



KLCC Group

Strategy Blueprint

2023 to 2027

PLEASE NOTE

We would like to remind all viewers of this document that the information contained herein is limited for internal circulation.

Employees are expected to uphold the duty of care and safeguard the interest and reputation of PETRONAS and KLCC Group of Companies and abide by the requirements stipulated in the PETRONAS Code of Conduct and Business Ethics (CoBE) at all times.

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FOREWORD FROM GROUP CEO, KLCC GROUP OF COMPANIES



The KLCC Group Strategy Blueprint marks a journey to position the Group towards achieving its goals and building a sustainable future. This blueprint serves to provide us with directional clarity, such that as a Group, we have a very clear path to progress towards where we want to go, and how we want to get there. This is crucial for us to marshall ourselves and our resources in the same direction.

The Strategy Blueprint is orchestrated with an anchor on our 3-Pronged Growth Strategy - Maximising Cash Generator, Expanding Core Business and Stepping Out. It encapsulates our winning formula, key focus areas, goals, targets and our roles. Essentially, it highlights how we must unite and collaborate to implement and execute KLCC Group's business strategies successfully – to hit our targets within the agreed timelines. These will guide and keep us on track for the next five years to achieve our MFT 50.30.0 aspiration.

This blueprint is a live document and will be updated from time to time, taking into consideration the everchanging market and economic landscape. We need to continually evaluate our business, embrace these strategic priorities and actively contribute to its implementation and execution in order for us to remain agile and relevant.

I urge each and everyone of us to take the time to read and understand the blueprint, have conversations with our respective leaders and put plans into action towards achieving the strategic initiatives as we embark on this journey.

Let us keep this momentum and be passionate for progress, with focus on customer centricity to drive business excellence.

Datuk Md. Shah Mahmood

OBJECTIVES OF KLCC GROUP'S STRATEGY BLUEPRINT



The KLCC Group Strategy Blueprint is a crucial document that aims to bring transparency to our support of PETRONAS' strategies. It outlines the strategic direction, key areas of focus, goals, and foundational principles that will guide us in the next few years towards achieving our Moving Forward Together (MFT) 50.30.0 aspirations.

It emphasizes the importance of unity and collaboration in successfully implementing KLCC Group Business strategies, and defines a set of agreed-upon deliverables to serve as our end goal within a specific timeline. This will enable us to effectively steer our initiatives and strategies towards success.

This blueprint reflects our dedication to implementing a new approach to work that will enable us to effectively deliver on the KLCC Group Strategic Agenda.

KLCC BUSINESS STRATEGY BLUEPRINT COVERAGE & SITE MAP

1 About Us

- Our Background & Evolution of Assets
- Our Leadership Team
- Our Business Portfolio
- Our Group Structure
- Our Assets & Operations

2 Our Strategic Agenda

- Our Winning Formula
- Our Strategic Foundation

3 Our Key Focus Area

- Industry Outlook
- Case for Change
- 3-Pronged Growth Strategy & MFT 50.30.0
- Key Initiatives & Roadmap

4 Our Journey Towards Sustainability

- KLCC Journey Towards Sustainability

ABBREVIATIONS

Entity/ Asset	Details
KLCCH	KLCC (Holdings) Sdn Bhd
KLCCP	KLCC Property Holdings Berhad
GDC	Gas District Cooling (Holdings) Sdn Bhd
KPM	KLCC Parking Management Sdn Bhd
KP	KLCC Projeks Sdn Bhd
KPS	KLCC Projeks Services Sdn Bhd
PjH	Putrajaya Holdings Sdn Bhd
KLCCUH	KLCC Urusharta Sdn Bhd
GDC M	Gas District Cooling (Holdings) Sdn Bhd
GDC P	Gas District Cooling (Putrajaya) Sdn Bhd
REIT	Real Estate Investment Trust
KSRC	KLCC Sports & Recreation Club
YPEX	Young Professional Executive Club

Entity/ Asset	Details
KOP 1	Kompleks Operasi PETRONAS 1
KOP 2	Kompleks Operasi PETRONAS 2
ECRO	East Cost Regional Office, Kertih
DCC2	Gas District Cooling KLCC Plant
PMU2	Pencawang Masuk Utama 2
POC	PETRONAS Office Complex
PICC	Putrajaya International Convention Centre
KV	Klang Valley
KLC	Kuala Lumpur City
OKLC	Outside Kuala Lumpur City
MITI	Ministry Of International Trade And Industry
PMT	Project Management Team
JPPH / NAPIC	Jabatan Penilaian dan Perkhidmatan Harta

ABBREVIATIONS

Acronym	Details
PCB	PETRONAS Cultural Beliefs
MFT	Moving Forward Together
TNL	Triple Net Lease
NLA	Net Lettable Area
Sq. Ft.	Square Feet
Mil. Sq. Ft.	Million Square Feet
RT	Refrigeration Tonnage
CHW	Chilled Water
PFI	Private Finance Initiative
BLT	Build, Lease, Transfer
COP	Community of Practice
LOA	Limits of Authority
CSR	Corporate Social Responsibility
WEF	World Economic Forum
FM	Facilities Management

Acronym	Details
EV	Electric Vehicle
ESG	Environment, Social and Governance
MOT	Memorandum of Transfer
ROC	Return On Capital
IRR	Internal Rate of Return
LAD	Liquidated Ascertained Damages
OPEX	Operating Expenses
PBT	Profit Before Tax
LAT	Loss After Tax
CFFO	Cash Flow From Operations
OTOBOS	On Time, On Budget, On Scope
ADR	Average Daily Rate
ES	Existing Supply
OR / OCC	Occupancy Rate
MCO	Movement Control Order

About Us

KLCC GROUP BACKGROUND & EVOLUTION OF ASSETS

Background

- KLCC (Holdings) Sdn Bhd (KLCCH) is 100% owned by PETRONAS and the Master Developer of the 104 acres of KLCC Development and one of the world's largest real estate development. KLCCH and its related subsidiaries are principally engaged in investment holding, property development, management and operation of mixed development.
- KLCCH comprised listed company which are KLCCP Stapled Group (KLCC Property Holdings Berhad and KLCC REIT) and non-listed companies. Putrajaya Holdings Sdn Bhd, a non-listed subsidiary of KLCCH of which also serve as the Master Developer of Putrajaya and Government buildings concession holder.

Evolution of Assets

1996-2000	2003 -2010	2012-2020	2021-2022
1996-1997 <ul style="list-style-type: none">PETRONAS Twin TowersDistrict Cooling Centre 1 & 2Menara ExxonMobil	2003 <ul style="list-style-type: none">Pullman Putrajaya Lakeside (now operated by DoubleTree by Hilton) 2004 <ul style="list-style-type: none">Alamanda PutrajayaMenara Dayabumi* 2005 <ul style="list-style-type: none">KL Convention CentreTraders Hotel KLImpiana Hotel KLCC* 2008 <ul style="list-style-type: none">Nexus World-SchoolGDCP Plant 1, Plant 2, PICC & Wisma Putra* 2009 <ul style="list-style-type: none">Galeria PjHGDCP Plant 3*Mesra Mall 2010 <ul style="list-style-type: none">Menara 3 PETRONAS	2012 <ul style="list-style-type: none">Menara PjHLot 22 & Wickham* 2013 <ul style="list-style-type: none">Z10 OfficeThe Everly PutrajayaLot 155*GDCP Plant 4 2015 <ul style="list-style-type: none">Kertih & Desa Lagoon*Heriot-Watt UniversityLot 3910 (Sepang Land)*Lot 1, 2 & 883 (French Land)* 2016 <ul style="list-style-type: none">Kompleks Operasi PETRONAS 2 2017 <ul style="list-style-type: none">Suasana PjH 2020 <ul style="list-style-type: none">PMU 2	2021 <ul style="list-style-type: none">Lot 91
1998 <ul style="list-style-type: none">Suria KLCCMandarin Oriental KL			
Note: Putrajaya Holdings Sdn Bhd was established in 1995 and is currently a concession holder for government buildings			
<i>*Acquisition</i>			
<i>Evolution of assets reflected on companies that KLCC Group currently own and those assets under JV</i>			

KLCC GROUP LEADERSHIP TEAM



Datuk Md. Shah Mahmood
Group Chief Executive Officer

Corporate Divisions



Mohainee Tahir
Senior General Manager, Group Strategy & Sustainability



VACANT
Senior General Manager, Group Commercial



Muhmat Hilme Hassan
Senior General Manager, Project Delivery



Rohizal Kadir
Chief Financial Officer / Senior General Manager, Strategic Finance



VACANT
Senior General Manager, Group Operation

Operating Units (OPU)



Dato' Hashimah Hashim
Chief Executive Officer, Putrajaya Holdings



Dato' Ts. Izwan Hasli
Mohd Ibrahim, Executive Director, KLCC Urusharta



Mohd Akmam Yeop @ Yeob
General Manager, KLCC Parking Management



Tharmaseelan Thana Balasingam
General Manager, Gas District Cooling (M)

