables. There were no renegotiated balances outstanding as at 31 December 2024 and 31 December 2023.

(e) Fair Values

Recognised financial instruments

The Group's and the Company's financial instruments consist of cash and bank balances, trade and other receivables, financings, and trade and other payables.

The carrying amounts of cash and bank balances, trade and other receivables, trade and other payables and short term financings approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amounts of other long term liabilities approximate its fair value amount.

This analysis assumes that all other variables remain constant.

27. FINANCIAL INSTRUMENTS (continued)

(e) Fair Values (continued)

Recognised financial instruments (continued)

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position. The different levels have been defined as follows:

	Group				
	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2024					
Financial liabilities					
Sukuk Murabahah	–	1,929,268	–	1,929,268	1,960,209
Sukuk Wakalah	–	1,878,485	–	1,878,485	1,966,794
2023					
Financial liabilities					
Sukuk Murabahah	–	1,933,265	–	1,933,265	1,961,422

	Company				
	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2024					
Financial liabilities					
Sukuk Wakalah	–	1,878,485	–	1,878,485	1,966,794

For the financial instruments listed above, fair values have been determined by discounting expected future cash flows at market incremental lending rate for similar types of financings at the reporting date. There were no transfers between Level 1, 2 and 3 fair values during the financial year (2023: no transfer between Level 1, 2 and 3 fair values).

(f) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates predominantly in Malaysia and transacts mainly in Malaysian Ringgit. As such, it is not exposed to any significant foreign currency risk.



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28. CAPITAL MANAGEMENT

The Group and the Company define capital as the total equity and debts of the Company. The objective of the Group's and the Company's capital management is to maintain an optimal capital structure and ensuring availability of funds in order to support its business and maximise shareholder value. As a subsidiary of PETRONAS, the Group's and the Company's approach in managing capital is set out in the KLCC Group Corporate Financial Policies.

The Group and the Company monitor and maintain a prudent level of total debts to total equity ratio to optimise shareholder value and to ensure compliance with covenants under debt and shareholders' agreements.

The debt to equity ratio as at 31 December 2024 and 31 December 2023 is as follows:

	Group	
	2024 RM'000	2023 RM'000
Total debt	4,317,467	2,364,172
Total equity (excluding Other NCI)	13,671,553	13,339,104
Debt equity ratio	32:68	18:82

Under the requirement of Bursa Malaysia Practice Note No.17/2005, the Company is required to maintain consolidated shareholders' equity equal to or not less than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

29. SEGMENTAL INFORMATION

(a) Reporting Format

Segment information is presented in respect of the Group's business segments.

Inter-segment transactions have been entered into in the normal course of business and have been established on commercial basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest/profit-earning assets and revenue, interest/profit-bearing financings and expenses, and corporate assets and expenses.

The Group comprises the following main business segments:

Property investment – Office	Rental of office spaces and other related activities.
Property investment – Retail	Rental of retail spaces and other related activities.
Hotel operations	Rental of hotel rooms, the sale of food and beverages and other related activities.
Management services	Facilities management, car park operations, management of a real estate investment trust and general management services.

Details on geographical segments are not applicable as the Group operates predominantly in Malaysia.

29. SEGMENTAL INFORMATION (continued)

(b) Allocation Basis and Transfer Pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise interest/profit-earning assets and revenue, interest/profit-bearing financings and expenses, and corporate assets and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. Inter-segment transactions have been entered into in the normal course of business and have been established on commercial basis. These transfers are eliminated on consolidation.

2024 Business Segments	Property investment – Office RM'000	Property investment – Retail RM'000	Hotel operations RM'000	Management services RM'000	Elimination & Others RM'000	Consolidated RM'000
Revenue						
External customers	583,443	551,237	239,823	336,357	–	1,710,860
Inter-segment revenue	1,657	12,278	–	67,350	(81,285)	–
Total revenue	585,100	563,515	239,823	403,707	(81,285)	1,710,860
Results						
Operating profit	512,207	464,379	31,429	81,461	(22,146)	1,067,330
Fair value adjustments on investment properties	77,132	157,599	–	–	–	234,731
Financing costs	(56,377)	(35,622)	(20,680)	(10)	(54,610)	(167,299)
Interest/profit income						52,313
Share of profit of an associate						14,290
Tax expense						(144,142)
Profit after tax but before NCI						1,057,223
Segment assets	10,425,995	6,513,992	581,364	156,541	716,948	18,394,840
Investment in an associate	–	–	–	99,195	169,242	268,437
Total assets						18,663,277
Total liabilities	1,619,287	822,812	449,862	108,923	1,957,809	4,958,693
Capital expenditure	5,110	8,251	20,885	789	–	35,035
Depreciation	227	793	17,362	11,626	–	30,008
Non-cash items other than depreciation	–	(367)	419	(4)	–	48



Notes to the Financial Statements

31 December 2024

29. SEGMENTAL INFORMATION (continued)

2023 Business Segments	Property investment – Office RM'000	Property investment – Retail RM'000	Hotel operations RM'000	Management services RM'000	Elimination & Others RM'000	Consolidated RM'000
Revenue						
External customers	582,496	516,129	210,932	309,606	–	1,619,163
Inter-segment revenue	1,399	12,484	–	63,261	(77,144)	–
Total revenue	583,895	528,613	210,932	372,867	(77,144)	1,619,163
Results						
Operating profit	506,595	429,480	23,102	80,391	(19,342)	1,020,226
Fair value adjustments on investment properties	160,470	49,444	–	12,000	–	221,914
Financing costs	(55,695)	(34,973)	(20,822)	–	178	(111,312)
Interest/profit income						42,391
Share of profit of an associate						14,204
Tax expense						(121,041)
Profit after tax but before NCI						1,066,382
Segment assets	10,336,846	6,335,853	571,852	157,624	664,696	18,066,871
Investment in an associate	–	–	–	99,195	167,492	266,687
Total assets						18,333,558
Total liabilities	1,591,681	817,799	445,761	96,133	(7,270)	2,944,104
Capital expenditure	4,209	4,802	4,985	2,816	–	16,812
Depreciation	368	765	19,605	12,139	–	32,877
Non-cash items other than depreciation	–	(212)	(27)	7	–	(232)

30. ADOPTION OF REVISED PRONOUNCEMENTS

During the financial year, the Group and the Company adopted the following pronouncements that have been issued by the MASB and are applicable as listed below:

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 101 Presentation of Financial Statements (Classification of as Current or Non-current)
Amendments to MFRS 101 Presentation of Financial Statements (Non-current Liabilities with Covenants)

The initial application of the above-mentioned pronouncements did not have any material impact to the financial statements of the Group and the Company.

31. PRONOUNCEMENTS YET IN EFFECT

The following pronouncements that have been issued by the MASB will become effective in future financial reporting periods and have not been adopted by the Group and the Company in these financial statements:

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 Financial Instruments and MFRS 7 Financial Instruments: Disclosures (Amendments to the Classification and Measurement of Financial Instruments)

Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards, MFRS 7 Financial Instruments: Disclosure, MFRS 9 Financial Instruments, MFRS 10 Consolidated Financial Statements and MFRS 107 Statements of Cash Flows (Annual Improvements to MFRS Accounting Standards)

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

Effective for a date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

Amendments to MFRS 128 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The Group and the Company are expected to apply the above-mentioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the abovementioned pronouncements are not expected to have any material impact to the financial statements of the Group and the Company, except for MFRS 18 pronouncement, which impact on initial application is currently being assessed.

32. NEW AND REVISED PRONOUNCEMENTS NOT APPLICABLE TO THE GROUP AND THE COMPANY

The MASB has issued pronouncements which are not relevant to the Group and the Company and hence, no further disclosure is warranted.

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases (Lease Liability in a Sale and Leaseback)

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements)

Effective for annual periods beginning on or after 1 January 2027

MFRS 19 Subsidiaries without Public Accountability: Disclosures

33. SIGNIFICANT EVENT

On 26 January 2024, the Company has entered into a share purchase agreement to acquire the remaining 136,666,668 ordinary shares representing 40% of the issued share capital of SKSB from Ocmador (Malaysia) City Retail Centre Sdn. Bhd., Port Moresby Investments Limited and Bold Peak Sdn. Bhd., for a cash consideration of RM1,950,000,000.

The aforesaid acquisition was financed by external financings and SKSB has become a wholly owned subsidiary of the Company upon completion.



Independent Auditors' Report

To The Members of KLCC Property Holdings Berhad (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of KLCC Property Holdings Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information, as set out on pages 235 to 303.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. We have determined that there are no key audit matters to communicate in our report on the financial statements of the Company. The key audit matters for the audit of the financial statements of the Group are described below. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Valuation of investment properties

As at 31 December 2024, the carrying value of the Group's investment properties carried at fair value amounted to RM16,062,762,000 which represents 86% of the Group's total assets. The Group adopts the fair value model for its investment properties. The valuation of completed investment properties carried at fair value is significant to our audit due to their magnitude, complex valuation method and high dependency on a range of estimates (amongst others, rental income data, yield rate and discount rate) which are based on current and future market or economic conditions. The Group has engaged external valuers to determine the fair value of the investment properties carried at fair value at the reporting date and a fair value gain of RM234,371,000 has been recognised during the year.

Valuation of investment properties (continued)

Our audit procedures focused on the valuations performed by firms of independent valuers, which included, amongst others, the following procedures:

- We considered the objectivity, independence and expertise of the firms of independent valuers;
- We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuers to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, rental income data and yield rate;
- We assessed the reasonableness of the property related data by corroborating those data used in the valuation to available market data;
- We tested the accuracy of rental income data applied in the valuation by comparing them with lease agreements and challenged the yield rate by comparing them with available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and held further discussions with the valuers;
- We assessed whether the discount rate used to determine the present value of the cash flows reflects the estimated market rate of return for comparable assets with similar profile; and
- We also evaluated the Group's disclosures on those assumptions to which the outcome of the valuation is most sensitive. The Group's disclosures on the valuation sensitivity and significant assumptions used, including relationships between key unobservable inputs and fair values, are included in Notes 1.4 and 4 to the financial statements respectively.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



Independent Auditors' Report

To The Members of KLCC Property Holdings Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Muhammad Syarizal Bin Abdul Rahim
No. 03157/01/2027 J
Chartered Accountant

Kuala Lumpur, Malaysia
5 February 2025



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Manager's Report

For The Year Ended 31 December 2024

The Manager of KLCC Real Estate Investment Trust ("KLCC REIT" or "the Fund"), KLCC REIT Management Sdn. Bhd. ("the Manager"), has pleasure in submitting their report and the audited financial statements of the Group and of the Fund for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activities of the Fund during the financial year are investing directly and indirectly, in a Shariah-compliant portfolio of income producing real estate used primarily for office and retail purposes as well as real estate related assets.

The principal activity of its subsidiary is stated in Note 5 to the financial statements.

