

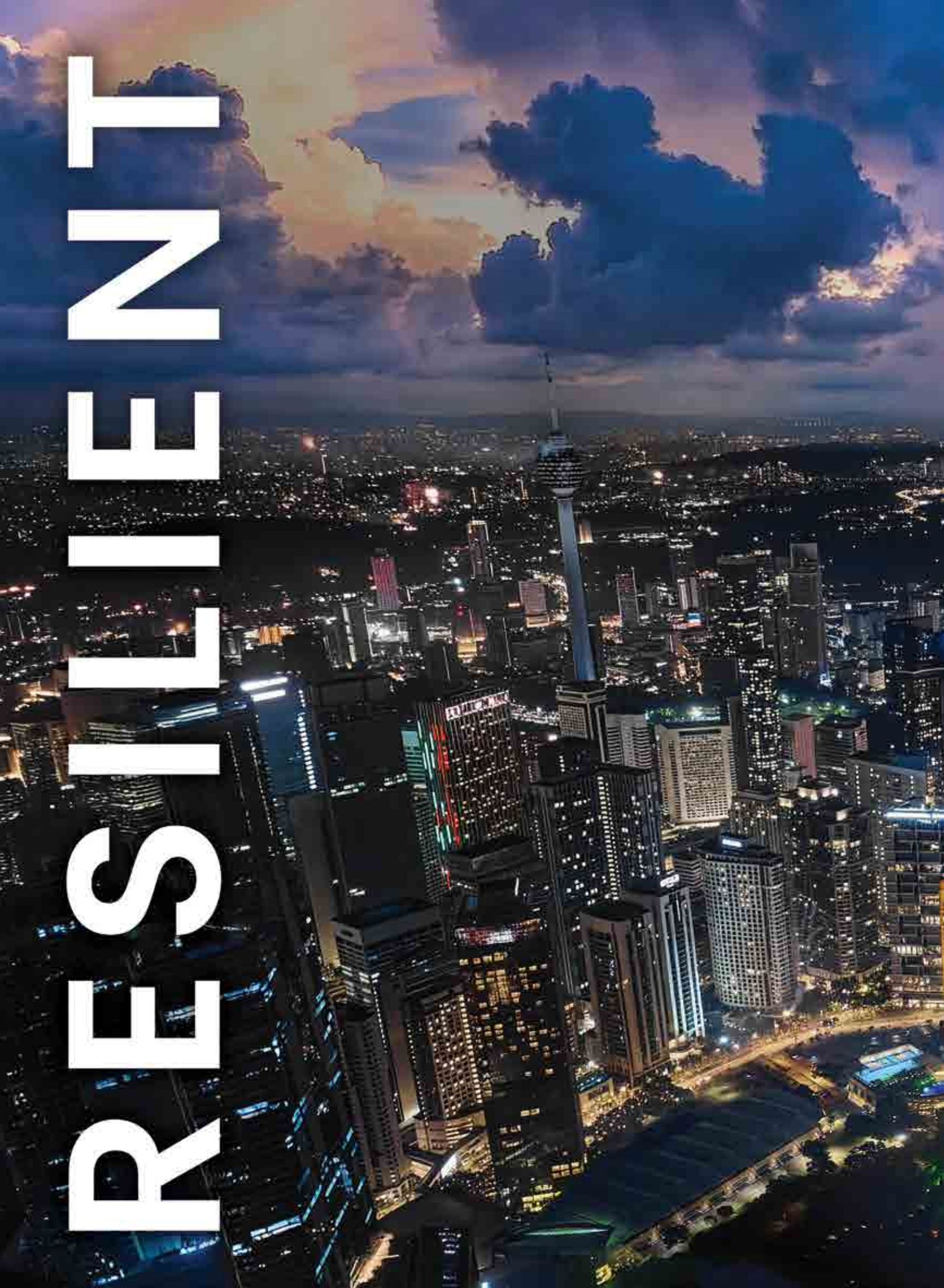


KLCCP STAPLED GROUP

# RESILIENT

INTEGRATED REPORT 2025

# RESILIENT



## Rationale

Resilient embodies KLCCP Stapled Group's proven ability to deliver sustained value across shifting economic cycles and evolving urban landscapes. As the custodian of Malaysia's premier integrated precinct at KLCC, we define resilience not just as the capacity to withstand disruption, but as the agility to emerge stronger.

Visually anchored by the iconic PETRONAS Twin Towers, the cover symbolises our structural strength, financial stability, and clarity of purpose.

Supported by disciplined capital management and strengthened by long-standing partnerships, we are strategically positioned for future growth, ensuring we remain a trusted and vital partner for all our stakeholders.



# THE PLACE

# Basis of Our Report

## Our Integrated Reporting (IR) Journey

Our adoption has improved over time via a phased approach, demonstrating our efforts in integrated thinking.



### <IR> Framework's Guiding Principles

Guiding Principles	2019	2020	2021	2022	2023	2024	2025
Strategic Focus and Future Orientation							
Connectivity of Information							
Stakeholder Relationships							
Materiality							
Conciseness							
Reliability and Completeness							
Consistency and Comparability							

Content Elements	2019	2020	2021	2022	2023	2024	2025
Organisational Overview and External Environment							
Governance							
Business Model							
Risks and Opportunities							
Strategy and Resource Allocation							
Performance							
Outlook							
Basis of Presentation							

**Legend:** Fully Complied Partially Complied

KLCCP Stapled Group (the Group) is pleased to present our Integrated Report for the year 2025. This report has been prepared to provide a clear, concise yet also comprehensive account of how the Group creates and protects value while minimising the risk of value erosion over the short, medium and long term. Information disclosed caters primarily to our investors and shareholders but is also relevant to other stakeholders as it addresses material issues relating to value creation for them.





This Integrated Report reflects the outcome of integrated thinking and a reporting process governed by the Board, led by the Leadership Team, assured through our internal and external auditors, and delivered in a coordinated effort across all departments Group-wide.

In line with our commitment to sustainability, we have reduced the production of physical reports and made the report available for download via [www.klcc.com.my](http://www.klcc.com.my). Paper used in this report is Forest Stewardship Council (FSC) certified.

### Reporting Scope & Boundary

This Integrated Report covers the principal activities and operations of KLCCP Stapled Group, including our subsidiaries, for the financial year 1 January 2025 to 31 December 2025 (FY2025), unless stated otherwise. It addresses the material financial and non-financial risks and opportunities that impact value creation and strategy development. Any material events after year end, but before publication of this report, have been included.

Covers the risks, opportunities and outcomes arising from our:

- Value Creation Model  refer to pages 38 to 41
- Stakeholder Engagement and Value Creation  refer to pages 42 to 48
- Material Sustainability Matters  refer to pages 50 to 58
- Our Strategy  refer to pages 88 to 91

### Disclosure based on IFRS Sustainability Disclosure Standards

The Group has prepared its sustainability-related financial disclosures in accordance with IFRS S1 and IFRS S2, collectively known as the IFRS Sustainability Disclosure Standards, as adopted under the National Sustainability Reporting Framework (NSRF), and has applied the transition reliefs permitted in the first annual reporting period, including providing disclosures on climate-related risks and opportunities only, not disclosing Scope 3 greenhouse gas emissions, and not providing comparative information.


 To read more on ISSB Sustainability Statement, please refer to pages 160 to 187

### Reporting Process

A reporting team is established every year to manage the production of our Integrated Report. This team studies the requirements of Integrated Reporting and plans the contents accordingly, obtaining relevant data from internal and external stakeholders. The team ensures the disclosures are material and accurate, as assured by the relevant parties. The report is subsequently validated by the internal and external auditors as disclosed in the Statement of Assurance and by the Board through the Board Responsibility Statement.

### Materiality

Contents in this report focus on matters that are material to value creation for KLCCP Stapled Group as well as for our stakeholders. This is determined by the application of a Board-approved double materiality process. The process takes into consideration macro-trends, stakeholder expectations as well as the risks and opportunities we face that could impact our six capitals. Our material matters also help to shape the evolution of our business model, guiding our short (one year), medium (two to five years) and long-term (more than five years) strategies and targets.

 To read more on our approach in identifying and prioritising material sustainability matters, please refer to pages 50 to 51

### Forward Looking Statements

This report contains certain forward-looking statements relating to future performance. Such statements are premised on current assumptions and circumstances which could change, hence they necessarily involve uncertainty. Various factors have the potential to cause actual results to differ materially from those expressed or implied by these statements. Forward-looking statements apply only as of the date on which they are made, and KLCCP Stapled Group does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

\* Note: In this report, unless the context indicates otherwise, references to the singular shall include the plural, and vice versa

## Reporting Frameworks & Guidelines

Our integrated reporting process and contents of this report are guided by the principles and requirements of the International Integrated Reporting <IR> Framework issued by the International Financial Reporting Standards ("IFRS") Foundation.

Specific elements of the report are guided by:

### Our Reporting Journey



#### Integrated Report 2025

IR



Scan QR Code to read the online report

#### Framework

##### Integrated Report

- International Integrated Reporting Framework (IIRF)
- Malaysia Companies Act 2016
- Main Market Listing Requirements (MMLR)
- Management Discussion and Analysis (MD&A) Guidelines
- Corporate Governance Guidelines (4<sup>th</sup> Edition)
- Malaysia's Listed REIT Guidelines
- Guidelines on Islamic Capital Market Products and Services (ICMPS Guidelines)
- Malaysian Code on Corporate Governance (MCCG)
- International Financial Reporting Standards (IFRS)
- Malaysian Financial Reporting Standards (MFRS)
- FTSE4Good themes and indicators for Real Estate Holdings and Development Sector



#### Sustainability Report 2025

SR



Scan QR Code to read the online report

##### Sustainability Report

- Sustainability Reporting Guide (3<sup>rd</sup> edition 2022)
- International Financial Reporting Standards (IFRS) S1 and S2
- Global Reporting Initiative (GRI) Universal Standards
- Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard
- United Nations Sustainable Development Goals (UN SDGs)
- FTSE4Good themes and indicators for Real Estate Holdings and Development Sector
- Sector Specific Disclosures
- Dow Jones Sustainability Indices (DJSI)

## Statement of Assurance

The integrity of our financial and non-financial information is assured via a combination of monitoring and oversight by the Management and the Boards as well as our internal audit and external assurance providers. The entire report was prepared by the Management team adhering to well-defined procedures and controls with a clear delegation of key responsibilities and activities. In accordance with their terms of reference, the Boards and Committees verified and approved certain information set out in the report. This multi-layered approach guarantees the accuracy, reliability and transparency of our reporting

Elements of this report were assured as follows:

Reporting Element	Assurance Provided
Financial information	Financial information provided by the Strategic Finance team was approved by the Chief Financial Officer (CFO), and was audited by our internal auditors as well as our external auditor, Ernst & Young PLT, ensuring adherence to relevant accounting standards.
Selected non-financial information	Non-financial information relating to sustainability matters within the KLCCP Stapled Group is prepared by the Group Strategy and Sustainability Division and reviewed by the Sustainability Steering Committee. Selected material non-financial information, including those aligned with the National Sustainability Reporting Framework (NSRF), are subject to external assurance by an independent third-party assurance provider. Other non-financial information referenced in Bursa Malaysia's Sustainability Reporting Guide undergo an internal assurance process performed by the Group Internal Audit Department.

**SR** To read more on our Statement of Assurance, please refer to KLCCP Stapled Group's Sustainability Report 2025 on pages 94 to 99

## Board Responsibility Statement

The Boards of Directors of KLCC Property Holdings Berhad (KLCCP) and KLCC REIT Management Sdn Bhd (KLCCRM) acknowledge their responsibility in ensuring the integrity of this Integrated Report which, to the best of the Boards' knowledge, addresses all key issues that are material to the Group's ability to create value and fairly presents the integrated performance of KLCCP Stapled Group. This report was approved by the Boards on 29 January 2026.

**Datuk Ir. Annie Md Ariff**  
Chairman

**Datuk Sr Mohd.Salem Kailany**  
Chief Executive Officer

Issuing Body
IFRS Foundation
Government of Malaysia
Bursa Malaysia
Securities Commission Malaysia
International Accounting Standards Board (IASB)
Malaysian Accounting Standards Board (MASB)
FTSE Russell
Bursa Malaysia
International Sustainability Standards Board (ISSB)
Global Reporting Initiative (GRI)
World Resources Institute (WRI)
World Business Council for Sustainable Development (WBCSD)
United Nations
FTSE Russell
Sustainability Accounting Standards Board (SASB)
S&P Global's Corporate Sustainability Assessment (CSA)



### Cross References

 Tells you where you can find additional information within the report

 Link to corporate website at [www.klcc.com.my](http://www.klcc.com.my)



### Feedback

Your feedback is important to us moving forward. We value and welcome all inputs and comments towards enhancing the quality of our IR disclosures. Please visit [www.klcc.com.my](http://www.klcc.com.my) for more information or contact us for any queries via email at [investor\\_relations@klcc.com.my](mailto:investor_relations@klcc.com.my).

## How To Navigate Our Report

### Our Capitals

- FC** Financial Capital
- IC** Intellectual Capital
- ALL** All Six Capitals
- MC** Manufactured Capital
- SR** Social and Relationship Capital
- HC** Human Capital
- NC** Natural Capital

### Our Key Stakeholders

- S1** Shareholders, Investors and Business Partners
- S5** Suppliers and Service Providers
- S2** Employees
- S6** Community
- S3** Government, Local Authorities and Regulators
- S7** Media
- S4** Tenants, Customers and Guests
- ALL** All Seven Key Stakeholders

### Material Sustainability Matters

#### Planet

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

#### People

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

#### Peace

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

#### Prosperity

- M10** Financial Sustainability
- M12** Supply Chain Management
- M11** Customer and Tenant Management
- M13** Corporate Social Responsibility
- ALL** All 13 Material Sustainability Matters

### Key Market Trends

- MT1** Strengthening Momentum in Tourism Activity
- MT4** Evolving Consumer Preference
- MT2** Heightened Competition Across Core Markets
- MT5** Advancing Sustainability And Decarbonisation Imperatives
- MT3** Rapid Digitalisation and Integrated Technology Adoption
- MT6** Evolving Regulatory Environment
- ALL** All Six Key Market Trends

### Our Principal Risks

- R1** Financial Risk
- R7** Facility Management Risk
- R2** Market Risk
- R8** Supplier Risk
- R3** Human Capital Risk
- R9** Cybersecurity Risk
- R4** Health, Safety and Environment Risk
- R10** Sustainability Risk
- R5** Security Risk
- ALL** All 10 Principal Risks
- R6** Asset Management Risk

### Our 3-Pronged Growth Strategy

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

### United Nations Sustainable Development Goals (UN SDGs)

Supporting the UN SDGs through environmentally, socially and economically responsible business practices





## ➤ Inside this Report

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# Annual General Meetings

**KLCC PROPERTY HOLDINGS BERHAD**

**KLCC REAL ESTATE INVESTMENT TRUST**

**23<sup>rd</sup>**

**13<sup>th</sup>**



Tuesday, 28 April 2026



10.30 a.m.

**To be held physically and broadcasted live from:**

Grand Ballroom,  
Level 1, Mandarin Oriental, Kuala Lumpur,  
Kuala Lumpur City Centre,  
50088 Kuala Lumpur, Malaysia



[www.klcc.com.my](http://www.klcc.com.my)

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Proxy Form

# Letter from the Chairman



## Dear Stakeholders

2025 was a challenging year for many, marked by continued volatility and change. Against that backdrop, KLCCP Stapled Group stayed the course and delivered.

## RM848.5

million

Total dividends  
declared in 2025

## 47.00 sen

Distribution per  
stapled security

## 12.4%

Annual Total Return



**DATUK IR. ANNIES MD ARIFF**  
Chairman

# We are a trusted, enduring landmark at the heart of Malaysia's national identity, proven to perform on the world stage when it matters most.

2025 was Malaysia's year to chair ASEAN for the fifth time, and KLCC was at the centre of it, not just for a single event, but for the full sweep of the chairmanship. From the opening Ministerial Meetings in May through to the Leaders' Summit in October and the concluding engagements in November, the Kuala Lumpur Convention Centre served as the main venue across the entire ASEAN calendar. Mandarin Oriental, Kuala Lumpur and the wider KLCC Precinct were integral to that experience, hosting delegations, dignitaries and the business community throughout. To sustain that standard over six months of sessions involving working committees, ministers and ultimately world leaders, demanded consistent operational excellence, not a one-off peak performance. This is proof that we are not merely a property group. We are a trusted, enduring landmark at the heart of Malaysia's national identity, proven to perform on the world stage when it matters most. On behalf of the Boards of KLCC Property Holdings Berhad (KLCCP) and KLCC REIT Management Sdn Bhd (KLCCRM), I could not be more proud of what our team demonstrated to Malaysia and to the world.

The Summit was not just a moment of national pride. It was also a reflection of the broader confidence Malaysia carried into 2025. The country recorded full-year GDP growth of 5.2%, exceeding the Government's own forecast of 4.0% to 4.8%, with growth broad-based across services, manufacturing and construction, underpinned by resilient domestic demand, a stable labour market and contained inflation. That economic strength provided a constructive backdrop for what became another landmark year for the Group.

For the third consecutive year, KLCCP Stapled Group broke its own records. The Board approved total dividends of 47.00 sen per stapled security, comprising 17.68 sen from KLCCP and 29.32 sen from KLCC REIT, a 5.6% increase from 44.50 sen in the previous year, returning RM848.5 million to our shareholders compared to RM803.4 million in 2024. Our share price rose 7.0% during the year, closing at RM8.72 and peaking at RM9.18 in 2025, delivering an annual total return of 12.4% for the year. That momentum has carried into 2026, with the share price trending above RM9.00 since the beginning of the new year, a reflection of the sustained confidence that long-term investors continue to place in this Group.

# STEADFAST

## Letter from the Chairman

### FULFILLING OUR ROLE IN SOCIETY

As the owner and steward of a highly integrated ecosystem in the heart of Kuala Lumpur, KLCCP Stapled Group operates at the intersection of economic activity, urban liveability and national identity. The Board recognises that this position carries an enduring responsibility to balance commercial discipline with broader societal impact.

In this regard, we fully support the Group's efforts to manage spaces that are not only commercially resilient, but also inclusive, accessible and responsive to the needs of the communities they serve. In 2025, that belief translated into RM4.8 million invested in community outreach programmes, reaching an estimated 1.2 million members of the public. Our employees contributed 4,848 volunteering hours across CSR initiatives throughout the year. These numbers reflect something more than programme delivery. They reflect a culture within this organisation that understands its role in the broader fabric of Malaysian society.

Our aim to position KLCC as a precinct-wide Sustainable Development Goals (SDGs) hub is a direct expression of that accountability. It is not a branding exercise. It is a placemaking commitment, one that shapes how we activate our spaces, engage our communities and build partnerships with purpose. Underpinning all of this is our established KLCC Sustainability Plan 2030, which provides the strategic framework, clear goals and measurable targets that guide how we embed sustainability across every dimension of the Group's operations. Together, they reflect an organisation that does not just report on sustainability but is genuinely advancing towards it.

Sustainable September is our most visible expression of that commitment in action. Now an established Group-wide platform, it brings together employees, partners and communities each year around meaningful, practical outcomes. In 2025, the initiative evolved beyond the Precinct, with collaborations extended to Urbanice Malaysia, Dewan Bandaraya Kuala Lumpur (DBKL) and the Forest Research Institute Malaysia. Together, we planted 50 trees in KLCC Park and raised over RM41,000 for sustainability causes. Central to this year's initiative was our continued partnership with Ruang Komuniti, known as RUKOM, led by Urbanice Malaysia. Proceeds from the Charity Bazaar were directed towards Program Perumahan Rakyat in Cheras, building on our contribution in 2024 to RUKOM in Kampung Batu Muda, Sentul. RUKOM represents a community space where residents of different generations come together to maintain clean, safe and inclusive neighbourhoods, particularly for the B40 community. We are committed to our collaboration with RUKOM as we believe that lasting social impact is achieved through continuity and long-term engagement.





Our sustainable precinct model was also showcased at the ASEAN Sustainable Urbanisation Forum Business Assembly, demonstrating how it can be scaled city-wide to drive inclusive and impactful sustainability, reinforcing DBKL's vision of transforming Kuala Lumpur into a Liveable and Lovable City.



To read more on the Sustainable September campaign, please refer to pages 156 to 159

The recognition that Suria KLCC received for its #BeKindOnline campaign at the Marketing Excellence Awards 2025 is a reminder that corporate responsibility in this era extends to the digital lives of Malaysians. Knowing that our efforts may have protected even one individual makes #BeKindOnline truly meaningful to us. It reflects our commitment to using our platform purposefully, in service of a healthier and more cohesive society.

## BOARD FOCUS DURING THE YEAR

Reflecting our principal role to oversee good governance across the Group, the Board strives continuously to strengthen our governance framework anchored on independence, accountability and disciplined oversight. Governance practices are reviewed continually to ensure they remain relevant, robust and aligned with evolving regulatory expectations and the long-term interests of stakeholders.

We are committed to maintaining the highest level of integrity and transparency in every decision and action across the organisation. Additional emphasis is placed on the management of organisation risk and emerging risks, as well as on sustainability governance and assurance.

## Investment in community outreach

RM4.8 million

Effective governance is reinforced through clearly defined Board and committee mandates, regular evaluations of Board performance, and independent assurance over critical operational, financial and sustainability matters.

Good corporate governance serves as the bedrock upon which we have built a culture of excellence at KLCCP Stapled Group. It was therefore very gratifying for our underlying policies and practices themselves to be recognised for excellence. During the year, the Group was named among the Top 50 Public Listed Companies for Overall Excellence at the National Corporate Governance & Sustainability Awards (NACGSA) 2025, organised by the Minority Shareholders Watch Group.

In addition to strengthening our governance oversight, in 2025 the Board devoted considerable attention towards safeguarding the Group's long-term resilience. From a business perspective, this included oversight of earnings durability, capital discipline and balance sheet strength amid a dynamic operating environment. In this context, the Board remained disciplined in its approach to growth, prioritising financial strength and flexibility while being selective on opportunities in line with long-term value considerations.

## Letter from the Chairman

### STRENGTHENING SUSTAINABILITY GOVERNANCE

The most critical sustainability issue facing the world today is undeniably climate change. Hardly a day goes by without some breaking news on a climate-related disaster. Most governments are stepping up efforts to regulate carbon emissions within their jurisdictions, which requires not only the application of effective decarbonisation initiatives but also accurate monitoring of data.

In Malaysia, the National Sustainability Reporting Framework was introduced on 24 September 2024 to guide companies align their sustainability reporting with IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB). The idea is to standardise disclosures while ensuring companies look into the very real risks impacting their businesses, posed by climate events.

Given KLCC Stapled Group's commitment to decarbonisation, and recognising the importance of data-backed disclosures, the Board has been focused on strengthening the Group's climate governance and data preparedness as we transition our reporting to be in line with the IFRS Standards Scope 1 (S1) and Scope 2 (S2). During the year, the Group made significant progress in terms of identifying our material Scope 3 emissions and setting up methodologies for data collection. The Board is now ensuring continuous enhancement to the data quality as well as controls and reporting process.



To read more on the ISSB Sustainability Statement, please refer to pages 160 to 187





## ACKNOWLEDGEMENTS

KLCCP Stapled Group's sustainable growth and increasing resilience is becoming our hallmark and is the result of the contributions of all our internal and external stakeholders who have been vital to the Group's many successes over the years.

My appreciation goes to fellow members of the Board for your insights, counsel and unwavering dedication. I look forward to further collaboration on guiding the Group with clarity and responsibility, ensuring we continue to progress with purpose. I would also like to express my sincere appreciation to Datin Noor Lily Zuriati Abdullah for her invaluable contributions during her tenure as Independent Non-Executive Director prior to her retirement on 29 April 2025.

At the Management level, the Board was also proud to see our Chief Executive Officer, Datuk Sr Mohd.Salem Kailany, recognised by respected industry bodies. Less than a year into his role, Datuk Salem was honoured with the Malaysian Outstanding Property Icon Leadership Excellence Award by FIABCI Malaysia, the KSI Strategic Institute for Asia Pacific and the Economic Club of Kuala Lumpur. He was also named Malaysia's Real Estate Personality of the Year at the 12<sup>th</sup> PropertyGuru Asia Awards Malaysia.

Such strong leadership no doubt inspires the rest of the KLCC family, who continue to perform very commendably. I wish to express a heartfelt gratitude to the Management and employees for their dedication, resilience and spirit of innovation, which were instrumental in delivering another record-breaking year.

On behalf of the Board, I would also like to extend our appreciation to our shareholders, tenants, business partners and suppliers for your continued trust, support and partnership. Finally, *terima kasih* to the wider community and visitors to KLCC for your highly valued patronage which reinforces our role as a guardian of the iconic, globally-recognised shared urban space.





## Dear Stakeholders

My first full year as CEO has reinforced one conviction: resilience isn't just about weathering storms but is also about building the capability to thrive through them. In 2025, KLCCP Stapled Group did exactly that, delivering strong financial performance while advancing our sustainability commitments and strengthening our operational foundation.

Since taking the helm just over a year ago, I have been increasingly heartened by the commitment I see, a team united in purpose, disciplined in execution. The collaborative energy and high-performance culture here are exceptional. I feel privileged to be in such a highly energised environment and I take great pride in leading this organisation, as we establish a firmer footing for the journey ahead.

### DREAM, DARE, DELIVER

KLCCP Stapled Group is widely recognised as Malaysia's largest REIT, anchored by a portfolio of iconic assets. But in an increasingly dynamic and competitive environment, scale alone doesn't guarantee sustained leadership. Our pole position must be actively defended and continuously earned through evolution, innovation and relentless focus on fundamentals.

While the Malaysian economy remained robust, cost pressures and shifting market conditions demanded careful and deliberate management. Investor sentiment faced headwinds from an unprecedented wave of US trade tariffs exacerbated by policy transitions and geopolitical tensions. In that context, waiting was not an option. Building resilience was.

Amid these uncertainties, we drew on the inner strength and resourcefulness of the Group with an internal initiative themed *Dream. Dare. Deliver.* Employees were inspired to look beyond our current achievements to a more dynamic future, to have the conviction of their dreams to overcome challenges and in the process to deliver on what we promise. It was not just a morale exercise, it was a strategic imperative. The programme galvanised the organisation, driving cohesion and accountability at every level.

The results speak for themselves. Another year of new records for revenue and profit. But more importantly, we have built organisational muscle, the kind that does not just deliver one strong year but positions us to sustain performance over the long term.



## From the Desk of the CEO

We have built organisational muscle, the kind that does not just deliver one strong year but positions us to sustain performance over the long term.



**DATUK SR MOHD.SALEM KAILANY**

Chief Executive Officer

## From the Desk of the CEO

The Group recorded a **RM463.9 million** fair value gain during the year. This marks a **97.7% year-on-year increase** and reflects the strength of our assets and how they are managed.

### Revenue

**RM1.74**  
**billion**

(2024: RM1.71 billion)

### Profit Before Tax

(excluding fair value adjustments)

**RM970.3**  
**million**

(2024: RM967.1 million)

Revenue hit RM1.74 billion while profit before tax, excluding fair value adjustments, reached RM970.3 million, surpassing the previous year's record of RM967.1 million. Excluding the Sukuk Wakalah impact, our PBT exceeded RM1.0 billion, reflecting the strength of our diversified portfolio and consistent performance across all four segments.

### STRENGTH OF OUR RESILIENCE

Entrenching our competitive edge means more than maintaining assets. It means continuously increasing their value through constant rejuvenation, refurbishment and upgrades. We actively engaged our tenants, customers and guests, internalising their feedback to sharpen our product and service propositions. That discipline paid off in 2025. The Group recorded a RM463.9 million fair value gain during the year. This marks a 97.7% year-on-year increase and reflects the strength of our assets and how they are managed. Nevertheless, our focus was not on short-term wins. We are building durable value through operational excellence, customer-centricity and prudent capital management, solid foundations that will stand the test of time.

The Office segment remained the most stable contributor to the Group, supported by long-term leases and high-quality tenants. In a market with significant new supply, we have maintained occupancy and tenant retention by focusing on what we do best, proactive asset management, sustainability upgrades, digital enablement, and responsive tenant service. These investments strengthened asset performance while reinforcing the value proposition that keeps our buildings pristine and competitive.