Corporate Enablers



Ho Mei Ling
General Manager, Governance, Risk & Assurance



Salha Ahmad Dahlan
General Manager, Human Capital



Ahmad Zahid Zainal Abidin
General Manager, Legal & Company Secretarial



Faizul Harris Mohd Kamal
General Manager, Digital (Acting)



Shabuddin Ahmad
General Manager, Group Health, Safety & Environment



Norhayani Mohd Khalid
General Manager, Group Procurement



Norfazli Abdul Samad
Senior Manager, Corporate Security

KLCC GROUP BUSINESS PORTFOLIO



Government Concession

Government Buildings Concession Holder

- Government Buildings, Putrajaya (PFI and BLT)



Property Investment

Owns, Manages and Leases Properties in KLCC, Putrajaya & Other Areas

- Office
- Retail
- Hotel
- Convention Centre
- Education



Property Development

Master Developer of Integrated City and Township

- Infrastructure & Parks
- Residential
- Office Buildings
- Retail & other Commercial Buildings



Management Services

Management Services for Facilities, Carpark, & Projects

- KLCC Assets
- Putrajaya Assets
- PETRONAS Projects & Custodian of selected PETRONAS Properties (PETRONAS assets)



Utilities

Owns and/or Manages District Cooling Plants to Supply Chilled Water and Electricity Distribution

- KLCC Plant & PMU 2
- Putrajaya Plants

Note:

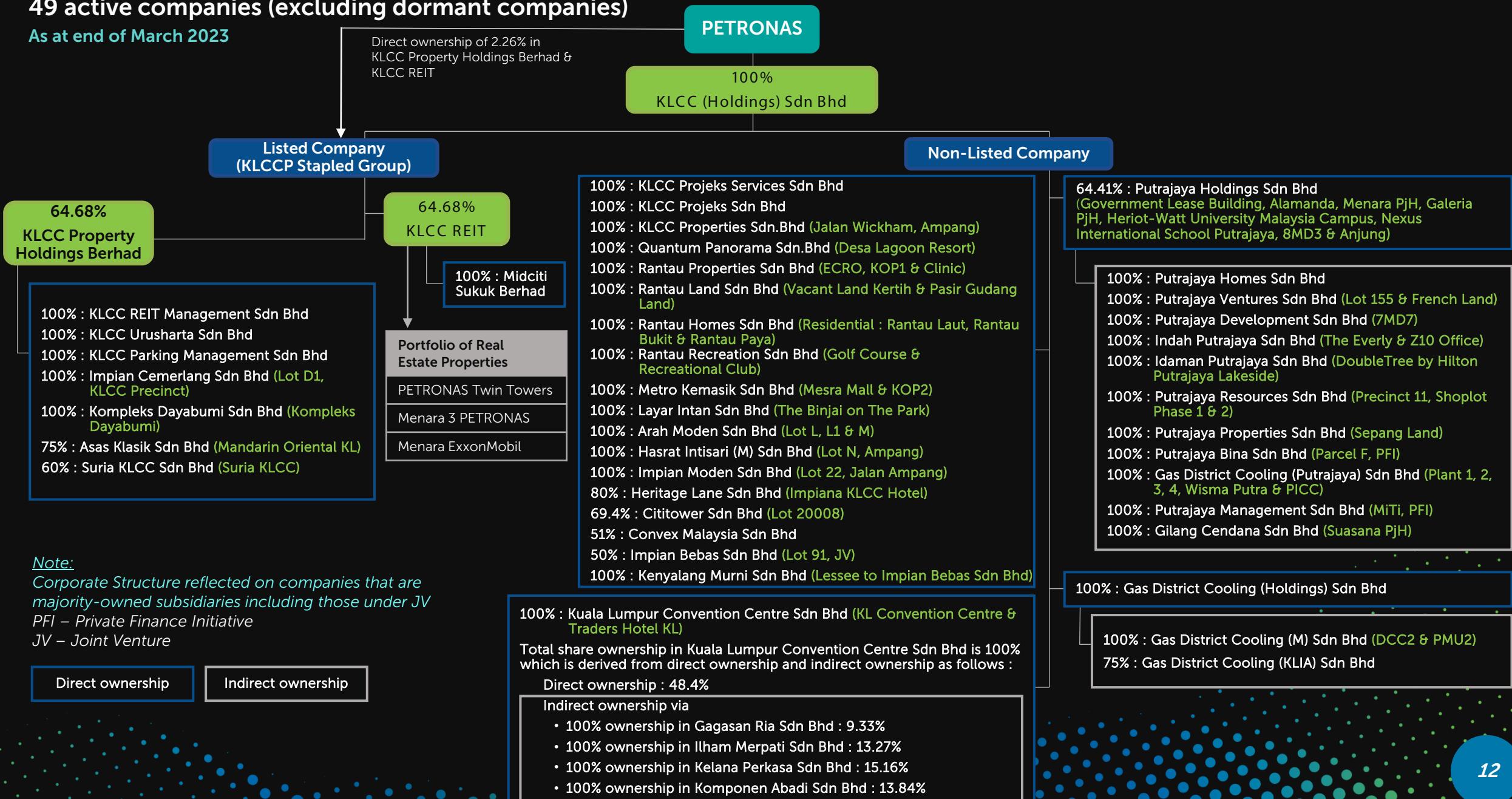
PFI – Private Finance Initiative

BLT – Build, Lease, Transfer

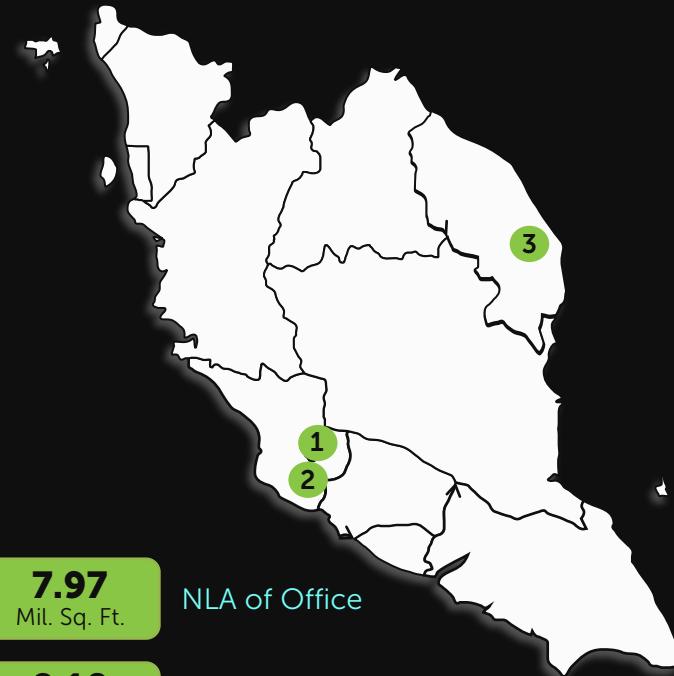
KLCC GROUP STRUCTURE

49 active companies (excluding dormant companies)

As at end of March 2023



KLCC GROUP ASSETS & OPERATIONS



7.97
Mil. Sq. Ft.

NLA of Office

2.10
Mil. Sq. Ft.

NLA of Retail

2,393
Rooms

Hospitality

651
Units

Residential

105,353
RT

Utilities CHW Max. Capacity

2,448
Acres

Landbanks

Note:
Residential exclude assets for sale

1

W.P. Kuala Lumpur

Office

- PETRONAS Twin Towers
- Menara 3 PETRONAS
- ExxonMobil Tower
- Lot 91 (JV)
- Kompleks Dayabumi

Hotel & Convention Centre

- Mandarin Oriental KL
- Traders Hotel KL
- Impiana KLCC Hotel
- Kuala Lumpur Convention Centre
- Lot 91 Exhibition Centre (JV)

Retail

- Suria KLCC
- Menara 3 PETRONAS Retail
- Lot 91 Retail (JV)

Utilities

- GDC DCC2
- PMU2

Ongoing Development

- Lot L, L1 & M
- Lot 20008 (Amalgamated Lots 185, 167(K), 176 & 20004)

2

W.P. Putrajaya

Office

- Suasana PjH, Precinct 2
- Menara PjH, Precinct 2
- Galeria PjH, Precinct 4

Retail

- Alamanda Putrajaya

Hotel

- The Everly Hotel Putrajaya
- Doubletree by Hilton Putrajaya Lakeside

Education

- Heriot-Watt University
- Nexus International School

Utilities

- GDC Putrajaya (Plant 1, 2, 3, 4, Wisma Putra & PICC)

Ongoing Development

- 8MD3
- Transit-Oriented Development (7MD7)