CORPORATE INFORMATION

The Fund is a Malaysia-domiciled real estate investment trust constituted pursuant to the Trust Deed dated 2 April 2013 (as amended and restated by the Amended and Restated Trust Deed dated 3 September 2019) (the "Amended and Restated Trust Deed") entered into between the Manager and Maybank Trustees Berhad (the "Trustee"). The Amended and Restated Trust Deed was registered with the Securities Commission Malaysia on 16 October 2019. The Fund was listed on the Main Market of Bursa Malaysia Securities Berhad on 9 May 2013. The registered office of the Manager is located at Level 54, Tower 2, PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

HOLDING COMPANIES

The Directors of the Manager regard KLCC Property Holdings Berhad, KLCC (Holdings) Sdn. Bhd. and Petroliam Nasional Berhad ("PETRONAS"), as the immediate holding, penultimate holding and ultimate holding companies respectively, all of which are incorporated and domiciled in Malaysia.

RESULTS

	Group RM'000	Fund RM'000
Profit for the year	518,319	518,323

DISTRIBUTION OF INCOME

The amount of income distributions paid by the Fund were as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
Fourth interim income distribution of 6.40% on 1,805,333,083 units, declared on 7 February 2024 and paid on 29 February 2024	115,541
In respect of the financial year ended 31 December 2024:	
First interim income distribution of 6.80% on 1,805,333,083 units, declared on 23 May 2024 and paid on 28 June 2024	122,763
Second interim income distribution of 6.74% on 1,805,333,083 units, declared on 28 August 2024 and paid on 30 September 2024	121,679
Third interim income distribution of 6.79% on 1,805,333,083 units, declared on 25 November 2024 and paid on 30 December 2024	122,582
	482,565

A fourth interim income distribution in respect of the financial year ended 31 December 2024 of 7.37% on 1,805,333,083 units, declared on 5 February 2025, amounting to an income distribution payable of RM133,053,048 will be payable on 28 February 2025.

The financial statements for the current year do not reflect this fourth interim income distribution. Such income distribution will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2025.

RESERVES AND PROVISIONS

There were no material movements to or from reserves and provisions during the year other than as disclosed in the financial statements.

DIRECTORS

Directors who served on the Board of the Manager during the financial year until the date of this report are:

Datuk Ir. Annies Bin Md Ariff	(appointed w.e.f. 1 July 2024)
Datuk Sr. Mohd. Salem Bin Kailany	(appointed w.e.f. 1 December 2024)
Farina Binti Farikhullah Khan	
Dato' Jamaludin Bin Osman	
Liza Binti Mustapha	
Chong Chye Neo	
Dato' Sr. Mazuki Bin A Aziz	
Datin Noor Lily Zuriati Binti Abdullah	
Freida Binti Amat	(appointed w.e.f. 1 January 2025)
Tan Sri Ahmad Nizam Bin Salleh	(resigned w.e.f. 1 September 2024)
Datuk Md. Shah Bin Mahmood	(resigned w.e.f. 1 December 2024)



Manager's Report

For The Year Ended 31 December 2024

DIRECTORS OF MANAGER'S INTERESTS

None of the Directors holding office at 31 December 2024 had any interest in the ordinary shares of the Fund and of its related corporations during the financial year.

DIRECTORS OF MANAGER'S BENEFITS

Since the end of the previous financial year, no Director of the Manager has received nor become entitled to receive any benefit (other than the benefit included in the aggregate amount of emoluments received or due and receivable by the Directors from certain related corporations) by reason of a contract made by the Fund or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Manager to acquire benefits by means of the acquisition of units in or debentures of the Fund or any other body corporate.

ISSUE OF UNITS

There were no changes in the issued and paid up units of the Fund during the financial year.

OPTIONS GRANTED OVER UNISSUED UNITS

No options were granted to any person to take up unissued units of the Fund during the financial year.

SOFT COMMISSION

There was no soft commission received by the Manager during the financial year from broker or dealer by virtue of transactions conducted for the Fund.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Fund were made out, the Manager took reasonable steps to ascertain:

- (i) that necessary actions had been taken in relation to the writing off of bad debts and the provisioning of doubtful debts and satisfied themselves that no known bad debts have been written off and no provision made for doubtful debts; and
- (ii) that any current assets which were unlikely to be realised in the ordinary course of business, their values as shown in the accounting records of the Group and of the Fund, had been written down to an amount which they might be expected so to realise.

At the date of this report, the Manager is not aware of any circumstances:

- (i) that would render it necessary to write off any bad debts, or to make any the provision for doubtful debts in respect of the financial statements of the Group and of the Fund;
- (ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Fund misleading;
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Fund misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Group and of the Fund misleading.

OTHER STATUTORY INFORMATION (continued)

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Fund that has arisen since the end of the financial year and which secures the liabilities of any other person; or
- (ii) any material contingent liability in respect of the Group or of the Fund that has arisen since the end of the financial year.

No material contingent liability or other liability of the Group has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Manager, will or may substantially affect the ability of the Group and of the Fund to meet their obligations as and when they fall due.

In the opinion of the Manager, the financial performance of the Group and of the Fund for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

AUDITORS

The auditors, Ernst & Young PLT, have indicated their willingness to accept re-appointment.

The auditors' remunerations for the financial year ended 31 December 2024 of the Group and the Fund are as follows:

	Group RM'000	Fund RM'000
Statutory audit fees		
Ernst & Young PLT	110	105

Signed on behalf of the Board of the Manager
in accordance with a resolution of the Directors of the Manager:

Datuk Ir. Annies Bin Md Ariff
Chairman

Datuk Sr. Mohd. Salem Bin Kailany
Director

Kuala Lumpur, Malaysia
Date: 5 February 2025



KLCC REIT

Statement by The Manager

In the opinion of the Directors of the Manager, the financial statements set out on pages 315 to 360 are drawn up in accordance with the provision of the Trust Deed dated 2 April 2013 and an Amended and Restated Trust Deed dated 3 September 2019 (collectively referred to as the "Deed"), the Securities Commission's Guidelines on Listed Real Estate Investment Trusts in Malaysia, MFRS Accounting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2024 and of their financial performance and cash flows for the financial year then ended on that date.

For and on behalf of the Manager,
KLCC REIT MANAGEMENT SDN. BHD.

Signed on behalf of the Board of the Manager
 in accordance with a resolution of the Directors of the Manager:

Datuk Ir. Annies Bin Md Ariff
 Chairman

Datuk Sr. Mohd. Salem Bin Kailany
 Director

Kuala Lumpur, Malaysia
 Date: 5 February 2025

Statutory Declaration

I, Rohizal Bin Kadir, the officer of the Manager primarily responsible for the financial management of KLCC Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 315 to 360 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
Rohizal Bin Kadir,
 MIA Membership Number: 50742
 at **Kuala Lumpur** in **Wilayah Persekutuan**
 on 5 February 2025

Rohizal Bin Kadir

BEFORE ME:

Y.M. Tengku Nur Athiya Tengku Fariddudin
 Commissioner for Oaths



Trustee's Report

To the unitholders of KLCC REAL ESTATE INVESTMENT TRUST

We have acted as Trustee of KLCC Real Estate Investment Trust ("KLCC REIT") for the financial year ended 31 December 2024. To the best of our knowledge, KLCC REIT Management Sdn. Bhd. ("the Manager") has managed KLCC REIT in the financial year under review in accordance to the following:

- (a) the limitation imposed on the investment powers of the Manager and the Trustee under the Deed, other applicable provisions of the Deed, the Securities Commission's Guidelines on Listed Real Estate Investment Trusts, the Capital Markets & Services Act 2007 and other applicable laws; and
- (b) the valuation of KLCC REIT is carried out in accordance with the Deed and other regulatory requirements.

There are four (4) income distributions to the unitholders of KLCC REIT in the financial year under review, details of which are stated below:

- (i) First interim income distribution of 6.80 sen per unit distributed on 28 June 2024;
- (ii) Second interim income distribution of 6.74 sen per unit distributed on 30 September 2024;
- (iii) Third interim income distribution of 6.79 sen per unit distributed on 30 December 2024;
- (iv) Fourth interim income distribution of 7.37 sen per unit for year ended 31 December 2024 declared and will be payable on 28 February 2025.

We are of the view that the distributions are consistent with the objectives of KLCC REIT.

For and on behalf of

MAYBANK TRUSTEES BERHAD

[Registration No.: 196301000109 (5004-P)]



Noradilah Binti Nordin

Head, Corporate Trust

Kuala Lumpur, Malaysia



Shariah Adviser's Report

To the unitholders of KLCC REIT

We have acted as the Shariah Adviser of KLCC REIT. Our responsibility is to ensure that the procedures and processes employed by KLCC REIT Management Sdn. Bhd. and that the provisions of the Trust Deed are in accordance with Shariah principles.

In our opinion, KLCC REIT Management Sdn. Bhd. has managed and administered KLCC REIT in accordance with Shariah principles and complied with the applicable guidelines, rulings and decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 December 2024.

In addition, we also confirm that the investment portfolio of KLCC REIT:

- (a) Comprises investment properties and rental income which complied with the Securities Commission's Guidelines on Islamic Capital Market Products and Services and Guidelines on Listed Real Estate Investment Trusts. The percentage ratio of Shariah Non-Compliant Rental for the financial year ended 31 December 2024 is 1.25%;
- (b) KLCCP Stapled Securities is listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by Shariah Advisory Council of the Securities Commission;
- (c) Cash placement and liquid assets, which are placed in Shariah-compliant investments and/or instruments;
- (d) There is no acquisition of real estate during the financial year; and
- (e) The percentage of Shariah Non-Compliant Rental by the end of 10th financial year post listing or establishment has been complied with.

For and on behalf of Shariah Adviser

CIMB Islamic Bank Berhad

A handwritten signature in blue ink, appearing to read 'Ahmad' followed by a stylized surname.

Ahmad Suhaimi Yahya

Regional Head, Shariah Advisory & Governance, Group Islamic Banking
Designated Person Responsible for Shariah Advisory

Kuala Lumpur, Malaysia



Consolidated Statement of Financial Position

As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	250	445
Investment properties	4	9,353,707	9,271,852
Trade and other receivables	6	176,293	256,148
		9,530,250	9,528,445
Current Assets			
Trade and other receivables	6	3,945	4,148
Cash and bank balances	7	191,872	141,984
		195,817	146,132
TOTAL ASSETS		9,726,067	9,674,577
TOTAL UNITHOLDERS' FUND AND LIABILITIES			
Unitholders' Fund			
Unitholders' capital	8	7,212,684	7,212,684
Merger reserve	9	6,212	6,212
Capital reserve	10	528,383	457,860
Retained profits		359,444	394,213
Total Unitholders' Fund		8,106,723	8,070,969
Non-Current Liabilities			
Other long term liabilities	11	80,426	71,899
Financing	13	1,355,000	900,000
Deferred tax liability	14	58,709	50,873
Other payables	15	75,705	74,391
		1,569,840	1,097,163
Current Liabilities			
Other payables	15	43,967	45,022
Financing	13	5,537	461,423
		49,504	506,445
Total Liabilities		1,619,344	1,603,608
TOTAL UNITHOLDERS' FUND AND LIABILITIES		9,726,067	9,674,577
Number of units in circulation ('000 units)		1,805,333	1,805,333
Net asset value ("NAV")			
– before income distribution		8,106,723	8,070,969
– after income distribution		7,973,670	7,955,428
NAV per unit (RM)			
– before income distribution		4.49	4.47
– after income distribution		4.42	4.41

The notes set out on pages 323 to 360 are an integral part of these financial statements.