Suria KLCC continued to lead the retail landscape through its diverse tenant mix and immersive, experience-led offerings. In 2025, we welcomed 30 new tenants including eight first-to-market brands such as Smith & Wollensky Steakhouse, offering the first halal USDA prime meat in the country, British menswear label Charles Tyrwhitt, and Salomon's open-concept store, to name a few. Every tenant is carefully selected to appeal to both Malaysians and international tourists.

Beyond tenants, we curated unique global concepts that can't be experienced anywhere else in Malaysia. The Louis Vuitton Art of Gifting Pop-Up, featuring a train design exclusive to Southeast Asia, brought Parisian luxury craftsmanship to Kuala Lumpur. The Victoria's Secret x Pocket Pickle collaboration, in partnership with MINI, transformed the centre court into an interactive pickleball experience. These exclusive activations reinforced our "Only at Suria KLCC" tagline, strengthening the mall's positioning as a destination where shopping, lifestyle and experiences converge. Together, these efforts drove footfall past 50 million visitors for the year, a 9.3% improvement year-on-year, a clear signal that Suria KLCC remains the destination of choice.

In Hospitality, Mandarin Oriental, Kuala Lumpur intensified its sales and marketing efforts around dining and lifestyle offerings while leveraging its newly renovated pillarless Grand Ballroom to capture event-driven demand. The hotel deepened collaboration with the



Kuala Lumpur Convention Centre and other KLCC Precinct partners, positioning itself as the preferred choice for events of every scale and significance. The ultimate validation came in October, the ASEAN Summit, which brought together 10 ASEAN leaders plus 11 heads of state from Australia, Brazil, Canada, China, Finland, Japan, New Zealand, Russia, South Africa, South Korea and the US. Over three days the Summit tested our event management capabilities at a national scale and we delivered flawlessly. Mandarin Oriental, Kuala Lumpur was the primary beneficiary, which saw its room revenue spiking nearly RM10.0 million from hosting the foreign delegates. More than revenue, the Summit showcased our ability to execute on the world stage.

Management Services, which covers facilities management and car parking management, continues to underpin the operational resilience of the entire portfolio. Challenged by ageing assets and operational risks, the team remained disciplined in carrying out its operations including system upgrades to ensure resilience across the portfolio. Customer focus was a clear priority, with faster issue resolution and more proactive

service delivery. In turn, our customer satisfaction score across our office, hotel and car park customers reached 89%, a testament to the team's commitment to operational excellence.

### DISCIPLINED EXECUTION WITH PURPOSE

While our business segments performed well individually, their true strength lies in integration. As part of a strategically located KLCC ecosystem, office, retail, hospitality and events don't just coexist, they actively amplify each other. Connectivity enables demand spillovers across segments, allowing the Group to navigate volatility while remaining well-positioned to capture opportunities as they arise. At the heart of this ecosystem is the 50-acre KLCC Park, the living, breathing connector that interlinks and energises each asset.

We collaborate continuously with our Precinct partners to develop innovative programmes that leverage the Park to offer unparalleled experiences. Throughout 2025, the Park came alive with a mix of wellness programmes, arts and cultural showcases, as well as national and community celebrations bringing together people from all walks of life. Beyond the ASEAN Summit, we hosted the Kuala Lumpur Fashion Week 2025, KLCC Pulse Festival, our signature Picnic in the Park and even Malaysia's first outdoor festive skating rink during the Christmas season. The year ended with a bang when a record-breaking crowd of approximately 120,000 visitors joined our spectacular New Year celebrations. A powerful reminder that KLCC is not just a business district, it's where people gather, a place of celebration, energy and activity.

At the core of our placemaking events is a desire to offer visitors unique opportunities to connect with the soul of KLCC. A vibrant hub where work, life and leisure come together seamlessly. Whether it's sitting in the Park watching the fountain or the twin towers being lit, these are experiences that go beyond dollars and cents. They are the heartbeat of KLCC The Place.

## From the Desk of the CEO

The year ended with a bang when a record-breaking crowd of approximately 120,000 visitors joined our spectacular New Year celebrations.

### DATA DRIVEN & FUTURE READY

The future belongs to organisations that invest in long-term capability, not short-term fixes. This is not a new lesson for KLCCP Stapled Group, but a principle that has guided us over the years. It has seen us identify our needs and channel our resources accordingly. Our focus in recent years has centred on three key imperatives: accelerating digitalisation, deepening our sustainability platform, and building our people's capabilities.

We have deployed digital dashboards for early issue detection and productivity tools that enable faster, more informed execution across operations. Our 5-year Data & Analytics roadmap will establish AI-driven enterprise-grade data foundations, empowering our managers with self-service analytics and the capability of turning data into decisions at speed. We are also improving our procurement effectiveness and governance via upgrades to our supplier registration portal enabling quicker onboarding, improved data quality, and increased control and compliance. To date, over 300 suppliers have been successfully onboarded, streamlining our supply chain operations.

Technology alone won't future proof the Group. Our people must be equipped to leverage it. Recognising the need to build the digital capabilities of our people so they can fully leverage our digital systems, we provide intense training in identified areas to narrow any skills gaps. In May 2025, we achieved an 80% digital



literacy score in a Digital Proficiency Assessment. Concurrently, employees are provided clear career pathways supported by continuous learning to develop other critical competencies.

While structures and policies matter, it is the everyday connections between our people that truly shape our culture. In this regard, I have made it a personal priority to spend time on the ground, engaging directly with our teams. Over the year, I conducted nine CEO Engagement Series sessions, reaching 84% of our workforce, and met with our emerging talent through the Hello Future platform. I'm happy to share that our efforts to provide a stimulating and cohesive workspace have not just helped in capacity building but also reinforced teamwork and a sense of belonging. In our latest Organisational Culture Survey Pulse 2025, KLCCP Stapled Group recorded a score of 78, at par with the industry average of 79.

Sustainability remains integral to our operations, business planning and risk management. As of 2025, all our offices have achieved at least 3-star Energy Efficiency Rating under Malaysia's Energy

**Technology alone will not future-proof the Group. Our people must be equipped to leverage it.**

Efficiency and Conservation Act (EECA) 2024, with PETRONAS Twin Towers and Menara 3 PETRONAS attaining the highest 5-star rating. But we are pushing further. Climate action can't stop at our portfolio, it must extend to our supply chain. We are now actively targeting our supply chain by identifying our Scope 3 emissions, tackling the carbon footprint embedded in our operations and beyond our direct control. We are also moving from mitigation to adaptation, identifying climate risks to our operations and putting in place systems to protect our assets and people. I am very proud of the team's achievements and urge you to read our Sustainability Report for more details on our sustainability performance.

## OUTLOOK

The year 2026 holds significant promise. Visit Malaysia 2026 (VM 2026) is set to drive tourist arrivals, enhancing the country's international visibility. The Group will tap fully into the potential of shifting some of the spotlight onto KLCC Precinct with events that reinforce our role as a premier destination for business, leisure and major gatherings. With the opening of Ombak KLCC, the new art and cultural hub under our holding company, our ecosystem will expand further, creating new touchpoints for Malaysians and visitors alike, and deepening the Precinct's role as a dynamic, integrated destination.

Beyond VM 2026, our focus remains unchanged. Disciplined execution to preserve portfolio value, maintaining the confidence of our investors as well as tenants, while winning the hearts of our guests and customers. We remain committed to accelerating our growth and will assess opportunities as they arise based on alignment with our strategies as well as our disciplined approach to capital management.

KLCCP Stapled Group has demonstrated remarkable resilience over the years, maintaining steady operations and robust performance through changes and challenges that have become the norm. With the support of all our stakeholders, and especially our shareholders, tenants, customers, employees and Boards, I have every confidence that the Group will continue to stand tall in the Malaysian landscape. Robust and resilient, we are set to chart sustainable growth and deliver positive value for many more years to come.



12<sup>th</sup> PropertyGuru Asia Awards Malaysia  
**Malaysia's Real Estate Personality of the Year**



FIABCI Malaysia, KSI Strategic Institute for Asia Pacific & Economic Club of Kuala Lumpur  
**The Malaysian Outstanding Property Icon Leadership Excellence Award**

# We Are KLCCP Stapled Group

## Who We Are

Malaysia's largest REIT and only Stapled Security in the country, comprising KLCCP and KLCC REIT. KLCC REIT focuses on active asset management and acquisition growth strategies, whilst KLCCP is the development arm of the Stapled Group. At the forefront of Malaysia's real estate industry, our unique structure allows us to maximise the value we create for all our stakeholders.

📖 To read more, please refer to How We Are Structured: Group Corporate Structure on pages 34 to 35

## What We Do

We own, manage, develop and invest in a portfolio of premium assets comprising office, retail and hotel properties in the heart of Kuala Lumpur. This is complemented by our award-winning asset management services provided by KLCC Urusharta Sdn Bhd (KLCCUH) and KLCC Parking Management Sdn Bhd (KPM). This synergy of property investment and asset management strengthens the earning potential of our stable of iconic properties.

📖 To read more, please refer to Business Review on pages 94 to 117

▶ **Property Value**  
**RM16.7**  
billion

▶ **Market Capitalisation**  
**RM15.7**  
billion

▶ **No. of Properties**  
**7**

## Shared Values

- ▶ **Loyalty**  
Loyal to corporation
- ▶ **Integrity**  
Honest and upright
- ▶ **Professionalism**  
Strive for excellence
- ▶ **Cohesiveness**  
United, trust and respect for each other

Located beyond the  
KLCC Precinct

Kompleks  
Dayabumi

Mandarin  
Oriental,  
Kuala  
Lumpur

Menara 3  
PETRONAS

PETRONAS  
Twin Towers

Suria  
KLCC



## How We Do It

We are committed to creating a progressive lifestyle experience within the KLCC Precinct while enhancing the value of our property portfolio. We are focused on optimising sustainable value creation through a strategic approach that capitalises on our unique Stapled Group structure and our competitive differentiators, well positioned for the future.

To read more, please refer to Our Strategy on pages 88 to 91 and Value Creation Model on pages 38 to 41

**Gross Floor Area**  
**12.0 million**  
**(sq. ft.)**

KLCCP owns  
a 33% stake in  
Menara Maxis

Menara  
Maxis

Menara  
ExxonMobil

Office  
 Retail  
 Hotel  
 Office and retail

## Statement of Purpose

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

## Desired Behaviours



### Solution Focused

I prioritise customer needs through value-added solutions



### Adapt to Win

I learn, unlearn and re-learn to succeed



### Courage to Act

I speak up, challenge norms and act with purpose and pace



### Act for Enterprise

I act on what's best for PETRONAS



### Own It

I am accountable to deliver outcomes that matter

## Our Investment Case

### Our Investment Proposition

A singular **integrated ecosystem** with full precinct ownership, curating a complete **destination** to **work, shop, stay and play**

**Malaysia's largest** and the only **stapled REIT**, representing one-third of the Bursa Malaysia Real Estate Investment Trust (REIT) Index



A clear pathway to **net zero** by 2050, guided by the **KLCC Sustainability Plan 2030**, future-proofing assets while creating lasting environmental and community impact

Resilient portfolio quality that consistently delivers **stable earnings, capital resilience and long-term value**

A proven **dividend distribution track record** that underpins long-term shareholder value and income confidence



## Financial Highlights

### Revenue

# RM1.7 billion

(2024: RM1.7 billion)

### Property Value

# RM16.7 billion

(2024: RM16.2 billion)

### Profit for the Year

# RM1.3 billion

(2024: RM1.1 billion)

### Distribution per Stapled Security

# 47.00 sen

(2024: 44.50 sen)

### Net Asset Value per Stapled Security

# RM7.83

(2024: RM7.57)

## Business Highlights



Strong occupancy sustained across all core segments



Office: **100%** Retail: **98%** Hotel: **59%**



**Expanded** facilities management services to **retail works** at **Ombak KLCC, Terra and Destina Putrajaya**



Completion of the **pillarless Grand Ballroom renovation** reinforcing MOKUL Hotel's luxury positioning



Secured car parking management operations of **2,695 new parking bays**



## Customer Centricity Highlights



Suria KLCC brought on board **30 new tenants** including **8 market firsts** and **refreshed concepts** including premium steakhouse Smith & Wollensky and New Balance, the first Run Hub in Southeast Asia



**First-ever outdoor festive skating rink** at the Esplanade KLCC recognised by the Malaysia Book of Records



Achieved an **overall average customer satisfaction score** of **89%** across office tenants, hotel guests and car park customers



## Sustainability Highlights



Published **first ISSB-aligned sustainability-related financial disclosures**, aligned with IFRS Standards S1 and S2, with a focus on climate-related risks and opportunities



**12% reduction** in **Scope 1** and **Scope 2 GHG emissions** vs the 2019 base year, ahead of the Group's 2030 target of a 10% reduction



**Sustainable September** – Recognised at the 2025 ASEAN Sustainable Urbanisation Forum Business Assembly as a collaborative sustainability and placemaking platform



**RM4.8 million** invested in **community outreach programmes**, reaching **1.2 million beneficiaries**



# Our Investment Case

## Awards and Recognition



### KLCCP Stapled Group

- The National Corporate Governance & Sustainability Awards (NACGSA) 2025  
**Overall Excellence Award (Top 50)**
- The Asset ESG Corporate Award 2025  
**Gold**
- Australasian Reporting Award (ARA) 2025  
**Gold (Integrated Annual Report 2023)**  
**Bronze (Sustainability Report 2023)**

### KLCC Urusharta

- The Edge Malaysia – Property Excellence Awards 2025  
**Malaysian Urban Transformation Icon (PETRONAS Twin Towers)**
- The Edge Malaysia – Best Managed & Sustainable Property Awards 2025  
**Gold – Menara Permata Sapura Below 10 Years Mixed Development (Entire)**
- Anugerah Khas Datuk Bandar Kuala Lumpur 2025  
**Pencahayaan Bangunan – Bangunan Ikonik Terbaik (PETRONAS Twin Towers)**
- Anugerah Keselamatan Kebakaran Nasional (MAKKNa) 2025 by Jabatan Bomba dan Penyelamat Malaysia (JBPM)  
**PETRONAS Twin Towers**
- MIP MyPlace Awards 2025  
**Special Recognition – Game Changing Place Category (KLCC Park)**

### Suria KLCC

- The Malaysia Book of Records  
**Malaysia's First Outdoor Skating Rink**
- PPK Malaysia 'Best Experiential Marketing' Awards 2024-2025  
**Platinum (Hosting Kuala Lumpur Fashion Week (KLFW) 2024)**
- Marketing Excellence Awards 2025  
**Bronze (Excellence in CSR/Cause Marketing – #BeKindOnline campaign)**

### Mandarin Oriental, Kuala Lumpur

- Condé Nast Traveller Reader's Choice Awards 2025  
**The Best Hotels in Asia**
- Travel + Leisure – World's Best Awards  
**Top Tier Hotel**
- The World Spa Awards  
**Malaysia's Best Hotel Spa**
- Forbes Four-Star Spa awards – Hotel 2026 Rating
- Forbes Travel Guide VERIFIED™ Responsible Hospitality badge
- Trip.Best 2025
  - **Asia 100 Gourmet Hotel**
  - **Fine Dining (Lai Po Heen)**
  - **Fine Dining (Mandarin Grill)**
- 2025 Trip.com Group – Top Producing Hotel
- World Travel Awards
  - **Malaysia's Leading Business Hotel**
  - **Malaysia's Leading City Hotel**
  - **Malaysia's Leading Hotel Suite**
- Tripadvisor Travels' Choice Award
- Global Sustainable Tourism Council (GSTC) Certification
- ASEAN Tourism Standard 2025-2027  
**ASEAN Spa Services Standard**
- **BeSS Certificate of Recognition** by Malaysia's Ministry of Health (MoH)
- **Industry Leadership Awards** for Cage-Free Implementation by Malaysia Cage Free Egg Producer's Organisation (MCFEPO)

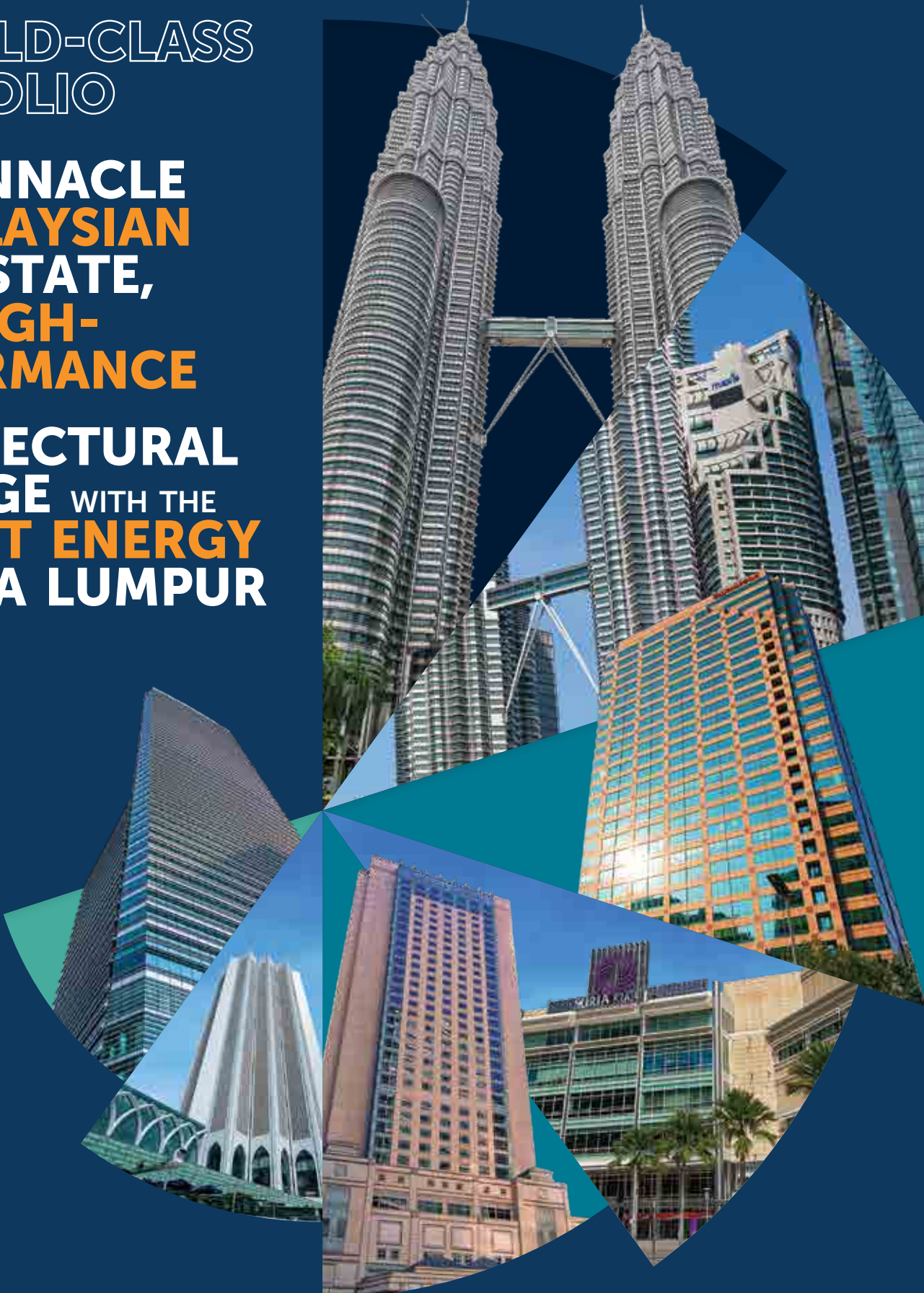


Scan QR code to view the full list of Awards and Recognition on our corporate website

# What We Offer

## A WORLD-CLASS PORTFOLIO

**THE PINNACLE OF MALAYSIAN REAL ESTATE, OUR HIGH-PERFORMANCE ICONS UNITE ARCHITECTURAL PRESTIGE WITH THE VIBRANT ENERGY OF KUALA LUMPUR**



## Our Iconic **Portfolio** in the Heart of Kuala Lumpur

➤ **3,195,544**  
Net Lettable Area (sq. ft.)

➤ **234,007**  
Land Area (sq. ft.)

➤ **5,499,468**  
Gross Floor Area (sq. ft.)

➤ **100%**  
Occupancy  
(31 December 2025)

➤ **4,858\***  
Car Park bays

\* North West Development Car Park,  
shared by PETRONAS Twin Towers,  
Suria KLCC and Menara Maxis



### TENURE:

Freehold

### ACQUISITION DATE:

10 April 2013

### AGE OF BUILDING:

28 years

### LOCATION:

Kuala Lumpur City Centre,  
50088 Kuala Lumpur

### ACQUISITION PRICE:

RM6,500,000,000

### ENCUMBRANCES:

Nil

### TITLE:

GRN 43697, Lot 169, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

### LEASE/TENANCY PROFILE:

Leased to a single lessee, Petroliaam Nasional Berhad (PETRONAS) vide a Triple Net Lease Agreement for a term of 15 years, expiring on 30 September 2027. PETRONAS has exercised its option to extend the lease to 30 September 2042, for a further term of 15 years.

### NET BOOK VALUE AS AT 31 DECEMBER 2025:

RM6,928,082,915

### APPRAISED VALUE:

RM6,950,000,000

### DATE OF VALUATION:

31 December 2025

### INDEPENDENT VALUER:

CBRE WTW Valuation & Advisory Sdn Bhd

### GREEN BUILDING CERTIFICATION:

Green Building Index – Gold

### MSC STATUS:

MSC Cybercity @ KLCC

## PETRONAS TWIN TOWERS

An iconic landmark and the world's tallest twin towers. The corporate headquarters of PETRONAS, the national petroleum company.

## What We Offer

### Our Iconic Portfolio

in the Heart of Kuala Lumpur

- **816,377 (Office)**  
Net Lettable Area (sq. ft.)
- **97% (Retail)**  
Occupancy  
(31 December 2025)
- **132,587 (Retail)**  
Net Lettable Area (sq. ft.)
- **195**  
Car Park bays
- **46,306**  
Land Area (sq. ft.)
- **1,500,814**  
Gross Floor Area (sq. ft.)
- **100% (Office)**  
Occupancy  
(31 December 2025)

**TENURE:**

Freehold

**ACQUISITION DATE:**

10 April 2013

**AGE OF BUILDING:**

14 years

**LOCATION:**Kuala Lumpur City Centre,  
50088 Kuala Lumpur**ACQUISITION PRICE:**

RM1,790,000,000

**ENCUMBRANCES:**

Nil

**TITLE:**GRN 43699, Lot 171, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur**LEASE/TENANCY PROFILE:**

Leased to a single lessee, Petroliam Nasional Berhad (PETRONAS) vide a Triple Net Lease Agreement for a term of 15 years, expiring on 14 December 2026. PETRONAS has exercised its option to extend the lease to 14 December 2041, for a further term of 15 years.

**NET BOOK VALUE  
AS AT 31 DECEMBER 2025:**

RM1,997,114,519

**APPRAISED VALUE:**

RM2,040,000,000

**DATE OF VALUATION:**

31 December 2025

**INDEPENDENT VALUER:**

CBRE WTW Valuation &amp; Advisory Sdn Bhd

**GREEN BUILDING CERTIFICATION:**

Green Building Index – Silver

## MENARA 3 PETRONAS

A premium Grade A, 58-storey office tower with exclusive retail and sky dining.

➤ **406,932**  
Net Lettable Area (sq. ft.)

➤ **43,045**  
Land Area (sq. ft.)

➤ **562,064**  
Gross Floor Area (sq. ft.)

➤ **100%**  
Occupancy  
(31 December 2025)

➤ **528**  
Car Park bays



#### TENURE:

Freehold

#### ACQUISITION DATE:

10 April 2013

#### AGE OF BUILDING:

29 years

#### LOCATION:

Kuala Lumpur City Centre,  
50088 Kuala Lumpur

#### ACQUISITION PRICE:

RM450,000,000

#### ENCUMBRANCES:

Nil

#### TITLE:

GRN 43685, Lot 157, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

#### LEASE/TENANCY PROFILE:

Leased by ExxonMobil Business Support Centre Malaysia Sdn Bhd for three years with option to renew for a further two successive terms of three years each; and tenancy to Petroliam Nasional Berhad (PETRONAS) for a period of three years with an option to renew for two successive terms of three years each, both expiring on 31 March 2034 and 31 March 2035, respectively.

#### NET BOOK VALUE AS AT 31 DECEMBER 2025:

RM544,498,771

#### APPRAISED VALUE:

RM546,000,000

#### DATE OF VALUATION:

31 December 2025

#### INDEPENDENT VALUER:

CBRE WTW Valuation & Advisory Sdn Bhd

#### MSC STATUS:

MSC Cybercity @ KLCC

## MENARA EXXONMOBIL

29-storey office building strategically located at the south-eastern portion of the KLCC development and is home to major oil and gas corporations.

## What We Offer

### Our Iconic Portfolio

in the Heart of Kuala Lumpur

- **648,790**  
Net Lettable Area (sq. ft.)
- **315,802**  
Land Area (sq. ft.)
- **1,040,108**  
Gross Floor Area (sq. ft.)
- **100%**  
Occupancy  
(31 December 2025)
- **731**  
Car Park bays



#### TENURE:

99 years leasehold interest expiring on 16 October 2123 (lot 45), 5 June 2122 (lot 38), 5 September 2123 (lot 39); and 98 years leasehold interest expiring on 5 June 2121 (lot 51)

#### ACQUISITION DATE:

31 May 2004

#### AGE OF BUILDING:

41 years

#### LOCATION:

Kuala Lumpur City Centre,  
50050 Kuala Lumpur

#### ENCUMBRANCES:

Nil

#### TITLE:

Lot 38: HS(D) 123344, Lot 39:  
PN 54859, Lot 45: PN 55152,  
Lot 51: PN 55153, Seksyen 70,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

#### LEASE/TENANCY PROFILE:

Leased to a single lessee, Petroliam Nasional Berhad (PETRONAS) vide TNL agreement for a term of six years expiring on 31 December 2025. The Lessee has agreed to exercise the Option to Extend Term as stipulated under TNL Agreement for a further term of six years commencing from 1 January until 31 December 2031.

#### NET BOOK VALUE AS AT 31 DECEMBER 2025:

RM759,000,000

#### APPRAISED VALUE:

RM760,894,250

#### DATE OF VALUATION:

31 December 2025

#### INDEPENDENT VALUER:

Cheston International (KL) Sdn Bhd

## KOMPLEKS DAYABUMI

An integrated office development with retail podium located within the former city centre of Kuala Lumpur.



➤ **973,127**  
Net Lettable Area (sq. ft.)

➤ **303,112**  
Land Area (sq. ft.)

➤ **1,545,361**  
Gross Floor Area (sq. ft.)

➤ **98%**  
Occupancy  
(31 December 2025)



#### TENURE:

Freehold

#### ACQUISITION DATE:

31 May 2004

#### AGE OF BUILDING:

27 years

#### LOCATION:

Kuala Lumpur City Centre,  
50088 Kuala Lumpur

#### ENCUMBRANCES:

Nil

#### TITLE:

GRN 43698, Lot 170, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

#### LEASE/TENANCY PROFILE:

Tenanted to various retailers on a  
three to five-year term tenancy

#### NET BOOK VALUE

#### AS AT 31 DECEMBER 2025:

RM6,138,043,543

#### APPRAISED VALUE:

RM6,160,000,00

#### DATE OF VALUATION:

31 December 2025

#### INDEPENDENT VALUER:

Cheston International (KL) Sdn Bhd

## SURIA KLCC

Malaysia's iconic experiential shopping destination, home to over 360 specialty stores offering global brands, local favourites and curated dining experiences.

## What We Offer

### Our Iconic Portfolio

in the Heart of Kuala Lumpur

- **629**  
No. of rooms
- **87,123**  
Land Area (sq. ft.)
- **998,705**  
Gross Floor Area (sq. ft.)
- **59%**  
Occupancy  
(31 December 2025)
- **544**  
Car Park bays

**TENURE:**

Freehold

**ACQUISITION DATE:**

31 May 2004

**AGE OF BUILDING:**

27 years

**LOCATION:**Kuala Lumpur City Centre,  
50088 Kuala Lumpur**ENCUMBRANCES:**Charged by Asas Klasik Sdn Bhd to  
Public Investment Bank Berhad  
registered on 20 June 2025**TITLE:**GRN 43700, Lot 172, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur**NET BOOK VALUE****AS AT 31 DECEMBER 2025:**

RM536,437,612

**APPRAISED VALUE:**

RM823,000,000

**DATE OF VALUATION:**

31 December 2025

**INDEPENDENT VALUER:**

Cheston International (KL) Sdn Bhd

## MANDARIN ORIENTAL, KUALA LUMPUR

A five-star luxury urban resort in the heart of Kuala Lumpur, featuring refined accommodation, award-winning dining and comprehensive facilities for business, leisure and events.