3

Kertih, Terengganu

Office

- KOP 1
- ECRO
- KOP 2
- KOP Clinic

Retail

- Mesra Mall

Residential

- Rantau Laut
- Rantau Bukit
- Rantau Paya

Landbanks

- Lot D1, KLCC Precinct
- Lot J, J1 & P2, KLCC Precinct (Options Lot)
- Lot N, KLCC Precinct
- Lot 64705, 6085, 6086, 6087, 6088, 6089, 6090, 6091, 6092, 6093, 6094 & 6095, Ampang (Jalan Wickham)
- Lot 1, 2 & 883, Jalan Ampang (French Land)
- Lot 155, Jalan Ampang
- Lot 22, Jalan Ampang
- Lot 38, 39, 51 & Part of Lot 45, Phase 3 Dayabumi
- Lot 101, Desa Lagoon Resort, Port Dickson
- Lot 52275, Vacant Land, Kertih
- Lot 3910, Sepang (Sepang Land)
- 145 Remaining Lots of Land in Putrajaya.
- PTD 64913, Pasir Gudang Land, Plentong

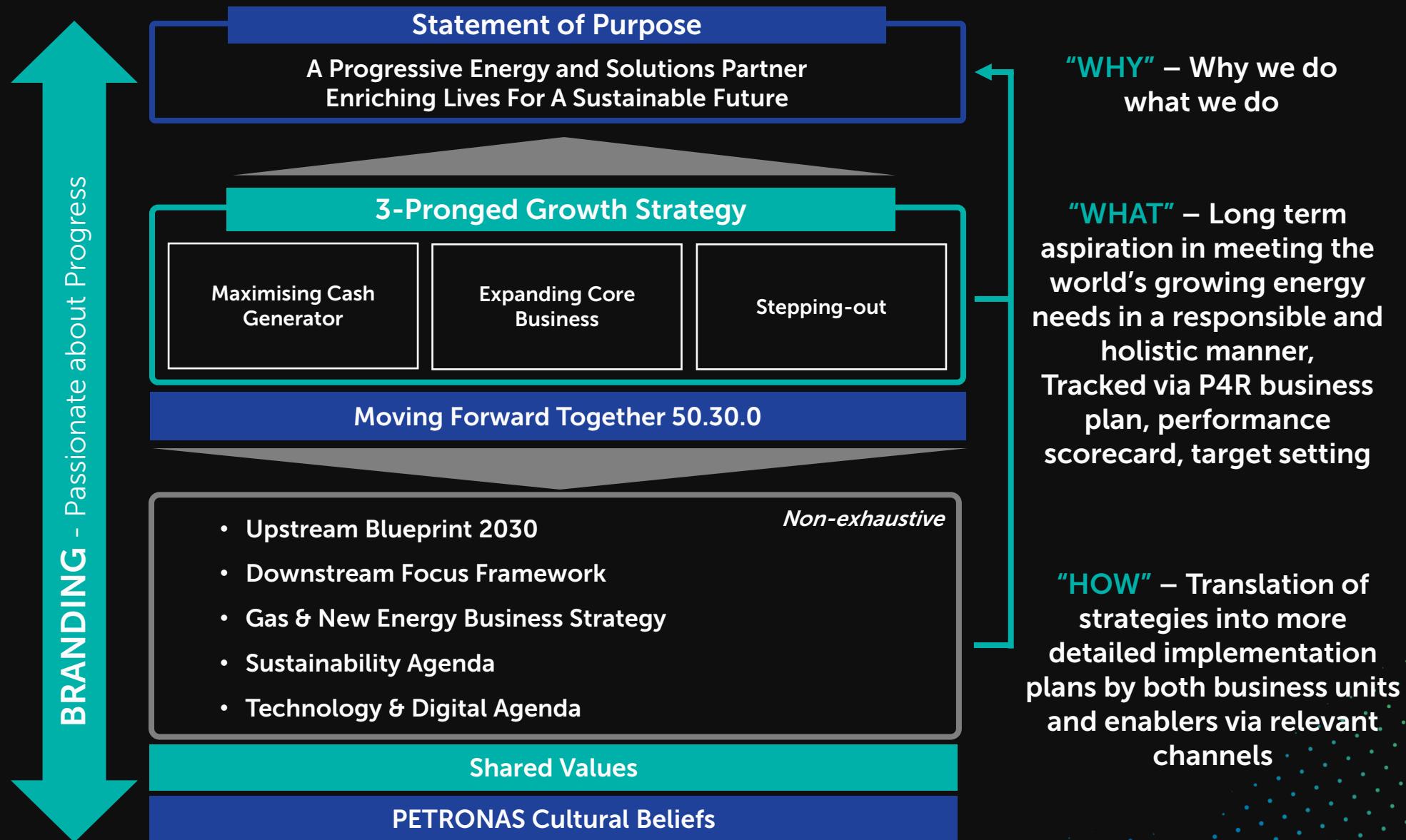
Supported by KPM, KLCCUH & KPS



Our Strategic Agenda

Our Winning Formula

PETRONAS CORPORATE AGENDA



KLCC GROUP STRATEGIC AGENDA

STATEMENT OF PURPOSE

A progressive energy and solutions partner enriching lives for a sustainable future

3-PRONGED GROWTH STRATEGY

- Maximising Cash Generator
- Expanding Core Business
- Stepping-Out

MFT 50.30.0



Value

50% improvement in cash flow from operations by 2025



Growth

30% revenue by 2030 from new non-traditional business to complement growth in existing core



Sustainability

Net Zero carbon emissions by 2050 with positive social impact & adherence to business ethics and corporate governance

WINNING FORMULA



Financial Excellence

Corporate Excellence

STRATEGIC FOUNDATION

Culture

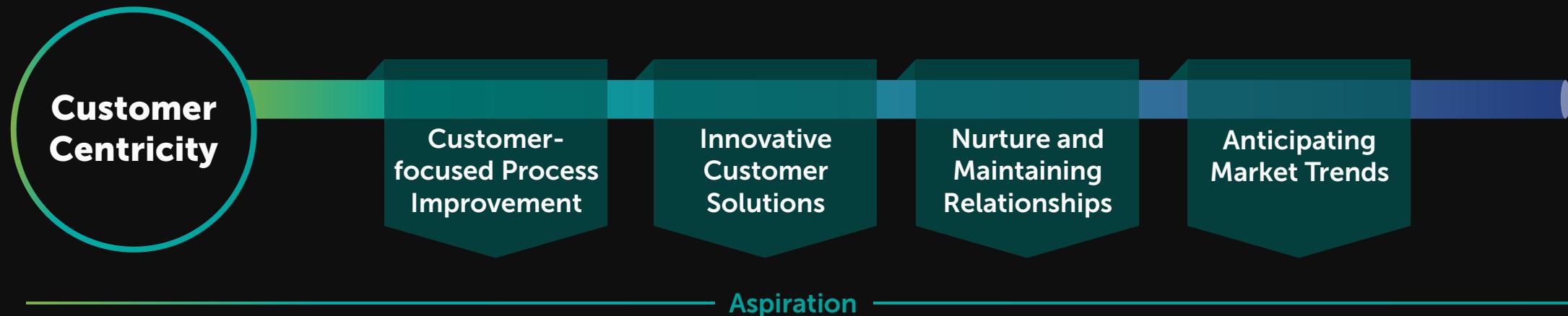
Capability

HSE

Digital

Sustainability (ESG)

OUR WINNING FORMULA

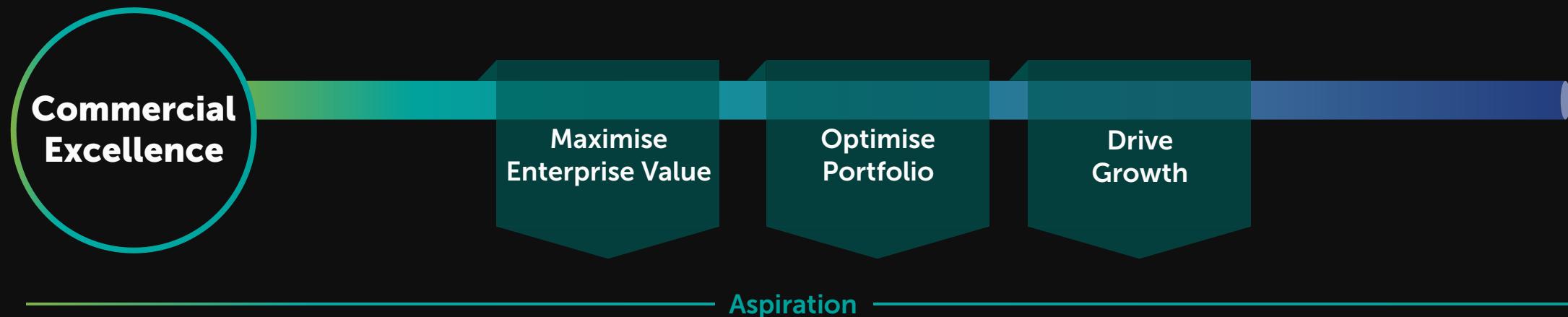


In a highly competitive and evolving landscape, we at KLCC Group, are attuned to our customers' needs and demands in delivering value. We put our customers first in creating the experience, reflective of customers' priorities.