Consolidated Statement of Comprehensive Income

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue	16	579,031	582,169
Property operating expenses	17	(33,023)	(32,622)
Net property income		546,008	549,547
Fair value adjustments of investment properties	4	78,359	93,200
Profit income		7,291	6,138
		631,658	648,885
Management fees	18	(44,983)	(45,084)
Trustee's fee	19	(600)	(600)
Financing costs	20	(59,920)	(59,249)
Profit before tax	21	526,155	543,952
Tax expense	22	(7,836)	(9,320)
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME		518,319	534,632
Basic earnings per unit (sen)	23	28.71	29.61

	2024 RM'000	2023 RM'000
Income Distribution		
Total comprehensive income for the financial year	518,319	534,632
Add/(less) adjustments:		
Accrued rental income	79,855	61,585
Amortisation of deferred revenue	(4,394)	(4,202)
Amortisation of premium for Sukuk Murabahah	(321)	(2,507)
Deferred tax liabilities	7,836	9,320
Depreciation of property, plant and equipment	205	350
Accretion of financial instruments	3,196	2,947
Fair value adjustments of investment properties	(78,359)	(93,200)
	8,018	(25,707)
Total income available for distribution	526,337	508,925
Distribution to unitholders in respect of financial year 2024/2023:		
First interim income distribution of 6.80% (2023: 7.09%) on 1,805,333,083 units	(122,763)	(127,998)
Second interim income distribution of 6.74% (2023: 7.00%) on 1,805,333,083 units	(121,679)	(126,373)
Third interim income distribution of 6.79% (2023: 6.30%) on 1,805,333,083 units	(122,582)	(113,736)
Fourth interim income distribution of 7.37% (2023: 6.40%) on 1,805,333,083 units	(133,053)	(115,541)
Balance undistributed	26,260	25,277

The notes set out on pages 323 to 360 are an integral part of these financial statements.

Consolidated Statement of Changes in Net Asset Value

For The Year Ended 31 December 2024

	Non-distributable		Distributable		Total Group RM'000
	Unitholders' Capital RM'000 (Note 8)	Merger Reserve RM'000 (Note 9)	Capital Reserve RM'000 (Note 10)	Retained Profits RM'000	
As at 1 January 2024	7,212,684	6,212	457,860	394,213	8,070,969
Total comprehensive income for the year	–	–	–	518,319	518,319
Transfer of fair value adjustments net of tax	–	–	70,523	(70,523)	–
Income distribution (Note 24)	–	–	–	(482,565)	(482,565)
Net total comprehensive income for the year attributable to unitholders	–	–	70,523	(34,769)	35,754
As at 31 December 2024	7,212,684	6,212	528,383	359,444	8,106,723
As at 1 January 2023	7,212,684	6,212	373,980	425,485	8,018,361
Total comprehensive income for the year	–	–	–	534,632	534,632
Transfer of fair value adjustments net of tax	–	–	83,880	(83,880)	–
Income distribution (Note 24)	–	–	–	(482,024)	(482,024)
Net total comprehensive income for the year attributable to unitholders	–	–	83,880	(31,272)	52,608
As at 31 December 2023	7,212,684	6,212	457,860	394,213	8,070,969

The notes set out on pages 323 to 360 are an integral part of these financial statements.



Consolidated Statement of Cash Flows

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		526,155	543,952
Adjustments for:			
Profit income		(7,291)	(6,138)
Financing costs	20	59,920	59,249
Accrued rental income and amortisation of deferred revenue		75,461	57,383
Depreciation of property, plant and equipment	3	205	350
Fair value adjustments on investment properties	4	(78,359)	(93,200)
Operating cash flows before changes in working capital		576,091	561,596
Changes in working capital:			
Trade and other receivables		579	32
Trade and other payables including other long term liabilities		11,592	4,626
Cash generated from operations		588,262	566,254
Profit income received		7,066	6,073
Net cash generated from operating activities		595,328	572,327
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions for investment properties	4	(5,295)	(401)
Purchase of property, plant and equipment	3	(10)	(18)
Increase in deposits with tenure of more than 3 months		(52,001)	(1)
Net cash used in investing activities		(57,306)	(420)
CASH FLOWS FROM FINANCING ACTIVITIES			
Income distributions paid		(482,525)	(482,235)
Financing cost paid		(57,610)	(58,753)
Proceed from issuance of Sukuk Murabahah		455,000	–
Payment of Sukuk Murabahah		(455,000)	–
Net cash used in financing activities		(540,135)	(540,988)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,113)	30,919
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		141,945	111,026
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	139,832	141,945

The notes set out on pages 323 to 360 are an integral part of these financial statements.

Statement of Financial Position

As At 31 December 2024

	Note	2024 RM'000	2023 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	250	445
Investment properties	4	9,353,707	9,271,852
Investment in a subsidiary	5	*	*
Trade and other receivables	6	176,293	256,148
		9,530,250	9,528,445
Current Assets			
Trade and other receivables	6	3,945	4,149
Cash and bank balances	7	191,597	141,808
		195,542	145,957
TOTAL ASSETS		9,725,792	9,674,402
TOTAL UNITHOLDERS' FUND AND LIABILITIES			
Unitholders' Fund			
Unitholders' capital	8	7,212,684	7,212,684
Merger reserve	9	6,212	6,212
Capital reserve	10	528,383	457,860
Retained profits		359,516	394,281
Total Unitholders' Fund		8,106,795	8,071,037
Non-Current Liabilities			
Other long term liabilities	11	80,426	71,899
Amount due to a subsidiary	12	1,355,000	900,000
Deferred tax liability	14	58,709	50,873
Other payables	15	75,705	74,391
		1,569,840	1,097,163
Current Liabilities			
Other payables	15	43,958	45,011
Amount due to a subsidiary	12	5,199	461,191
		49,157	506,202
Total Liabilities		1,618,997	1,603,365
TOTAL UNITHOLDERS' FUND AND LIABILITIES		9,725,792	9,674,402
Number of units in circulation ('000 units)		1,805,333	1,805,333
Net asset value ("NAV")			
– before income distribution		8,106,795	8,071,037
– after income distribution		7,973,742	7,955,496
NAV per unit (RM)			
– before income distribution		4.49	4.47
– after income distribution		4.42	4.41

* Represents RM2 in Midciti Sukuk Berhad

The notes set out on pages 323 to 360 are an integral part of these financial statements.



Statement of Comprehensive Income

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
Revenue	16	579,031	582,169
Property operating expenses	17	(33,019)	(32,616)
Net property income		546,012	549,553
Fair value adjustments of investment properties	4	78,359	93,200
Profit income		7,291	6,138
		631,662	648,891
Management fees	18	(44,983)	(45,084)
Trustee's fee	19	(600)	(600)
Financing costs	20	(59,920)	(59,249)
Profit before tax	21	526,159	543,958
Tax expense	22	(7,836)	(9,320)
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME		518,323	534,638
Basic earnings per unit (sen)	23	28.71	29.61

	2024 RM'000	2023 RM'000
Income Distribution		
Total comprehensive income for the financial year	518,323	534,638
Add/(less) adjustments:		
Accrued rental income	79,855	61,585
Amortisation of deferred revenue	(4,394)	(4,202)
Amortisation of premium for Sukuk Murabahah	(321)	(2,507)
Deferred tax liabilities	7,836	9,320
Depreciation of property, plant and equipment	205	350
Accretion of financial instruments	3,196	2,947
Fair value adjustments of investment properties	(78,359)	(93,200)
	8,018	(25,707)
Total income available for distribution	526,341	508,931
Distribution to unitholders in respect of financial year 2024/2023:		
First interim income distribution of 6.80% (2023: 7.09%) on 1,805,333,083 units	(122,763)	(127,998)
Second interim income distribution of 6.74% (2023: 7.00%) on 1,805,333,083 units	(121,679)	(126,373)
Third interim income distribution of 6.79% (2023: 6.30%) on 1,805,333,083 units	(122,582)	(113,736)
Fourth interim income distribution of 7.37% (2023: 6.40%) on 1,805,333,083 units	(133,053)	(115,541)
Balance undistributed	26,264	25,283

The notes set out on pages 323 to 360 are an integral part of these financial statements.

Statement of Changes in Net Asset Value

For The Year Ended 31 December 2024

	Non-distributable		Distributable		Total Funds RM'000
	Unitholders' Capital RM'000 (Note 8)	Merger Reserve RM'000 (Note 9)	Capital Reserve RM'000 (Note 10)	Retained Profits RM'000	
As at 1 January 2024	7,212,684	6,212	457,860	394,281	8,071,037
Total comprehensive income for the year	—	—	—	518,323	518,323
Transfer of fair value adjustments net of tax	—	—	70,523	(70,523)	—
Income distribution (Note 24)	—	—	—	(482,565)	(482,565)
Net total comprehensive income for the year attributable to unitholders	—	—	70,523	(34,765)	35,758
As at 31 December 2024	7,212,684	6,212	528,383	359,516	8,106,795
As at 1 January 2023	7,212,684	6,212	373,980	425,547	8,018,423
Total comprehensive income for the year	—	—	—	534,638	534,638
Transfer of fair value adjustments net of tax	—	—	83,880	(83,880)	—
Income distribution (Note 24)	—	—	—	(482,024)	(482,024)
Net total comprehensive income for the year attributable to unitholders	—	—	83,880	(31,266)	52,614
As at 31 December 2023	7,212,684	6,212	457,860	394,281	8,071,037

The notes set out on pages 323 to 360 are an integral part of these financial statements.



Statement of Cash Flows

For The Year Ended 31 December 2024

	Note	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		526,159	543,958
Adjustments for:			
Profit income		(7,291)	(6,138)
Financing costs	20	59,920	59,249
Accrued rental income and amortisation of deferred revenue		75,461	57,383
Depreciation of property, plant and equipment	3	205	350
Fair value adjustments on investment properties	4	(78,359)	(93,200)
Operating cash flows before changes in working capital		576,095	561,602
Changes in working capital:			
Trade and other receivables		579	32
Trade and other payables including other long term liabilities		11,489	4,530
Cash generated from operations		588,163	566,164
Profit income received		7,066	6,073
Net cash generated from operating activities		595,229	572,237
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions for investment properties	4	(5,295)	(401)
Purchase of property, plant and equipment	3	(10)	(18)
Increase in deposits with tenure of more than 3 months		(52,000)	–
Net cash used in investing activities		(57,305)	(419)
CASH FLOWS FROM FINANCING ACTIVITIES			
Income distributions paid		(482,525)	(482,235)
Financing cost paid		(57,610)	(58,753)
Proceed received from a subsidiary		455,000	–
Payment of amount due to a subsidiary		(455,000)	–
Net cash used in financing activities		(540,135)	(540,988)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,211)	30,830
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		141,808	110,978
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	139,597	141,808

The notes set out on pages 323 to 360 are an integral part of these financial statements.