➤ **537,085**  
Net Lettable Area (sq. ft.)

➤ **46,597**  
Land Area (sq. ft.)

➤ **814,741**  
Gross Floor Area (sq. ft.)

➤ **100%**  
Occupancy  
(31 December 2025)



#### TENURE:

Freehold

#### ACQUISITION DATE:

31 May 2004

#### AGE OF BUILDING:

27 years

#### LOCATION:

Kuala Lumpur City Centre,  
50088 Kuala Lumpur

#### ENCUMBRANCES:

Nil

#### TITLE:

GRN 43696, Lot 168, Seksyen 58,  
Bandar Kuala Lumpur,  
Daerah Kuala Lumpur,  
Wilayah Persekutuan Kuala Lumpur

#### LEASE/TENANCY PROFILE:

Leased to Tanjong City Centre Property Management Sdn Bhd vide a Triple Net Lease Agreement for a term of 15 years, expiring on 31 May 2028.

#### GREEN BUILDING CERTIFICATION:

Green Building Index – Silver  
LEED 4.1 Platinum Certification

## MENARA MAXIS

49-storey office tower with unique and distinctive architecture. Houses one of the leading communications service providers in Malaysia and its associate companies.

#### Note:

KLCCP owns a 33% stake in Menara Maxis

# How We Are Structured



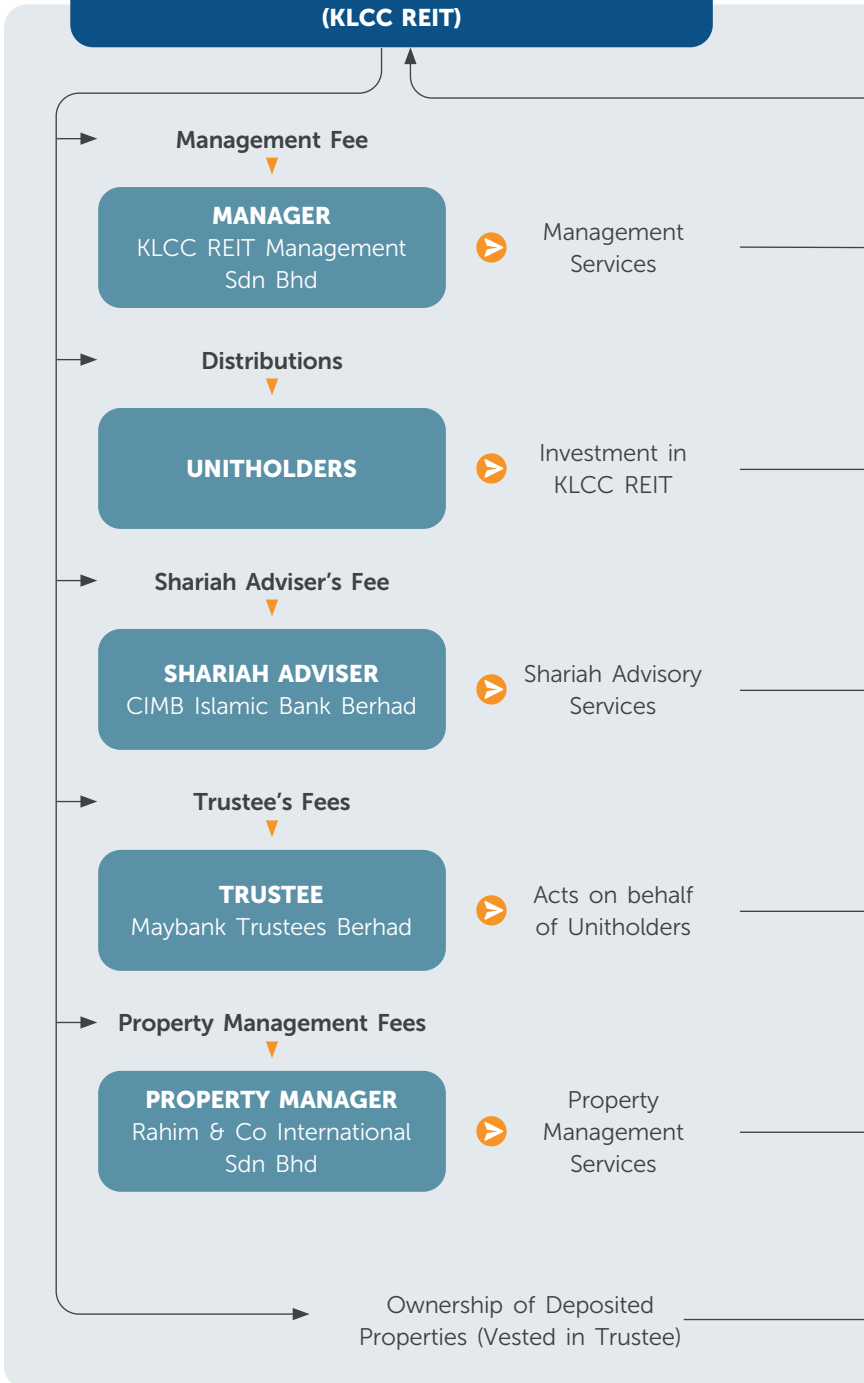
Each ordinary share is stapled to each unit (Stapled Securities)

## KLCC PROPERTY HOLDINGS BERHAD (KLCCP)

- 100%
➤
**KOMPLEKS DAYABUMI SDN BHD**  
 (Kompleks Dayabumi)
- 100%
➤
**SURIA KLCC SDN BHD**  
 (Suria KLCC)
- 100%
➤
**KLCC URUSHARTA SDN BHD**  
 (Facilities Management)
- 100%
➤
**KLCC PARKING MANAGEMENT SDN BHD**  
 (Car Parking Management)
- 100%
➤
**KLCC REIT MANAGEMENT SDN BHD**  
 (Manager of KLCC REIT)
- 100%
➤
**IMPIAN CEMERLANG SDN BHD**  
 (Vacant Land – Lot D1)
- 75%
➤
**ASAS KLASIK SDN BHD**  
 (Mandarin Oriental, Kuala Lumpur)
- 33%
➤
**IMPIAN KLASIK SDN BHD**  
 (Menara Maxis)

**Note:**  
 Inactive companies have been excluded from this corporate structure. The detailed corporate structure of the Group can be found on the KLCCP Stapled Group's corporate website at [www.klcc.com.my](http://www.klcc.com.my)

## KLCC REAL ESTATE INVESTMENT TRUST (KLCC REIT)



# Group Corporate Structure



## KLCC REIT Salient Features

### Name of Fund

KLCC REAL ESTATE INVESTMENT TRUST (KLCC REIT)

### Duration of Fund/Termination Date

The earlier of:

- 999 years falling on 8 April 3012
- The date on which KLCC REIT is terminated by the Trustee or the Manager, in circumstances as set out under provisions of the Trust Deed dated 2 April 2013 (as amended and restated by the Amended and Restated Trust Deed dated 3 September 2019)

### Fund Type

Income and Growth

### Fund Category

Islamic Real Estate  
Investment Trust

### Approved Fund Size

1,805,333,085 units

### Market Capitalisation

RM15,742,504,501 (as at 31 December 2025)

### Investment Objective

To provide the unitholders with regular and stable distributions, improving returns from property portfolio and capital growth while maintaining an appropriate capital structure

### Listing Date

9 May 2013

### Stock Name & Code

KLCC & 5235SS

### Investment Policy

To invest, directly and indirectly, in a Shariah-compliant portfolio of income producing real estate used primarily for office and retail purposes in Malaysia and overseas

### Distribution Policy

95% of KLCC REIT's distributable income for FY2013 and FY2014 and at least 90% for each subsequent financial year

Distributions can be on a quarterly basis or such other intervals

### Gearing Policy

Up to 50% of total asset value of the Fund

Income

**RETAIL PROPERTY**  
Menara 3 PETRONAS  
(Retail Podium)

**OFFICE PROPERTIES**  
PETRONAS Twin Towers  
Menara 3 PETRONAS  
Menara ExxonMobil

# Our Integrated Approach to Value Creation

At KLCCP Stapled Group, value creation is embedded in how we operate. We continuously assess various elements that might impact our ability to create value for the Group and our stakeholders in the short, medium, and long term. By evaluating our operating environment and understanding the needs of our stakeholders, we develop strategies to achieve our goals.

## Assessing Our Context

### Evaluate Our Operating Environment

Refer to pages 78 to 80

We analyse our operating environment and identify market trends, risks and opportunities which have the greatest impact on our ability to create value in the short, medium and long terms. These include global and local economic activity, property trends, market volatilities, geopolitical tensions, competition, changing customer expectations, as well as increasing social, regulatory and environmental requirements.

### Strengthen Stakeholder Engagement

Refer to pages 42 to 48

Proactive engagement with key stakeholders allows us to understand their needs and be responsive to their expectations, prioritising what each stakeholder group values the most. In the process of delivering sustained value to all our stakeholders, we develop quality relationships with them which contribute to the continued growth and sustainability of our business.

- |   |   |
|---|---|
| <b>S1</b> Shareholders, Investors and Business Partners | <b>S5</b> Suppliers and Service Providers |
| <b>S2</b> Employees                                     | <b>S6</b> Community                       |
| <b>S3</b> Government, Local Authorities and Regulators  | <b>S7</b> Media                           |
| <b>S4</b> Tenants, Customers and Guests                 |   |

### Identify Risks & Opportunities

Refer to pages 81 to 87

Our ability to create value is impacted by risks that could derail the attainment of our goals; and opportunities that could accelerate or accentuate positive outcomes. We have in place a comprehensive risk management framework that allows us to identify these risks and opportunities, and manage them as we pursue our strategic and business objectives.

- |   |                                    |
|---|------------------------------------|
| <b>R1</b> Financial Risk                      | <b>R6</b> Asset Management Risk    |
| <b>R2</b> Market Risk                         | <b>R7</b> Facility Management Risk |
| <b>R3</b> Human Capital Risk                  | <b>R8</b> Supplier Risk            |
| <b>R4</b> Health, Safety and Environment Risk | <b>R9</b> Cybersecurity Risk       |
| <b>R5</b> Security Risk                       | <b>R10</b> Sustainability Risk     |

### Reinforce Our ESG Commitments

We integrate sustainability into our business by aligning operations with key ESG factors. By analysing trends, regulatory shifts, and stakeholder expectations, we identify risks and opportunities that enhance resilience and resource efficiency. Our risk management and governance frameworks enable proactive responses, while our Sustainability Plan 2030 focuses on contributing to a sustainable world across the four pillars: Planet, People, Peace, and Prosperity, underpinned by clear ESG goals and performance indicators.

## Identify and Prioritise Our Material Issues

### Identify Our Material Sustainability Matters

Refer to pages 50 to 58

Material sustainability matters are those that could impact our ability to deliver value in the short, medium and long term. These are identified through an analysis of the macro-environment, our operating context, the resources we rely on, as well as feedback from our stakeholders. Our 13 material sustainability matters inform our strategy to manage our risks and leverage our opportunities.

#### Planet

- |  |                                  |
|--|----------------------------------|
| <b>M1</b> Climate Change and Energy Management | <b>M2</b> Environment Management |
|--|----------------------------------|

#### People

- |                                     |   |
|-------------------------------------|---|
| <b>M3</b> Human Capital Development | <b>M5</b> Labour Standard and Practices |
| <b>M4</b> Human Rights              | <b>M6</b> Health, Safety and Security   |

#### Peace

- |                                |  |
|--------------------------------|--|
| <b>M7</b> Corporate Governance | <b>M9</b> Cybersecurity and Data Privacy |
| <b>M8</b> Business Ethics      |  |

#### Prosperity

- |   |  |
|---|--|
| <b>M10</b> Financial Sustainability       | <b>M12</b> Supply Chain Management         |
| <b>M11</b> Customer and Tenant Management | <b>M13</b> Corporate Social Responsibility |

Formulate Our Strategy → Allocate Our Resources → Integrate Into Our Business Model

Creating Value

Outline Our Strategy

Refer to pages 88 to 91

Our 3-pronged growth strategy focuses on:



By concentrating on these three areas of focus, we will strengthen our business viability and performance through enhanced efficiencies across our operations and expansion of our asset portfolio to stay in tune with evolving needs and trends.

Allocate Our Capital

Refer to page 38

The execution of our strategy relies on the disciplined allocation of the six capitals:

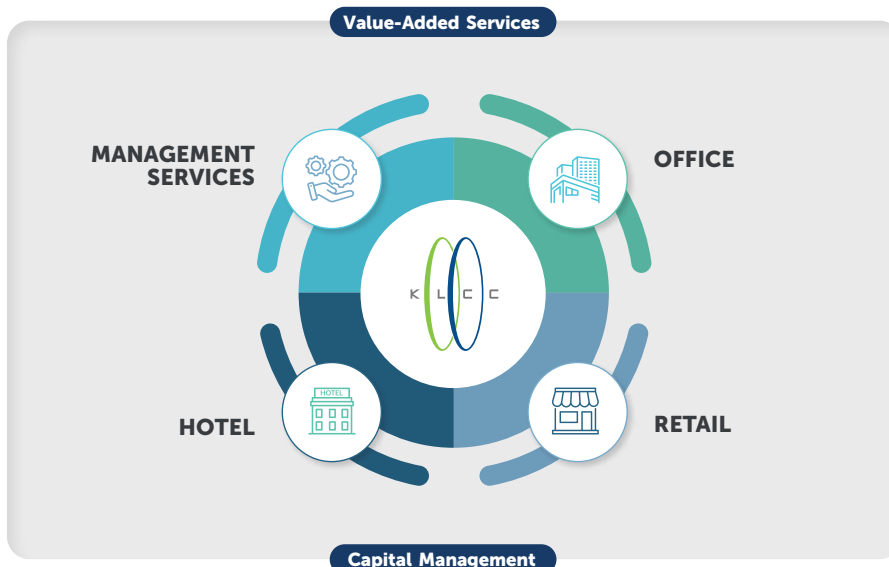
- FC Financial Capital, SR Social and Relationship Capital, HC Human Capital, IC Intellectual Capital, MC Manufactured Capital, NC Natural Capital

We deploy our resources optimally and align our relationships to drive growth, reinforce resilience and deliver sustainable value for all our stakeholders.

Integrate Into Our Business Model

Refer to pages 38 to 41

We seek to actively manage our activities and their impact to ensure we enhance the positive and minimise the negative outcomes of our business model, thereby sustaining value for all our stakeholders.



Enhance Our Value

Ultimately, KLCCP Stapled Group seeks to create long-term value for the Group, as well as our shareholders and other stakeholders. We track operational outcomes through Key Performance Indicators measured against our strategies and strategic performance.

A source of sustained growth in total returns for investors and shareholders

An employer of choice for employees

A preferred business partner for vendors and suppliers

A responsible community partner

Creating a Positive Impact

# Value Creation Model

## STATEMENT OF PURPOSE

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

### Our Capitals...

#### Inputs

##### FC Financial Capital

The pool of funds and financial capacity that support asset ownership, operations, capital management and long-term value creation.

- Total assets: RM19.2 billion
- Total equity attributable to holders of Stapled Securities: RM14.1 billion
- Total financing: RM4.3 billion
- Share capital: RM1.8 billion
- Cash generated from operations: RM1.2 billion
- Stable recurring cash flows from prime assets with long-term leases
- Strong balance sheet with low gearing ratio at 30.5%, providing funding headroom

##### MC Manufactured Capital

A portfolio of large, integrated and high-quality real estate assets that underpin recurring income and precinct-based value creation.

- Diversified REIT with a portfolio of seven properties in Malaysia
- Iconic and high-quality assets:
  - 5 Offices (3 GBI-Certified) | 2 Retail Malls | 1 Hotel
- 12.0 million sq. ft. GFA under management
- State-of-the-art infrastructure & facilities to ensure best-in-class products and services

##### IC Intellectual Capital

The intangible assets of our organisation, including institutional knowledge, operational capabilities, systems and processes, as well as our reputation and brand equity.

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

##### HC Human Capital

The Board, leadership and workforce whose expertise, culture and performance drive operational excellence and strategic delivery.

- Total no. of full-time employees: 1,074
- RM2.6 million invested in learning and development to upskill and future-proof talent
- High-performing, future-ready culture aligned with strategic priorities
- Development of structured framework to measure long-term organisational targets and the associated rewards
- Strong HSE discipline, led by leadership at all levels

##### SR Social and Relationship Capital

The strength of the Group's relationships with tenants, investors, regulators, partners and the community, built on trust, transparency and shared long-term value creation.

- Trusted and transparent stakeholder relationships and strong brand leadership
- Expanded collaborations and partnerships across precinct, retail and hospitality ecosystems
- Placemaking-driven community engagement, anchored by KLCC Park with over 200,000 visitors
- Local procurement: 99%
- Strong network of 384 approved vendors supporting the business
- Responsible ESG and sustainable development practices

##### NC Natural Capital

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

- Energy consumption: 313,734 Mwh
- Water consumption: 1,339,441 m<sup>3</sup>
- Efficiency and climate risk mitigation initiatives
- Digitalised asset operations to reduce environmental footprint

#### Material Sustainability Matters

##### Planet

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

##### People

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

##### Peace

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

##### Prosperity

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

Refer to pages 50 to 58

#### Key Market Trends

- MT1** Strengthening Momentum in Tourism Activity
- MT2** Heightened Competition Across Core Markets
- MT3** Rapid Digitalisation and Integrated Technology Adoption
- MT4** Evolving Consumer Preference
- MT5** Advancing Sustainability and Decarbonisation Imperatives
- MT6** Evolving Regulatory Environment

Refer to pages 78 to 80

#### Sustainability Pillars

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

SR Refer to pages 36 to 83

### Our 3-Pronged Growth Strategy

**MC Maximising Cash Generator**

**EB Expanding Core Business**

**SO Stepping Out**

Refer to pages 88 to 91

#### Our Principal Risks

- R1** Financial Risk
- R2** Market Risk
- R3** Human Capital Risk
- R4** Health, Safety and Environment Risk
- R5** Security Risk
- R6** Asset Management Risk
- R7** Facility Management Risk
- R8** Supplier Risk
- R9** Cybersecurity Risk
- R10** Sustainability Risk

Refer to pages 81 to 87



**SHARED VALUES**

**LOYALTY**  
Loyal to corporation

**INTEGRITY**  
Honest and upright

**PROFESSIONALISM**  
Strive for excellence

**COHESIVENESS**  
United, trust and respect for each other

**Enable Value-Adding Activities**

**OUR INVESTMENT PROPOSITION**

Malaysia's largest and the only stapled REIT, representing one-third of the Bursa Malaysia REIT Index

Resilient portfolio quality that consistently delivers **stable earnings, capital resilience and long-term value**

A proven **dividend distribution track record** that underpins long-term shareholder value and income confidence

A clear pathway to **net zero** by 2050, guided by the **KLCC Sustainability Plan 2030**, future-proofing assets while creating lasting environmental and community impact

A singular **integrated ecosystem** with full precinct ownership, curating a complete **destination** to **work, shop, stay and play**

**OUR BUSINESS ACTIVITIES**



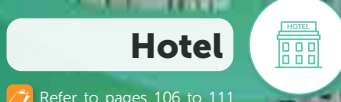
**Office**

Refer to pages 94 to 99



**Retail**

Refer to pages 100 to 105



**Hotel**

Refer to pages 106 to 111



**Management Services**

Refer to pages 112 to 117

## Value Creation Model

### Outputs

- High-quality, income-generating real estate assets created and managed to deliver sustained cash flows and long-term value, while recognising associated environmental and social trade-offs.
- Quality real estate investments that add value to society and deliver sustained cash flow. Our end products include:

#### Office

**5.6 million**

sq. ft. NLA  
(2024: 5.6 million)

#### Hotel

**629**

rooms  
(2024: 629 rooms)

#### Car Park Bays Managed

**19,838**

(2024: 17,421)

#### Retail

**1.1 million**

sq. ft. NLA  
(2024: 1.1 million)

#### Facilities Managed

**25**

(2024: 25)

### OUR WASTE AND EMISSIONS

The Group's operations also generate environmental impacts, which are actively monitored and managed as part of responsible value creation.

**318,189**

KWH  
renewable energy generated from solar panels on rooftop of Suria KLCC

Total reduction of carbon emissions (Scope 1 & 2)

**126,877**

tCO<sub>2</sub>e  
(2024: 127,495\* tCO<sub>2</sub>e)

Total waste generated:

**6,620**

tonnes  
(2024: 7,810 tonnes)

Waste diversion from landfill:

**10%**

(2024: 11%)

\* Restated to reflect a change in reporting boundary

### Outcomes

#### FC Financial Capital

- Ranked first place in the MREITs industry
  - By market capitalisation: RM15.7 billion (2024: RM14.7 billion)
  - By property value: RM16.7 billion (2024: RM16.2 billion)
- 5-year average total return: 10.0% (2024: 6.3%)
- Revenue: RM1.74 billion (2024: RM1.71 billion)
- PATMI (excluding fair value adjustments): RM0.83 billion (2024: RM0.79 billion)
- Maintained RAM Rating AAA/Stable outlook for KLCCP, KLCC REIT and Suria KLCC

#### MC Manufactured Capital

- Increased fair value adjustment to RM463.9 million (2024: RM234.7 million)
- Average Occupancy Rate
  - Office: 100% (2024: 100%)
  - Retail: 98% (2024: 99%)
  - Hotel: 59% (2024: 58%)
- Secured operations of 2,695 car park bays within Putrajaya (2024: 926 car park bays)

#### IC Intellectual Capital

- Strong governance structure and transparency
- Enhanced IT security systems with zero incidents of cybersecurity breaches
- Conferred with 24 awards and accolades (2024: 22)

#### HC Human Capital

- 30 hours employee training hours (2024: 48 hours)
- Achieved an 80% digital literacy score through the Digital Proficiency Assessment
- Leadership development was strengthened through structured sessions involving 62 leaders

#### SR Social and Relationship Capital

- RM4.8 million spent on Corporate Social Responsibility (2024: RM5.3 million)
- KLCC The Place Instagram & Tiktok followers increased to 58,138 (2024: 35,256)
- Employee volunteerism: 4,848 hours (2024: 3,582 hours)
- Community investment beneficiaries: 1.2 million (2024: 0.8 million)

#### NC Natural Capital

- Scope 1 & 2 GHG emissions: 12% reduction versus 2019 baseline (2024: 12%)
- Sustainable September outcomes:
  - 50 trees planted at KLCC Park
  - 317 kg of waste collected during International Coastal Cleanup
  - 200 kg used cooking oil collected

+ Value Enhanced

= Value Preserved

- Value Diminished

### That Create Value for our Stakeholders

Actions To Enhance Outcomes	Stakeholders	UN SDGs	Trade-Offs
<ul style="list-style-type: none"> <li>Capital management and maintenance of a robust balance sheet</li> <li>Strategic investment in digital technologies to enhance efficiencies</li> <li>Continuous efforts to reduce cost of financing</li> <li>Sustainable redistribution of income ensuring strong shareholder returns</li> </ul>			<p>We allocate our financial capital prudently to maintain healthy cash flow and capital position while preserving our asset value, building our human capital and enhancing operational efficiencies to support our growth aspirations.</p>
<ul style="list-style-type: none"> <li>Asset maintenance and upgrades to enhance their value</li> <li>Installation of digital infrastructure to support tenant needs</li> <li>Implementation of green technologies to maintain green building certifications</li> <li>Strategic planning to acquire more assets</li> </ul>			<p>Upgrades to assets, such as MOKUL Hotel's ballroom, can impact hotel occupancy and F&amp;B revenue in the short term but result in enhanced value in the long term. The fire in a tenant's space in Menara 3 PETRONAS demonstrated the cost of any gaps in infrastructure integrity. Conversely, its quick containment highlighted the effectiveness of our emergency response system.</p>
<ul style="list-style-type: none"> <li>Continuous strengthening of governance framework</li> <li>Heightened risk management and awareness across the organisation</li> <li>Maintenance of tight cybersecurity protocols</li> <li>KLCC brand-building through impactful placemaking events</li> </ul>			<p>Any change to policies or processes requires a change in mindset and/or behaviours among employees, requiring additional resources to facilitate the change. Recognising the need for such additional effort is important to ensure proper implementation and to benefit from strengthened intellectual capital.</p>
<ul style="list-style-type: none"> <li>Upskilling and training to create a high-performance culture</li> <li>Succession planning for leadership continuity</li> <li>Employee engagement and attractive remuneration to attract and retain quality talents</li> <li>Diversity and inclusion to enhance workplace perspectives and decision-making</li> <li>Highest safety standards to protect our people and assets</li> </ul>			<p>Employee development reduces their productivity during training days but enhances overall performance in the long term. With succession planning and internal vacancy fulfilment, it is important to ensure the best person for the job, which sometimes means resorting to external hires.</p>
<ul style="list-style-type: none"> <li>Engagement with tenants, guests, shoppers and visitors to understand their needs</li> <li>Timely and meaningful response to feedback</li> <li>Maintenance of KLCC Park as a safe, serene green lung for the community</li> <li>Social contributions through CSR platform and employee volunteerism</li> </ul>			<p>Building and maintaining relationships is time and cost-intensive, however the effort is rewarded through enhanced brand equity and tenant loyalty. Addressing issues via proper maintenance and upgrades, meanwhile, leads to assets that retain or even elevate their value.</p>
<ul style="list-style-type: none"> <li>Expanded efforts to reduce our carbon footprint to include our supply chain</li> <li>Tree planting in KLCC in collaboration with FRIM</li> <li>Focus on waste reduction, sustainable food waste and hazardous waste management, and increased recycling</li> <li>Sustainable water consumption including adoption of water-efficient systems and behaviours</li> </ul>			<p>We are progressing in our asset-by-asset decarbonisation programme through the installation of LED lighting and other energy-efficient systems. These bring savings to our tenants, not to the Group as the property owner. However, there is a premium on green buildings which guarantee long-term relevance and market demand.</p>

# Stakeholder Engagement and Value Creation

Our key stakeholders are those who have an impact on our operations and/or are impacted by what we do. We place importance in engaging with our stakeholders and address their needs and expectations. Through these engagements, our stakeholders provide useful insights about matters that are important to them including economic, environmental and social issues that are integral to our value creation process.

## S1 SHAREHOLDERS, INVESTORS & BUSINESS PARTNERS

Shareholders, investors, and business partners are key to supporting the Group's strategic growth and long-term sustainability.