At all times, we at KLCC Group will:

1. **Strive for excellence in customer service** by continuously evaluating and improving our processes and systems to enhance the overall customer experience.
2. **Offer agile, innovative and creative solutions** from the customers' lens in delivering our brand promise as our value proposition.
3. **Nurture long-lasting relationships** that build trust and provide mutual benefits and growth opportunities for both customers and company.
4. **Anticipate future trends and change** of existing customer demand through market intelligence and data-driven insights, while also conducting external benchmarking on our product and services costs.

OUR WINNING FORMULA

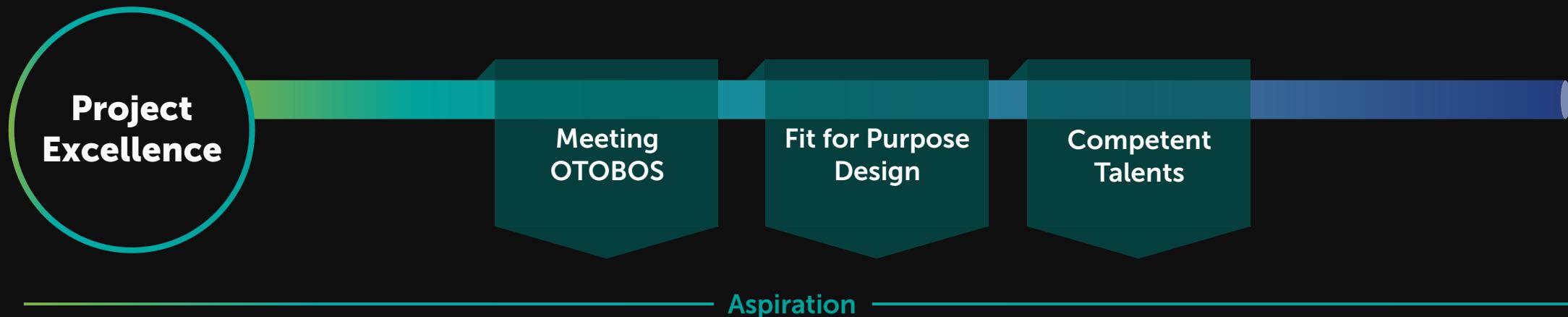


Commercial Excellence aims to ensure growth through improved sales productivity and increased marketing return on investment, while enhancing customer satisfaction and advocacy. Responsive to market dynamics and execute plans with pace and urgency.

At all times, we at KLCC Group will:

1. **Maximising enterprise value** through strong collaboration and leveraging KLCC Group's brand strengths & products, delivering brand promise as per the expected quality and embracing digital technology to improve business performance.
2. **Optimising the portfolio** based on performance and the everchanging needs of the market. Continuous enhancements to business models on new ventures to achieve higher margins within the framework of risks and potential upsides.
3. Materialize clear **growth and expansion** agenda, development of keen insights of market knowledge with in-depth understanding of the industry dynamics, development trends and customer preferences.

OUR WINNING FORMULA

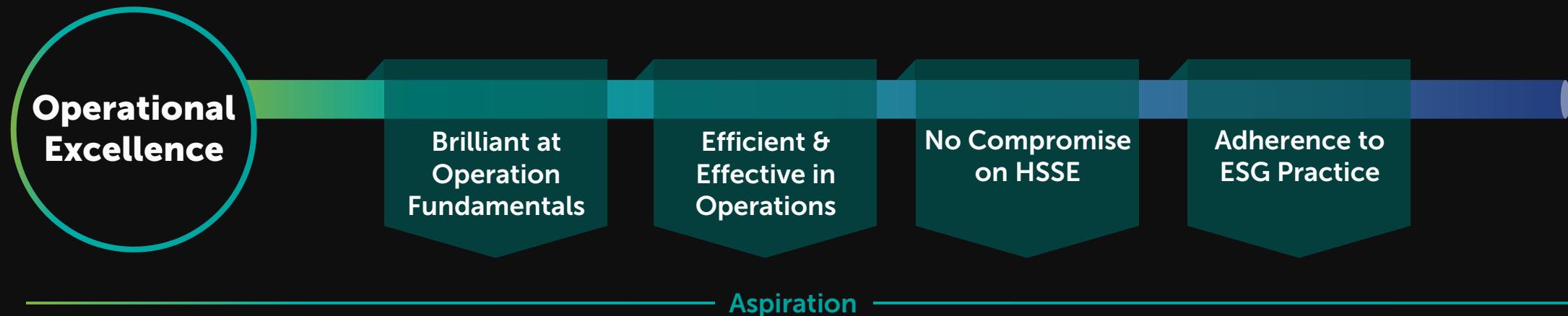


Project Excellence is a reliable Project Management Outfit providing quality services in delivering projects with well rounded capability to realise Client's investment.

At all times, we at KLCC Group will:

1. Deliver **project meeting time, budget and scope** inline with the business needs with a clear deliverable mindset focusing on value enhancement to our customers.
2. Provide innovative **fit for purpose design** enhanced by effective Value Management Practices and constructability resulting in cost-efficient buildings benefitting our customers.
3. Provide **competent talents** equipped not only technically brilliant at basic in project management but also knowledgeable in the commercial and operational aspects of business as the solution partner to our customers.

OUR WINNING FORMULA



Operational excellence is a competitive advantage that KLCC Group will continue to focus on. Our aspiration to be the preferred solution provider with competitive offering was made possible through our concerted efforts at being brilliant at basics and focus on customer.

At all times, we at KLCC Group will:

1. Be **brilliant at operation fundamentals**.
2. Focus on operation **efficiency & effectiveness** through optimum resources utilization, innovative technologies & solutions and enterprise-wide integration.
3. **No compromise on HSSE** in our pursuit of operational excellence.
4. **Adhere to good Environment, Social and Governance ("ESG") practice**.

Our Strategic Foundation

OUR STRATEGIC FOUNDATION

Culture	Capability	HSE	Digital	Sustainability (ESG)
<p>Aspiration</p> <p>A high performing organisation where our people are passionate and empowered in delivering progressive performance results, being aligned to our Shared Values, Statement of Purpose, and PETRONAS Cultural Beliefs</p> <p>At all times, we at KLCC Group will:</p> <ul style="list-style-type: none"> • (lead self) take personal ownership and accountability for all our decisions and actions, by being above the line and avoiding below the line behaviors, whilst personifying courage, sincerity, honesty and trust. • (lead others) share positive experiences based on the established cultural beliefs that we hold and internalize, which then create positive actions for us to deliver our Winning Formula, intended objectives and targeted results. • (lead business) be generative in our way of work towards Customer Centricity, be resilient and adaptive to change and challenges, through the acts of continuous improvement, being agile, collaborative and innovative, with the right pace and right time. 	<p>Aspiration</p> <p>Provide an enabling environment for Employee to self-drive performance and development in order to create and add value to individuals, organization's growth and sustainability</p> <p>At all times, we at KLCC Group will:</p> <ul style="list-style-type: none"> • Inculcate culture of continuous honest and open conversation to create a conducive environment for employee's development and growth. • Empower employee to self-drive their own performance and growth aligned to individual aspiration and organizational goals to ensure fair and equitable matching of opportunities. • Provide an integrated ecosystem to enable holistic and seamless development experience. 	<p>Aspiration</p> <p>Achieving HSE excellence through reinforcing leadership roles & personal accountability at all levels for sustainable generative behaviors, amplifying efforts to strengthen HSE compliance and improving contractor management to continue providing 'The Safe Place' for all.</p> <p>At all times, we at KLCC Group will:</p> <ul style="list-style-type: none"> • Uphold HSE as priority for our workforce, assets, and surrounding communities where our business operate. • Drive HSE excellence and good HSE governance through implementation in order to mitigate risks of the HSE Management System which is integrated into various stages of KLCC value chain and assuring safeguards for the business. • Steer our organisation towards HSE Generative Culture as our DNA to deliver the winning formula in business. 	<p>Aspiration</p> <p>As an enabler, Digital will push KLCC Group to operate at a different level. Consolidated solutions across Group allows data sharing for smart decision makings while indirectly reducing OPEX.</p> <p>At all times, we at KLCC Group will:</p> <ul style="list-style-type: none"> • Adopt new digital ways of working – Digitalization and digitization: Progressive way of working through digital improving customer experience, cost management, more efficient and enhanced HSSE. • Apply data driven decision making: Digital to provide foundation for data driven decision making based on real time business information across the entire value chain. • Produce value via fit for purpose solutions. • Enhance cybersecurity: Futureproofing our assets and businesses to be safe and secure. 	<p>Aspiration</p> <p>Committed to delivering financial value and societal benefits in a responsible and holistic manner, guided by the UN's 2030 agenda dimensions, which include Property, Planet, People, Partnership, and Peace by balancing the economic, environment and social needs of our stakeholders.</p> <p>At all times, we at KLCC Group will:</p> <ul style="list-style-type: none"> • Responsibly manage our material sustainability matters, the risks and opportunities impacting our business and the industry at large. • Create long-term sustainable business values for our stakeholders, customers, and community. • Minimise environmental impacts and reduce carbon emission resulting from our business operations. • Prioritise stakeholders' well-being, safety & security. • Align our business operations to the highest principles of governance.
<p>Internal</p>				