Notes to the Financial Statements

31 December 2024

1. BASIS OF PREPARATION

1.1 Statement of compliance

The financial statements of the Group and of the Fund have been prepared in accordance with MFRS Accounting Standards as issued by Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board, applicable provisions of the Deed and the Securities Commission's Guidelines on Listed Real Estate Investment Trusts in Malaysia. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of Bursa Malaysia Securities Berhad.

As of 1 January 2024, the Group and the Fund had adopted Amendments to MFRS ("pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 31.

MASB has also issued new and revised pronouncements which are not yet effective for the Group and the Fund and therefore, have not been adopted in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in Note 32. New and revised pronouncements that are not relevant to the operations of the Group and of the Fund are set out in Note 33.

These financial statements were approved and authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors of the Manager on 5 February 2025.

1.2 Basis of measurement

The financial statements of the Group and of the Fund have been prepared on historical cost basis except for certain items which are measured at fair value, as disclosed in the accounting policies below.

1.3 Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM") which is the Fund's functional currency.

All financial information is presented in RM and has been rounded to the nearest thousands, unless otherwise stated.

1.4 Use of estimates and judgments

The preparation of financial statements in conformity with MFRS Accounting Standards requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

(i) Critical judgement made in applying accounting policies

There are no critical judgements made by management in the process of applying the Group's and the Fund's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below:

Fair value of investment properties

The Group and the Fund carry their investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group and the Fund had engaged an independent professional valuer to determine the fair values and there are no material events that affect the valuation between the valuation date and financial year end.

The determined fair values of the investment properties by the independent professional valuer is most sensitive to the estimated reversion and term yield rate and discount rate. The range of the yield rate and the discount rate used in the valuation is described in Note 4.



Notes to the Financial Statements

31 December 2024

1. BASIS OF PREPARATION (continued)

1.4 Use of estimates and judgments (continued)

(ii) Key sources of estimation uncertainty (continued)

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year is discussed below: (continued)

Fair value of investment properties (continued)

The following table demonstrates the sensitivity of the fair value measurement to changes in estimated reversion and term yield rate, discount rate and its corresponding sensitivity result in a higher or lower fair value measurement:

	Fair value Increase/(decrease)	
	2024 RM'000	2023 RM'000
Reversion and term yield rate		
– 0.25%	244,000	182,000
+ 0.25%	(231,000)	(169,000)
Discount rate		
– 0.25%	149,000	209,000
+ 0.25%	(154,000)	(199,000)

The other key assumptions used to determine the fair value of the investment properties, are further explained in Note 4.

2. MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and have been applied consistently by the Group and the Fund, unless otherwise stated.

2.1 Basis of Consolidation

Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Fund. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Fund's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

The financial statements of subsidiaries are included in the consolidated financial statements of the Group from the date that control commences until the date that control ceases.

All inter-company transactions are eliminated on consolidation and revenue and profits relate to external transactions only. Unrealised losses resulting from inter-company transactions are also eliminated unless cost cannot be recovered.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of Consolidation (continued)

Business Combination

A business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group. The identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the aggregate of the fair value of the consideration transferred and the amount of any non-controlling interests in the acquiree. Non-controlling interests are stated either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

When a business combination is achieved in stages, the Group remeasures its previously held non-controlling equity interest in the acquiree at fair value at the acquisition date, with any resulting gain or loss recognised in the profit or loss. Increase in the Group's ownership interest in an existing subsidiary is accounted for as equity transactions with differences between the fair value of consideration paid and the Group's proportionate share of net assets acquired, recognised directly in equity.

The Group measures goodwill as the excess of the cost of an acquisition and the fair values of any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Transaction costs, other than those associated with the issuance of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Business combination under common control

KLCC REIT applies merger accounting to account for business combinations under common control. Under the merger accounting, assets and liabilities acquired are not restated to their respective fair values but at their carrying amounts in the consolidated financial statements of the holding company. The difference between any consideration given and the aggregate carrying amounts of the assets and liabilities (at the date of the transaction) of the acquired business is recorded as merger reserve. No additional goodwill is recognised. The acquired business' results and the related assets and liabilities are recognised prospectively from the date on which the business combination between entities under common control occurred.

2.2 Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the assets to working condition for their intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of material and direct labour. For qualifying assets, financing costs are capitalised in accordance with the accounting policy on financing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.



Notes to the Financial Statements

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Property, Plant and Equipment and Depreciation (continued)

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Fund and its cost can be measured reliably. The carrying amount of the replaced item of property, plant and equipment is derecognised with any corresponding gain or loss recognised in the profit or loss accordingly. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Depreciation

Depreciation for property, plant and equipment other than freehold land, and projects-in-progress, is recognised in the profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use.

The estimated useful life of the other property, plant and equipment are as follows:

Building improvements	5 to 6 years
Office equipment	5 years

The depreciable amount is determined after deducting residual value. The residual value, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, period and method of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

Derecognition

An item of the property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any, and the net carrying amount is recognised in profit or loss.

2.3 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both.

Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Gains or losses arising from changes in the fair value of investment properties are recognised in the profit or loss in the year in which they arise.

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between net disposal proceeds and the carrying amount is recognised in the profit or loss in the period in which the item is derecognised.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Leases

(i) Recognition and initial measurement

As a lessor

When the Group and the Fund act as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group and the Fund make an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

Operating Leases – the Fund as lessor

Leases in which the Group and the Fund do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(ii) Subsequent measurement

As a lessor

The Group and the Fund recognise lease payments received under operating leases as income on a straight-line basis over the lease term as part of "Revenue".

The Group and the Fund recognise finance income over the lease term, based on a pattern reflecting a constant periodic rate of return on the Group's and the Fund's net investment in the lease. The Group and the Fund aim to allocate finance income over the lease term on a systematic and rational basis. The Group and the Fund apply the lease payments relating to the period against the gross investment in the lease to reduce both the principal and the unearned finance income. The net investment in the lease is subject to impairment requirements in MFRS 9 Financial Instruments as stated in Note 2.7.

2.5 Investment in Subsidiary

Investment in subsidiary is stated at cost less impairment loss, if any, in the Fund's financial statements. The cost of investment includes transaction cost.

On disposal of such investment, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

2.6 Financial instruments

Recognition and initial measurement

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Fund become a party to the contractual provisions of the instrument.



Notes to the Financial Statements

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

Classification and subsequent measurement

(i) Financial assets

Financial assets are classified as measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), as appropriate.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Fund's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Fund have applied the practical expedient, the Group and the Fund initially measure a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or if the period between performance and payment is 1 year or less under practical expedient of MFRS 15, are measured at the transaction price determined under MFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest (or profit in the context of Islamic financial assets) ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Fund's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place ("regular way trades") are recognised on the trade date, that is the date that the Group or the Fund commits to purchase or sell the asset.

Amortised cost

This category is the most relevant to the Group and the Fund. The Group and the Fund measure financial assets at amortised cost if both of the following conditions are met:

- i. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Subsequent measurement

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments (continued)

Classification and subsequent measurement (continued)

(ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, financings or payables.

All financial liabilities are recognised initially at fair value and, in the case of financings and payables, net of directly attributable transaction costs.

The Group's and the Fund's financial liabilities include other payables and financings.

Amortised cost (financing)

This is the category most relevant to the Group and the Fund. After initial recognition, financings are subsequently measured at amortised cost using the effective profit rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective profit rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective profit rate. The effective profit rate amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to financing costs and financing.

(iii) Effective profit rate method

Amortised cost was computed using the effective profit rate method. This method used effective profit rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument to the net carrying amount of the financial instrument. Amortised cost takes into account any transaction costs and any discount or premium on settlement.

2.7 Impairment

(i) Financial assets

The Group and the Fund recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Fund expect to receive, discounted at an approximation of the original Effective Profit Rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group and the Fund apply a simplified approach in calculating ECLs. Therefore, the Group and the Fund do not track changes in credit risk, but instead recognise a loss allowance based on lifetime ECLs at each reporting date. The Group and the Fund have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



Notes to the Financial Statements

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Impairment (continued)

(i) Financial assets (continued)

The Group and the Fund consider a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group and the Fund may also consider a financial asset to be in default when internal or external information indicates that the Group and the Fund are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Fund. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Fund consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information, where available. The Group and the Fund assume that the credit risk on a financial asset has increased significantly if it is past due.

The Group and the Fund consider a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group and the Fund in full, without recourse by the Group and the Fund to actions such as realising security.

(ii) Other assets

The carrying amounts of other assets, other than inventories, deferred tax assets and non-current assets or disposal groups classified as held for sale, are reviewed at each reporting date to determine whether there is any indication of impairment.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or the cash-generating unit to which it belongs exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

A cash-generating unit is the smallest identifiable asset group that generates cash flows from continuing use that are largely independent from other assets and groups. An impairment loss recognised in respect of a cash-generating unit is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

The recoverable amount is the greater of the asset's fair value less cost to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed in the subsequent period. In respect of other assets, impairment losses are reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Reversals of impairment losses are credited to the profit or loss in the year in which the reversals are recognised.



2. MATERIAL ACCOUNTING POLICIES (continued)

2.8 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances, deposits with licensed financial institutions and highly liquid investments which have an insignificant risk of changes in fair value and are used by the Group and the Fund in the management of their short-term commitments. For the purpose of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and deposits restricted as they are considered an integral part of the Group's and the Fund's cash management, if any.

2.9 Provisions

A provision is recognised when the Group and the Fund have a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

2.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent it relates to a business combination or items recognised directly in equity, in which case it is recognised in equity or other comprehensive income.

(i) Current tax

Current tax expense is the expected tax payable on the taxable income for the period, using the statutory tax rate at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is provided for, using the liability method, on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2.3, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is expected to be settled, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax provided for the investment properties is at 10% which reflects the expected manner of recovery of the investment properties through sale.

2.11 Revenue

(i) Rental income

Rental income is recognised based on the accrual basis unless collection is in doubt, in which case it is recognised on the receipt basis.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight line basis over the shorter of the entire lease term or the period to the first break option. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the related property including the accrued rent does not exceed the external valuation.



Notes to the Financial Statements

31 December 2024

2. MATERIAL ACCOUNTING POLICIES (continued)

2.11 Revenue (continued)

(ii) Others

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and exclude amounts collected on behalf of third parties. The Group or the Fund recognises revenue when or as it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

Profit income

Profit income is recognised on an accrual basis using the effective profit rate method.

2.12 Financing Costs

Financing costs directly attributable to the acquisition and construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other financing costs are charged to the profit or loss as an expense in the year in which they are incurred.

2.13 Operating segments

An operating segment is a component of the Group and of the Fund that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's and the Fund's other components, and for which discrete financial information is available.

An operating segment's operating results are reviewed regularly by the chief operating decision maker, which in this case is the Board of Directors, to make decisions about resources to be allocated to the segment and to assess its performance.