### Why We Engage

Our shareholders, investors and business partners define the trust, reputation and credibility of our organisation and provide access to funding to grow our business

### Engagement Platforms

- Annual General Meetings (AGMs)
- Business partners' board meetings
- Investor and analyst briefings
- Results announcements
- Corporate website

- A
- Q
- Q
- Q
- R

- Annual Report
- Sustainability Report
- Webinars and Conferences
- Press Releases

- A
- A
- A
- Q

### Stakeholder Expectations

- Sound financial management
- Business resilience and sustainability
- Good Environmental, Social and Governance (ESG) practices
- Strategic business direction and long-term growth
- Good governance practices

### Risks

- Underperformance resulting in lower share price
- Resistance from shareholders to corporate plans or strategies, hampering the attainment of corporate objectives
- Non-alignment in values or strategic objectives with business partners creating friction in operations

### Value Created

#### Value for our Stakeholders

- Stable returns to holders of Stapled Securities
- Strong brand positioning to sustain competitive advantage
- Enhanced decision-making due to Group's transparency and timely performance updates
- Strong ESG values to attract established and strategic business partners
- Well-informed shareholders, investors and business partners through updates on the Group's goals and objectives, resulting in aligned expectations with the Group's objectives and strategies

#### Value for KLCCP Stapled Group

- Access to funds/capital from shareholders and investors
- Provision of consistently high returns enhances KLCCP Stapled Group's credit rating and attracts more investors
- Business partners' technical skills and expertise strengthen the Group's intellectual capital, hence performance
- Recognition by the industry, e.g. Excellence Award-National Corporate Governance & Sustainability Awards 2025

### Our Strategic Response

- Strong corporate strategies that provide clear business direction
- Quarterly results announcements, analyst briefings, one-on-one video conferences, Board meetings, AGMs and news coverage
- Provision of timely and relevant information to shareholders, e.g. quarterly briefings and press releases, production of annual reports and sustainability reports
- Investor relations team engaged frequently with investing community
- Communicated ESG practices through our Sustainability Report, website, emails and online ESG World Platform, and awards participation
- Strong governance and culture of integrity to enhance Group's performance
- Updated IR site on corporate website
- Participated in investor conferences
- Participated in industry peers' meetings

### Value Creation Indicators & Achievements

- ▶ Paid out **RM812.4 million** in 2025 based on **total dividend of 47.00 sen**
- ▶ Maintained **AAA/Stable** rating by RAM Ratings for Suria KLCC & KLCC REIT Sukuk Murabahah Programmes and KLCCP Sukuk Wakalah Programmes
- ▶ Increased **property value of investment assets to RM16.7 billion**

#### Links

#### Material Sustainability Matters:

- M1 M2 M5 M6 M7 M8 M9 M10 M11 M12

#### Capitals:

- ALL

#### UN SDGs:



**Frequency of Engagement:**

- D Daily
- W Weekly
- M Monthly
- T Every two months
- B Bi-Annually
- Q Quarterly
- A Annually
- R As required

**S2 EMPLOYEES**

The capability, engagement and commitment of our people are key to delivering the Group’s strategy and driving sustainable growth

**Why We Engage**

Our employees are the Group’s greatest asset. Through their dedication, passion and belief in our shared values, we deliver desired results with the commitment for excellence

**Engagement Platforms**

- CEO Townhall sessions providing updates on financial performance, growth plans and employee matters A
- Dialogue and engagement with Leadership Team R
- Training/workshop/teambuilding/sharing sessions R
- Performance reviews where career progression is discussed Q
- Intranet/emails/HR Careline/memos R
- Employee satisfaction survey/ Organisational Culture Survey A
- Health and recreational activities via KLCC Sports and Recreational Club R
- Thoughtful App (wellness) D

**Stakeholder Expectations**

- Strategic business direction, long-term growth and performance
- Skills and capability development
- Career progression
- Employee benefits and compensation
- Security, safety, health and well-being
- Work-life balance
- Job security

**Risks**

- Inability to retain employees by not meeting their expectations
- Inability to equip employees with skillsets required
- Emotional stress or anxiety leading to lack of productivity
- Reputational damage if perceived to practise discrimination or violate labour laws

**Value Created**

**Value for our Stakeholders**

- Greater career security through future-ready skills and digital competency
- Meaningful growth opportunities with high performance culture
- A resilient organisation that provides stability and long-term career pathways
- Enhance career progression with internet mobility and talent retention
- Equal access to leadership opportunities, with more women in senior roles
- A safe, healthy and supportive work environment that prioritises well-being
- Continued access to learning that enables personal and professional achievement

**Value for KLCCP Stapled Group**

- Energised and engaged employees ensure valuable contributions to our business strategy and growth
- Creative, innovative and competent workforce relevant for the future
- High-performance and customer-focused work culture
- Stronger employer brand

**Our Strategic Response**

- Supported and encouraged digital adoption and structured change management to future-proof capabilities and sustain relevance
- Cultivated a performance-driven, adaptive workforce mindset and culture
- Strengthened organisational resilience through an engaged, skilled, and satisfied workforce
- Optimised talent costs by reducing attrition and enhancing retention
- Advanced women into leadership roles in alignment with national aspirations
- Ensured a safe, healthy workplace to support long-term sustainability
- Scaled upskilling through integrated e-learning platforms
- Continuously assessed and aligned core capabilities with strategic skill requirements
- Promoted holistic well-being via sports, recreation, and health initiatives
- Fostered strong employee engagement through regular communication across internal platforms
- Embedded equality, diversity, and inclusion across the organisation
- Uphold human rights through transparent and trusted grievance mechanisms
- Attract and retain talent with rewards and benefits eg. Long Service Awards and enhanced health benefits
- Encouraged a generative Health, Safety & Environment (HSE) culture

**Value Creation Indicators & Achievements**

- **RM2.6 million** spent on **learning and development**
- **31,803 total training hours** clocked in 2025 at an average of 30 hours of online digital self-learning and physical training session per staff
- **Organisational Culture Survey index score of 78**
- **30% of top management** are **women**
- **Zero substantiated incident of discrimination** in the workplace

**Links**

**Material Sustainability Matters:**

- M1
- M2
- M3
- M4
- M5
- M6
- M7
- M8
- M9
- M10
- M11
- M13

**Capitals:**



**UN SDGs:**



# Stakeholder Engagement and Value Creation

## S3 GOVERNMENT, LOCAL AUTHORITIES AND REGULATORS

We work closely with the government, local authorities, and regulators to ensure our businesses operate in line with best practices.

### Why We Engage

The government, local authorities and regulators provide the regulatory framework and guidelines in which we operate in respect to compliance and risk mitigation

### Engagement Platforms

- Emails/letters to provide feedback, updates, and queries
- Formal meetings, briefings, forums, visits, and consultations and events
- HSE inspections of business premises

R

R

M

- Collaboration with local authorities in managing KLCC Precinct's safety and security
- Emergency simulations

R

A

### Stakeholder Expectations

- Contribution to economic and industry growth
- Compliance with government policies, laws and regulatory requirements
- Ethical business practices
- Report on sustainability-related data

### Risks

- Non-compliance with laws, regulations or licenses could result in reputational damage and financial loss

### Value Created

#### Value for our Stakeholders

- Assurance of full compliance with industry policies, regulations, and standards
- Direct economic contribution through responsible tax payments
- Elevated industry benchmarks through adoption of leading best practices
- Meaningful support of government's low-carbon transition goals

#### Value for KLCCP Stapled Group

- Strengthened credibility and investor confidence through transparent engagement with the investment community and regulators
- Trusted partnerships with government and key agencies, reinforcing our licence to operate
- Proactive regulatory alignment that mitigates risk and safeguards stable, sustainable operations

### Our Strategic Response

- Drove economic and industry growth through responsible taxation, employment, and community investment
- Ensured strict compliance with laws, regulations, and governance standards and adhere to ISO37001 ABMS guidelines to maintain high level of integrity, corporate governance and transparency
- Uphold ethical business practices across our value chain
- Strengthened transparency through robust sustainability and carbon reporting via our Sustainability Report
- Continued our carbon reduction initiatives in support of the nation's net-zero ambition
- Continued our efforts to enhance risk and crisis management capabilities

### Value Creation Indicators & Achievements

➤ Paid **RM130.8 million** to the **Government in taxes** for the year

➤ Achieved **carbon emissions reduction of 12%** compared to 2019 (base year)

➤ Achieved **zero non-compliance** with all relevant **regulatory requirements**

#### Links

#### Material Sustainability Matters:



#### Capitals:



#### UN SDGs:



**Frequency of Engagement:**

- D Daily
- W Weekly
- M Monthly
- T Every two months
- B Bi-Annually
- Q Quarterly
- A Annually
- R As required

**S4 TENANTS, CUSTOMERS AND GUESTS**

The trust of our tenants, customers, and guests drives our commitment to quality service and best experiences from our business.

**Why We Engage**

Our tenants, customers and guests drive market dynamics that underpin the growth and success of our business

**Engagement Platforms**

- Hotline, surveys, and emails to manage queries, customers/tenants' feedback
- Environmental campaigns, i.e. energy conservation, water use, promoting digital platforms
- Wellness campaigns
- Loyalty programmes for shoppers and hotel guests

- Dialogue and engagement sessions R
- KLCC Precinct events R
- Social media and other online platforms to promote products and services R
- Website R

**Stakeholder Expectations**

- Security within the KLCC Precinct
- Quality products and services
- Satisfactory condition of amenities provided within and surrounding our properties
- Promotions and rewards

**Risks**

- Inability to keep up with the rapid changes in customer expectations and digital revolution
- Loss of market leadership due to intensifying competition and disruption to business trends

**Value Created**

**Value for our Stakeholders**

- A safe, vibrant environment supported by reliable professional services and innovative offerings
- Modern, flexible office spaces tailored to evolving tenants' business needs
- A dynamic and refreshed retail mix delivering greater variety and choice for customers
- Hotel services and offerings adapted to market demands ensuring a consistently high-quality guest experience
- Boost shopper traffic, guest arrivals and sales through special offerings and collaborations with retailers, driving stronger sales and business opportunities for tenants

**Value for KLCC Stapled Group**

- Increased revenue and income from our retail and hotel segments
- Strengthened reputation of our premier office, retail, and hotel spaces
- Higher footfall through a continuous well-curated and refreshed retail tenant mix
- Enhanced long-term value of our assets
- Deepened market insights through close partnerships with retail tenants, enabling better understanding of shopper behaviour and preferences

**Our Strategic Response**

- Provided a safe and comfortable environment for our tenants, customers and guests
- Bring on board a diverse retail mix aligned with lifestyle demands and trends
- Drove hotel occupancy and mall footfall through targeted promotions, customer loyalty programmes and events at KLCC Precinct
- Enhanced customer and guest experiences with digital lifestyle solutions and self-service platforms
- Mental wellness initiatives to support community well-being
- Maintained strong tenancy management, marketing support, and customer/facilities services

**Value Creation Indicators & Achievements**

- Achieved **customer satisfaction score average of 89%** for office, hotel and parking operations
- Suria KLCC brought onboard **30 new retailers** in 2025
- Achieved **RM50 million footfall** at our mall
- **Upgraded hotel ballroom**

**Links**

**Material Sustainability Matters:**

- M1
- M2
- M5
- M6
- M7
- M8
- M9
- M10
- M11
- M12

**Capitals:**

- ALL

**UN SDGs:**

-

# Stakeholder Engagement and Value Creation

## S5 SUPPLIERS AND SERVICE PROVIDERS

Strong partnerships with our suppliers and service providers support the Group in maintaining smooth and reliable business operations.

### Why We Engage

Our suppliers and service providers drive our value chain with expertise and support, contributing to the quality of our products and services

### Engagement Platforms

- Emails/letters to provide feedback, updates, and queries
- Formal meetings, briefings, forums, visits, consultations and events

R

R

- HSE inspections of business premises
- Collaboration with local authorities in managing KLCC Precinct's safety and security

M

R

### Stakeholder Expectations

- Fair competition and compliance with procurement guidelines
- Potential business opportunities
- Transparency of tender processes
- Compliance with laws and regulations
- Well managed contract extension/expiration
- Prompt issuance of payment

### Risks

- Potential conflicts of interest, corruption and unethical practices
- Quality and safety of products and services at stake
- Introduction of ESG risk into the supply chain
- Over dependence on foreign suppliers may result in cost escalation and increase in carbon emissions

### Value Created

#### Value for our Stakeholders

- Expanded growth and business opportunities through support for local suppliers
- Fair and ethical procurement practices aligned with the Code of Conduct and Business Ethics (CoBE)
- Enhanced ESG awareness and practices in line with KLCCP Stapled Group's ESG values

#### Value for KLCCP Stapled Group

- Smooth operations through a reliable supply of quality products and services
- Strengthened the Group's reputation by working with suppliers who share our ESG values
- Maintained and enhanced a database of reputable, high-quality suppliers
- Built strong, collaborative relationships to enhance supplier reliability
- Developed ESG capabilities among local suppliers to support sustainable practices

### Our Strategic Response

- Ensured equal opportunities for eligible suppliers
- Requested relevant information to meet project and service requirements
- Engaged suppliers on HSE, procurement procedures, and ensured compliance with ABMS
- Supported local employment through our supply chain
- Contractually enforced adherence to CoBE among suppliers and service providers
- Conducted annual supplier audits to ensure compliance and adherence to CoBE

### Value Creation Indicators & Achievements

▶ Spent **RM448.5 million** on suppliers and service providers

▶ **99% of total procurement** spent on local suppliers

▶ **100% planned supplier engagement programme** conducted

#### Links

#### Material Sustainability Matters:



#### Capitals:



#### UN SDGs:





**Frequency of Engagement:**

- D Daily
- W Weekly
- M Monthly
- T Every two months
- B Bi-Annually
- Q Quarterly
- A Annually
- R As required

**S6 COMMUNITY**

Meaningful engagement with our communities supports the Group's long-term sustainable growth.

**Why We Engage**

Our community defines our social relevance, on how we connect and foster goodwill while delivering a lasting positive impact by addressing their needs

**Engagement Platforms**

- Corporate Social Responsibility (CSR) programmes R
- Media/news portals, emails, websites, social media, advertisements, advertorials, leaflets, posters R
- Events held at KLCC Precinct M

**Stakeholder Expectations**

- Environmental and social benefits and impact caused by our business activities
- Health and safety measures in our business operations

**Risks**

- Lack of corporate social responsibility initiatives could result in negative perception thus damaging the Group's reputation
- Random allocation of funds/selection of beneficiaries may lead to accusations of bias

**Value Created**

**Value for our Stakeholders**

- A safe and secure environment for tenants, shoppers, guests and public
- Enhanced quality of life by making available public spaces, local amenities, and community initiatives
- Positive social impact through contributions to local infrastructure
- Empowerment of underprivileged groups through contributions to welfare funds and community programmes
- Strengthened social cohesion through inclusive events, cultural activities, and community engagement
- Environmental stewardship that benefits the local community through sustainability and green initiatives.
- Support for local businesses and entrepreneurs, fostering economic growth and resilience

**Value for KLCCP Staped Group**

- Strengthened long-term industry relevance through positive stakeholder relationships
- Enhanced brand reputation and market perception through active social citizenry
- Increased visibility as a socially responsible and trusted organisation
- Fostered employee engagement, volunteerism and awareness, driving meaningful contributions to the community while reinforcing the Group's purpose

**Our Strategic Response**

- Participated in community investment programmes, including donations, sponsorships, and environmental conservation initiatives
- Strengthened security of KLCC Precinct through 24/7 monitored CCTV with analytics
- Supported local authorities, charitable organisations, and community welfare programmes
- Contributed to the maintenance and improvement of public infrastructure
- Advanced mental health awareness through targeted campaigns eg. Mental Health Awareness campaign by Suria KLCC
- Promoted sustainability practices across the Group and among the communities through the KLCC Sustainable September campaign

**Value Creation Indicators & Achievements**

- Contributed **RM4.8 million** towards **corporate social responsibility**
- Benefitted **1.2 million individuals and organisations** through **corporate outreach programmes**
- Recorded **4,848 volunteer hours** spent on **community investment programmes**

**Links**

**Material Sustainability Matters:**

- M1
- M2
- M3
- M4
- M5
- M6
- M7
- M8
- M9
- M10
- M11
- M13

**Capitals:**



**UN SDGs:**



# Stakeholder Engagement and Value Creation

**Frequency of Engagement:**

- D** Daily
- W** Weekly
- M** Monthly
- T** Every two months
- B** Bi-Annually
- Q** Quarterly
- A** Annually
- R** As required

## S7 MEDIA

Media engagement supports transparent communication of our messages to the public.

### Why We Engage

The media shapes market perception and is a key multiplier of information to the public helping to build positive dialogue with our organisation

### Engagement Platforms

- Press releases
- Emails
- Press conferences
- Interviews
- Media events

- R** • Events at KLCC Precinct
- R** • Media luncheons
- R** • Advertorials
- R** • Press advertisements

- R**
- A**
- R**
- R**

### Stakeholder Expectations

- Financial performance, growth strategy and plans
- Timely and transparent disclosure
- Media investment, i.e., media buy, subscription of media services

### Risks

- Poor visibility due to insufficient media coverage
- Occurrence of inaccurate or false information

### Value Created

#### Value for our Stakeholders

- Access to timely and accurate updates on financial performance, growth strategies, and business plans to support informed reporting
- Support for media initiatives through advertising, advertorials, and subscriptions
- Strengthened relationships and collaboration through regular engagements, interviews, and media events such as media luncheons

#### Value for KLCCP Stapled Group

- Enhanced reputation and credibility through fair and balanced media coverage
- Strengthened relationships with top-level media stakeholders
- Expanded network of media friends ensuring effective information dissemination
- Increased brand equity and public confidence through positive media exposure
- Raised visibility of KLCC Group's reputation, credibility, and brand
- Strengthened trust in the KLCC Group's brand among stakeholders

### Our Strategic Response

- Issued timely press releases on quarterly results, events, and responded to media queries
- Actively participated in media events eg. Awards events organised by media, and media interviews
- Held press conferences in conjunction with KLCCP Stapled Group Annual General Meetings
- Collaborated on press advertorials and media coverage to highlight corporate events, milestones and achievements

### Value Creation Indicators & Achievements

- Achieved **RM506 million Advertising Value Equivalent (AVE)** from coverage in conventional media
- Hosted **2 media luncheons** for editors and journalists
- Garnered **over RM500 million in PR value** from media coverage

**Links**

**Material Sustainability Matters:**

- M1**
- M2**
- M6**
- M7**
- M8**
- M9**

**Capitals:**

- HC**
- IC**
- SR**
- NC**

**UN SDGs:**

- 
- 
- 
- 
-

## How We Distribute **Value Created**

KLCCP Stapled Group distributes the value we create in ways that are both relevant and impactful, extending beyond financial rewards. Stakeholders benefit from intangible contributions such as employee development programmes and community initiatives, all aimed at fostering a more sustainable future. The value generated in 2025 was distributed as follows:



**RM132.3**

million

TO GOVERNMENT

**7%**

Total of corporate taxes



**RM991.7**

million

TO PROVIDERS OF CAPITAL

**56%**

Rewarded and paid both shareholders & bank

**RM**  
**1,784.6**  
million

**RM509.4**

million

TO REINVESTMENT & GROWTH

**29%**

Retained to fund future growth across our diversified portfolio



**RM151.2**

million

TO EMPLOYEES

**8%**

Salaries and rewards to the Group's employees



# Material Sustainability Matters

At KLCCP Stapled Group, sustainability is deeply embedded within our strategic planning, risk management, and is a fundamental aspect across all facets of our business and value chain. As a diversified entity engaged in property development, investment, and management, we identify opportunities to generate enduring value while mitigating external trade-offs associated with our operations and value chain.

We formulate our sustainability agenda to tackle issues that hold significance for both our internal and external stakeholders. Consequently, obtaining input and addressing sustainability matters considered material to our key stakeholders is an essential component of our sustainability management strategy.

To read more, please refer to pages 36 to 48

## APPROACH

KLCCP Stapled Group's approach in identifying and prioritising material sustainability matters comprises four key steps:



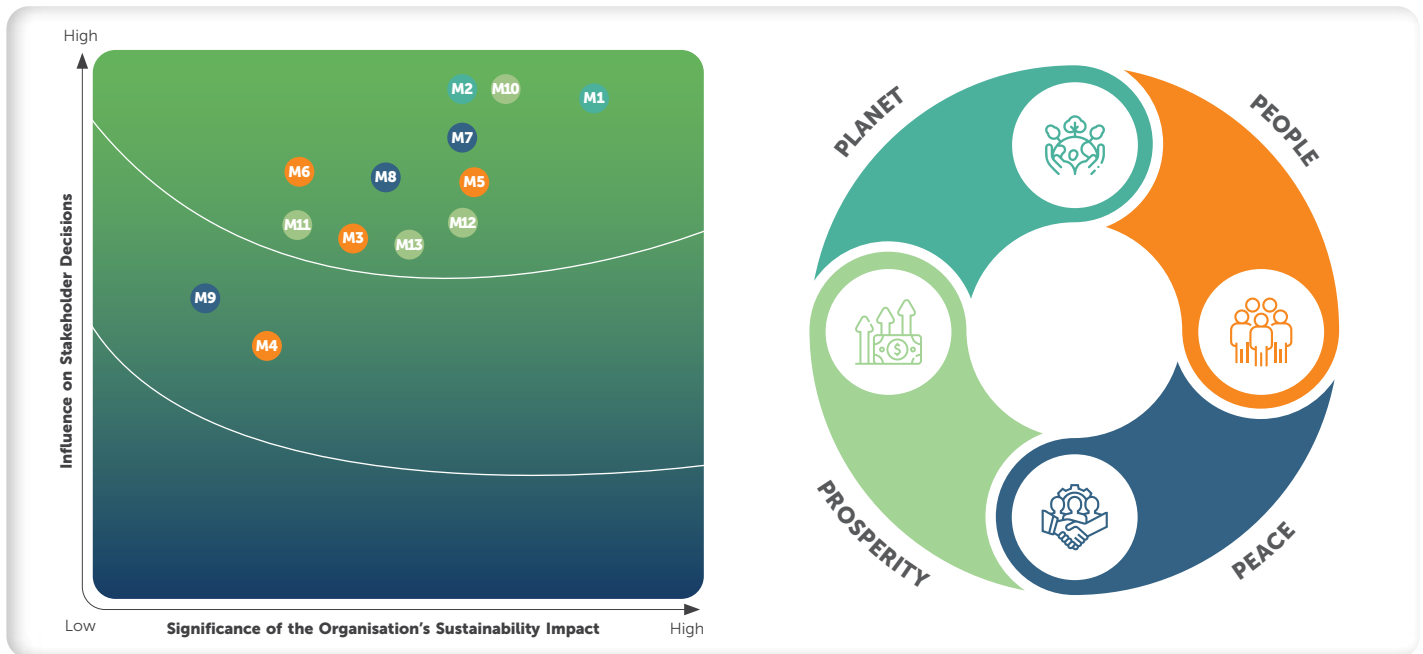
## MATERIALITY MATRIX

13 material sustainability matters were identified for KLCCP Stapled Group according to the four sustainability pillars assessed through the following steps:

- Stakeholder prioritisation was conducted based on their influence and dependency on the business. Five prioritised stakeholder groups were engaged to complete a material sustainability matters survey.
- When assessing the influence of the sustainability matter on stakeholders' decisions, each stakeholder was given respective weightage based on the results of the stakeholder prioritisation process.

- The influence of the sustainability matters on stakeholders' decisions is represented by the weighted score which best describes the influence of each sustainability matter on decisions by respective stakeholder groups.
- The significance of our sustainability impacts refers to risks or impacts caused by the business to the environment and external stakeholders. They are determined based on the KLCC Enterprise Risk Management Guideline, where the risk rating is the result of likelihood multiplied by severity, from three sustainability aspects: economic, environmental, and social.

Based on the results of the assessment for each material sustainability matter, a materiality matrix was established.



### LEGEND

- |  |  |  |
|--|--|--|
| <b>M1</b> Climate Change and Energy Management | <b>M6</b> Health Safety and Security     | <b>M11</b> Customer and Tenant Management  |
| <b>M2</b> Environment Management               | <b>M7</b> Corporate Governance           | <b>M12</b> Supply Chain Management         |
| <b>M3</b> Human Capital Development            | <b>M8</b> Business Ethics                | <b>M13</b> Corporate Social Responsibility |
| <b>M4</b> Human Rights                         | <b>M9</b> Cybersecurity and Data Privacy |  |
| <b>M5</b> Labour Standard and Practices        | <b>M10</b> Financial Sustainability      |  |

## REVIEW OF MATERIAL SUSTAINABILITY MATTERS AND MATRIX

For the year under review, KLCCP Stapled Group conducted a limited review of our material sustainability matters and materiality matrix to ensure alignment with our operations and stakeholder priorities. The review confirmed that no significant changes in business operations or the external environment had impacted our existing material sustainability matters, risks, or opportunities.

As such, the Group has maintained our 2025 materiality matrix, reflecting the enduring relevance of our sustainability priorities. In line with our framework, the next full-scale review is planned for 2026, following the three-year review cycle established in 2023. However, should significant changes in business operations or legislative requirements occur, the Group will adjust this timeline and conduct a comprehensive review earlier to ensure that our sustainability approach remains relevant and responsive.

# Material Sustainability Matters

## PLANET

### M1 CLIMATE CHANGE AND ENERGY MANAGEMENT

#### DESCRIPTION

The effects of climate change are becoming more evident in increasing climate events, such as floods, typhoons, heat waves, forest fires, and droughts, among others. These necessarily have a negative impact on communities, often damaging homes and livelihoods.

#### WHY IT IS MATERIAL

For the KLCCP Stapled Group, climate change, which is exacerbated by carbon emissions (from energy consumption among others), has the potential to damage our assets and communities and needs to be mitigated.

#### RISKS

- Potential worsening of global warming
- Potential business disruption due to severe weather conditions
- Increase in operation costs due to material/resource scarcity because of climate change
- Threats to human health – physical and psychological well-being
- Inability to meet increased demand by investors for low carbon/climate resilient companies

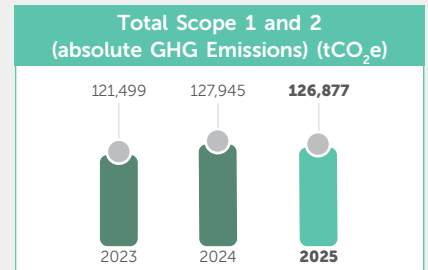
#### OPPORTUNITIES

- Supporting the government's efforts to transition to a low-carbon economy by 2050
- Reducing energy usage by adopting energy efficient practices
- Assessing climate risk helps to future proof our business operation
- Attracting investments by being a climate resilient business

#### RESPONSE/APPROACH

1. Climate-related Disclosures
2. Asset by Asset Decarbonisation Plan
3. Energy Management

**SR** Refer to our Sustainability Report 2025 on pages 36 to 40



#### OUTLOOK

The Group will strengthen our NSRF-aligned climate disclosures and EECA preparedness, while progressively scaling asset-level energy efficiency, electrification and Scope 3 data enhancements to advance our Net Zero 2050 pathway.

Capitals: **ALL**

Strategy: **MC EB SO**

Stakeholders: **S1 S2 S3 S4 S5 S6**

UN SDGs:

### M2 ENVIRONMENT MANAGEMENT

#### DESCRIPTION

Our commitment to environment management goes beyond strategy; it is a profound recognition of our role in building a sustainable future. Through conscientious, eco-friendly practices, we actively reduce our ecological footprint, positioning our properties as symbols of modernity and environmental responsibility.

#### WHY IT IS MATERIAL

Engaging stakeholders in environmentally conscious practices empowers individuals to contribute actively to global environmental preservation. Our commitment to improving the environmental quality of surrounding communities reflects a deep-seated belief that our actions today shape tomorrow's world. In summary, our environment management strategy serves as a testament to our dedication to creating a sustainable and responsible future.

#### RISKS

- Degradation of environmental quality caused by our operations
- Financial and reputational loss due to legal non-compliance
- Environmental pollution causing negative impacts to the community

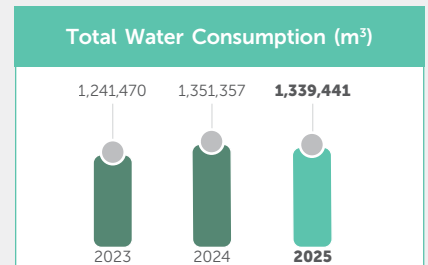
#### OPPORTUNITIES

- Implementing good waste management practices
- Promoting circularity in environmental management
- Enhancing our credibility by being certified to the ISO 14001 Environmental Management System
- Saving costs by resource conservation

#### RESPONSE/APPROACH

1. Water Management
2. Waste Management

**SR** Refer to our Sustainability Report 2025 on pages 40 to 41



#### OUTLOOK

The Group will continue enhancing water efficiency, waste optimisation and circularity initiatives, reinforcing governance and performance tracking to sustain strong environmental outcomes across the Group.

Capitals: **ALL**

Strategy: **MC SO**

Stakeholders: **S1 S2 S3 S4 S5 S6**

UN SDGs:

**PEOPLE**

**M3 HUMAN CAPITAL DEVELOPMENT**

**DESCRIPTION**

Our unwavering dedication to developing human capital drives our strategy to maintain a perpetually prepared and highly skilled workforce.

**WHY IT IS MATERIAL**

Human capital development is pivotal in ensuring competence to execute essential strategies, underlining business sustainability across all facets of the triple bottom line.