PETRONAS CULTURAL BELIEFS

PETRONAS Cultural Beliefs



Customer Focused

I deliver solutions from the customer lens



Innovate Now

I challenge norms and push boundaries



Be Enterprising

I seek opportunities and make them happen



Speak Up

I express my views openly



Courage to Act

I take action to progress with pace

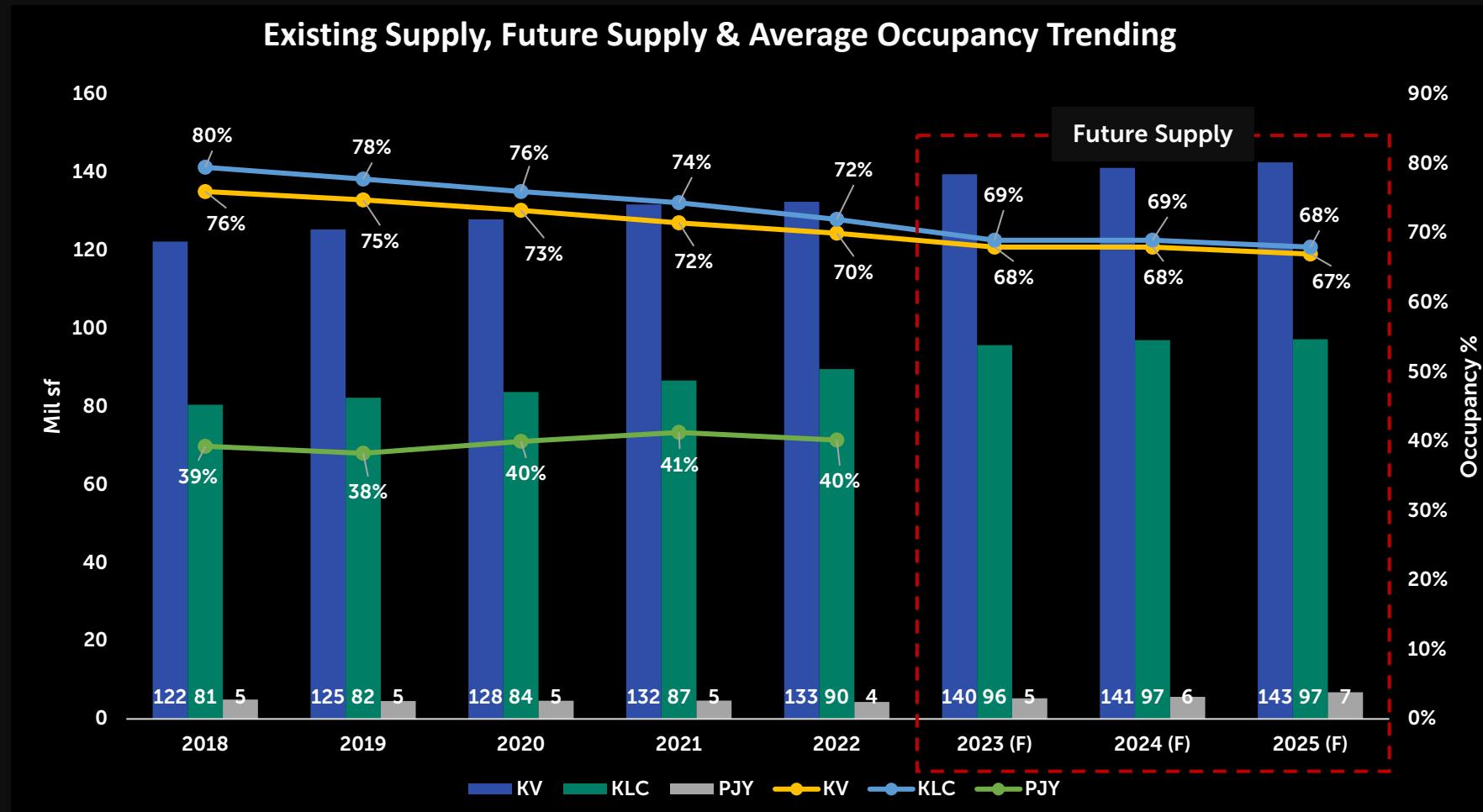


Our Key Focus Area

Industry Outlook

INDUSTRY OUTLOOK: OFFICE

Oversupply of office space puts pressure on rental rates & occupancy



Source: SRD, The Malaysian Quarterly (Klang Valley) by JLW

Note: Forecast occupancy rate as at Q3 2022

Note:

ES: Existing Supply
OR: Occupancy Rate

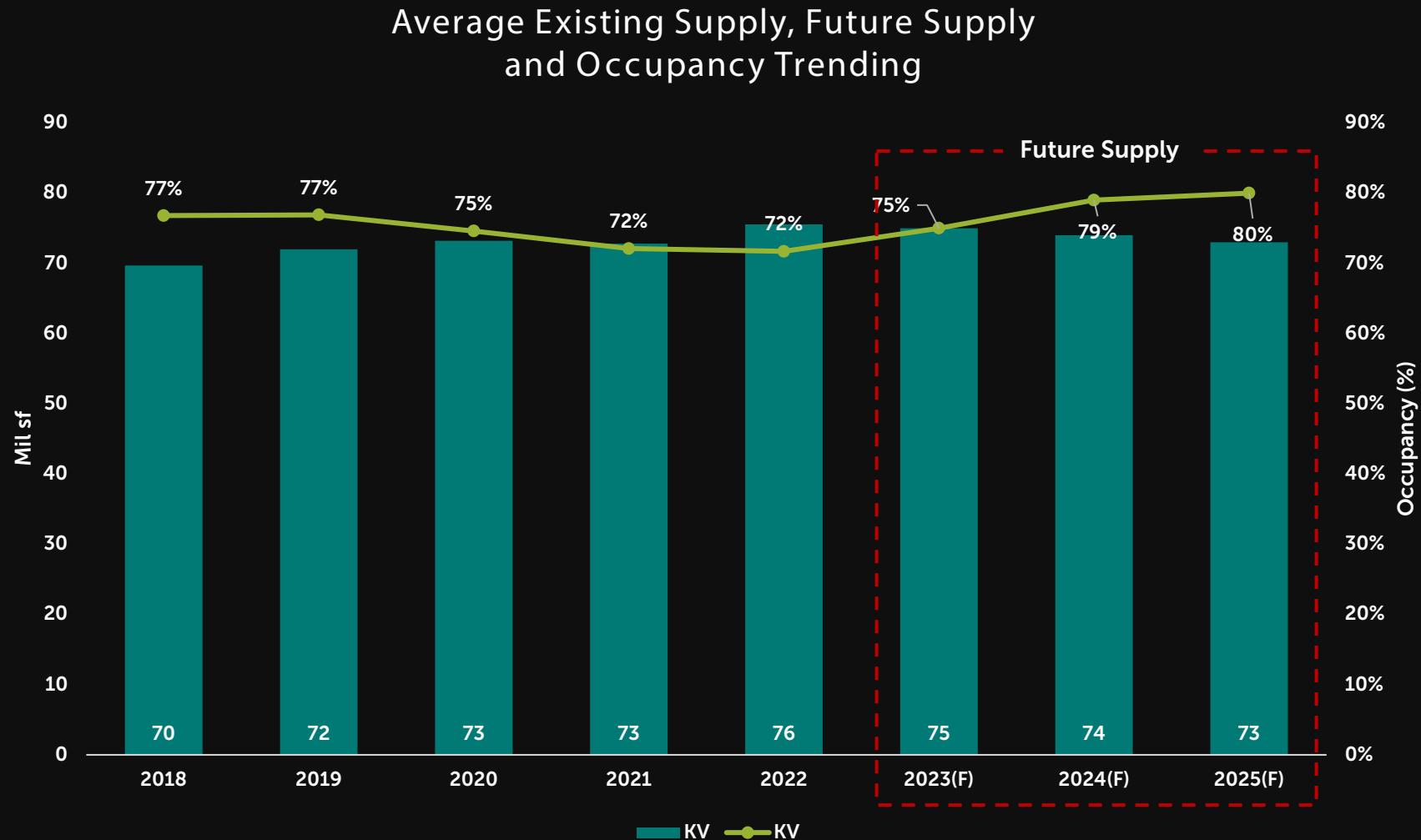
KV: Klang Valley
KLC: Kuala Lumpur
PJP: Putrajaya

INSIGHTS

- Work From Home (WFH) culture has created a:
 - weakened demand for offices.
 - flight-to-quality buildings.
- The rental rates and occupancy rate projected to face downward pressure with high incoming supply anticipated.
- The incoming supply of 10.09 mil sf between 2023 and 2025. 7.04 mil sf targeted to be completed in 2023, remaining 1.64 mil sf in 2024 and 1.41 mil sf in 2025.