2.14 Fair value measurement

The fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

(i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market prices within the bid-ask spread at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models. Where fair value cannot be reliably estimated, assets are carried at cost less impairment losses, if any.

(ii) Non-financial assets

For non-financial assets, the fair value measurement takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.14 Fair value measurement (continued)

When measuring the fair value of an asset or a liability, the Group and the Fund use observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable input).

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

2.15 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Fund after deducting all of its liabilities. Units are classified as equity. Dividends on units are recognised in equity in the period in which they are declared.

The transaction costs of an equity transaction are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

2.16 Earnings per share

The Group presents basic earnings per share ("EPS") data for its ordinary shares.

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Fund by the weighted average number of ordinary shares outstanding during the period.

2.17 Climate-related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- (i) Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.
- (ii) Impairment of non-financial assets. The value-in-use may be impacted in several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products.
- (iii) Fair value measurement. For investment properties and revalued office properties, the Group considers the effect of physical and transition risks and whether investors would consider those risks in their valuation. The Group believes it is not currently exposed to severe physical risks, but believes that investors, to some extent, would consider impacts of transition risks in their valuation, such as increasing requirements for energy efficiency of buildings due to climate-related legislation and regulations as tenants' increasing demands for low-emission buildings.



Notes to the Financial Statements

31 December 2024

3. PROPERTY, PLANT AND EQUIPMENT

	Note	Group/Fund		
		Building Improvements RM'000	Office Equipment RM'000	Total RM'000
At 31 December 2024				
Cost				
At 1 January 2024		2,250	1,115	3,365
Additions		–	10	10
At 31 December 2024		2,250	1,125	3,375
Accumulated Depreciation				
At 1 January 2024		2,074	846	2,920
Charge for the year		77	128	205
At 31 December 2024		2,151	974	3,125
Net Carrying Amount		99	151	250
At 31 December 2023				
Cost				
At 1 January 2023		2,250	1,097	3,347
Additions		–	18	18
At 31 December 2023		2,250	1,115	3,365
Accumulated Depreciation				
At 1 January 2023		1,893	677	2,570
Charge for the year		181	169	350
At 31 December 2023		2,074	846	2,920
Net Carrying Amount		176	269	445

4. INVESTMENT PROPERTIES

	Group/Fund	
	2024 RM'000	2023 RM'000
At 1 January	9,271,852	9,175,267
Fair value adjustments	78,359	93,200
Additions during the year	3,496	3,385
At 31 December	9,353,707	9,271,852

The Group and the Fund incurred costs on investment properties during the year by way of:

	Group/Fund	
	2024 RM'000	2023 RM'000
Cash	2,311	401
Other payables	1,185	2,984
	3,496	3,385
Cash paid for additions in prior year	2,984	–
Cash paid for additions in current year	2,311	401
Total cash paid for investment properties	5,295	401

The investment properties are stated at fair value, which have been determined based on valuations performed by an independent professional valuer. There are no material events that affect the valuation between the valuation date and financial year end. The valuation method used in determining the valuations is the investment method.

The following are recognised in profit or loss in respect of the investment properties:

	Group/Fund	
	2024 RM'000	2023 RM'000
Rental Income (Note 16)	579,031	582,169
Direct operating expenses	(31,089)	(30,229)
	547,942	551,940



Notes to the Financial Statements

31 December 2024

4. INVESTMENT PROPERTIES (continued)

Fair value information

Fair value of investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2024				
– Office properties	–	–	8,846,165	8,846,165
– Retail properties	–	–	507,542	507,542
	–	–	9,353,707	9,353,707
2023				
– Office properties	–	–	8,764,638	8,764,638
– Retail properties	–	–	507,214	507,214
	–	–	9,271,852	9,271,852

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical investment properties that the entity can assess at the measurement date.

Level 2 fair value

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Level 3 fair value

For Level 3 fair value, the Group/Fund uses various valuation techniques in determining the fair value of its investment properties. Such techniques include discounted cash flow method, investment method and market comparable method.

Transfer between Level 1, 2 and 3 fair values

There is no transfer between level 1, 2 and 3 fair values during the financial year.

The following table shows a reconciliation of Level 3 fair values:

	Group/Fund	
	2024 RM'000	2023 RM'000
Valuation per valuer's reports	9,530,000	9,528,000
Less: Accrued rental income	(176,293)	(256,148)
	9,353,707	9,271,852

4. INVESTMENT PROPERTIES (continued)

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the significant unobservable inputs used in the valuation models.

Valuation technique	Significant unobservable inputs	Range		Inter-relationship between significant unobservable inputs and fair value measurement
		2024	2023	
Investment method (refer below)	Office:			The estimated fair value would increase/(decrease) if:
	Market rental rate (RM/psf/month)			
	– Term	8.50 – 12.99	8.50 – 12.99	– expected market rental growth was higher/(lower)
	– Reversion	9.00 – 13.50	9.55 – 13.30	– expected market rental growth was higher/(lower)
	Outgoings (RM/psf/month)			
	– Term	2.85	2.80	– expected inflation rate was lower/(higher)
	– Reversion	2.85 – 3.05	2.70 – 2.80	– expected inflation rate was lower/(higher)
	Void rate (%)	5.00	5.00	– void rate was lower/(higher)
	Term yield (%)	5.50 – 5.75	5.75 – 6.00	– term yield rate was lower/(higher)
	Reversionary yield (%)	5.75 – 6.00	6.00 – 6.25	– reversionary yield was lower/(higher)
	Discount rate (%)	5.50 – 6.00	5.75 – 6.25	– discount rate was lower/(higher)
	Retail:			The estimated fair value would increase/(decrease) if:
	Market rental rate (RM/psf/month)			
	– Term	7.58 – 126.35	6.97 – 138.87	– expected market rental growth was higher/(lower)
	– Reversion	8.34 – 138.99	7.50 – 165.39	– expected market rental growth was higher/(lower)
	Outgoings (RM/psf/month)			
	– Term	7.85	6.80	– expected inflation rate was lower/(higher)
	– Reversion	7.85	6.80	– expected inflation rate was lower/(higher)
	Void rate (%)	5.00	5.00	– void rate was lower/(higher)
	Term yield (%)	6.25	6.25	– term yield rate was lower/(higher)
	Reversionary yield (%)	6.50 – 7.50	6.50	– reversionary yield was lower/(higher)
	Discount rate (%)	6.25 – 7.50	6.25 – 6.50	– discount rate was lower/(higher)

Investment method entails the capitalisation of the net rent from a property. Net rent is the residue of gross annual rent less annual expenses (outgoings) required to sustain the rent with allowance for void and management fees.

Valuation processes applied by the Group and the Fund for Level 3 fair value

The fair value of investment properties is determined by an external, independent property valuer, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent professional valuer provides the fair value of the Group's and of the Fund's investment properties portfolio annually. Changes in Level 3 fair values are analysed by the Management annually based on the valuation reports from the independent professional valuer.



Notes to the Financial Statements

31 December 2024

4. INVESTMENT PROPERTIES (continued)

Description of property	Tenure of land	Existing use	Location	Date of acquisition	Acquisition cost RM'000	Carrying value as at 31.12.2024 RM'000	Carrying value as at 31.12.2023 RM'000	Fair value as at 31.12.2024 RM'000	Fair value as at 31.12.2023 RM'000	Percentage of fair value to NAV as at	
										31.12.2024 %	31.12.2023 %
PETRONAS											
Twin Towers	Freehold	Office	Kuala Lumpur	10.04.2013	6,500,000	6,828,296	6,760,206	6,950,000	6,950,000	85.7	86.1
Menara 3		Office &									
PETRONAS	Freehold	retail	Kuala Lumpur	10.04.2013	1,790,000	1,985,411	1,971,646	2,040,000	2,038,000	25.2	25.3
Menara											
ExxonMobil	Freehold	Office	Kuala Lumpur	10.04.2013	450,000	540,000	540,000	540,000	540,000	6.7	6.7
					8,740,000	9,353,707	9,271,852	9,530,000	9,528,000		

5. INVESTMENT IN SUBSIDIARY

	Fund	
	2024 RM	2023 RM
Unquoted shares at cost	2	2

Details of the subsidiary, which is incorporated in Malaysia, are as follows:

Name of Subsidiary	Effective ownership interest and voting interest		Principal Activity
	2024 %	2023 %	
Midciti Sukuk Berhad ("MSB")	100	100	To act as a special-purpose company for the purpose of raising Islamic financing for KLCC REIT.

6. TRADE AND OTHER RECEIVABLES

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
Accrued rental income	176,293	256,148	176,293	256,148
Current				
Trade receivables	184	144	184	144
Other receivables and deposits	2,517	3,005	2,517	3,006
Amount due from:				
Ultimate holding company	27	276	27	276
Fellow subsidiaries	1,217	723	1,217	723
Total trade and other receivables	3,945	4,148	3,945	4,149
Total	180,238	260,296	180,238	260,297

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Trade receivables	184	144	184	144
Other receivables	3,761	4,004	3,761	4,005
	3,945	4,148	3,945	4,149
Add: Cash and bank balances (Note 7)	191,872	141,984	191,597	141,808
Total financial assets carried at amortised cost	195,817	146,132	195,542	145,957

Amount due from ultimate holding company and fellow subsidiaries arose in the normal course of business and are unsecured, non-interest bearing and repayable on demand.



Notes to the Financial Statements

31 December 2024

7. CASH AND CASH EQUIVALENTS

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash and bank balances	415	383	180	246
Deposits with licensed banks	191,457	141,601	191,417	141,562
	191,872	141,984	191,597	141,808
Less: Deposits with tenure of more than 3 months	(52,040)	(39)	(52,000)	–
Total cash and cash equivalents	139,832	141,945	139,597	141,808

The weighted average effective profit rate applicable to the deposits with licensed banks for the Group and the Fund at the reporting date were 3.85% per annum (2023: 3.91% per annum) and 3.85% per annum (2023: 3.91% per annum) respectively.

Deposits with licensed banks for the Group and Fund have average maturity of 63 days (2023: 58 days) and 61 days (2023: 56 days) respectively.

8. UNITHOLDERS' CAPITAL

	Group/Fund			
	Number of Units		Amount	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Issued and fully paid:				
At 1 January/31 December	1,805,333	1,805,333	7,212,684	7,212,684

Stapled Security:

Stapled security means one unit in KLCC REIT is stapled to one ordinary share in KLCCP. Holders of KLCCP Stapled Securities are entitled to receive distributions and dividends as declared from time to time and are entitled to one vote per stapled security at Unitholders' and Shareholders' meetings.

Accordingly, the Fund does not have authorised unitholders' capital, or par value in respect of its issued units.

8. UNITHOLDERS' CAPITAL (continued)

Stapled Security: (continued)

As at 31 December 2024, the Manager did not hold any units in the Fund. However, parties related to the Manager held units in the Fund as follows:

	Group/Fund			
	Number of Units		Market value	
	2024 '000	2023 '000	2024 RM'000	2023 RM'000
Direct unitholdings of parties related to the Manager				
KLCCCH	1,167,639	1,167,639	9,516,258	8,278,561
PETRONAS	40,817	40,817	332,659	289,393
	1,208,456	1,208,456	9,848,917	8,567,954
Indirect unitholdings of parties related to the Manager				
PETRONAS	1,167,639	1,167,639	9,516,258	8,278,561

The market value of the units held by the parties related to the Manager is determined by using the closing market value of the Fund as at 31 December 2024 of RM8.15 per unit (2023: RM7.09 per unit).