**RISKS**

- Inability to retain employees
- Employees not equipped with the skillsets required for advancements in technology
- Disengagement and reduced work drive leading to lack of productivity

**OPPORTUNITIES**

- Transforming our workforce with the right mindset and culture
- Keeping a resilient organisation with satisfied and competent employees
- Reduced cost due to lower employee turnover

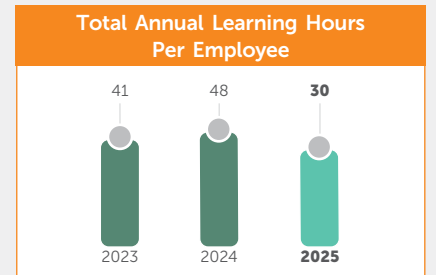
**RESPONSE/APPROACH**

1. Learning and Development
2. Workforce Sustainability and Capability Building
3. Workforce Engagement and Well-being

**SR** Refer to our Sustainability Report 2025 on pages 48 to 54

**OUTLOOK**

The Group will deepen our leadership bench strength and digital capabilities while embedding productivity metrics into workforce planning to enhance organisational agility, optimise resources and support sustainable growth.



Capitals: **FC** **HC** **IC** **SR**

Strategy: **MC** **EB** **SO**

Stakeholders: **S1** **S2** **S3** **S5** **S6**

UN SDGs:

**M4 HUMAN RIGHTS**

**DESCRIPTION**

Human rights is about the freedom of every individual to live a life free from fear, harassment, or discrimination.

**WHY IT IS MATERIAL**

In the workplace, it is important to protect human rights in order to demonstrate the value placed on all employees and to nurture a culture in which everyone feels empowered to realise his or her true potential, thereby contributing to the long-term success and sustainability of the Group.

**RISKS**

- Inability to prevent reputational damage if perceived to practice discrimination
- Financial loss due to legal non-compliance

**OPPORTUNITIES**

- Equal career growth opportunities for women at workforce
- Attracting and retaining stakeholder trust, especially those who are concerned with human rights

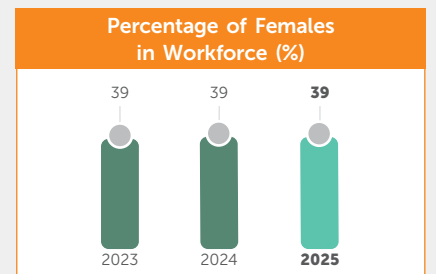
**RESPONSE/APPROACH**

1. Equality, Diversity, and Inclusion
2. Commitment to Human Rights Protection

**SR** Refer to our Sustainability Report 2025 on pages 55 to 58

**OUTLOOK**

The Group will further integrate human rights principles into operational processes and value chain oversight, strengthening accountability mechanisms and reinforcing a culture grounded in fairness, equity and mutual respect.



Capitals: **MC** **HC** **IC** **SR**

Strategy: **MC** **EB** **SO**

Stakeholders: **S2** **S4** **S5** **S6**

UN SDGs:

# Material Sustainability Matters

## MS LABOUR STANDARD AND PRACTICES

### DESCRIPTION

It is important to adhere to the country's robust labour standards and practices to support our commitment to treating all employees with the respect and dignity they deserve.

### WHY IT IS MATERIAL

The Group views adherence to Labour Standards and Practices as being in line with our commitment to responsible and sustainable business operations, and serves as a strategic investment in our workforce, driving our competitive edge in the industry.

### RISKS

- Inability to prevent reputational damage due to perceived violation of labour practices
- Non-compliance with regulations

### OPPORTUNITIES

- Implement good grievance mechanisms and practices
- Enhance productivity and employee retention

### RESPONSE/APPROACH

1. Workforce Sustainability and Capability Building
2. Equality, Diversity, and Inclusion
3. Commitment to Human Rights Protection

**SR** Refer to our Sustainability Report 2025 on pages 51 to 58

### OUTLOOK

The Group will ensure oversight and alignment with evolving labour regulations, embedding responsible employment practices that protect employee well-being and sustain our long-term competitive advantage.

#### Total Number of Employee Discrimination Incidents

2023	2024	2025
0	0	0

Capitals: **MC HC IC SR**

Strategy: **MC EB SO**

Stakeholders: **S1 S2 S4 S5**

UN SDGs:

## M6 HEALTH, SAFETY AND SECURITY

### DESCRIPTION

In the realm of sustainable business practices, KLCCP Stapled Group recognises the vital role that Health, Safety, and Security management plays in fostering a resilient and responsible corporate environment. Our steadfast commitment to the well-being of all stakeholders, be they employees, partners, customers, or the communities we operate in, underscores our dedication to creating lasting value.

### WHY IT IS MATERIAL

We understand that our success hinges on the well-being of our people and the security of our operations. As such, we strive continually to elevate our Health and Safety (H&S) standards, ensuring our practices exceed industry benchmarks. The KLCCP Stapled Group believes that by prioritising Health, Safety, and Security, we not only mitigate risks but also fortify the foundation upon which sustainable business resilience is built.

### RISKS

- Threats to employees' Health and Safety – work-related illnesses, and occupational hazards
- Threats to security of our guests, tenants, customers, and assets in relation to any global security threats
- Threats to employees' mental health due to work stress, job security, and other personal issues

### OPPORTUNITIES

- Maintaining a healthy workforce and safe workplace for a sustainable business
- Ensuring leadership commitment in heightening health and safety standards
- Providing support to improve health and well-being for a sustainable work-life balance

### RESPONSE/APPROACH

1. Health and Safety Management: Fostering a Generative HSE Culture
2. Corporate Security

**SR** Refer to our Sustainability Report 2025 on pages 58 to 59

### OUTLOOK

The Group will enhance our operational safety and preventive controls, strengthening risk management and resilience measures to ensure a secure, well-prepared and high-trust environment for all stakeholders.

#### Total Number of Work-related Fatalities

2023	2024	2025
0	0	0

Capitals: **ALL**

Strategy: **MC EB SO**

Stakeholders: **S1 S2 S3 S4 S5 S6**

UN SDGs:



**PEACE**

**M7 CORPORATE GOVERNANCE**

**DESCRIPTION**

Corporate governance is crucial in shaping the trajectory of a company. Through well-structured corporate governance frameworks, companies can ensure that policies and procedures are adhered to across the entire value chain, protecting the organisation’s financial and non-financial well-being while protecting stakeholders’ interests and contributing positively to sustainability.

**WHY IT IS MATERIAL**

The Group’s sustained growth is reliant upon maintaining robust and effective corporate governance, which includes identification and proactive management of risks that could impact the company’s ability to achieve our strategies, as well as transparent communication of these strategies, fostering stakeholder trust and confidence.

**RISKS**

- Heightened legal, regulatory, and reputational risks
- Business disruption due to lack of preparedness to face crises/emergencies

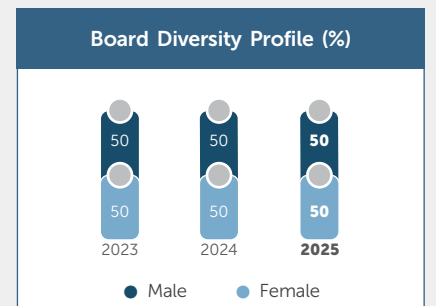
**OPPORTUNITIES**

- Promoting governance practices that contribute to growth and management stability
- Engaging shareholders on investment decisions and promoting management transparency
- Ensuring business continuity and resilience

**RESPONSE/APPROACH**

1. Board Diversity and Capacity

**SR** Refer to our Sustainability Report 2025 on pages 65 to 66



**OUTLOOK**

The Group will enhance Board effectiveness, strategic oversight and transparent disclosures to strengthen our corporate accountability, support sustainable growth and reinforce stakeholder confidence.

Capitals: **FC IC SR**

Strategy: **MC EB SO**

Stakeholders: **S1 S2 S3 S4 S5 S6**

UN SDGs:

**M8 BUSINESS ETHICS**

**DESCRIPTION**

True to our commitment to transparency and responsible business practices, KLCCP Stapled Group places paramount emphasis on upholding rigorous standards of business ethics.

**WHY IT IS MATERIAL**

In an ever-evolving business landscape where stakeholders increasingly prioritise social responsibility, our commitment to business ethics becomes a key differentiator. As we strive for sustainable growth, we recognise that ethical behaviour is not just a compliance requirement but an essential element that ensures the resilience and longevity of the Group.

**RISKS**

- Lack of control and strategic alignment leading to corruption, negligence, fraud, and lack of accountability
- Potential corporate legal liability
- Reputational loss if perceived as a corrupt corporate

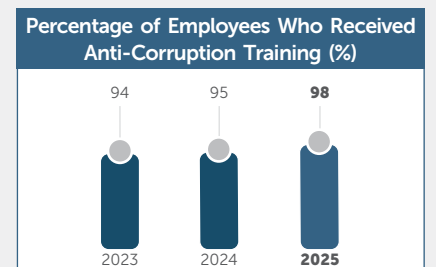
**OPPORTUNITIES**

- Improving organisational efficiency and effectiveness in managing bribery and corruption risks to foster trust and integrity
- Enhancing the credibility of anti-corruption practices in the organisation by being certified with ISO 37001 ABMS

**RESPONSE/APPROACH**

1. Enterprise Risk Management
2. Integrity and Corruption Management

**SR** Refer to our Sustainability Report 2025 on pages 66 to 71



**OUTLOOK**

The Group will sustain enterprise risk management, anti-bribery and corruption controls, and due diligence processes to uphold ethical conduct, proactively manage emerging risks and safeguard organisational integrity.

Capitals: **FC IC SR**

Strategy: **MC EB SO**

Stakeholders: **S1 S2 S3 S4 S5 S6**

UN SDGs:

# Material Sustainability Matters

## MS CYBERSECURITY AND DATA PRIVACY

### DESCRIPTION

Cybersecurity and data privacy refer to the measures and protocols implemented by KLCCP Stapled Group to safeguard our digital infrastructure and sensitive information from unauthorised access, breaches, and exploitation. These encompass robust technological defences, procedural guidelines, and adherence to regulatory standards, forming the foundational pillars of the company's operational integrity.

### WHY IT IS MATERIAL

KLCCP Stapled Group prioritises the protection of our systems and data, recognising the critical role that cybersecurity and data privacy play in sustaining our business operations and fostering trust with our stakeholders. Our commitment to these principles underscores our dedication to maintaining the highest standards of security and privacy, ensuring the longevity and resilience of the Group.

### RISKS

- Threat to data security
- Financial loss from data leakage and recovery of the system
- Potential corporate legal liability due to data leakage

### OPPORTUNITIES

- Engaging with stakeholders and employees to create awareness on data protection and accountability
- Creating awareness on network and data protection to minimise cyber risks

### RESPONSE/APPROACH

1. Cybersecurity: Protecting Digital Frontiers
2. Data Privacy and Protection

**SR** Refer to our Sustainability Report 2025 on page 71

#### Total number of substantiated complaints concerning breaches of Data Privacy

2023	2024	2025
0	0	0

### OUTLOOK

The Group will safeguard cybersecurity and data protection by enhancing threat detection, reinforcing employee awareness, and tightening third-party safeguards to ensure secure, trusted and resilient digital operations.

Capitals: **IC** **SR** **HC**

Strategy: **MC** **EB** **SO**

Stakeholders: **S1** **S2** **S3** **S4** **S5** **S6**

UN SDGs:

# PROSPERITY

## M10 FINANCIAL SUSTAINABILITY

### DESCRIPTION

Financial sustainability goes beyond financial metrics. It reflects the Group's resilience in navigating economic uncertainties, market fluctuations, and industry challenges, thus safeguarding operational continuity, stakeholder confidence, and the ability to pursue broader sustainability objectives effectively.

### WHY IT IS MATERIAL

Financial sustainability is not merely a financial metric for KLCCP Stapled Group; it is a strategic imperative that underpins our commitment to responsible and enduring business practices. By prioritising financial health, we ensure not only our survival but also the continuity of our sustainability efforts, translating aspirations into tangible results that benefit the company, stakeholders, and the world at large.

### RISKS

- Unexpected increase in costs due to global uncertainty and volatile markets
- Insufficient working capital leading to financial insolvency
- Inability to compete in a challenging market
- Lack of efficiency and competitiveness to survive in the digital era

### OPPORTUNITIES

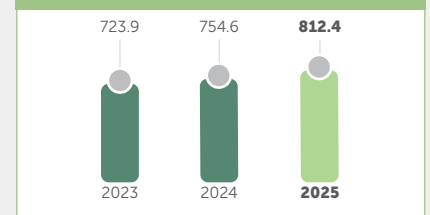
- Reducing operating costs to conserve cash for survival
- Unlocking value through asset portfolio optimisation
- Leveraging core competencies to promote economic and industry growth
- Improving operational efficiency and cost-effectiveness through digitalisation and new technology

### RESPONSE/APPROACH

1. Financial Sustainability: Securing the Future
2. Tax Governance, Strategy, and Risk Management

**SR** Refer to our Sustainability Report 2025 on pages 75 to 76

3-Year Dividend (RM million)



### OUTLOOK

The Group will optimise operational efficiency, cost management and capital allocation to sustain steady revenue streams, enhance profitability, and ensure the long-term resilience of our existing portfolio.

Capitals: **ALL**

Strategy: **MC EB SO**

Stakeholders: **S1 S2 S3 S4 S5 S6**

UN SDGs:

## M11 CUSTOMER AND TENANT MANAGEMENT

### DESCRIPTION

Being a multifaceted concept, sustainability is addressed not only through environmental initiatives but also by emphasising strong relationships with customers and tenants. By understanding their needs, KLCCP Stapled Group builds trust and collaboration, positioning ourselves as reliable partners in the communities we serve.

### WHY IT IS MATERIAL

Keeping customers and tenants engaged and satisfied not only fosters brand loyalty but also contributes to positive social impact, creating vibrant and inclusive communities. Our dedication to providing the best customer experience ensures satisfaction, reinforcing our position as a responsible corporate citizen and driving positive change in the business ecosystem.

### RISKS

- Inability to keep up with rapid changes in customer expectations and digital revolution
- Impedes market leadership position due to intensifying competition and disruption to business trends

### OPPORTUNITIES

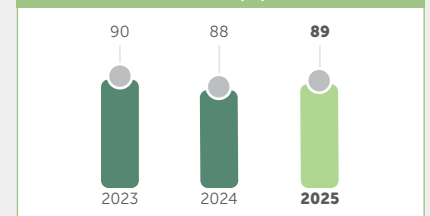
- Reimagining office spaces to meet the evolving needs of our tenants
- Re-strategising retail with a refreshing tenant and trade mix to drive footfall
- Differentiating our consumer offering with a focus on experience

### RESPONSE/APPROACH

1. Customer and Tenant Management: Enhancing Experience and Long-Term Value

**SR** Refer to our Sustainability Report 2025 on pages 77 to 78

Average Customer Satisfaction Score (%)



### OUTLOOK

The Group will refine feedback mechanisms to streamline the tenant experience, strengthen relationships, and promote sustainable consumption and asset efficiency across all segments.

Capitals: **ALL**

Strategy: **MC EB SO**

Stakeholders: **S1 S2 S3 S4 S5 S6**

UN SDGs:

# Material Sustainability Matters

## M1.2 SUPPLY CHAIN MANAGEMENT

### DESCRIPTION

Beyond operational excellence, our supply chain is a vehicle for social impact. We actively seek suppliers who share our commitment to fair labour practices, diversity, and ethical standards.

### WHY IT IS MATERIAL

A more sustainable network of supply chain, contributes to positive outcomes for workers and communities, in line with our broader goal of being a responsible corporate citizen. Moreover, our streamlined and sustainable supply chain is designed to provide the best customer experience, exceeding expectations and reinforcing our reputation for excellence.

### RISKS

- Potential conflict of interest, corruption and unethical practices
- Quality and safety of products and services at stake
- Unmitigated ESG risk in the supply chain
- Overdependence on foreign suppliers may result in cost escalation and increase in carbon emissions

### OPPORTUNITIES

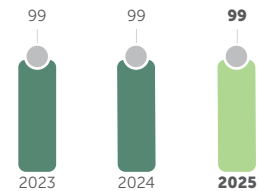
- Creating a database of reputable and reliable suppliers
- Collaborating with suppliers
- Enhancing the pool of suppliers for procurement of quality products and services
- Building capability in ESG practices amongst local suppliers

### RESPONSE/APPROACH

1. Supply Chain Management: Building Responsible and Resilient Partnerships

**SR** Refer to our Sustainability Report 2025 on pages 76 to 77

Proportion of Spending on Local Suppliers (%)



### OUTLOOK

The Group will strengthen ESG integration across our supply chain by expanding supplier screening coverage, leveraging digital platforms for data quality, and aligning partners with elevated environmental and social expectations.

Capitals: **MC FC NC IC SR**

Strategy: **MC EB SO**

Stakeholders: **S1 S2 S4 S5 S6**

UN SDGs:

## M1.3 CORPORATE SOCIAL RESPONSIBILITY

### DESCRIPTION

Community enrichment and well-being emphasise a company's role in enhancing the communities it serves. Corporate Social Responsibility (CSR) through investments in local infrastructure, education, and healthcare not only foster sustainable growth but also cultivate positive relationships with stakeholders, demonstrating a genuine commitment to community development.

### WHY IT IS MATERIAL

CSR is crucial to sustainable operations as it encompasses a commitment to social impact and community well-being. Social impact initiatives such as philanthropy and sustainable practices address societal challenges and contribute to community betterment.

### RISKS

- Unfavourable Group reputation due to lack of involvement in corporate social responsibility initiatives
- Preference for charitable beneficiaries

### OPPORTUNITIES

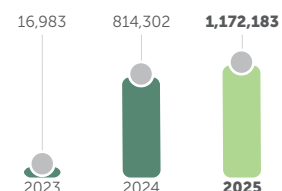
- Enhancing brand visibility to the wider community
- Increasing employee awareness and involvement
- Giving back and creating a positive and lasting impact on the community
- Creating value for society

### RESPONSE/APPROACH

1. Corporate Social Responsibility: Creating Shared Value for Communities

**SR** Refer to our Sustainability Report 2025 on page 78

Total Number of Beneficiaries from Investment in Communities



### OUTLOOK

The Group will sustain and refine our community investments and targeted CSR initiatives, supporting education, environmental conservation and societal well-being while generating measurable positive impact.

Capitals: **MC FC NC SR**

Strategy: **SO**

Stakeholders: **ALL**

UN SDGs:

# Operating Landscape

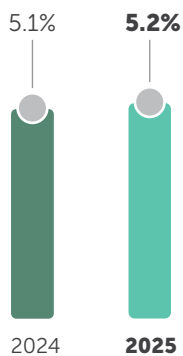
## Economic & Market Review and Outlook

### ECONOMIC OVERVIEW

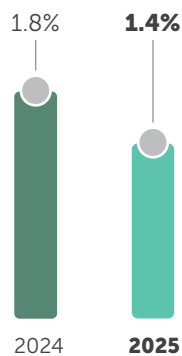
Malaysia's economy recorded strong momentum in 2025, with GDP expanding by 6.3% in 4Q 2025, driven by broad-based growth across key sectors. Full-year growth reached 5.2%, surpassing official projections, supported by resilient domestic demand, sustained investment activity, continued strength in E&E exports, and a recovery in tourism. Growth was further reinforced by improving labour market conditions and manageable inflation of 1.4% for the year. These macroeconomic fundamentals, coupled with ongoing policy reforms and deepening international partnerships, enabled the property market to remain resilient throughout 2025.

Looking ahead to 2026, Malaysia's economy is projected to grow 4.0% to 4.5%, with inflation staying manageable at 1.3% to 2.0%. This stable outlook, together with the newly signed Malaysia–U.S. Reciprocal Trade Agreement (ART), is expected to attract more foreign investment and technology flows, particularly into higher-value property segments such as advanced industrial parks, mixed-use developments and commercial offices. Growing foreign interest in Malaysia's manufacturing sector and demand for customised, technology-ready industrial facilities further reinforce this momentum.

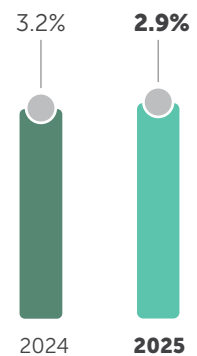
#### Gross Domestic Product



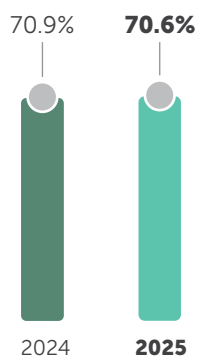
#### Inflation



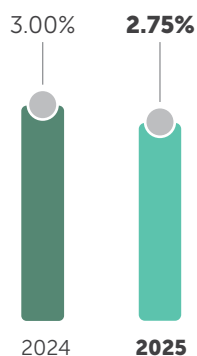
#### Unemployment Rate (4Q 2025)



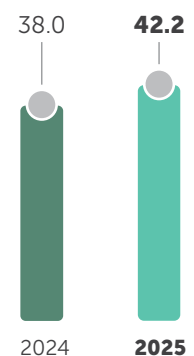
#### Labour Force Participation Rate (4Q 2025)



#### Overnight Policy Rate



#### International Visitor Arrivals (million)



## Operating Landscape

### Economic & Market Review and Outlook

#### OFFICE MARKET OVERVIEW

Central Kuala Lumpur's (CKL) office market recorded a measured improvement in 2025, supported by a continued 'flight-to-quality' trend and more active occupier engagement. A total of approximately 0.73 million sq. ft. of new Grade A supply was completed during the year, led by Menara Alliance Bank (Oxley Tower), PNB 1194, and The Exchange TRX Campus Office. These additions reinforced the prime stock profile of the city, while competition remained concentrated among newer, well-managed assets.

Occupancy in CKL inched up in 2025, primarily driven by corporates re-activating physical workspaces as part of post-pandemic operating strategies, with occupiers increasingly prioritising hybrid-ready layouts, collaboration-centric environments, and building quality. As a result, take-up and relocations continued to skew towards modern Grade A offices that offer stronger management, efficient specifications, and a more compelling employee experience.

**CKL Cumulative Supply:**

**56.12**

million sq. ft.

(2024: 55.39 million sq. ft.)

**CKL Average Occupancy Rate:**

**75.5%**

(2024: 74.7%)

#### RETAIL MARKET OVERVIEW

CKL remained the core of the city's prime retail market, supported by its concentration of landmark malls and integrated mixed-use developments. Cumulative retail supply in CKL increased modestly to 13.54 million sq. ft., up from 13.29 million sq. ft. in 2024, reflecting measured market expansion anchored by selective new completions. The CKL-Golden Triangle continues to represent the most established and premium retail corridor, underpinned by strong tourism flows, high pedestrian traffic, and sustained brand presence.

Market fundamentals remained resilient during the period. Average occupancy in CKL edged up to 86.2%, compared with 85.6% in 2024, indicating stable leasing demand despite new supply. Leasing activity continued to be driven by food & beverage, fashion and accessories, alongside a growing emphasis on experiential and entertainment-led retail concepts. These trends reinforce CKL's positioning as Kuala Lumpur's leading retail and lifestyle destination, supported by evolving consumer preferences and steady visitor traffic.

**CKL Cumulative Supply:**

**13.54**

million sq. ft.

(2024: 13.29 million sq. ft.)

**CKL Average Occupancy Rate:**

**86.2%**

(2024: 85.6%)

#### HOTEL MARKET OVERVIEW

Throughout 2025, CKL recorded the completion of approximately 1,396 new rooms, of which about 52% were 5-star rooms. The latest additions comprised Kimpton Naluria Kuala Lumpur (5-star), Park Hyatt Kuala Lumpur (5-star), Moxy Chinatown (3-star), and Marriott Executive Apartments (serviced apartment), broadening the district's room inventory across both luxury and lifestyle-led offerings while strengthening CKL's positioning as the city's key hospitality core.

The hotel market is expected to remain highly competitive as a wave of new luxury supply enters through 2026. CKL, particularly the Golden Triangle, will continue to draw the bulk of development interest, reinforcing its position as the city's premier hospitality cluster. International brands anchoring this corridor will strengthen KL's global visibility and help sustain demand from business travellers, long-haul tourists, and regional visitors. Occupancy performance is anticipated to stabilise, supported by the ongoing recovery in corporate travel, an expanding calendar of international events, and continued tourism promotion efforts. However, the rapid influx of upper-tier hotels will intensify competition. Operators will be compelled to sharpen their brand identity, elevate guest experience standards, and adopt more dynamic pricing to maintain rate integrity and yield. While the overall outlook remains positive, growth momentum will depend on how quickly the new inventory is absorbed and how effectively operators differentiate themselves within an increasingly competitive market.

**CKL Cumulative Supply  
(5-Star Hotel):**

**12,777**

rooms

(2024: 12,054 Rooms)

**CKL Average Occupancy Rate  
(5-Star Hotel):**

**71.4%**

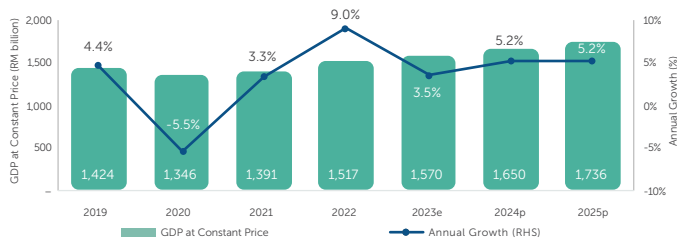
(2024: 71.8%)

## ECONOMIC OVERVIEW

### Gross Domestic Product (GDP)

In 4Q 2025, Malaysia's economy grew strongly by 6.3%, supported by broad-based expansion across key sectors. Growth was driven by robust domestic demand, sustained investment activity, continued demand for E&E exports, and a rebound in tourism. As a result, full-year GDP growth for 2025 reached 5.2%, exceeding the Bank Negara Malaysia's forecast of 4.0%-4.8%.

### Malaysia Gross Domestic Product and Annual Growth at Constant 2015 Prices



Abbreviations: GDP – Gross Domestic Product; RHS – refer to right-hand-side axis; e – estimate; p - preliminary

Source: Department of Statistics Malaysia

External challenges emerged in 2025 following the imposition of U.S. tariffs on Malaysian exports, prompting export-oriented industries to recalibrate manufacturing and logistics strategies. This, in turn, influenced demand for industrial and commercial real estate as firms sought greater operational efficiency. Continued bilateral engagement is expected to improve market access and support longer-term industrial stability.

Government initiatives such as the 13th Malaysia Plan (RMK-13), Budget 2026 and Visit Malaysia 2026 (VM 2026) reflect a broader policy emphasis on sustainable urban development, economic competitiveness and investment-led growth. Measures promoting urban regeneration, infrastructure enhancement, environmental sustainability and tourism are expected to support demand for well-located commercial, retail and hospitality assets, particularly within integrated mixed-use developments. These initiatives reinforce the importance of high-quality, energy-efficient buildings and vibrant city centres in supporting business activity and visitor inflows.

Looking ahead, Malaysia's economy is projected to expand by 4.0% to 4.5% in 2026, driven by resilient domestic demand and exports. The favourable macroeconomic outlook, together with the Malaysia–U.S. Reciprocal Trade Agreement (ART), is anticipated to attract higher-quality foreign investment, particularly into advanced industrial, mixed-use and commercial property segments.

Overall, supported by structural reforms, international partnerships, sustainability initiatives and accommodative monetary conditions, Malaysia's economic environment remains conducive to steady growth. The property sector is well-positioned to capitalise on these developments and play a more strategic role in national development in 2026 and beyond.

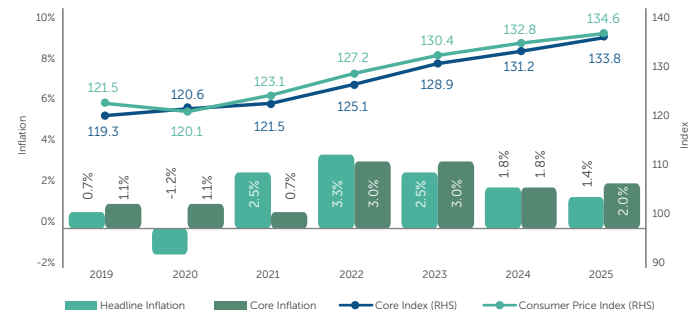
### Consumer Price Index and Inflation

The Consumer Price Index (CPI) rose to 135.2 in 4Q 2025, up from 133.4 in 4Q 2024, reflecting continued increases in overall prices. Headline inflation, however, moderated to 1.3% during the quarter (4Q 2024: 1.8%), indicating a slower pace of price increases. This moderation was driven by easing global cost pressures and government measures to manage price increases. On a cumulative basis, the CPI increased to 134.6 in 2025, with headline inflation averaging 1.4% (2024: 1.8%).