INDUSTRY OUTLOOK: RETAIL

New retail malls intensifies competition for existing players



Source: SRD, The Malaysian Quarterly (Klang Valley) by JLW

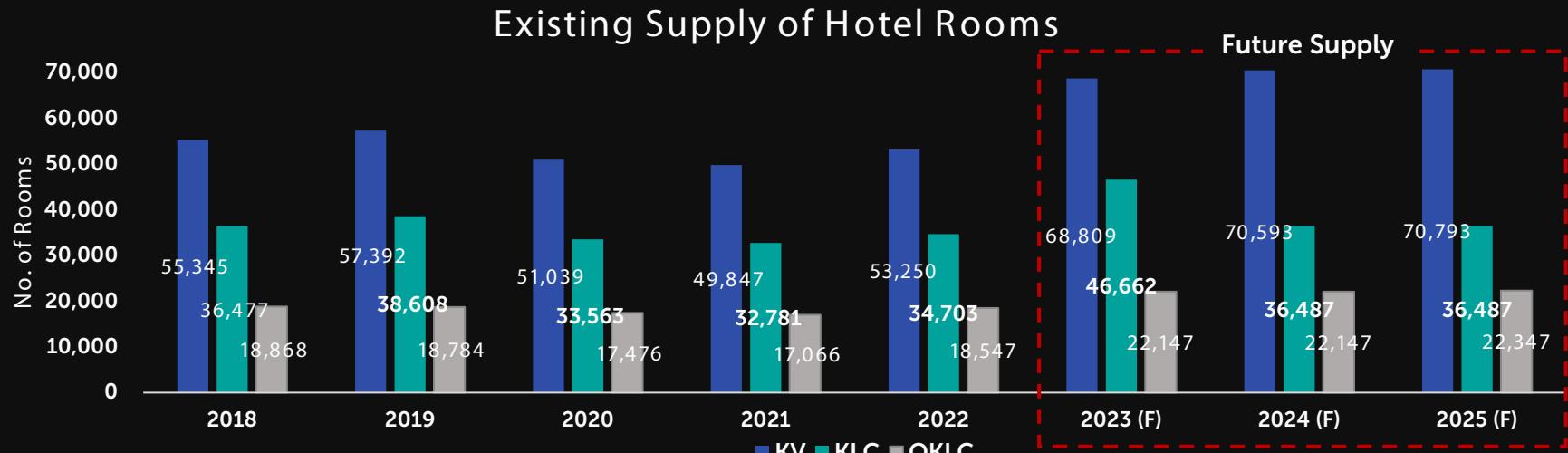
Note: Forecast occupancy rate as at Q3 2022

INSIGHTS

- Positive consumer sentiments post pandemic driven by domestic tourism led to optimistic recovery for the retail industry.
- The projected occupancy rate of Retail Centers in KV will increase from 75% by end of 2023 to 80% by end of 2025 based on optimistic retail outlook.
- Oversupply of retail space and rising inflation may cloud consumer sentiments and weigh up on their purchasing power in the long run.
- Outlook for rental growth expected to remain subdued with growing pressure on overall occupancy levels from intense competition and incoming supply of retail space.

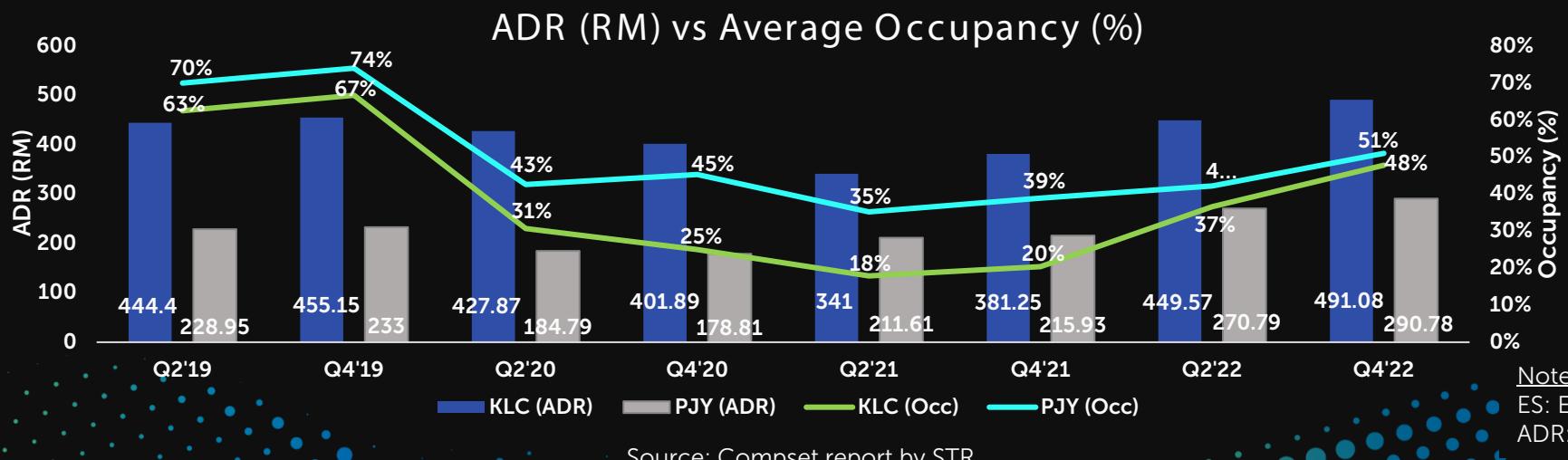
INDUSTRY OUTLOOK: HOSPITALITY

With international border reopening, hospitality will continue to recover progressively with the arrival of international tourists and corporate events



Source: SRD, The Malaysian Quarterly (Klang Valley) by JLW

Note: Forecasted future supply as per Q4 2022



Note:
ES: Existing Supply
ADR: Average Daily Rate

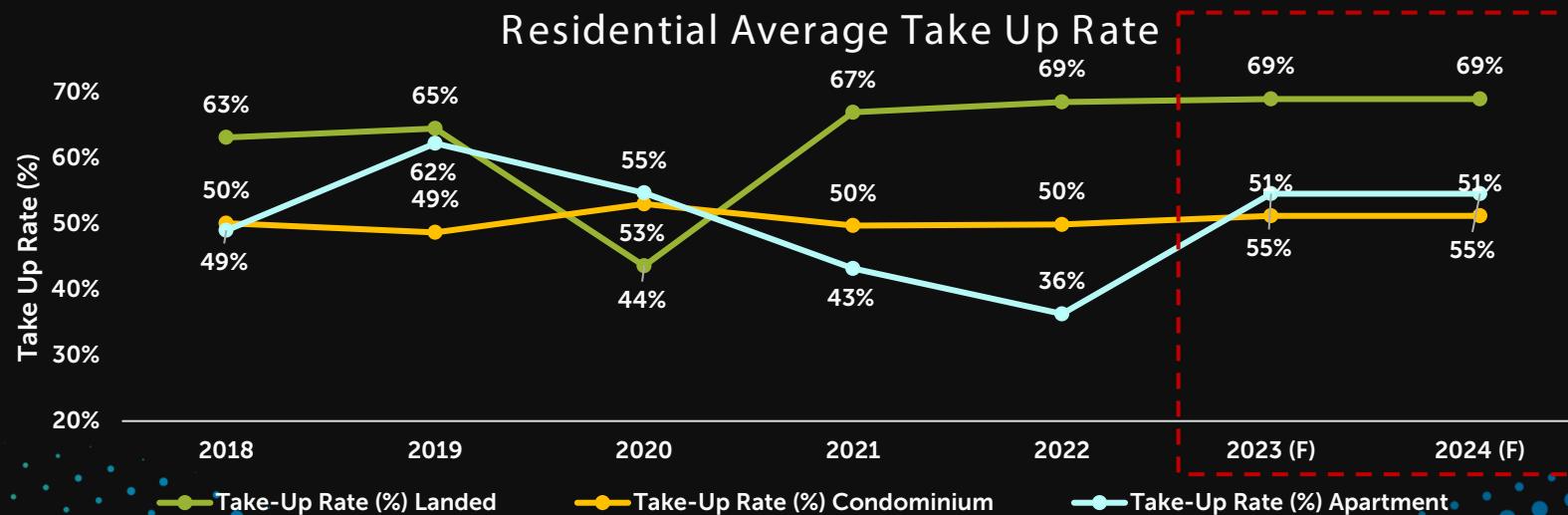
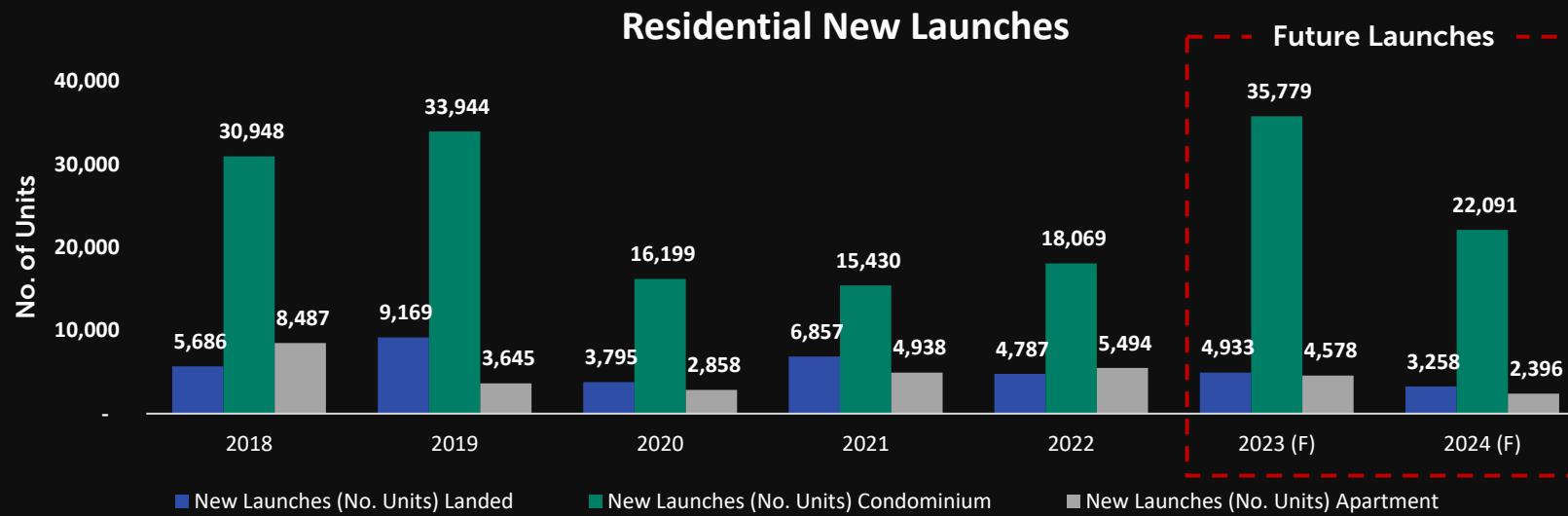
• KV: Klang Valley
KLC: Kuala Lumpur City
OKLC: Outside KLC
PJPY: Putrajaya