9. MERGER RESERVE

KLCC REIT adopts merger accounting as its accounting policy to account for business combination under common control. In accordance with its policy, the difference between the fair value of the units issued as consideration and the aggregate carrying amount of assets and liabilities acquired as of the date of business combination is included in equity as merger reserve.

10. CAPITAL RESERVE

Fair value adjustments on investment property are transferred from retained profits to capital reserve and such surplus will be considered distributable upon the sale of investment property.

11. OTHER LONG TERM LIABILITIES

	Group/Fund	
	2024 RM'000	2023 RM'000
Security deposits payable	80,426	71,899

Security deposits payable are interest-free, unsecured and refundable upon expiry of the respective lease agreements. The fair values at initial recognition were determined based on effective profit rates at 4.31% (2023: 4.34%) per annum.



Notes to the Financial Statements

31 December 2024

12. AMOUNT DUE TO A SUBSIDIARY

The amount due to a subsidiary relates to Sukuk undertaken by the subsidiary but utilised by the Fund. The profit expenses incurred on the Sukuk is charged to the Fund. The short term amount due is unsecured and is payable semi-annually. The long term amount due is unsecured and is not repayable within the next 12 months.

Information regarding the Sukuk as at 31 December 2024 and 31 December 2023 are disclosed in Note 13.

13. FINANCING

	Group	
	2024 RM'000	2023 RM'000
Short term financing		
Secured:		
Sukuk Murabahah	5,537	461,423
Long term financing		
Secured:		
Sukuk Murabahah	1,355,000	900,000
Total financing		
Secured:		
Sukuk Murabahah	1,360,537	1,361,423

Terms and debt payment schedule:

	Group				
	Total RM'000	Under 1 year RM'000	1 – 2 years RM'000	3 – 5 years RM'000	Over 5 years RM'000
31 December 2024					
Secured					
Sukuk Murabahah	1,360,537	5,537	500,000	–	855,000
31 December 2023					
Secured					
Sukuk Murabahah	1,361,423	461,423	–	500,000	400,000

13. FINANCING (continued)

Sukuk Murabahah consists of Islamic Commercial Programme ("ICP") of up to RM500 million and Islamic medium term notes ("IMTN") of up to RM3 billion subject to a combined limit of RM3 billion. It is primarily secured against assignment and charge over the Finance Service Account and Revenue Account maintained by the REIT Trustee.

The Group had paid its RM455 million Sukuk Murabahah upon maturity on 25 April 2024 and on the same date issued RM455 million of Sukuk Murabahah with a profit rate of 4.19% per annum and maturing on 25 April 2034. Details of the drawdown that are outstanding as at year end are as follows:

Tenure	Value (RM)	Profit rate	Maturity
7 years	500,000,000	4.20%	25 April 2026
10 years	400,000,000	4.00%	23 April 2031
10 years	455,000,000	4.19%	23 April 2034

The profit rate is payable semi-annually and disclosed as short term financing.

Reconciliation of the movement of liabilities to cash flows arising from financing activities

Group	Sukuk Murabahah RM'000	Dividend paid RM'000	Total RM'000
Balance at 1 January 2024	1,361,423	—	1,361,423
Changes from financing cash flows			
Proceeds from issuance of Sukuk Murabahah	455,000	—	455,000
Payment of Sukuk Murabahah	(455,000)	—	(455,000)
Financing cost paid	(57,610)	—	(57,610)
Income distribution paid	—	(482,525)	(482,525)
Total changes from financing cash flows	(57,610)	(482,525)	(540,135)
Other changes			
Liability-related			
Financing cost (Note 20)	56,724	—	56,724
Dividend payable	—	482,525	482,525
Total liability-related other changes	56,724	482,525	539,249
Balance at 31 December 2024	1,360,537	—	1,360,537
Balance at 1 January 2023	1,363,874	—	1,363,874
Changes from financing cash flows			
Financing cost paid	(58,753)	—	(58,753)
Income distribution paid	—	(482,235)	(482,235)
Total changes from financing cash flows	(58,753)	(482,235)	(540,988)
Other changes			
Liability-related			
Financing cost (Note 20)	56,302	—	56,302
Dividend payable	—	482,235	482,235
Total liability-related other changes	56,302	482,235	538,537
Balance at 31 December 2023	1,361,423	—	1,361,423



Notes to the Financial Statements

31 December 2024

14. DEFERRED TAX LIABILITY

	Note	Group/Fund	
		2024 RM'000	2023 RM'000
At 1 January		50,873	41,553
Recognised in profit or loss	22	7,836	9,320
At 31 December		58,709	50,873

15. OTHER PAYABLES

	Note	Group		Fund	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-Current					
Deferred revenue		75,705	74,391	75,705	74,391
Current					
Deferred revenue		21,738	21,738	21,738	21,738
Other payables		5,263	7,103	5,254	7,095
Security deposits payable		3,188	2,683	3,188	2,685
Amount due to:					
Ultimate holding company		–	247	–	247
Immediate holding company		771	678	771	673
Fellow subsidiaries		12,295	11,880	12,295	11,880
Other related companies		712	693	712	693
Total other payables		43,967	45,022	43,958	45,011
Add: Financing	13	1,360,537	1,361,423	–	–
Amount due to a subsidiary		–	–	1,360,199	1,361,191
Other long term liabilities	11	80,426	71,899	80,426	71,899
Less: Deferred revenue		(21,738)	(21,738)	(21,738)	(21,738)
Total financial liabilities carried at amortised cost		1,463,192	1,456,606	1,462,845	1,456,363

Deferred revenue relates to the excess of the principal amount of security deposits received over their fair value which is accounted for as prepaid lease income and amortised over the lease term on a straight line basis.

Amounts due to holding company, fellow subsidiaries and other related companies which arose in the normal course of business are unsecured, interest-free and repayable on demand.

16. REVENUE

	Group/Fund	
	2024 RM'000	2023 RM'000
Investment properties (Note 4)		
– Office	542,908	541,959
– Retail	36,123	40,210
	579,031	582,169

17. PROPERTY OPERATING EXPENSES

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Utilities expenses	12,269	12,551	12,269	12,551
Maintenance expenses	10,724	10,737	10,724	10,737
Quit rent and assessment	3,441	3,441	3,441	3,441
Other operating expenses	6,589	5,893	6,585	5,887
	33,023	32,622	33,019	32,616

18. MANAGEMENT FEES

	Group/Fund	
	2024 RM'000	2023 RM'000
Base fee	28,603	28,598
Performance fee	16,380	16,486
	44,983	45,084

The Manager will receive the following fees from KLCC REIT:

- i) a base fee of 0.3% (2023: 0.3%) per annum of the total asset value of KLCC REIT (excluding cash and bank balances) at each financial year end.
- ii) a performance fee of 3.00% (2023: 3.00%) per annum of KLCC REIT's net property income in the relevant financial year.

19. TRUSTEE'S FEE

In accordance with the Deed, an annual trusteeship fee of up to 0.025% per annum of the net asset value of KLCC REIT at each financial year end, subject to a maximum cap of RM600,000 per annum is to be paid to Trustee.



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20. FINANCING COSTS

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit expense:				
Amount due to a subsidiary	–	–	56,724	56,302
Sukuk Murabahah	56,724	56,302	–	–
Accretion of financial instruments	3,196	2,947	3,196	2,947
	59,920	59,249	59,920	59,249

21. PROFIT BEFORE TAX

The following amounts have been included in arriving at profit before tax:

	Note	Group		Fund	
		2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Auditors' remuneration		110	104	105	99
Valuation fees		285	160	285	160
Property manager fee		97	95	97	95
Depreciation	3	205	350	205	350

22. TAX EXPENSE

Pursuant to Section 61A of the Malaysian Income Tax Act, 1967 ("Act"), income of KLCC REIT will be exempted from tax provided that at least 90% of its total taxable income (as defined in the Act) is distributed to the unitholders' in the basis period of KLCC REIT for that year of assessment within two months after the close of the financial year. If the 90% distribution condition is not complied with or the 90% distribution is not made within two months after the close of KLCC REIT financial year which forms the basis period for a year of assessment, KLCC REIT will be subject to income tax at the prevailing statutory rate on its total taxable income. Income which has been taxed at the KLCC REIT level will have tax credits attached when subsequently distributed to unitholders.

As at the date of this financial statements, KLCC REIT has declared more than 90% of its distributable income to unitholders for the financial year ended 31 December 2024 accordingly. No provision for income tax expense has been made for the year.

Deferred tax liability has been provided for the investment properties held by KLCC REIT at 10% (2023: 10%) which reflects the expected manner of recovery of the investment properties, i.e. recovered through sale.

22. TAX EXPENSE (continued)

Reconciliation of the tax expense is as follows:

	Group	
	2024 RM'000	2023 RM'000
Profit before tax	526,155	543,952
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	126,277	130,548
Income exempted from tax	(126,277)	(130,548)
Deferred tax recognised at different tax rate	7,836	9,320
Tax expense	7,836	9,320

	Fund	
	2024 RM'000	2023 RM'000
Profit before tax	526,159	543,958
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	126,278	130,550
Income exempted from tax	(126,278)	(130,550)
Deferred tax recognised at different tax rate	7,836	9,320
Tax expense	7,836	9,320

23. BASIC EARNINGS PER UNIT

Basic earnings per unit amounts are calculated by dividing profit for the year attributable to unitholders of the Fund by the weighted average number of units in issue during the financial year.

	Group		Fund	
	2024	2023	2024	2023
Profit attributable to unitholders (RM'000)	518,319	534,632	518,323	534,638
Weighted average number of units in issue ('000)	1,805,333	1,805,333	1,805,333	1,805,333
Basic earnings per unit (sen)	28.71	29.61	28.71	29.61



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24. INCOME DISTRIBUTION

	Income distribution recognised in year		Net income distribution per unit	
	2024 RM'000	2023 RM'000	2023 sen	2022 sen
Recognised during the year:				
A fourth interim income distribution of 6.40% (2022: 6.31%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2023/2022	115,541	113,917	6.40	6.31
A first interim income distribution of 6.80% (2023: 7.09%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	122,763	127,998	6.80	7.09
A second interim income distribution of 6.74% (2023: 7.00%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	121,679	126,373	6.74	7.00
A third interim income distribution of 6.79% (2023: 6.30%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	122,582	113,736	6.79	6.30
	482,565	482,024	26.73	26.70

A fourth interim income distribution in respect of the financial year ended 31 December 2024 of 7.37% on 1,805,333,083 units, declared on 5 February 2025 amounting to an income distribution payable of RM133,053,048 will be payable on 28 February 2025.

The financial statements for the current year do not reflect this fourth interim income distribution. Such income distribution will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2025.