Meanwhile, the core index rose to 134.8 in 4Q 2025, up from 131.8 in 4Q 2024, with core inflation increasing by 2.2% during the quarter (4Q 2024: 1.7%). This reflects persistent underlying price pressures in goods and services, particularly in non-food and non-energy products, while headline inflation remained moderate. Over the year of 2025, the core index rose to 133.8, up from 131.2 in 2024, with core inflation averaging 2.0% (2024: 1.8%).

Looking ahead to 2026, headline inflation is projected to remain moderate, averaging between 1.3% and 2.0%, supported by continued easing in global cost pressures, stable commodity prices, and the ongoing impact of domestic policy measures to manage price increases. Core inflation is expected to remain relatively stable and close to its long-term average, reflecting contained underlying price pressures amid balanced domestic demand conditions.

### Consumer Price Index and Inflation in Malaysia



Abbreviation: RHS – refer to right-hand-side axis

Source: Department of Statistics Malaysia

# Operating Landscape

## Economic & Market Review and Outlook

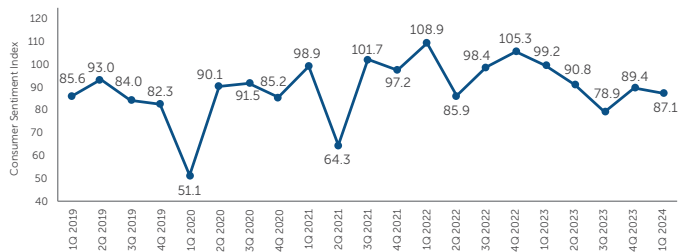
### Consumer Sentiment Index

Malaysia's Consumer Sentiment Index (CSI) from 2019 to 2024 reflects the impact of major economic cycles, spanning the pre-pandemic period, the COVID-19 disruption and the subsequent recovery. Prior to the pandemic, sentiment was relatively stable but restrained, with the index ranging between 82.3 and 93.0 points in 2019, as rising living costs and concerns over future income and job prospects weighed on consumer confidence. Sentiment deteriorated sharply in 1Q 2020, plunging to 51.1 points following the onset of the COVID-19 pandemic and the implementation of movement restrictions. Confidence rebounded in the second half of the year, supported by government policy stimulus, reopening measures and pent-up consumer demand, before moderating towards year end.

Consumer sentiment peaked in 1Q 2022 at 108.9 points post-pandemic, before softening from mid-2022 amid rising inflation, cost-of-living pressures and tighter global monetary conditions. While sentiment briefly improved towards 4Q 2022 (105.3 points), confidence weakened through 2023, reaching a low of 78.9 points in 3Q 2023, before stabilising at 89.4 points in 4Q 2023. By 1Q 2024, the CSI stood at 87.1 points, reflecting continued cost-of-living pressures and lingering concerns over income and employment prospects.

It should be noted that the Consumer Sentiment Index was discontinued after 1Q 2024. Nevertheless, improving labour market conditions and moderating inflation are expected to support a gradual recovery in consumer sentiment, although external uncertainties and global economic developments may continue to influence confidence.

### Consumer Sentiment Index in Malaysia



Source: Malaysia Retailers Association (MRA)

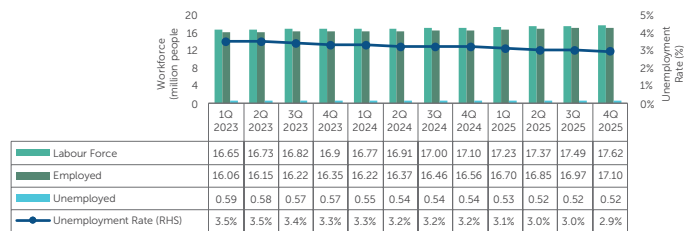
### Labour Force and Employment

Labour market conditions continued to strengthen in 4Q 2025, with the unemployment rate declining to 2.9% (4Q 2024: 3.2%), the lowest level since the pandemic. The improvement reflected sustained job creation across key sectors, resilient domestic demand, ongoing expansion in services and manufacturing activities, and steady hiring momentum.

Employed individuals increased to 17.10 million in 4Q 2025, a 3.3% year-on-year (y-o-y) rise from 16.56 million in 4Q 2024. The total labour force also grew to 17.62 million, up 3.0% y-o-y. The Labour Force Participation Rate (LFPR) rose to 70.9%, compared with 70.6% in 4Q 2024, reflecting stronger workforce engagement and sustained confidence among workers.

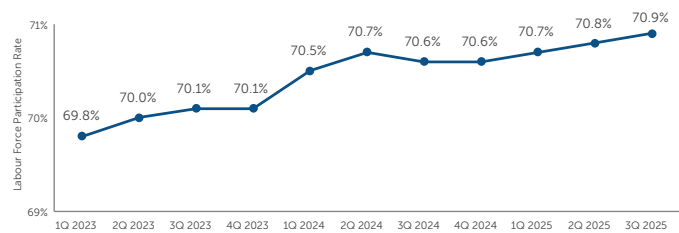
The continued expansion in employment is likely to support income growth and household spending, providing an additional boost to domestic economic activity. Improved labour market conditions also helped reinforce consumer confidence, contributing to a more resilient demand environment and supporting Malaysia's overall economic momentum.

### Labour Force, Employed, Unemployed and Unemployment Rate in Malaysia



Abbreviation: RHS – refer to right-hand-side axis  
Source: Department of Statistics Malaysia

### Labour Force Participation Rate in Malaysia



Source: Department of Statistics Malaysia

### Overnight Policy Rate

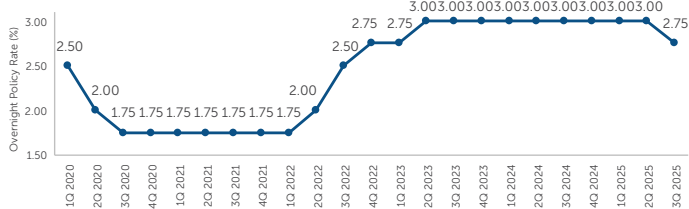
Bank Negara Malaysia (BNM) initiated a significant shift in its monetary policy during 3Q 2025, implementing a downward adjustment to the Overnight Policy Rate (OPR) from 3.00% to 2.75%. This marks the first rate adjustment since 2Q 2023, signalling a transition from a prolonged period of monetary stability. This pre-emptive adjustment aims to preserve the country's growth momentum amid softer global economic conditions.



The reduction in the OPR is expected to provide additional support to domestic demand, particularly through lower borrowing costs for households and businesses. This policy move is positive for interest-sensitive sectors such as property, construction and consumer spending, as improved financing conditions encourage investment and consumption. At the same time, the measured nature of the cut signals that BNM remains mindful of financial stability and is not responding to economic stress, but rather fine-tuning policy to sustain expansion.

With inflation remaining manageable and the growth outlook staying positive, it is anticipated that Bank Negara Malaysia will maintain the OPR at its current level into 2026, following the downward revision in 2025. This approach would be consistent with Bank Negara Malaysia’s balanced policy framework of supporting economic growth while preserving price and financial stability. The central bank remains cautious of potential currency volatility, particularly amid evolving global monetary policies, geopolitical developments and shifting capital flows, which could influence external stability. As such, Bank Negara Malaysia has emphasised the importance of closely monitoring these external risks. Looking ahead, the central bank is expected to continue assessing both domestic and global economic conditions and adjust its policy stance as necessary to safeguard macroeconomic and financial stability.

### Overnight Policy Rate in Malaysia



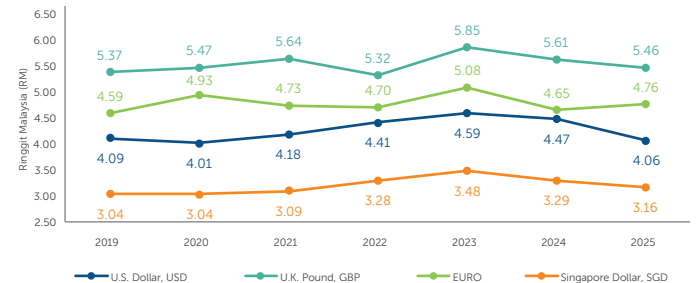
Source: Bank Negara Malaysia

### Currency Exchange Rate

In 2025, the Malaysian ringgit appreciated y-o-y against most major currencies, underpinned by a softer US dollar, favourable interest rate differentials, and resilient economic fundamentals, despite a challenging global monetary backdrop. Exchange rate movements remained orderly, supported by sustained domestic growth, strengthening trade performance, steady investment inflows, ongoing structural reforms, and the prudent monetary management of Bank Negara Malaysia.

Looking ahead, expectations of easing global monetary conditions, together with sustained economic expansion and reform momentum, are expected to provide a supportive backdrop for ringgit stabilisation and potential strengthening in 2026.

### Malaysian Ringgit Performance Against Major Currencies



Source: Bank Negara Malaysia

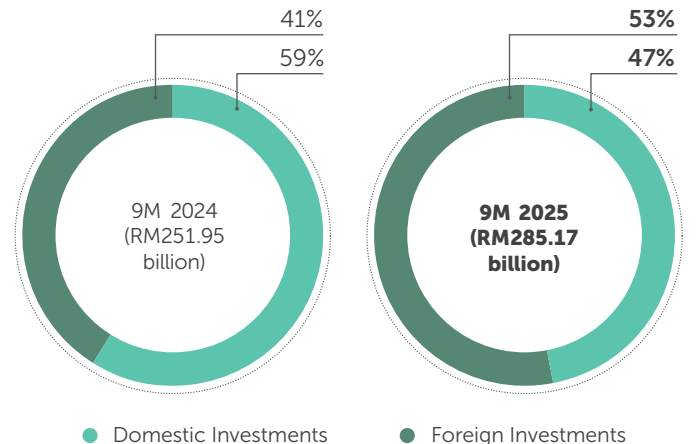
### Approved Investment

In 9M 2025, Malaysia secured approximately RM285.17 billion in approved capital investments, representing a 13.2% increase from RM251.95 billion recorded in the same period last year. This strong performance underscores the country’s sustained economic momentum, supported by continued expansion in the services and manufacturing sectors.

While domestic investments declined and accounted for 47% of total approved investments (RM134.4 billion, decreased 10.2% y-o-y), foreign investments recorded a significant improvement, contributing 53% or RM150.8 billion of total investments, a sharp 47.5% y-o-y increase. The shift reflects stronger foreign investor participation, more than offsetting the softer domestic investment activity.

The strong growth in foreign investments underscores sustained interest from international investors in Malaysia’s economy. Continued inflows were supported by factors such as Malaysia’s cost competitiveness, improving infrastructure, skilled workforce, and targeted government incentives, particularly in high-value manufacturing and services activities. This positive investment trend contributes to Malaysia’s appeal to regional and international investors and provides a supportive base for ongoing economic growth in the period ahead.

### Approved Capital Investments in Malaysia

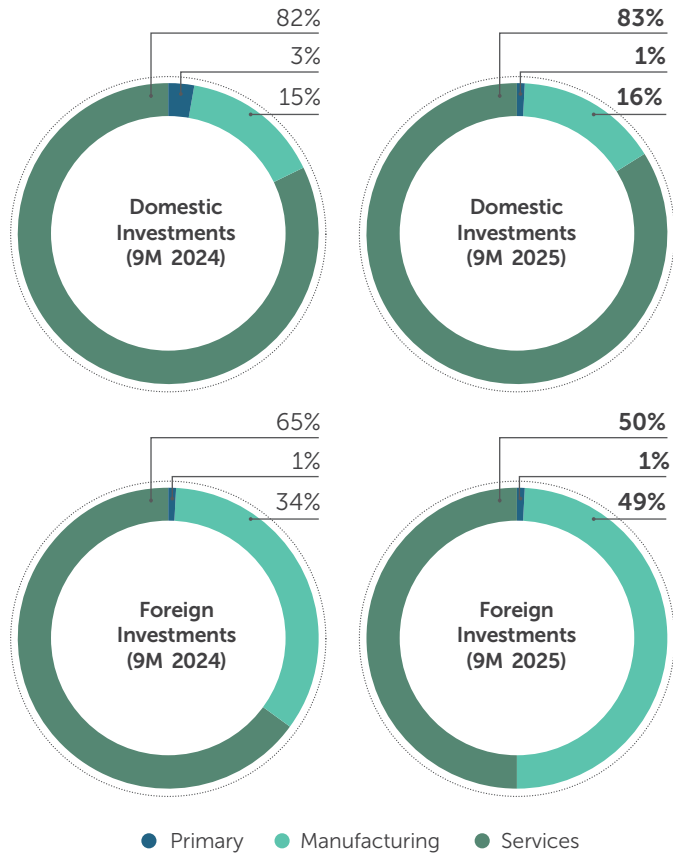


Abbreviation: 9M – January to September  
Source: Malaysian Investment Development Authority

# Operating Landscape

## Economic & Market Review and Outlook

### Approved Capital Investments in Various Economic Sectors

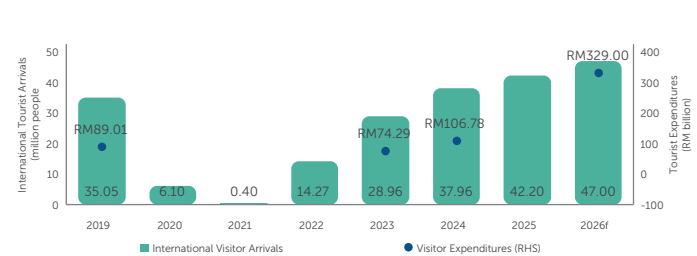


Abbreviation: 9M – January to September  
 Source: Malaysian Investment Development Authority

### Tourism Performance

Malaysia recorded 42.20 million international visitor<sup>1</sup> arrivals in 2025, representing an 11% y-o-y increase from 37.96 million arrivals in 2024. This surpassed the pre-pandemic 2019 figure of 35.05 million. The improvement was supported by a sustained rebound in both regional and long-haul travel demand, underpinned by improved mobility and stronger travel confidence. The continued rise in international arrivals indicates a structural recovery and firmer demand fundamentals. This trend reflects Malaysia’s diversified tourism offerings, enhanced air connectivity, competitive pricing, and relative regional economic stability.

### International Visitor Arrivals and Receipts



Notes:

- The data presented above is based on the latest information available from the Ministry of Tourism Malaysia during the review period.
- A visitor is defined as a traveller who takes a trip to a main destination outside his or her usual environment for less than one year, for any primary purpose (business, leisure, or other personal reasons), other than to be employed by a resident entity in the country or place visited. This includes both excursionists and tourists.
- Tourist expenditure data for the years 2020 – 2022 and 2025 have not been disclosed by the Ministry of Tourism.

Abbreviations: RHS – refer to right-hand-side axis; t – targeted figure  
 Source: Ministry of Tourism Malaysia, CBRE | WTW Research and Consulting

Looking ahead, Tourism Malaysia has set a target of 47 million international visitors and RM329 billion in tourism receipts, supported by stronger connectivity, broader promotional campaigns, and enhanced tourism products. These targets align with the Tourism Strategy 2020–2030, which prioritises destination competitiveness, source market diversification, infrastructure improvements, and higher-value tourism segments, and is expected to strengthen tourism’s contribution to national economic growth and reinforce Malaysia’s position as a leading regional destination.

Domestic tourism in Malaysia sustained strong momentum in the first nine months of 2025 (9M 2025), supported by resilient consumer confidence and increased travel activity nationwide. Total domestic visitors rose 12% y-o-y, from 193.31 million in 9M 2024 to 216.03 million in 9M 2025. This growth was largely driven by targeted promotional campaigns and ongoing government initiatives designed to stimulate domestic tourism.

Domestic tourism expenditure also recorded a solid 14% y-o-y increase, rising from RM77.76 billion to RM88.43 billion, signalling healthy spending patterns despite ongoing cost-of-living pressures. This suggests that domestic travellers continue to prioritise leisure and short-haul travel, supporting steady demand across accommodation, food and beverage, retail, transportation, and leisure-related services.

<sup>1</sup> A visitor is defined as a traveller who takes a trip to a main destination outside his or her usual environment for less than one year, for any primary purpose (business, leisure, or other personal reasons), other than to be employed by a resident entity in the country or place visited. This includes both excursionists and tourists.

Looking ahead, domestic tourism momentum is expected to remain positive, underpinned by sustained consumer confidence, resilient travel demand, and upcoming festive and school holiday periods. Domestic tourism will continue to be a key driver of economic resilience and inclusive growth, complementing the recovery in international tourism. In terms of targets, domestic visitors are projected at 280 million for 2025 and 302 million for 2026.

To support these targets, Malaysia plans to strengthen branding under campaigns such as Malaysia Truly Asia and Cuti-Cuti Malaysia, expand collaborations with airlines and online travel agencies, improve accessibility via air, land, and sea connectivity, and promote niche segments including luxury, wellness, cruise tourism, Muslim-friendly travel, and the Malaysia My Second Home programme.



Note: The data presented above is based on the latest information available from the Department of Statistics Malaysia during the review period.

Abbreviations: 9M – January to September; RHS – refer to right-hand-side axis

Source: Department of Statistics Malaysia, CBRE | WTW Research and Consulting

## Economic Outlook

For 2026, Malaysia's economy is forecast to expand by approximately 4.0% to 4.5%, with inflation anticipated to remain contained within the 1.3% to 2.0% range. The relatively stable macroeconomic environment, coupled with the recently concluded Malaysia-US Reciprocal Trade Agreement (ART), is expected to strengthen investor confidence and stimulate greater inflows of foreign direct investment and technology transfers. This is likely to benefit higher-value real estate segments, particularly advanced industrial parks, integrated mixed-use schemes and purpose-built commercial office developments. In addition, sustained foreign interest in Malaysia's manufacturing sector and rising demand for customised, technology-enabled industrial facilities are expected to further support market expansion.

Another transformative factor shaping the property landscape is the gradual introduction of environmental policies, including the proposed carbon tax. While this underscores Malaysia's commitment to sustainability, it creates compliance and operational challenges for industrial players. At the same time, it encourages green building adoption, giving developers a competitive edge as regulatory expectations and consumer preferences increasingly favour sustainable living and working environments.

Monetary policy easing in 2025, along with a strengthening labour market, is expected to support housing affordability and financing access. Prudent loan approval practices will continue to enhance market resilience by curbing excessive risk-taking and promoting sustainable credit growth.

In summary, Malaysia's economic outlook, supported by fiscal reforms, international partnerships, environmental initiatives and monetary policy easing, creates a dynamic yet stable environment for the property sector. Leveraging these developments, the sector is poised to move beyond resilience toward greater strategic relevance, contributing to national development goals and community well-being in 2026 and beyond.

## OFFICE MARKET OVERVIEW

### Supply

As of 4Q 2025, the total supply of purpose-built office<sup>2</sup> (PBO) space in the Klang Valley is estimated at approximately 127.85 million sq. ft. Kuala Lumpur (KL) accounts for approximately 72% of this total, equivalent to 92.06 million sq. ft., while the remaining 35.79 million sq. ft., or 28%, is in areas outside Kuala Lumpur, namely Selangor and Putrajaya. This distribution highlights the continued concentration of office development and occupier demand within the capital city.

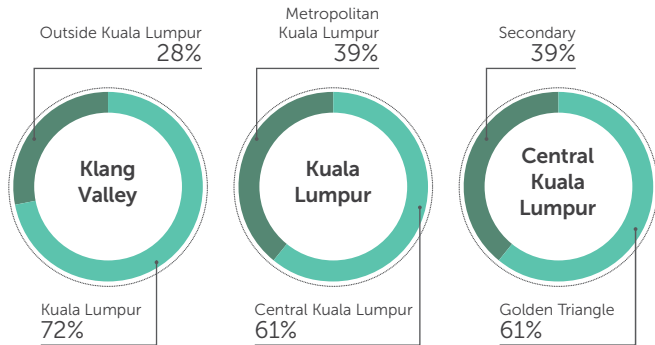
Within KL, the core office districts continue to dominate overall supply, with Central Kuala Lumpur (CKL) maintaining its position as the primary business address. The total stock of office space across all grades in this submarket stands at 56.12 million sq. ft., of which 29.68 million sq. ft. is classified as prime PBO space, comprising Grade Premium A and Grade A buildings. CKL remains a mature and well-established commercial location, valued for its international profile and accessibility, and continues to attract occupiers seeking modern, efficient and high-quality office environments. Notably, the cumulative supply of green-certified PBO in CKL has steadily increased, reaching approximately 26.63 million sq. ft., underscoring a strong commitment towards environmentally responsible office developments in the area.

# Operating Landscape

## Economic & Market Review and Outlook

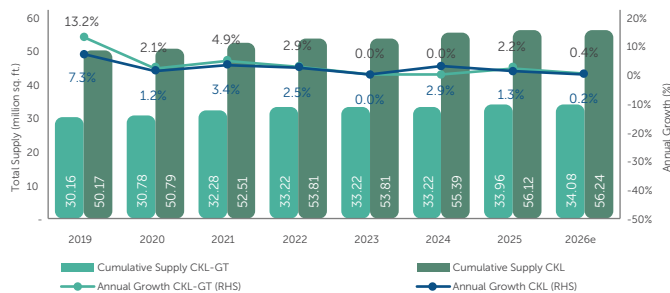
At the heart of this market, Central Kuala Lumpur-Golden Triangle (CKL-GT) functions as the city’s commercial nucleus, accommodating a total of 33.96 million sq. ft. of office space across all grades, including 23.74 million sq. ft. of prime PBO. The submarket is characterised by a high concentration of premium developments, which reinforces its attractiveness to multinational corporations and high-value enterprises. Occupiers in this area are primarily drawn from key sectors such as oil and gas, financial services, technology, telecommunications, as well as corporate headquarters within the hospitality and retail industries. The cumulative supply of green-certified PBO in the CKL-Golden Triangle has similarly grown to around 21.36 million sq. ft., representing approximately 80% of the green-certified stock in CKL.

### Supply Distribution, 9M 2025



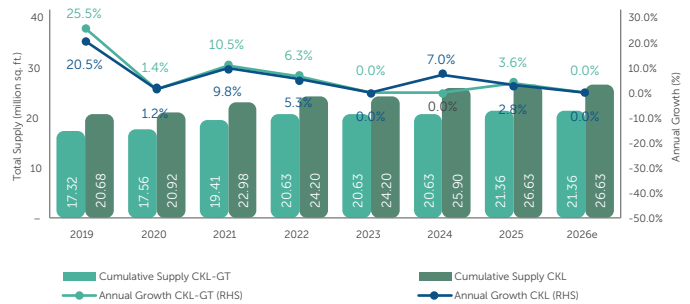
Note: Outside Kuala Lumpur (OKL) covers Selangor and Putrajaya. Source: CBRE | WTW Research and Consulting

### Cumulative Supply of Purpose-Built Offices



Abbreviations: CKL – Central Kuala Lumpur; CKL-GT – Central Kuala Lumpur-Golden Triangle; sq. ft. – square feet; e – estimate; RHS – refer to right-hand-side axis. Source: CBRE | WTW Research and Consulting

### Cumulative Supply of Green-Certified Purpose-Built Offices



Abbreviations: CKL – Central Kuala Lumpur; CKL-GT – Central Kuala Lumpur-Golden Triangle; sq. ft. – square feet; e – estimate; RHS – refer to right-hand-side axis

Remark: The green-certified office supply in CKL-GT recorded an exceptional annual growth of 25.9%, driven by the bulk completion of nearly 2.9 million sq. ft., including The Exchange 106 and Menara Prudential TRX

Source: CBRE | WTW Research and Consulting

The CKL office market has continued to expand, supported by several notable completions over the past year and a measured pipeline extending through 2026. Recent additions, including Menara Alliance Bank (Oxley Tower), PNB 1194, and The Exchange TRX Campus Office, have strengthened the city’s inventory of modern and high specification buildings. All three developments are located within the Golden Triangle, reinforcing the core city’s role as the focal point for premium-grade office space.

Looking ahead, the pipeline for 2026 remains limited. Menara Golden Eagle is scheduled to contribute approximately 0.12 million sq. ft., and this measured level of future supply is expected to support market stability in the near term.

The introduction of these new and upcoming projects will continue to shape the office landscape by increasing the availability of modern, sustainable, and high-quality workspaces in prime locations. These developments reflect sustained confidence in CKL’s long-term prospects as a regional business hub and offer tenants a broader selection of top-tier facilities designed to meet evolving workplace requirements.

### Future Supply in Central Kuala Lumpur, 2026

Project	Area	Location	Estimated Net Lettable Area
Menara Golden Eagle	Golden Triangle	Jalan Tun Razak	120,127 sq. ft.

Source: CBRE | WTW Research and Consulting

<sup>2</sup> Based on CBRE | WTW Research and Consulting, purpose-built offices (PBO) in the Klang Valley may be referred to as private modern and free-standing multi-storey buildings with present day conveniences, amenities and adequate car parking facilities for tenants/ visitors and aged not more than 30 years although we may include offices which have undertaken major refurbishment works and office building(s) within an integrated commercial development, focussing on prime space. Prime PBO space refers to buildings with high quality modern space, largely column free and includes recent generation of building services and amenities. These buildings are situated in premier locations and possibly in major suburban towns.

### Performance

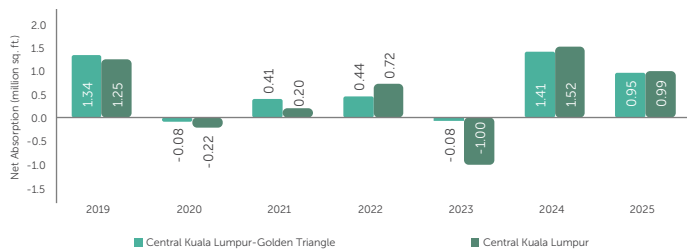
As of 4Q 2025, the overall office occupancy rate in the Klang Valley stood at 79.7%, edging up marginally from 79.6% a year earlier. This gradual improvement reflects stabilising leasing conditions and sustained tenant demand amid clearer workplace policies and a continued recalibration of space needs.

Within KL, occupancy strengthened to 79.9%, representing a 0.7 percentage point y-o-y increase. The uptick was driven by a flight-to-quality trend, with occupiers consolidating into newer, well-managed Grade A buildings to enhance efficiency, employee experience and ESG alignment under hybrid work models.

In contrast, OKL recorded a slight moderation in occupancy, easing to 79.4% from 80.7% in 4Q 2024. This was primarily due to the completion of Sunway Square Corporate Towers in the region. The newly added office space has temporarily impacted occupancy levels as the market adjusts to the increased supply.

Notably, the Golden Triangle market has remained resilient in the post-pandemic period, with occupancy improving to 77.7% in 4Q 2025 from 76.6% in 2024, an increase of 1.2 percentage points y-o-y. Looking ahead, occupancy is estimated to rise further to 80.9% by end-2026, supported by ongoing flight-to-quality relocations, selective new market entries, steady take-up from multinational corporations, and the stronger competitiveness of premium completions that offer modern specifications and enhanced sustainability features.

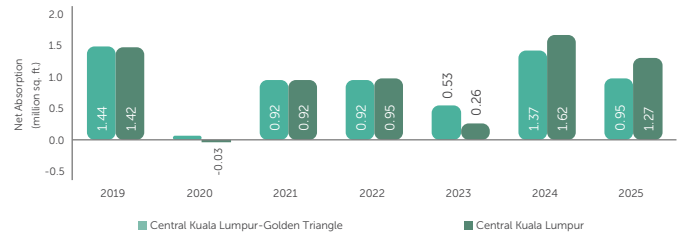
### Net Absorption of Purpose-Built Offices in Central Kuala Lumpur



Source: CBRE | WTW Research and Consulting

In 2025, net absorption in CKL remained positive but softened from the same period in 2024, signalling a more cautious leasing environment and a moderation in overall space demand. This moderation reflects heightened cost consciousness among occupiers amid a measured economic outlook.