INSIGHTS

- China's border reopening in 2023 is expected to bring in more tourists to Malaysia, which may lead to an increase in hotel room future supply.
- The Average Daily Rate (ADR) and occupancy rate for all classes of hotels both in the KLC and PJPY increased due to greater demand as the economic and leisure activities returned to normalcy.
- The soaring inflation due to the disruption in the global food and energy supply due to prolonged Ukraine and Russian war has reduced consumer's purchasing power. The possible global recession in 2023 could impede the recovery of the tourism industry.

INDUSTRY OUTLOOK: RESIDENTIAL

Developers will still be cautious about launching new products and the trend of soft launching of the projects will continue as they try to mitigate the risk of weaker sales



Source: SRD, The Malaysian Quarterly (Klang Valley) by JLW

Note: Forecast future supply as at Q3 2022

INSIGHTS

- Landed properties remain the top choice for purchasers. Terraced houses dominates the new launches.
- High unsold stock level mainly contributed by Condominiums & Apartments.
- 47% (11,507 units) of the total Klang Valley overhangs are priced between RM601k and above.
- Developers are cautiously optimistic with residential market prospects in the medium to long-term owing to strong demand for residences especially first-time house buyers.

RESIDENTIAL OVERHANGS AS AT Q3 2022

Unsold Units Under Construction and Completed Only

State	Units Launched	Unsold Units (Overhangs)	Unsold Units (%)
W.P. Kuala Lumpur	55,386 (Q3'22: 56,325)	13,549 (Q3'22: 13,487)	24% (Q3'22: 24%)
W.P. Putrajaya	1,142 (Q3'22: 1,160)	231 (Q3'22: 274)	20% (Q3'22: 24%)
Selangor	45,026 (Q3'22: 48,084)	10,858 (Q3'22: 12,735)	24% (Q3'22: 26%)
Total Klang Valley	101,554 (Q3'22: 105,569)	24,638 (Q3'22: 26,496)	24% (Q3'22: 25%)

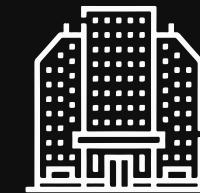
Total Overhangs in Malaysia: 85,395 units (Q3'22: 89,283)

Source: JPPH/NAPIC

Note:
Decreased

Top 2 Types of Unsold Units (Klang Valley)

20,755 units
(84%)



Apartment /
Condominium

1,709 units
(7%)

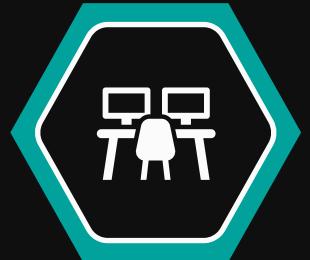


2 & 3-sty
terrace houses

Price Range of Unsold Units (Klang Valley)

11,507 units (47%) of the total Klang Valley overhangs are priced between RM601k and above

TRENDS & ISSUES AFFECTING THE REAL ESTATE INDUSTRY



REMOTE WORK & E-COMMERCE GROWS

- Permanent WFH & hybrid working reduces new demand & tenancy renewals
- "Shop-online-and-deliver-to-me" era influence the business in physical store



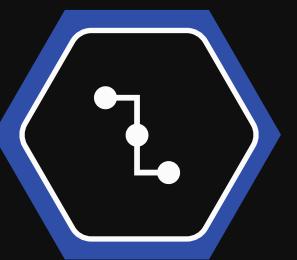
SLOW POST-PANDEMIC REVIVAL

- Prolonged & escalating impact on inflationary pressures affecting spending power & low consumer confidence



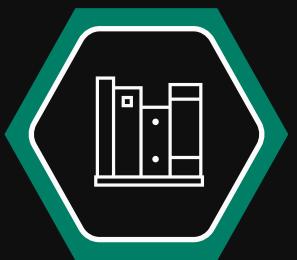
POLITICAL UNCERTAINTY

- Uncertain and unstable political situation remains a source of concern to investors.



SUPPLY CHAIN DISRUPTION

- Escalating costs
- Russia – Ukraine War affecting supply chain globally.



EMERGING REAL ESTATE PLAY

- Developers capitalizing on the industrial & logistic segments
- Growing interest in senior living e.g., aged care/independent living



METAVERSE

- Virtual reality platforms where people can socialize, attend meetings, go to virtual concerts, etc. Digital real estate is expected to grow and expand as well
- Real estate sales doubled to USD190 million in 1 year

Impact to KLCC Group

Pressure on occupancy and rental rates for non-TNL offices and stiffer competition in sustaining retail occupancy

Impact to KLCC Group

Potential threat to retail portfolio owing to low consumer spending and threat to residential sales due to high cost of ownership

Impact to KLCC Group

Change in policies and delay in decision making could have a major impact on the Government Building Retrofit and GDCP CHW negotiations

Impact to KLCC Group

Adverse impact to the Sale of Properties segment as a result of higher material costs for construction, reducing the ROC

Impact to KLCC Group

Opportunities for new revenue growth exploration premised on real estate play or strategic partnerships

Impact to KLCC Group

Metaverse is a highly speculative platform. To keep tabs on developments of Metaverse real estate.

Case For Change

OUR STRATEGIC FOCUS

- Given the current landscape, preservation of our CFFO and being brilliant at basic are critical to ensure our business sustainability

External Challenges

Office

- WFH culture and oversupply in office spaces led to downward pressure on office rental rates & occupancy

Retail

- Intense competition and incoming supply of retail spaces puts pressure on occupancy and rental growth

Hospitality

- Prevailing price wars, intense competition, rising inflation and with recession looming, hotels may take a longer time to recover

Residential

- Developers will face the challenge of clearing the high levels of unsold residential units

ESG

- Heightened requirement and demand by investors, financiers and regulators on disclosure of ESG performance



Internal Challenges

Office

- Below targeted occupancy led to loss making position for Putrajaya offices

Retail

- Uncertain market conditions and the relevance of our new and existing retail assets

Residential

- Project delays deteriorates project's IRR and ROC margin
- Impairment and holding cost incurred from inventories/ overhang of unsold residential and commercial units

Government and utilities

- Government's segment revenue will be tapering post 2024

ESG

- Unfamiliarity with ESG requirement and carbon emission reduction strategies



Strategic Focus

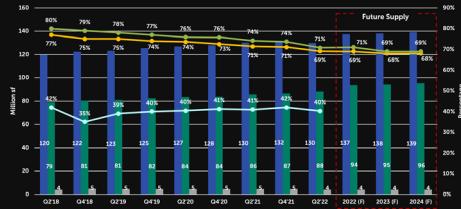
Preserving CFFO through:

- Maximising Cash Generator by being brilliant at basic.
- Expanding core through developing land banks and securing new government revenue streams.
- Crafting carbon reduction strategy and establishing targets to achieve the targeted milestones between 2023 and 2050.