Distribution to unitholders is from the following sources:

	Group	
	2024 RM'000	2023 RM'000
Net property income	546,008	549,547
Profit income	7,291	6,138
Fair value adjustments of investment properties	78,359	93,200
	631,658	648,885
Less: Expenses	(105,503)	(104,933)
Tax expense	(7,836)	(9,320)
Profit for the year	518,319	534,632
Add/(less): Non-cash items	8,018	(25,707)
Add: Brought forward undistributed income available for distribution	118,594	93,317
Total available for income distribution	644,931	602,242
Less: Income distributed	(367,024)	(368,107)
Less: Income to be distributed on 28 February 2025 (2023: 29 February 2024)	(133,053)	(115,541)
Balance undistributed income available for distribution	144,854	118,594
Distribution per unit (sen)	27.70	26.79

24. INCOME DISTRIBUTION (continued)

Distribution to unitholders is from the following sources: (continued)

	Fund	
	2024 RM'000	2023 RM'000
Net property income	546,012	549,553
Profit income	7,291	6,138
Fair value adjustments of investment properties	78,359	93,200
	631,662	648,891
Less: Expenses	(105,503)	(104,933)
Tax expense	(7,836)	(9,320)
Profit for the year	518,323	534,638
Add/(less): Non-cash items	8,018	(25,707)
Add: Brought forward undistributed income available for distribution	118,600	93,317
Total available for income distribution	644,941	602,248
Less: Income distributed	(367,024)	(368,107)
Less: Income to be distributed on 28 February 2025 (2023: 29 February 2024)	(133,053)	(115,541)
Balance undistributed income available for distribution	144,864	118,600
Distribution per unit (sen)	27.70	26.79

25. MANAGEMENT EXPENSE RATIO

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Total Trust expenses	47,516	46,956	47,511	46,951
Net asset value at the end of the financial year	8,106,723	8,070,969	8,106,795	8,071,037
Less: Fourth interim income distribution	(133,053)	(115,541)	(133,053)	(115,541)
Net asset value at the end of the financial year, after interim income distribution	7,973,670	7,955,428	7,973,742	7,955,496
Management Expense Ratio ("MER")	0.60	0.59	0.60	0.59

The calculation of MER is based on the total fees and expenses incurred by the Group and the Fund in the financial year, including Manager's fee and Trustee's fee, auditors' remuneration, tax agent's fee, valuation fees and other Trust expenses to the net asset value (after the fourth interim income distribution) at the end of the respective financial year.



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26. COMMITMENTS

(a) Capital commitments

	Group/Fund	
	2024 RM'000	2023 RM'000
Approved but not contracted for		
Investment properties	7,566	7,050

(b) Operating lease commitments – as lessor

The Group has entered into non-cancellable commercial property lease on its investment properties. The future minimum rental receivable under this non-cancellable operating lease at the reporting date is as follows:

	Group/Fund	
	2024 RM'000	2023 RM'000
Not later than 1 year	653,915	616,355
Later than 1 year but not later than 5 years	2,257,225	2,370,196
More than 5 years	6,215,484	6,722,989
	9,126,624	9,709,540

27. RELATED PARTY DISCLOSURES

(a) Significant transactions with related parties

- (i) PETRONAS, the ultimate holding company, and its subsidiaries.
- (ii) KLCCCH, the penultimate holding company, and its subsidiaries.
- (iii) KLCCP, the immediate holding company, and its subsidiaries.
- (iv) Subsidiary of the Fund as disclosed in Note 5.

(b) Other than as disclosed elsewhere in the notes to the financial statements, the significant related party transactions are as follows:

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(Expense)/income				
Federal Government of Malaysia				
Property licenses and other taxes	(3,441)	(3,441)	(3,441)	(3,441)
Government of Malaysia's related entities				
Purchase of utilities	(4,782)	(5,064)	(4,782)	(5,064)
Ultimate Holding Company				
Rental income	516,803	515,320	516,803	515,320
Fellow subsidiaries				
Management fees	(44,983)	(45,084)	(44,983)	(45,084)
Property management fees	(2,181)	(2,349)	(2,181)	(2,349)
Property maintenance fees	(9,570)	(9,312)	(9,570)	(9,312)
Property advertising and marketing fees	(1,073)	(873)	(1,073)	(873)
Carpark income	863	839	863	839
A subsidiary				
Profit expense	—	—	(59,920)	(59,249)
Other related company				
Chilled water supply	(7,487)	(7,487)	(7,487)	(7,487)

The Directors of the Manager are of the opinion that the above transactions and transactions detailed elsewhere were undertaken at mutually agreed terms between the parties in the normal course of business and the terms and conditions are established under negotiated terms.

Information regarding outstanding balances arising from related party transactions as at 31 December 2024 and 31 December 2023 are disclosed in Notes 6, 12 and 15.



Notes to the Financial Statements

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28. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

The Group has a Risk Management Framework and Guidelines that set the foundation for the establishment of effective risk management across the Group.

Risk taking activities are undertaken within acceptable level of risk or risk appetite, whereby the risk appetite level reflects business considerations and capacity to assume such risks. The risk appetite is established at Board level, where relevant, based on defined methodology and translated into operational thresholds.

The Group's and the Fund's goal in risk management are to ensure that the management understands, measures, monitors and reports the financial risks that arise in connection with their operations. The policies, standards and guidelines have been developed to identify, analyse, appraise, monitor and report the dynamic risks facing the Group and the Fund. Based on this assessment, each business unit adopts appropriate measures to mitigate these risks in accordance with the business unit's view of the balance between risk and reward.

The Group and the Fund have exposure to market risk, profit rate risk, liquidity risk and credit risk arising from its use of financial instruments in the normal course of the Group's and the Fund's business.

Market Risk

Market risk is the risk or uncertainty arising from change in market prices and their impact on the performance of the business. The market price changes that the Group and the Fund are exposed to include profit rates, foreign currency exchange rates, commodity prices, equity prices and other indices that could affect the value of the Group's and the Fund's financial assets, liabilities or expected future cash flows.

Financial instruments affected by market risk include financings and deposits.

Profit Rate Risk

Profit rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market profit rates. Fair value profit rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market profit rates. As the Group has no significant profit-bearing financial assets, the Group's income and operating cash flows are substantially independent of changes in market profit rates. The Group's and the Fund's profit-bearing financial assets are mainly short term in nature and have been mostly placed in fixed deposits.

The Group's and the Fund's profit rate risk arises primarily from profit-bearing financing. Financing at variable rates expose the Group to cash flow profit rate risk. Financing obtained at fixed rates expose the Group and the Fund to fair value profit rate risk. The Group and the Fund manage their profit expense rate exposure through a balanced portfolio of fixed and variable rate financing.

The profit rate profile of the Group's and the Fund's profit-bearing financial instruments based on carrying amount as at reporting date was:

	Group		Fund	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed rate instruments				
Financial assets	191,457	141,601	191,417	141,562
Financial liabilities	(1,360,537)	(1,361,423)	(1,360,199)	(1,361,191)

**28. FINANCIAL INSTRUMENTS (continued)****Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Liquidity risk arises from the requirement to raise funds for the Group's and the Fund's businesses on an ongoing basis as a result of the existing and future commitments which are not funded from internal resources. As part of its overall liquidity management, the Group and the Fund maintain sufficient levels of cash or cash convertible investments to meet their working capital requirements. As far as possible, the Group and the Fund raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

Maturity analysis

The table below summarises the maturity profile of the Group's and the Fund's financial liabilities as at the reporting date based on undiscounted contractual payments:

	Group						
	Carrying amount RM'000	Contractual profit rate	Contractual cash flow RM'000	Within 1 year RM'000	1-2 years RM'000	3-5 years RM'000	More than 5 years RM'000
Financial Liabilities							
31 December 2024							
Sukuk Murabahah	1,360,537	4.00% – 4.20%	1,671,626	56,111	545,484	105,237	964,794
Other payables excluding deferred revenue	22,229	–	22,229	22,229	–	–	–
Other long term liabilities	80,426	4.31%	164,243	2,939	8,288	2,423	150,593
31 December 2023							
Sukuk Murabahah	1,361,423	4.00% – 4.80%	1,538,399	502,964	36,942	558,515	439,978
Other payables excluding deferred revenue	23,284	–	23,284	23,284	–	–	–
Other long term liabilities	71,899	4.34%	152,718	2,472	2,079	8,140	140,027



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28. FINANCIAL INSTRUMENTS (continued)

Liquidity Risk (continued)

Maturity analysis (continued)

The table below summarises the maturity profile of the Group's and the Fund's financial liabilities as at the reporting date based on undiscounted contractual payments: (continued)

	Fund						
	Carrying amount RM'000	Contractual profit rate	Contractual cash flow RM'000	Within 1 year RM'000	1-2 years RM'000	3-5 years RM'000	More than 5 years RM'000
Financial Liabilities							
31 December 2024							
Amount due to a subsidiary	1,360,199	4.00% - 4.20%	1,671,288	55,773	545,484	105,237	964,794
Other payables excluding deferred revenue	22,220	—	22,220	22,220	—	—	—
Other long term liabilities	80,426	4.31%	164,243	2,939	8,288	2,423	150,593
31 December 2023							
Amount due to a subsidiary	1,361,191	4.00% - 4.80%	1,538,167	502,732	36,942	558,515	439,978
Other payables excluding deferred revenue	23,273	—	23,273	23,273	—	—	—
Other long term liabilities	71,899	4.34%	152,718	2,472	2,079	8,140	140,027

Credit risk

Credit risk is the risk of potential exposure of the Group and of the Fund to losses in the event of non-performance by counterparties. The Group and the Fund's exposures to credit risk arise principally from customers and placement in financial institutions. Credit risks are controlled by individual subsidiaries in line with Group's Risk Management Framework and Guideline.

Receivables

Risk management objectives, policies and processes for managing the risk

The Group and the Fund minimise credit risk by entering into contracts with highly credit rated counterparties and through credit approval, financial limits and on-going monitoring procedures. Counterparties credit evaluation is done systematically using quantitative and qualitative criteria on credit risks specified by individual operating units. Depending on the creditworthiness of the counterparty, the Group and the Fund may require collateral or other credit enhancements.

Management has taken reasonable steps to ensure that receivables that are neither past due nor impaired are stated at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group and the Fund.

The Group and the Fund use ageing analysis and credit limit review to monitor the credit quality of the receivables. The Fund monitors the results of its subsidiary regularly. Any customers exceeding their credit limit are monitored closely. With respect to the trade and other receivables that are neither impaired nor past due, there are no indications as of the reporting date that the debtors will not meet their payment obligations.

With respect to the trade and other receivables which have no realistic prospect of recovery, the gross carrying amounts of the credit impaired receivables will be written off (either in partial or in full).

28. FINANCIAL INSTRUMENTS (continued)**Credit risk (continued)****Receivables (continued)****Recognition and measurement of impairment loss**

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position.

In managing credit risk of trade receivables and contract assets, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances.