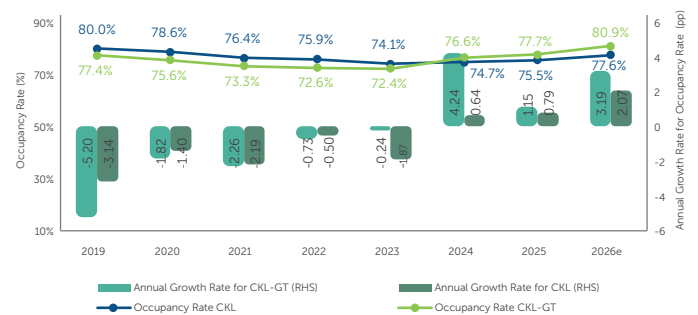
### Net Absorption of Green-Certified Purpose-Built Offices in Central Kuala Lumpur



Source: CBRE | WTW Research and Consulting

In contrast, green-certified PBOs showed greater resilience over the same period, as occupiers continued to prioritise higher-quality, more efficient buildings that support workplace standards and ESG requirements. As a result, even as overall leasing momentum normalised, demand remained more concentrated in well-specified, sustainable assets, reinforcing the ongoing flight-to-quality trend.

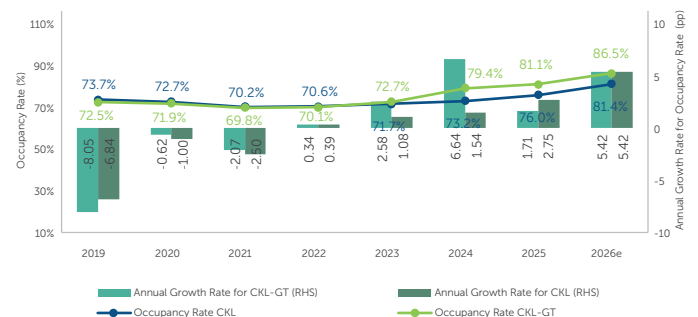
### Occupancy Rate and Annual Growth Rate of Purpose-Built Offices



Abbreviations: CKL – Central Kuala Lumpur; CKL-GT – Central Kuala Lumpur–Golden Triangle; e – estimate; pp – percentage point; RHS – refer to right-hand-side axis

Source: CBRE | WTW Research and Consulting

### Occupancy Rate and Annual Growth Rate of Purpose-Built Offices



Abbreviations: CKL – Central Kuala Lumpur; CKL-GT – Central Kuala Lumpur–Golden Triangle; e – estimate; pp – percentage point; RHS – refer to right-hand-side axis

Source: CBRE | WTW Research and Consulting

## Operating Landscape

### Economic & Market Review and Outlook

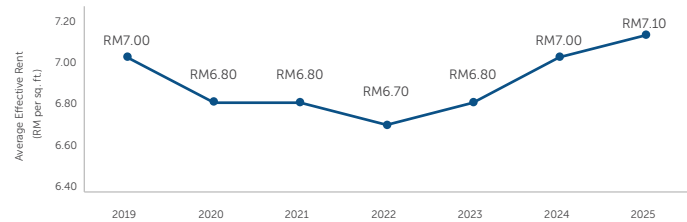
The average effective rental rate for Kuala Lumpur's prime office market rose by 1.4% to RM7.10 per sq. ft. per month in 2025 (cf. 2024: RM7.00 per sq. ft. per month), reflecting steady leasing activity and sustained demand for prime office spaces, particularly from multinational corporations and professional services firms seeking quality workspace environments. In comparison, green-certified PBOs recorded stronger growth of 2.1%, rising from RM7.10 in 2024 to RM7.25 per sq. ft. per month in 2025, underpinned by sustained occupier preference for ESG-aligned buildings, superior specifications, and the long-term cost benefits of more energy-efficient operations.

The asking rental rate for office space in the Golden Triangle typically ranges from RM5.00 to RM15.00 per sq. ft., influenced by factors such as location, building specifications, lettable area, size, building age, overall condition, and available amenities. Higher rental levels are generally commanded by Prime PBOs (also referred to as Premium A or Grade A offices), particularly those with green certification and prime locational attributes.

Within this context, KLCCP Stapled Group's PBOs continued to demonstrate resilience and stable performance, with asking rental rates remaining at the upper end of the market range.

This performance was underpinned by their prime locational advantage within the KLCC Precinct, strong tenant profile, and high-quality building specifications. The portfolio remained well-positioned to capture sustained demand for Prime PBO office space, particularly from multinational and blue-chip tenants seeking to enhance corporate image, operational efficiency, and alignment with ESG objectives. The presence of green-certified assets within KLCCP Stapled Group's PBOs further supported tenant retention and rental sustainability, reinforcing the portfolio's defensive qualities amid a more measured leasing environment.

#### Average Effective Rental Rate for Prime Office Space in Kuala Lumpur



Abbreviation: e – estimate

Source: CBRE | WTW Research and Consulting

### Significant Transactions in Klang Valley

Significant Office Transactions in Klang Valley, 2025

Building Name	Seller	Buyer	Estimated Net Lettable Area	Consideration
<b>Ho Hup Tower, Plaza Bukit Jalil</b> (2-strata titled office units)	Ho Hup Jaya Sdn Bhd	Premium Realty Sdn Bhd and Sensecube Sdn Bhd	19,277 sq. ft.	RM13.0 million (RM674 per sq. ft.)
<b>Widad Semantan, Bukit Damansara</b> (12-storey office building, inclusive of six levels of elevated car parks)	Widad Builders Sdn Bhd	Richfield Builder (M) Sdn Bhd	Built-up Area: 41,702 sq. ft.	RM41.5 million (RM905 per sq. ft.)
<b>Wisma Sentral Inai, Jalan Tun Razak</b> (12-storey office building with a mezzanine floor and three split-level basement car park)	Sentral REIT	Turiya Properties Sdn Bhd	233,021 sq. ft.	RM135.0 million (RM579 per sq. ft.)
<b>Southbank Block 6, Jalan Klang Lama</b> (Nine-storey office tower with private lifts)	Magna Tiara Development Sdn Bhd	Maxim Global Berhad	Built-up Area: 43,475 sq. ft.	RM29.5 million (RM679 per sq. ft.)

Source: Data extracted from multiple publications such as Bursa Malaysia and Jabatan Penilaian dan Perkhidmatan Harta; compiled by CBRE | WTW Research and Consulting

## Key Trends

### Office Use Ticked Up as Attendance Rules Tighten

The ongoing return-to-office trend continues to shape occupier strategies as corporations place greater emphasis on creating engaging, productive, and collaborative workplace environments. This shift has reinforced demand for well-located, high-quality office spaces with modern specifications, efficient layouts, and amenities that promote employee well-being and interaction. Stronger enforcement of in-office attendance policies among major corporations has lifted weekday utilisation rates, with many firms reducing remote-work allowances to restore workplace culture and operational synergy. Meanwhile, the growing adoption of flexible workspace solutions by occupiers seeking agility and landlords diversifying income streams has further supported absorption and stabilised overall demand. This renewed focus on physical workplace engagement has also influenced space design preferences, with occupiers prioritising flexible layouts, collaborative zones, and wellness-oriented features to support productivity and retention.

### Repositioning Assets for Future Relevance

Vacant space within older office buildings remains a growing concern across the Klang Valley, particularly as tenants continue to favour modern, efficient, and sustainable workplaces. Many ageing towers might no longer meet current standards in terms of performance, design efficiency, or environmental compliance. As corporations intensify their ESG commitments, these older assets face mounting pressure from newer, higher-specification developments. Without meaningful upgrades, such properties risk obsolescence or persistently high vacancy levels.

Recognising this structural challenge, the government has introduced measures to encourage the adaptive reuse and repurposing of underutilised office buildings. Recent national budgets have included incentives to support the conversion of excess office space into alternative uses such as childcare, education, and residential facilities, part of a broader effort to revitalise ageing assets and encourage sustainable urban regeneration.

Despite growing interest, refurbishment and conversion projects remain challenging due to high capital requirements, complex approval processes, and uncertainties surrounding demand viability and return on investment.

In recent years, several notable refurbishments and conversions have taken place to align with shifting market dynamics. Wisma KFC, Menara MIDF, Wisma Lee Rubber, and the historic Oriental Bank building on Jalan Hang Lekiu have all been refurbished and repositioned for hospitality use. These examples highlight the growing momentum for adaptive reuse as landlords seek to future-proof their properties, optimise land use, and capture emerging demand across sectors. Going forward, collaboration between the public and private sectors will be crucial in streamlining approvals, expanding fiscal incentives, and supporting long-term initiatives that sustain the relevance of Klang Valley's maturing office stock.

## Market Outlook

The Golden Triangle is expected to remain the epicentre of the KL office market, reaffirming its role as the city's core commercial hub. Its established reputation, strategic location, and robust business ecosystem continue to position it as the preferred destination for businesses and multinational corporations (MNCs) seeking to establish or expand their presence in Malaysia. These competitive advantages are anticipated to sustain the Golden Triangle's prominence over the near to medium term.

The submarket also stands to benefit from evolving trends in the office landscape, particularly the rising demand for green-certified buildings. Driven by ESG commitments, many corporations are prioritising sustainable, high-specification workplaces. KLCCP Stapled Group's PBOs, particularly within the Golden Triangle, are well-positioned to capture this demand, offering ESG-compliant, high-quality office space. Foreign banks and large corporates are actively seeking ESG-compliant assets, often willing to pay a premium for superior facilities and long-term value, which KLCCP Stapled Group's portfolio provides.

Conversely, older office buildings in the Golden Triangle are expected to face intensifying competitive pressure. The performance gap between new and aging assets is likely to widen as older stock may encounter downward pressure on both occupancy and rental levels. To remain competitive, landlords of aging assets will need to adopt proactive asset management strategies such as refurbishment, rental repositioning, and flexible leasing structures. Looking ahead, the market is expected to remain tenant-led, with leasing incentives and value-driven offerings playing a critical role in capturing demand.

## RETAIL MARKET OVERVIEW

### Retail Sales Growth

Retail activity rebounded strongly in 3Q 2025, with Malaysia's retail industry recording 4.9% y-o-y growth, significantly outperforming market expectations of 2.6%. Growth was supported by stable labour market conditions, moderating inflation, and targeted policy measures, with consumers continuing to prioritise essential and value-driven purchases.

Retail conditions during the quarter were shaped by several policy developments affecting both operating costs and consumption patterns. These included the implementation of a new electricity tariff structure, the expansion of the Sales and Services Tax (SST) to selected services, higher SST rates on certain luxury items, and the enforcement of the monthly minimum wage for companies with fewer than five workers. Cost pressures were partially mitigated by supportive measures such as Bank Negara Malaysia's OPR cut to 2.75% in July and the rollout of a one-off RM100 Sumbangan Asas Rahmah (SARA) credit, which helped sustain household spending.

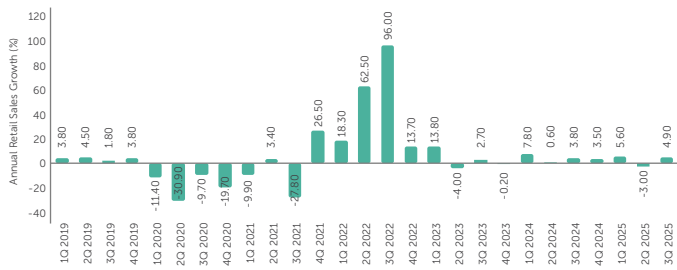
# Operating Landscape

## Economic & Market Review and Outlook

For the first nine months of 2025 (9M 2025), Malaysia's retail industry recorded 2.7% growth, moderating from 3.8% in 9M 2024. However, overall performance remained better than earlier expectations, supported by steady private consumption and improving macroeconomic conditions.

Looking ahead, retail activity is expected to strengthen further in 4Q 2025, with growth projected at 5.0%, supported by festive spending and improving consumer sentiment. The implementation of BUDI95, the petrol price subsidy for Malaysian individual consumers, is also expected to help support household spending and bolster retail activity. This is expected to lift full-year 2025 retail sales growth to 3.6%. In 2026, the retail sector is expected to expand by approximately 4.0%, broadly in line with Malaysia's GDP growth outlook. While rising operating costs remain a key challenge, continued demand for value-driven goods and services is expected to underpin steady retail sector performance.

### Retail Sales Growth in Malaysia

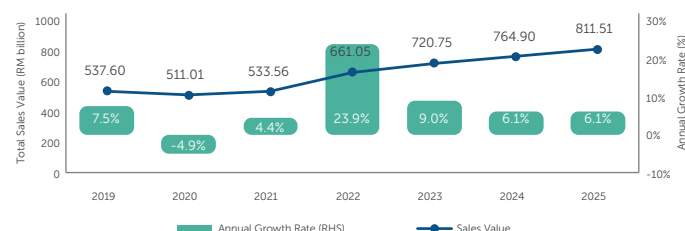


Source: Malaysia Retailers Association (MRA), CBRE | WTW Research and Consulting

The retail trade sector recorded a growth of 6.1% in sales value to RM811.51 billion for 2025, driven by better performance across all the groups. This positive performance reflects sustained consumer spending supported by improving labour market conditions.

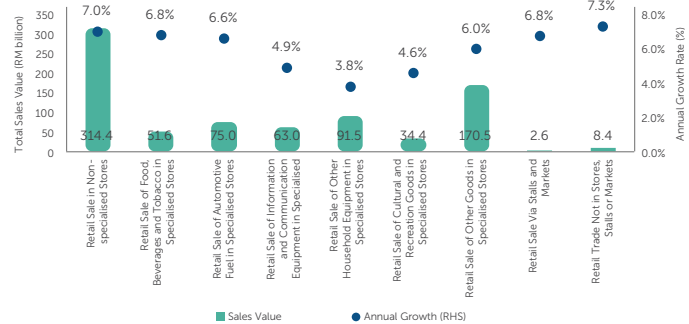
The retail sales in non-specialised stores contributed the highest sales value, amounting to RM314.40 billion, or 39% of the total sales. Retail sale of other goods in specialised stores followed with RM170.50 billion, accounting for 21% of the total.

### Sales Value and Annual Growth Rate of Retail Trade in Malaysia



Abbreviation: RHS – refer to right-hand-side axis  
Source: Department of Statistics Malaysia, CBRE | WTW Research and Consulting

### Sales Value and Annual Growth Rate of Retail Trade by Group, 2025



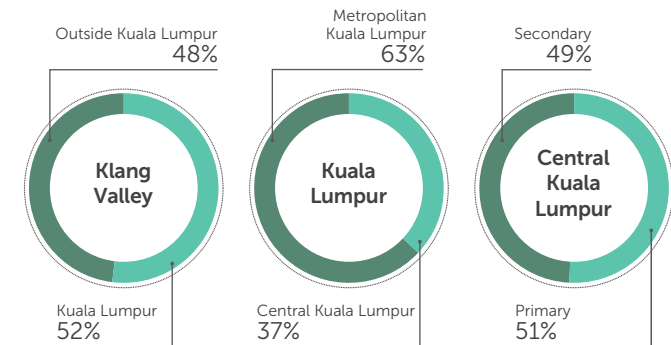
Abbreviation: RHS – refer to right-hand-side axis  
Source: Department of Statistics Malaysia, CBRE | WTW Research and Consulting

### Supply

In 2025, the cumulative supply of purpose-built retail space<sup>3</sup> in the Klang Valley was recorded at approximately 70.62 million sq. ft., a significant 4.2% y-o-y growth from the previous year (2024: 67.80 million sq. ft.). Of this total, supply is largely evenly distributed between Kuala Lumpur, KL (52% or 37.03 million sq. ft.) and Outside Kuala Lumpur, OKL (48% or 33.59 million sq. ft.).

Within KL, Central Kuala Lumpur (CKL) accounts for 13.54 million sq. ft. (37%) of retail space. The Central KL – Golden Triangle (CKL-GT) comprises 6.89 million sq. ft., concentrated in landmark malls and integrated developments. This cluster represents the city's premium retail corridor, anchored by international brands, luxury flagships, and lifestyle-driven offerings.

### Supply Distribution

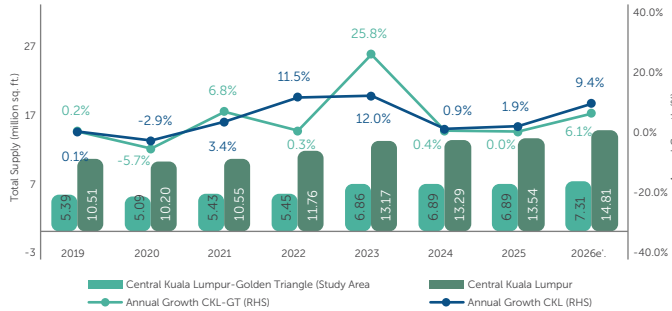


Note: Outside Kuala Lumpur (OKL) covers Selangor, Petaling Jaya, Cyberjaya, and Putrajaya areas.  
Source: CBRE | WTW Research and Consulting

<sup>3</sup> Based on CBRE | WTW Research and Consulting, purpose-built retail (PBR) is an enclosed, multi-level shopping area, marketed as a 'one-stop' shopping destination with a defined trade area. Usually draws a population catchment of domestic and/or international shoppers. CBRE | WTW has further categorised this into (1) Mall/ Mega Mall, (2) Neighbourhood, (3) Hypermarket, (4) Destination Centre; each type has its own criteria in respect of the target market and products.



### Cumulative Supply



Abbreviations: CKL – Central Kuala Lumpur; CKL-GT – Central Kuala Lumpur-Golden Triangle; sq. ft. – square feet; e – estimate; RHS – refer to right-hand-side axis  
 Source: CBRE | WTW Research and Consulting

The CKL retail market has continued to expand, supported by a new completion and several pipeline projects extending through 2026. In 2025, an additional 0.25 million sq. ft. of retail space was added with the completion of The Labs @ BBCC, a creative entertainment hub. This development places a strong emphasis on ‘retailtainment’, blending shopping with immersive experiences to drive footfall and enhance consumer engagement.

Looking ahead, CKL is set to welcome two major retail developments by 2026, further reinforcing its position as the city’s premier retail and lifestyle destination. These include 118 Mall @ Merdeka 118 (0.85 million sq. ft.) in the CKL-Secondary (CKL-S) submarket and Ombak KLCC (0.42 million sq. ft.) in the Golden Triangle submarket. Collectively, these projects will introduce 1.27 million sq. ft. of new retail space to the CKL market, elevating the quality and diversity of retail offerings while intensifying competition among prime retail assets. The upcoming supply is expected to further enhance Kuala Lumpur’s appeal as a regional retail hub, supported by strong tourism activity and evolving consumer preference for experiential retail formats.

### Future Supply of Purpose-Built Retail Space in Central Kuala Lumpur, 2026

Development Name	Location	Estimated Net Lettable Area (sq. ft.)
<b>2026</b>		
Ombak KLCC	Kuala Lumpur City Centre	420,000
118 Mall @ Merdeka 118	Jalan Hang Jebat	850,000

Abbreviation: sq. ft. – square feet  
 Source: CBRE | WTW Research and Consulting

### Performance

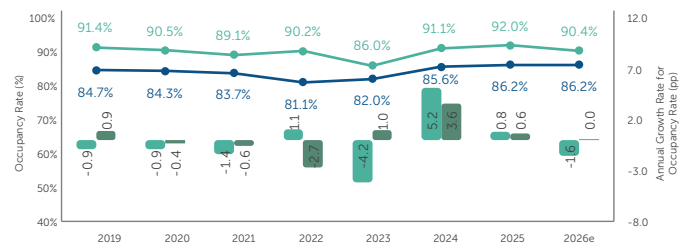
In 2025, the overall occupancy rate in KL improved marginally by 1.2 percentage points to 83.6%, compared with the same period last year. CKL reflected a similar trend, registering an increase of 0.6 percentage points to 86.2%.

Within CKL, the Golden Triangle submarket continued to outperform, with occupancy improving marginally to 92.0% from 91.1% a year ago. The sustained high occupancy level reflects resilient tenant confidence and healthy leasing momentum, particularly within prime malls.

Overall retail leasing activity continues to be led by the food & beverage (F&B) and fashion and accessories segments. In 2025, several notable F&B brands made their market debuts, reinforcing KL’s position as a key regional dining destination. Suria KLCC welcomed Japan’s popular conveyor-belt sushi chain Sushiro, alongside Benihana, the internationally renowned teppanyaki restaurant originating from New York City. Meanwhile, The Exchange TRX introduced Chulop, a well-known Singaporean churros snack bar, further diversifying its F&B offerings.

Beyond dining and fashion, experiential leisure and entertainment concepts are gaining traction, reflecting the growing ‘retailtainment’ trend aimed at enhancing visitor engagement and revitalising the in-mall experience. A key highlight was the launch of Southeast Asia’s first New Balance Run Hub at Suria KLCC, which offers experiential features such as 3D foot scanning and performance shoe trials for a run around KLCC Park. This concept exemplifies the shift toward experience-driven retail, elevating traditional shopping into a more interactive and lifestyle-oriented proposition.

### Occupancy Rate for Purpose-Built Retail



Abbreviations: CKL – Central Kuala Lumpur; CKL-GT – Central Kuala Lumpur-Golden Triangle; e – estimate; pp – percentage point; RHS – refer to right-hand-side axis  
 Source: CBRE | WTW Research and Consulting

## Operating Landscape

### Economic & Market Review and Outlook

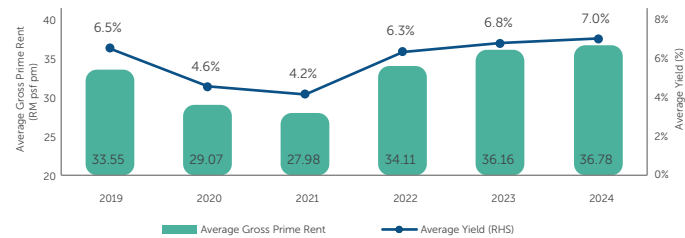
#### Rental

In 2025, the concluded monthly rental rates for ground floor retail space within the locality ranged from RM4.45 to RM45.80 per sq. ft., while prime malls recorded rates between RM5.00 and RM200.00 per sq. ft., depending on the unit size, visibility, accessibility, overall positioning within the retail scheme and location of the malls.

Prime rental performance for REIT-operated retail malls in CKL and the broader KL market has remained positive. Primary malls in CKL continued to improve, with average monthly rentals reaching approximately RM36.80 per sq. ft. and yields strengthening to 7.0% in 2024.

The wider KL retail market recorded comparable growth, with average monthly rentals rising to RM28.30 per sq. ft. and yields reaching 7.5% in 2024.

#### Average Gross Prime REIT Rental in Central Kuala Lumpur



Abbreviations: psf pm – per square foot per month; RHS – refer to right-hand-side axis

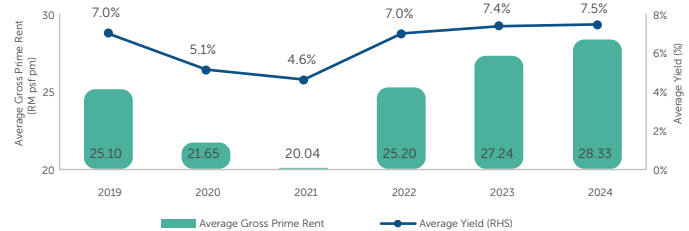
Source: Multiple REIT Annual Reports, CBRE | WTW Research and Consulting

#### Significant Transactions

##### Significant Retail Transactions in Klang Valley, 2025

Building Name	Seller	Buyer	Estimated Net Lettable Area	Consideration
<b>Jaya Shopping Centre, Petaling Jaya</b> (Seven-storey shopping mall with a lower ground floor and four levels of basement car park having 786 car park bays)	Jaya Section Fourteen Sdn Bhd	Primadana Utama Sdn Bhd (a wholly-owned subsidiary of Asian Pac Holdings Bhd)	268,113 sq. ft.	RM100.0 million
<b>Paradigm Mall, Petaling Jaya</b> (Retail mall comprising six retail levels with a lower ground floor and two basement car park levels along with two retail levels sited below the existing Le Meridien Petaling Jaya and The Azure Residences)	Jelas Puri Sdn Bhd, Joint venture between WCT Land Sdn Bhd (70%) and Employees Provident Fund Board (30%)	Paradigm Real Estate Investment Trust (Paradigm REIT)	680,048 sq. ft.	RM600.0 million (RM882 per sq. ft.)

#### Average Gross Prime REIT Rental in Kuala Lumpur



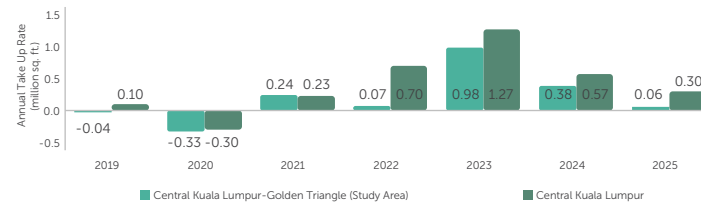
Abbreviations: psf pm – per square foot per month; RHS – refer to right-hand-side axis

Source: Multiple REIT Annual Reports, CBRE | WTW Research and Consulting

#### Absorption Rate

Retail space absorption in CKL reflects a steadily strengthening retail market, supported by sustained footfall recovery and robust tourism activity. Retail movement peaked in 2023, driven by the opening of The Exchange TRX, which introduced substantial new prime retail space and contributed to strong net absorption during the year. Absorption moderated in 2024 and 2025, as retailers exercised greater prudence amid rising operating costs and broader economic pressures. Despite the softer net absorption, overall market fundamentals remain healthy, underpinned by resilient consumer demand and steady visitor flows, which continue to support stable occupancy performance in prime retail malls.

#### Absorption Rate of Retail Space



Building Name	Seller	Buyer	Estimated Net Lettable Area	Consideration
<b>Bukit Tinggi Shopping Centre, Klang</b> (Retail mall comprising three levels of retail area with a mezzanine floor and car park facilities)	Gemilang Waras Sdn Bhd, indirect wholly-owned subsidiary, held through WCT Land Sdn Bhd	Paradigm Real Estate Investment Trust	Gross Lettable Area: 1,000,950 sq. ft.	RM680.0 million (RM679 per sq. ft.)
<b>KIP Mall Desa Coalfields, Sungai Buloh</b> (Two-and-a-half-storey retail centre together with a single-storey drive-thru building)	Senz Yang Realty Sdn Bhd	KIP Real Estate Investment Trust	153,282 sq. ft.	RM62.0 million
<b>Plaza Pelangi Astana, Petaling Jaya</b> (Two-storey retail mall and basement carpark)	Empire Benefit Sdn Bhd	NSK Grocer (KL) Sdn Bhd, a 51%-owned subsidiary of Versatile Creative Bhd	Undisclosed	RM25.9 million

Abbreviations: NLA – net lettable area; sq. ft. – square feet; NA – Not Available

Source: Data extracted from multiple publications such as Bursa Malaysia and Jabatan Penilaian dan Perkhidmatan Harta; compiled by CBRE | WTW Research and Consulting

## Key Trends

### Evolving Mall Strategies

The retail landscape in the Klang Valley continues to transform as malls respond to persistently high vacancy rates. In 2025, there was a clear shift toward mixed-use and experiential strategies, with landlords integrating co-working spaces, educational facilities, and recreational amenities to enhance footfall and long-term viability.

Several redeveloped malls illustrate this trend. At 3 Damansara, the Idea Live Arena now provides a high-tech venue for corporate and entertainment events, while Alamanda Putrajaya has expanded its entertainment offerings with attractions such as Escape Putrajaya, TGV, and U-Bowl X. New developments are also raising the standard for integrated urban lifestyle experiences. Tuah 1895 in Bukit Bintang City Centre combines popular dining options with Malaysia's largest HYROX training facility, while The Labs features immersive entertainment experiences, including a multi-dimensional media art gallery and a 2,500-seat concert hall.

### Strategic Effectiveness

For prime, well-located malls, placemaking initiatives, tenant diversification, and lifestyle-driven experiences have proven effective in sustaining high occupancy rates and stable rentals. However, among ageing or underperforming malls, success is more variable. While mixed-use conversions and experiential offerings can increase footfall, outcomes depend on

demographics, accessibility, and investment scale. Without strong anchor tenants or operational management, some initiatives face long lead times, high costs, and uncertain returns.

Overall, the trends highlight that malls are increasingly evolving into multifunctional lifestyle destinations. The long-term effectiveness of these strategies will rely on careful execution, alignment with consumer preferences, and adaptability to shifting market dynamics.

### Market Outlook

KLCCP Stapled Group's purpose-built retail performance is expected to remain resilient, supported by a well-optimised asset strategy and the sustained competitiveness of Suria KLCC as a prime urban retail destination, alongside Menara 3 PETRONAS. Operating conditions across the retail portfolio remain stable, characterised by consistently high occupancy and steady shopper traffic.