The Group and the Fund perform credit rating assessment of all its counterparties in order to measure ECL of trade receivables for all segments using the PETRONAS Credit Risk Rating system. This credit rating assessment considers quantitative assessment using the counterparties' financial statements or a qualitative assessment of the counterparties which includes but is not limited to their reputation, competitive position, industry and geopolitical outlook.

In determining the ECL, the probability of default assigned to each customer is based on their individual credit rating. This probability of default is derived by benchmarking against available third party and market information, which also incorporates forward looking information.

Loss given default is the assumption of the proportion of financial asset that cannot be recovered by conversion of collateral to cash or by legal process, and is assessed based on the Group's and the Fund's historical experience.

The Group and the Fund have not recognised any loss allowance for trade receivables that are secured by collateral and/or other credit enhancements such as cash deposits, letter of credit and bank guarantees.

The ageing of trade receivables as at the reporting date was:

	Group/Fund	
	2024 RM'000	2023 RM'000
At net:		
Not past due	148	143
Past due 1 to 30 days	36	1
	184	144
Less: Impairment losses	—	—
Net trade receivable	184	144

The Group does not typically negotiate the terms of trade receivables. There were no renegotiated balances outstanding as at 31 December 2024 and 31 December 2023.



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28. FINANCIAL INSTRUMENTS (continued)

Fair Value Information

Recognised financial instruments

The Group's and the Fund's financial instruments consist of cash and cash equivalents, investments and financing, trade and other receivables, financing, other payables and various debt.

The carrying amounts of cash and cash equivalents, trade and other receivables, other payables and short term financing approximate their fair values due to the relatively short term nature of these financial instruments.

The carrying amount of other long term liabilities approximate its fair value amount.

The following table analyses financial instruments not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value				
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Carrying amount RM'000
2024					
Financial liabilities					
Sukuk Murabahah	–	1,337,287	–	1,337,287	1,360,537
2023					
Financial liabilities					
Sukuk Murabahah	–	1,329,409	–	1,329,409	1,361,423

For the financial instruments listed above, fair values have been determined by discounting expected future cash flows at market incremental financing rate for similar types of financing at the reporting date. There were no transfers between Level 1, 2 and 3 fair values during the financial year (2023: no transfer between Level 1, 2 and 3 fair values).

29. CAPITAL MANAGEMENT

The Group and the Fund define capital as the total equity and debts of the Fund. The objective of the Group's and the Fund's capital management is to maintain an optimal capital structure and ensuring availability of funds in order to support its business and maximise shareholder value. As a subsidiary of PETRONAS, the Group's and the Fund's approach in managing capital is set out in the KLCC Group Corporate Financial Policies.

The Group and the Fund monitor and maintain a prudent level of total debts to total equity ratio to optimise shareholder value and to ensure compliance with covenants under debt and shareholders' agreements.

The Group's capital is represented by its unitholders' fund in the statement of financial position. The capital requirements imposed on the Group is to ensure it maintains a healthy gearing ratio of maximum 50% of the total asset value at the time the financing is incurred, in addition to complying with the financial covenants prescribed by financial institutions as stated in the Facility Agreements. The Directors of the Manager will monitor and are determined to maintain an optimal gearing ratio that will provide an ideal financing to total assets ratio that also complies with regulatory requirements.

29. CAPITAL MANAGEMENT (continued)

The financing to total assets ratio as at 31 December 2024 is as follows:

	Group	
	2024 RM'000	2023 RM'000
Total financing	1,360,537	1,361,423
Total assets	9,726,067	9,674,577
Financing to total assets ratio	14.0%	14.1%

The Deed provides that the Manager shall, with the approval of the Trustee, for each distribution year, distribute all (or such other percentage as determined by the Manager at its absolute discretion) of the Group's distributable income. It is the intention of the Manager to distribute at least 90% of the Group's distributable income on a quarterly basis or such other intervals as the Manager may determine at its absolute discretion.

30. SEGMENT INFORMATION

(a) Reporting format

Segment information is presented in respect of the Group's and the Fund's business segments.

Inter-segment transactions have been entered into in the normal course of business and have been established on commercial basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise profit-earning assets and revenue, profit-bearing financing, financing and expenses, and corporate assets and expenses.

The Group and the Fund comprises the following main business segments:

Property investment – Office Rental of office spaces and other related activities.

Property investment – Retail Rental of retail spaces and other related activities.

Details on geographical segments are not applicable as the Group operates predominantly in Malaysia.



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30. SEGMENT INFORMATION (continued)

(b) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise profit-earning assets and revenue, profit-bearing financing and corporate assets and expenses.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results include transfers between business segments. Inter-segment transactions have been entered into in the normal course of business and have been established on commercial basis. These transfers are eliminated on consolidation.

Business Segments

31 December 2024	Property investment – office RM'000	Property investment – retail RM'000	Consolidated RM'000
Revenue			
External customers	542,908	36,123	579,031
Results			
Net property income	521,756	24,252	546,008
Profit income			7,291
Fair value adjustments on investment properties			78,359
Management fees			(44,983)
Trustee's fee			(600)
Financing costs			(59,920)
Tax expense			(7,836)
Profit after tax			518,319
Depreciation			205
Non-cash items other than depreciation			7,813
Segment assets	8,902,504	631,691	9,534,195
Cash and bank balances			191,872
Consolidated total assets			9,726,067
Segment liabilities	244,424	14,383	258,807
Financing			1,360,537
Consolidated total liabilities			1,619,344

**30. SEGMENT INFORMATION (continued)****(b) Allocation basis and transfer pricing (continued)****Business Segments (continued)**

31 December 2023	Property investment – office RM'000	Property investment – retail RM'000	Consolidated RM'000
Revenue			
External customers	541,959	40,210	582,169
Results			
Net property income	521,624	27,923	549,547
Profit income			6,138
Fair value adjustments on investment properties			93,200
Management fees			(45,084)
Trustee's fee			(600)
Financing costs			(59,249)
Tax expense			(9,320)
Profit after tax			534,632
Depreciation			350
Non-cash items other than depreciation			(26,057)
Segment assets	8,901,655	630,938	9,532,593
Cash and bank balances			141,984
Consolidated total assets			9,674,577
Segment liabilities	216,497	25,688	242,185
Financing			1,361,423
Consolidated total liabilities			1,603,608

31. ADOPTION OF REVISED PRONOUNCEMENTS

During the financial year, the Group and the Fund adopted the following pronouncements that have been issued by the MASB and are applicable as listed below:

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 101 Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)

Amendments to MFRS 101 Presentation of Financial Statements (Non-current Liabilities with Covenants)

The initial application of the above-mentioned pronouncements did not have any material impact to the financial statements of the Group and the Fund.



Notes to the Financial Statements

31 December 2024

32. PRONOUNCEMENTS YET IN EFFECT

The following pronouncements that have been issued by the MASB will become effective in future financial reporting periods and have not been adopted by the Group and the Fund in these financial statements:

Effective for annual periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates (Lack of Exchangeability)

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 10 Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

Amendments to MFRS 128 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 Presentation and Disclosure in Financial Statements

Effective for a date yet to be confirmed

Amendments to MFRS 10 Consolidated Financial Statements (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

Amendments to MFRS 128 Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)

The Group and the Fund are expected to apply the above-mentioned pronouncements beginning from the respective dates the pronouncements become effective. The initial application of the above-mentioned pronouncements are not expected to have any material impacts to the financial statements of the Group and the Fund, except for MFRS 18 pronouncement, which impact on initial application is currently being assessed.

33. NEW AND REVISED PRONOUNCEMENTS NOT APPLICABLE TO THE GROUP AND THE FUND

The MASB has issued pronouncements which are not relevant to the Group and the Fund and hence, no further disclosure is warranted.

Effective for annual periods beginning on or after 1 January 2024

Amendments to MFRS 16 Leases (Lease Liability in a Sale and Leaseback)

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures (Supplier Finance Arrangements)

Effective for annual periods beginning on or after 1 January 2027

MFRS 19 Subsidiaries without Public Accountability: Disclosures

Independent Auditors' Report

To the unitholders of KLCC Real Estate Investment Trust

Report on the audit of the financial statements

Opinion

We have audited the financial statements of KLCC Real Estate Investment Trust ("KLCC REIT" or the "Fund"), which comprise the statements of financial position as at 31 December 2024 of the Group and of the Fund, and the statements of comprehensive income, statements of changes in net asset value and statements of cash flows of the Group and of the Fund for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, as set out on pages 315 to 360.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2024, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Fund in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Fund for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Fund as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Valuation of investment properties

As at 31 December 2024, the carrying value of the Group and of the Fund's investment properties carried at fair value amounted to RM9,353,707,000 which represents 96% of the Group and of the Fund's total assets. The Group and the Fund adopt the fair value model for its investment properties. The valuation of investment properties carried at fair value is significant to our audit due to their magnitude, complex valuation method and high dependency on a range of estimates (amongst others, rental income data, yield rate and discount rate) which are based on current and future market or economic conditions. The Group and the Fund have engaged an external valuer to determine the fair value of the investment properties at the reporting date and a fair value gain of RM78,359,000 has been recognised during the year.



Independent Auditors' Report

To the unitholders of KLCC Real Estate Investment Trust

Valuation of investment properties (continued)

Our audit procedures focused on the valuations performed by the independent valuer, which included, amongst others, the following procedures:

- We considered the objectivity, independence and expertise of the independent valuer;
- We obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuer to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, rental income data and yield rate;
- We assessed the reasonableness of the property related data by corroborating those data used in the valuation to available market data;
- We tested the accuracy of rental income data applied in the valuation by comparing them with lease agreements and challenged the yield rate by comparing them with available industry data, taking into consideration comparability and market factors. Where the rates were outside the expected range, we undertook further procedures to understand the effect of additional factors and held further discussions with the valuer;
- We assessed whether the discount rate used to determine the present value of the cash flows reflects the estimated market rate of return for comparable assets with similar profile; and
- We also evaluated the Group's disclosures on those assumptions to which the outcome of the valuation is most sensitive. The Group's disclosures on the valuation sensitivity and significant assumptions used, including relationships between key unobservable inputs and fair values, are included in Notes 1.4 and 4 to the financial statements respectively.

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Fund and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Fund does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Fund, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Fund or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager of the Fund is responsible for the preparation of financial statements of the Group and of the Fund that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia. The Manager is also responsible for such internal control as the Manager determines is necessary to enable the preparation of financial statements of the Group and of the Fund that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Fund, the Manager is responsible for assessing the Group's and the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to liquidate the Group or the Fund or to cease operations, or has no realistic alternative to do so.

The Trustee is responsible for overseeing the Fund's financial reporting process. The Trustee is also responsible for ensuring that the Manager maintains proper accounting and other records as are necessary to enable true and fair presentation of these financial statements.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Fund as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager.
- Conclude on the appropriateness of the Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Fund, including the disclosures, and whether the financial statements of the Group and of the Fund represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Manager regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Manager with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Manager, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Fund for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the unitholders of the Fund, as a body, and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
5 February 2025



Muhammad Syarizal Bin Abdul Rahim
No. 03157/01/2027 J
Chartered Accountant