The mall's performance is further supported by ongoing asset enhancement initiatives, including selective tenant reconfiguration and a continued focus on refreshing its retail offering. Leasing strategies emphasise maintaining a well-balanced tenant mix, complemented by experiential and lifestyle-oriented activations aimed at sustaining shopper engagement. These initiatives have enabled the mall to adapt to evolving consumer preferences while maintaining its relevance to retailers and shoppers.

# Operating Landscape

## Economic & Market Review and Outlook

The Golden Triangle submarket is expected to remain the epicentre of KL’s commercial and retail activity, underpinned by its established reputation, strategic location, and robust business ecosystem. It remains the preferred destination for businesses and multinational corporations seeking to establish or expand their presence in Malaysia, while also serving as the city’s primary magnet for tourist spending and premium consumption. Supported by strong connectivity, iconic positioning, and proximity to major hotels and office clusters, the Golden Triangle remains the showcase destination for experiential and aspirational retail. Visit Malaysia 2026 is expected to further support tourism-led retail demand, particularly in prime urban locations such as Suria KLCC, which benefits from high international visibility and sustained tourist footfall. While retail supply elsewhere in the city caters to broader domestic demand, central Kuala Lumpur continues to set benchmarks in positioning, tenant mix, and rental levels.

Rising operating costs, driven by government fiscal reform strategies and inflationary pressures, may influence rental strategies and tenant negotiations. Landlords are expected to place greater emphasis on achieving balanced occupancy while maintaining asset quality.

A clear shift toward experiential retail will continue, with developers and mall operators integrating entertainment, lifestyle, and community-driven concepts to strengthen footfall. Refurbishment and repositioning works in established malls are expected to remain a key strategy.

Overall, retail performance is expected to vary depending on the mall segment. Prime malls in KL are likely to outperform, buoyed by strong tenant demand, while suburban malls may continue to experience slower growth and heightened competitive pressure.

### HOTEL<sup>4</sup> MARKET OVERVIEW

#### Supply

As of 4Q 2025, the Klang Valley hotel market recorded a total supply of approximately 68,975 rooms, with Kuala Lumpur (KL) accounting for the majority share at 48,940 rooms or 71% of the total. The remaining 29% (20,035 rooms) is in Outside Kuala Lumpur (OKL), reflecting the city’s continued dominance as the primary hospitality hub within the region.

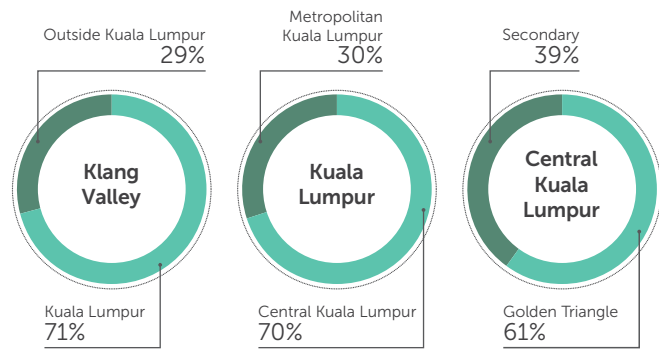
Within KL, hotel distribution remains concentrated in the Central Kuala Lumpur (CKL) area, which holds 70% of the city’s total hotel supply, while the remaining 30% is in the Metropolitan Kuala Lumpur (MKL, also known as KL Fringe). This pattern highlights the enduring appeal of CKL as the city’s tourism and business nucleus, supported by its proximity to major landmarks, shopping belts, and corporate clusters.

In CKL, the Golden Triangle continues to represent the most established submarket, commanding 61% of the hotel inventory, while secondary areas contribute the remaining 39%. The Golden Triangle’s composition demonstrates a diverse mix of

hospitality offerings, comprising 1,330 rooms in the 3-star category, 5,642 rooms in the 4-star category, 10,261 rooms in the 5-star category, and 3,732 serviced apartment units. The strong representation of upper-tier hotels underscores KL’s positioning as a key destination for both business and leisure travellers, while the presence of serviced apartments caters to extended-stay guests and corporate occupancies.

Overall, the CKL hotel market continues to exhibit a strong concentration of upscale and luxury supply within its core, reflecting the destination’s positioning as a premium hospitality hub.

#### Supply Distribution, 4Q 2025

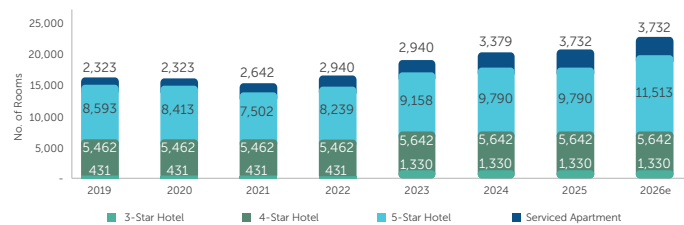


Notes:

1. Outside Kuala Lumpur covers Selangor, Petaling Jaya, Cyberjaya, and Putrajaya.
2. The supply distribution encompasses all 3, 4, 5-Star Hotels and Serviced Apartments.

Source: CBRE | WTW Research and Consulting

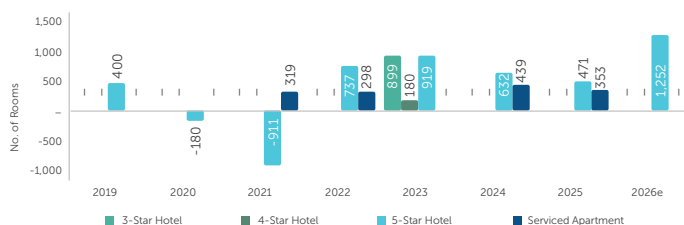
#### Hotel Supply Distribution in Golden Triangle, Kuala Lumpur by Star Rating



Abbreviation: e – estimate

Source: CBRE | WTW Research and Consulting

#### Annual Hotel Supply in Golden Triangle, Kuala Lumpur by Star Rating



Abbreviation: e – estimate

Source: CBRE | WTW Research and Consulting

### Hotel Completion in Central Kuala Lumpur, 2025

Hotel	Location	Star Rating	No. of Rooms	Total Rooms
Park Hyatt Kuala Lumpur	Merdeka 118	5	252	1,396
Kimpton Naluria Kuala Lumpur	Tun Razak Exchange	5	471	
Moxy Chinatown	Jalan Hang Lekiu	3	320	
Marriott Executive Apartment	Jalan Kia Peng	SA	353	

Abbreviation: SA – serviced apartment

Source: CBRE | WTW Research and Consulting

### Future Supply in Central Kuala Lumpur, 2026

Hotel	Location	Star Rating	No. of Rooms	Total Rooms
Regent Kuala Lumpur	Jalan Tun Razak	5	259	1,252
SO Sofitel Kuala Lumpur	Jalan Ampang	5	226	
Waldorf Astoria Hotels & Resorts	Jalan Raja Chulan	5	279	
Conrad Kuala Lumpur	Jalan Sultan Ismail	5	488	

Source: CBRE | WTW Research and Consulting

Looking ahead, CKL's hotel pipeline remains strong, with an additional 1,252 rooms, all within the 5-star segment, expected to be completed by the end of 2026 in the Golden Triangle area. This upcoming wave of luxury openings will further elevate CKL's hospitality landscape, consolidating its status as a global urban destination.

While these developments affirm investor and brand confidence in KL's tourism recovery, the influx of upper-tier supply will inevitably intensify competition. Operators are expected to focus on brand differentiation, personalised guest experiences, and strategic rate adjustments to maintain performance amid rising operational costs and evolving traveller expectations.

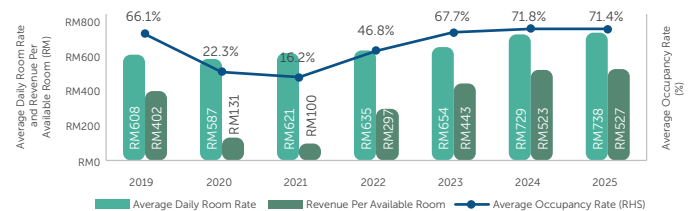
### Performance

The 5-star hotel segment in CKL recorded a marginal decline in occupancy, easing from 71.8% in 2024 to 71.4% in 2025. This slight decrease reflects broader economic factors, including the phased SST rollout since July and global trade uncertainty, which led business travellers to be more prudent in their spending. Despite the slight moderation in occupancy,

Average Daily Rate (ADR) continued to edge upward, rising from RM729 to RM738, as operators adjusted pricing to mitigate inflationary pressures and higher operating costs.

Overall, despite the marginal dip in occupancy, the 5-star segment remains resilient, underpinned by sustained demand from international tourists and business travellers. The travel activity and festive season demand are expected to help mitigate near-term challenges and support performance stabilisation.

### 5-Star Hotel Performance in Central Kuala Lumpur



Abbreviation: RHS – refer to right-hand-side axis

Source: Smith Travel Research (STR), CBRE | WTW Research and Consulting

<sup>4</sup> CBRE | WTW Research and Consulting has defined hotels as buildings that provide lodging and other complementary services to the travelling public on a commercial basis, i.e. motels, hotels and serviced apartments. Hotel facilities and services provided include housekeeping services, laundry services, business centre, food and beverage facilities, entertainment, etc.

The Ministry of Tourism and Culture has categorised hotels by star ratings (1 to 5 star) and orchid ratings (budget hotels, hostels and motels) based on qualitative and aesthetic criteria, common areas, bedroom aspects, services, safety and hygiene standards and staff. Serviced apartments provide hotel-like amenities, managed by branded hotel operators but with bigger space than hotel rooms and attached with pantry and living hall.

## Operating Landscape

### Economic & Market Review and Outlook

#### Significant Transactions

##### Significant Hotel Transactions in Central Kuala Lumpur

Year	Hotel Development	Seller	Buyer	Consideration
2025	<b>Corus Hotel Kuala Lumpur</b> (4-star hotel, 388 rooms)	Ming Court Hotel (KL) Sdn Bhd	Suria Lagenda Development Sdn Bhd (a wholly-owned subsidiary of Mah Sing Group Berhad)	RM260.00 million (for the 1.485-acres freehold land, to be redeveloped into premium serviced apartment)
2024	<b>Banyan Tree Hotels &amp; Resorts</b> (5-star hotel, 55 rooms)	Lumayan Indah Sdn Bhd	Pavilion Real Estate Management Trust	RM140.00 million
2024	<b>Pavilion Hotel Kuala Lumpur</b> (5-star hotel, 325 rooms)	Harmoni Perkasa Sdn Bhd	Pavilion Real Estate Management Trust	RM340.00 million

Source: Data extracted from Bursa Malaysia and compiled by CBRE | WTW Research and Consulting

#### Key Trends

##### Future Completions Pivot Toward Luxury Dominance

The hotel market in Kuala Lumpur continues to be dominated by the luxury segment. The upcoming pipeline comprises exclusively 5-star developments located in the Golden Triangle. This reflects renewed investor confidence, heightened interest from global operators, and broader efforts to elevate Kuala Lumpur's tourism profile ahead of Visit Malaysia 2026. The clustering of these flagship projects along key corridors signals a deliberate recalibration of the city's hospitality offering towards premium, experience-driven stays that align with international expectations.

##### Expanding Luxury Segment Encourages Strategic Differentiation

The significant influx of luxury hotels scheduled for 2026 is set to elevate KL's premium hospitality landscape, contributing to stronger destination appeal and a broader range of high-quality offerings for travellers. The clustering of luxury openings coincides with an expected uplift in international arrivals, allowing operators to tap into stronger travel demand. At the same time, the enlarged luxury inventory will naturally introduce a more competitive environment, encouraging hotels to refine their positioning and strengthen their value propositions. The upcoming pipeline reinforces the need for strategic differentiation, prompting operators to further elevate product quality and guest experiences.

Operators will benefit from focusing on distinctive guest experiences, refreshed room products, elevated service standards, and F&B concepts that resonate with evolving traveller preferences. Strengthening loyalty programmes, enhancing digital engagement, and forming targeted partnerships will further support occupancy and rate potential. As the market transitions into a higher-value phase, the expanded luxury segment is poised to stimulate innovation and uplift overall service benchmarks, supporting sustained growth while ensuring KL remains relevant and competitive on the regional tourism stage.

##### Visit Malaysia 2026 (VM 2026): Unlocking the Next Wave of Visitor Growth

VM 2026 is set to act as a major catalyst for Klang Valley's tourism and hospitality sector, supported by strong policy and fiscal measures under Budget 2026. The national campaign brings renewed focus on international arrivals, backed by substantial allocations for tourism promotion, enhanced international flight connectivity, and upgrades to cultural and heritage assets. These measures are expected to lift inbound traffic into Klang Valley, the country's primary gateway, strengthening hotel demand across leisure, shopping, business travel, and event-driven segments.

## Market Outlook

The KL hotel market is expected to remain highly competitive as a wave of new luxury supply enters through 2026. Central KL, particularly the Golden Triangle, will continue to draw the bulk of development interest, reinforcing its position as the city's premier hospitality cluster. International brands anchoring this corridor will strengthen KL's global visibility and help sustain demand from business travellers, long-haul tourists, and regional visitors.

However, operators are expected to sharpen their brand identity, elevate guest experience standards, and adopt more dynamic pricing to maintain rate integrity and yields amid intensifying competition in the luxury segment. While the overall outlook remains cautiously positive, growth momentum will depend on how quickly the new inventory is absorbed and how effectively operators differentiate themselves within an increasingly competitive market.

KLCCP Stapled Group's Mandarin Oriental, Kuala Lumpur (MOKUL Hotel) remains firmly anchored in KL's prime Golden Triangle. It continues to benefit from strong tourism flows, affluent footfall, and steady demand for luxury hospitality, experiential retail, and premium city living. While competition has intensified with new upper-upscale hotel openings and an active high-rise market, MOKUL Hotel's international brand strength, direct adjacency to KLCC, and integrated mixed-use environment continue to differentiate the asset.

Overall, MOKUL Hotel is expected to maintain stable performance, supported by its strong brand, strategic location, improved facilities, and the district's continued role as the city's commercial and lifestyle hub.

## GLOSSARY

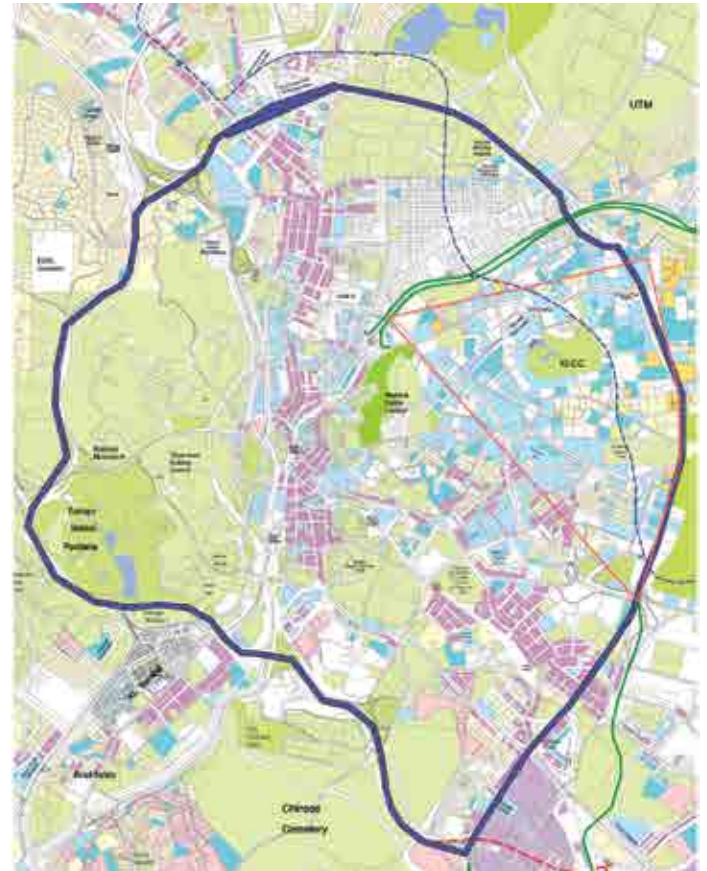
The Central Kuala Lumpur (CKL) is bounded by Jalan Tun Razak, Jalan Sungai Besi, Jalan Istana, Jalan Damansara, and Lebuhraya Mahameru. CKL is divided into two areas, as the following:

- CKL-Golden Triangle (CKL-GT) - The areas bounded by Jalan Tun Razak (ended at Intermark), AKLEH, Jalan Sultan Ismail, Jalan Imbi and Jalan Bukit Bintang.
- CKL-Secondary (CKL-S) - The areas in the City Centre excluding KL Golden Triangle. areas are bounded by Lebuhraya Mahameru, Jalan Tun Razak, Jalan Sg. Besi, Jalan Istana and Jalan Damansara.

For easy reference, a map of the CKL area demarcating the boundaries for CKL-GT and CKL-S is shown as follows:



Prepared by CBRE | WTW Research & Consulting  
CBRE WTW Valuation & Advisory Sdn Bhd (formerly known as C H Williams Talhar & Wong Sdn Bhd) – February 2025



### Legend:

- Line delineating CKL
- Line delineating CKL-GT

Source: CBRE | WTW Research and Consulting

### Disclaimers:

Our findings contained herein are based on information made available to us at the time of our survey in February 2025 including information on the proposed development, provided by the client and have been derived from sources which we believe to be reliable. As such, we cannot guarantee its accuracy or completeness. No liability can be accepted for any loss arising from the use of this report. All opinions and estimates expressed reflect our judgement as of this date and are subject to change without notice. Future supply in this report refers only to developments that have been launched or are under construction. We have excluded planned/proposed developments from our assessment of the likely impact on the property market as details of these developments are not firm as at the time of our survey. The findings derived from the survey should be regarded as valid for a limited period of time and should be subject to examination at regular intervals. All rights reserved. No part of this report may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of: CBRE WTW Valuation & Advisory Sdn Bhd.

# Operating Landscape

## Key Market Trends

We remain focused on identifying and responding to key market trends that are reshaping the business environment. Shifts in consumer expectations, advancements in technology and a stronger focus on sustainability are redefining industry standards and creating new opportunities. This section provides an overview of the critical factors influencing our strategic decisions.

### MT1 STRENGTHENING MOMENTUM IN TOURISM ACTIVITY



– Risks + Opportunities

#### DESCRIPTION

Malaysia's tourism sector is experiencing robust growth, supported by government initiatives, improved air connectivity, easier visa access, and a renewed focus on cultural, heritage, and eco-tourism. Major festivals, events, and collaborations with global partners are helping Malaysia gain visibility as a preferred destination in the region.

#### POTENTIAL IMPACT: RISKS & OPPORTUNITIES

- Dependence on external travel sentiment
- + Gateway locations benefit from global travel rebound
- + Events and activations drive incremental footfall

#### OUR RESPONSE

- Suria KLCC sustained its position as a leading tourism-driven retail destination through curated experiential campaigns, seasonal flagship events and destination-led activations
- MOKUL Hotel expanded international visibility through targeted promotions and focused engagement with key regional source markets, supporting demand diversification and brand exposure

To read more, please refer to From the Desk of the CEO and Business Review – Retail & Hotel on pages 14 to 19, 100 to 111 respectively

#### OUTLOOK

Tourism is expected to remain a key growth driver for Malaysia in 2026, supported by the Visit Malaysia 2026 (VM 2026) campaign. Higher visitor activity is encouraging retailers to refine offerings, enhance experiential concepts and deepen tourism-led collaborations. In hospitality, refurbishments and greater international brand presence are improving product quality amid a more competitive landscape.

#### Links

Capitals:



Strategy:



Material Sustainability Matters:



Principal Risks:



Stakeholders:



### MT2 HEIGHTENED COMPETITION ACROSS CORE MARKETS



– Risks + Opportunities

#### DESCRIPTION

Competition within Malaysia's property market remains elevated as new supply coincides with more selective occupier and consumer demand. A pronounced flight-to-quality continues to favour well-located, well-managed and future-ready assets. In parallel, an increasing focus on green buildings is gaining momentum as sustainability, efficiency and operating resilience increasingly influence leasing and investment decisions.

#### POTENTIAL IMPACT: RISKS & OPPORTUNITIES

- Incoming supply intensify competition for tenants and hotel guests
- Leasing negotiations are increasingly tenant-driven, limiting pricing flexibility
- Capital expenditure requirements are rising to maintain competitive positioning
- + High-value tenants anchor long-term income stability
- + Flight to quality favours established prime assets with strong operational track records
- + Strong positioning attracts institutional investors

#### OUR RESPONSE

- The Group completed comprehensive building health assessments across our office portfolio to ensure assets remain competitive, with targeted upgrades planned to address operational efficiency, service quality and sustainability performance
- Suria KLCC enhanced its tourism appeal through collaborations with global brands and the introduction of distinctive retail concepts and exclusive market-first activations
- MOKUL Hotel completed major facility upgrades to strengthen its value proposition and guest experience

To read more, please refer to From the Desk of the CEO, and Business Review on pages 14 to 19, and 94 to 117 respectively

#### OUTLOOK

The property sector is expected to remain highly competitive in 2026. Retail and hospitality businesses that invest in digital solutions, unique offerings, and service quality will be best positioned to benefit from increased tourism and evolving consumer needs. For office spaces, flexibility and sustainability will be even more critical to securing and retaining quality tenants.

#### Links

Capitals:



Strategy:



Material Sustainability Matters:



Principal Risks:



Stakeholders:





**Time horizon** Short-term (1 year) Medium-term (2-5 years) Long-term (>5 years)

**MT3 RAPID DIGITALISATION AND INTEGRATED TECHNOLOGY ADOPTION**

Risks Opportunities

**DESCRIPTION**

Being digitally prepared is now essential for resilience and competitiveness. Stakeholders increasingly expect properties to offer smart, connected, and tech-enabled environments, whether in office, retail, or hospitality settings. Digital transformation is reshaping how efficiency and customer satisfaction are achieved in the sector.

**POTENTIAL IMPACT: RISKS & OPPORTUNITIES**

- Cybersecurity threats elevate operational risk and require ongoing investment in security infrastructure
- Rapid technology cycles accelerate obsolescence, requiring continuous upgrades
- Smart systems improve operational efficiency and reduce costs
- Data analytics enhance asset decision-making and performance optimisation
- Digital readiness strengthens asset competitiveness and tenant appeal

**OUR RESPONSE**

- The Group implemented modern enterprise data, contract, procurement, and retail management platforms, improved commercial and financial oversight, and strengthened workforce readiness in preparation for future AI adoption
- Suria KLCC strengthened digital-to-physical engagement through social media campaigns and e-voucher platforms
- KPM implemented barrierless entry systems to improve traffic flow and user experience

To read more, please refer to From the Desk of the CEO, and Business Review on pages 14 to 19, and 94 to 117 respectively

**OUTLOOK**

Digitalisation will continue to be a key driver of competitiveness and resilience. Organisations that invest in smart infrastructure, AI-powered management tools, and digital customer interfaces will be better positioned to attract high-value tenants and meet evolving market demands. Digital readiness will increasingly determine long-term asset value and tenant retention.

**Links**

**Capitals:**

**Strategy:**

**Material Sustainability Matters:**

**Principal Risks:**

**Stakeholders:**

**MT4 EVOLVING CONSUMER PREFERENCES**

Risks Opportunities

**DESCRIPTION**

Consumer expectations across retail and hospitality have shifted towards curated, experience-led environments. Shoppers and guests increasingly value strong brand offerings, distinctive dining and lifestyle experiences, and seamless engagement supported by digital and loyalty platforms. These factors now play a growing role in driving visitation, keeping them engaged and bringing them back.

**POTENTIAL IMPACT: RISKS & OPPORTUNITIES**

- More frequent upgrades increase capital intensity and pressure on returns
- Inability to adapt quickly to shifting preferences leads to declining relevance and reduced visitation
- Experience-led environments drive destination appeal
- Distinctive programming and exclusive concepts create competitive differentiation
- Strong brand partnerships and curated offerings build customer loyalty and repeat visits

**OUR RESPONSE**

- Suria KLCC deepened customer engagement through a new loyalty programme and exclusive brand partnerships designed to encourage repeat visitation
- MOKUL Hotel enhanced the guest experience through facility upgrades and elevated dining offerings

To read more, please refer to From the Desk of the CEO and Business Review - Retail & Hotel on pages 14 to 19, 100 to 111 respectively

**OUTLOOK**

Consumer expectations will continue to evolve toward more personalised, immersive and digitally enabled experiences. Retail and hospitality assets that invest in distinctive experiences, curated brand partnerships and seamless digital engagement will be best positioned to drive repeat visitation and capture higher spending.

**Links**

**Capitals:**

**Strategy:**

**Material Sustainability Matters:**

**Principal Risks:**

**Stakeholders:**

# Operating Landscape

## Key Market Trends

Time horizon Short-term (1 year) Medium-term (2-5 years) Long-term (>5 years)

### MT5 ADVANCING SUSTAINABILITY AND DECARBONISATION IMPERATIVES

- Risks Opportunities

#### DESCRIPTION

Malaysia's property sector is undergoing an ESG-driven shift, aligning with national net-zero ambitions through sustainability initiatives. Decarbonisation focuses on energy efficiency and renewable energy, while rising climate awareness is strengthening consideration of climate-related risks and asset resilience.

#### POTENTIAL IMPACT: RISKS & OPPORTUNITIES

- Non-green assets face accelerated and declining tenant appeal
- Decarbonisation upgrades increase capital input and pressure on near-term returns
- Growing emphasis on sustainability strengthens asset defensibility and premium positioning
- Green-certified assets attract quality tenants willing to pay for ESG credentials
- Energy efficiency delivers operational cost savings

#### OUR RESPONSE

- The Group advanced decarbonisation across our assets, strengthened climate-risk governance, and continually invested in people to develop a future-ready workforce, in line with our Sustainability Plan 2030
- Suria KLCC advanced various social well-being initiatives, MOKUL Hotel embedded resource efficiency, responsible sourcing and community outreach, while KPM implemented fleet electrification and renewable energy solutions

**SR** To read more, please refer to our Sustainability Report 2025

#### OUTLOOK

Sustainability is expected to remain important in asset competitiveness, driven by intensifying regulatory requirements on energy efficiency and carbon reporting, as well as increasing preference among tenants and investors for assets with strong ESG performance.

Links **Capitals:** **Strategy:** **Material Sustainability Matters:** **Principal Risks:** **Stakeholders:**

### MT6 EVOLVING REGULATORY ENVIRONMENT

- Risks Opportunities

#### DESCRIPTION

Malaysia's regulatory environment is becoming more robust, driven by reforms that strengthen governance, transparency and sustainability. The Government is introducing stricter compliance requirements, enhanced procurement standards, and greater digitalisation across ministries and agencies. Businesses must adapt by improving compliance systems and risk management strategies to remain competitive and maintain stakeholder confidence.

#### POTENTIAL IMPACT: RISKS & OPPORTUNITIES

- Expanding disclosure requirements, including ESG reporting and energy efficiency mandates, increase compliance complexity
- Non-compliance undermines investor and occupier confidence, and creates reputational and financial risk
- Keeping pace with evolving regulations requires continuous investment in systems, training and controls
- Regulatory readiness enhances credibility with institutional investors and blue-chip tenants
- Proactive compliance creates competitive differentiation in a market where standards are rising
- Robust governance frameworks strengthen operational resilience and reduce regulatory risk exposure

#### OUR RESPONSE

- The Group strengthened its governance framework through comprehensive corruption risk assessments, reinforcing targeted controls and continuous improvement of the ISO 37001 Anti-Bribery Management System (ABMS)
- Compliance effectiveness was enhanced through ongoing alignment with international standards, execution of the Legal Functional Checklist across operating units, and strengthened readiness for Energy Efficiency and Conservation Act (EECA) requirements

To read more, please refer to Understanding Our Principal Risks on pages 81 to 87

#### OUTLOOK

Regulatory intensity will continue to increase across governance, sustainability and operational standards. ESG reporting requirements are expected to become more prescriptive, anti-corruption frameworks will remain under scrutiny and energy efficiency mandates will tighten further. Organisations with embedded compliance systems, transparent governance and proactive risk management will be better positioned to navigate this evolving landscape and maintain stakeholder confidence.

Links **Capitals:** **Strategy:** **Material Sustainability Matters:** **Principal Risks:** **Stakeholders:**