KEY TAKEAWAYS

Case for Change

Market Outlook



Challenges

- OUR STRATEGIC FOCUS**
- Given the current landscape, preservation of our CFFO and being brilliant at basic are critical to ensure our business sustainability
- | External Challenges | Internal Challenges | Strategic Focus |
|---|--|---|
| Office <ul style="list-style-type: none"> Office culture and occupancy in office spaces led to downward pressure on rents and rental levels of occupancy | Retail <ul style="list-style-type: none"> Intense competition and increasing consumer price index has led to a dip in occupancy and rental growth | Preserving CFFO through: <ol style="list-style-type: none"> Brilliant occupancy led to loss of revenue generation from office Intense market conditions and the relevance of our new and existing retail assets Project delays determines project success Impairment and holding cost incurred from the write down of impaired residential and commercial units Creating carbon reduction targets to achieve the targets set between 2025 and 2050 |
| Hospitality <ul style="list-style-type: none"> High price wars, intense competition, rising inflation and with the impact of the war in Ukraine, may take longer time to recover | Residential <ul style="list-style-type: none"> Residential will face the challenge of clearing the high levels of unsold residential units | ESG <ul style="list-style-type: none"> ESG requirement and demand by investors, regulators and regulators on disclosure of ESG performance |

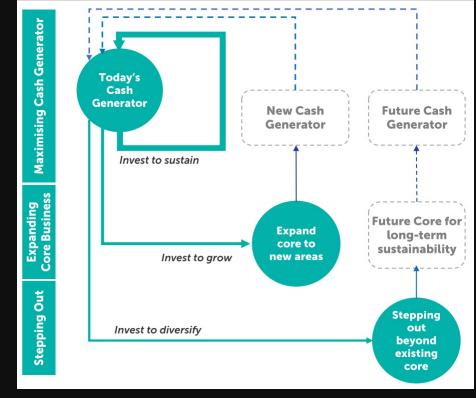
Strategic Focus & Winning Formula

Winning Formula



Strategy

3-Pronged Growth Strategy



Key Focus Areas

KLCC Group Portfolio



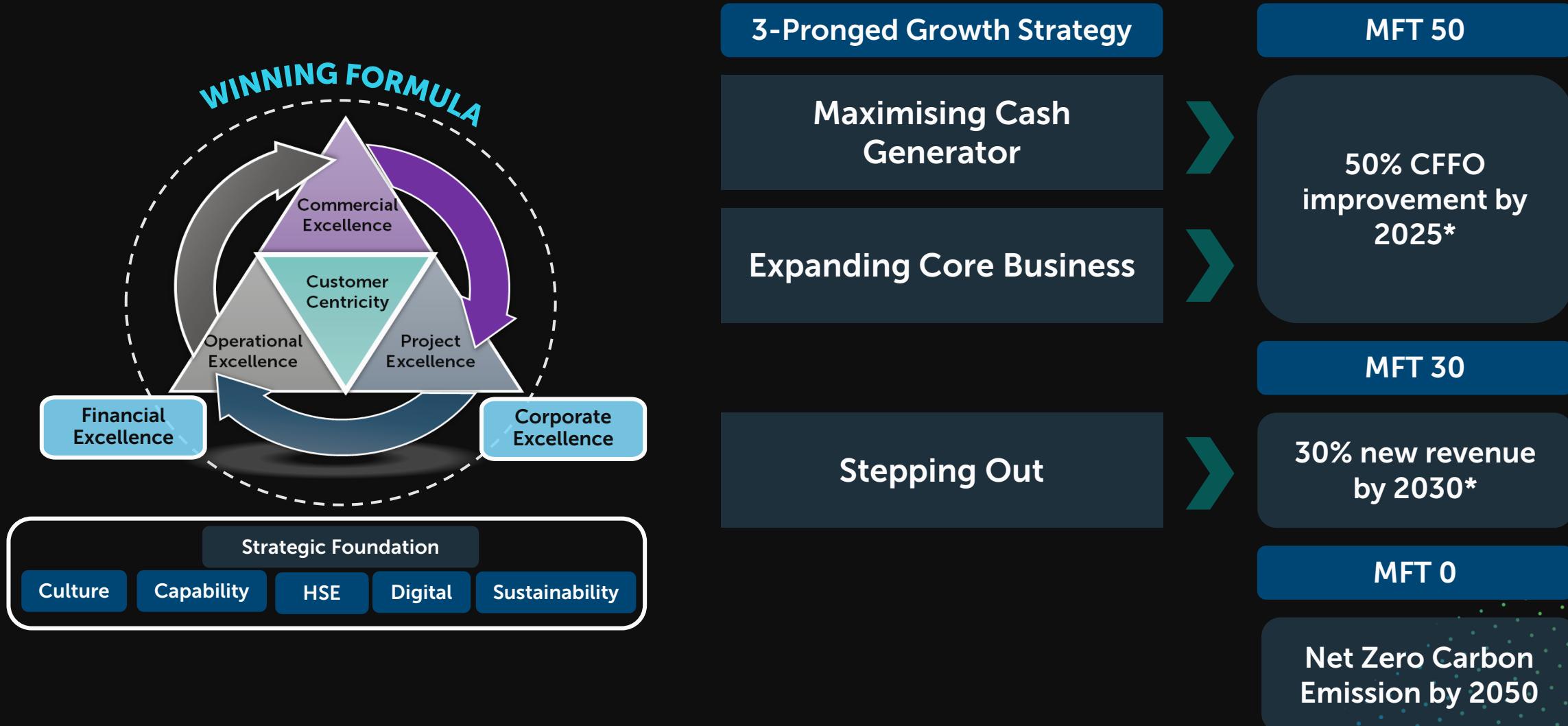
Our Rallying Call : Pursuing Growth

KLCC Group Initiatives & Roadmap



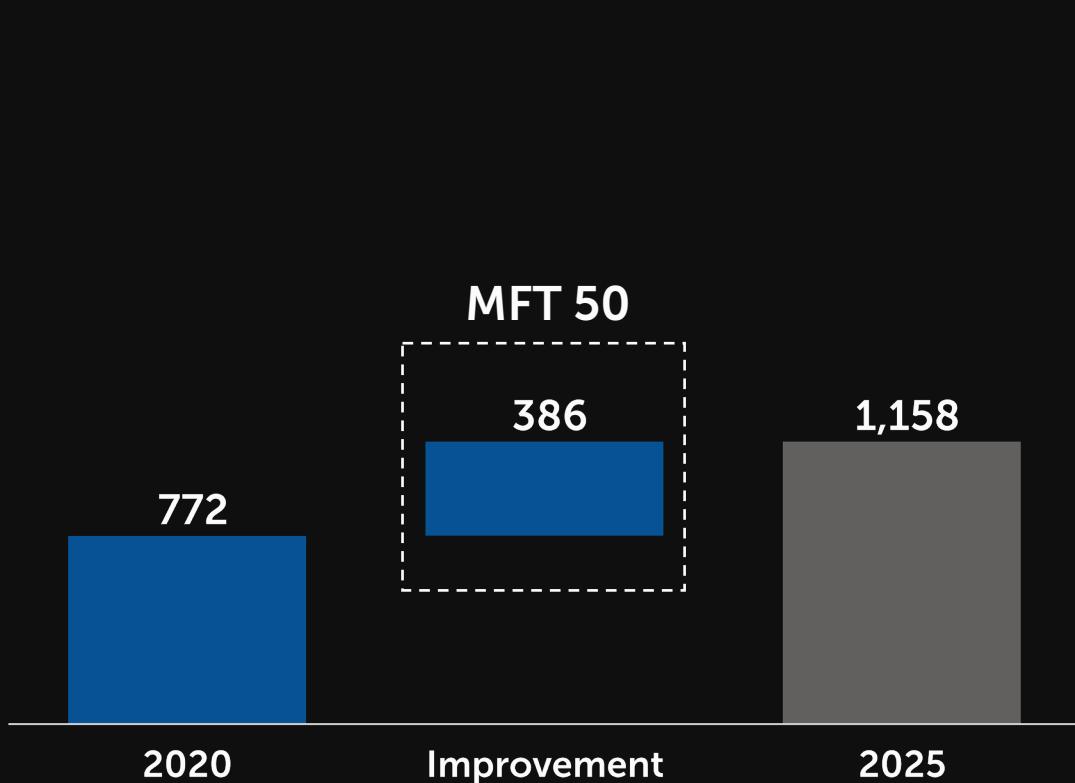
3-Pronged Growth Strategy & MFT 50.30.0

3-PRONGED GROWTH STRATEGY & MFT 50.30.0

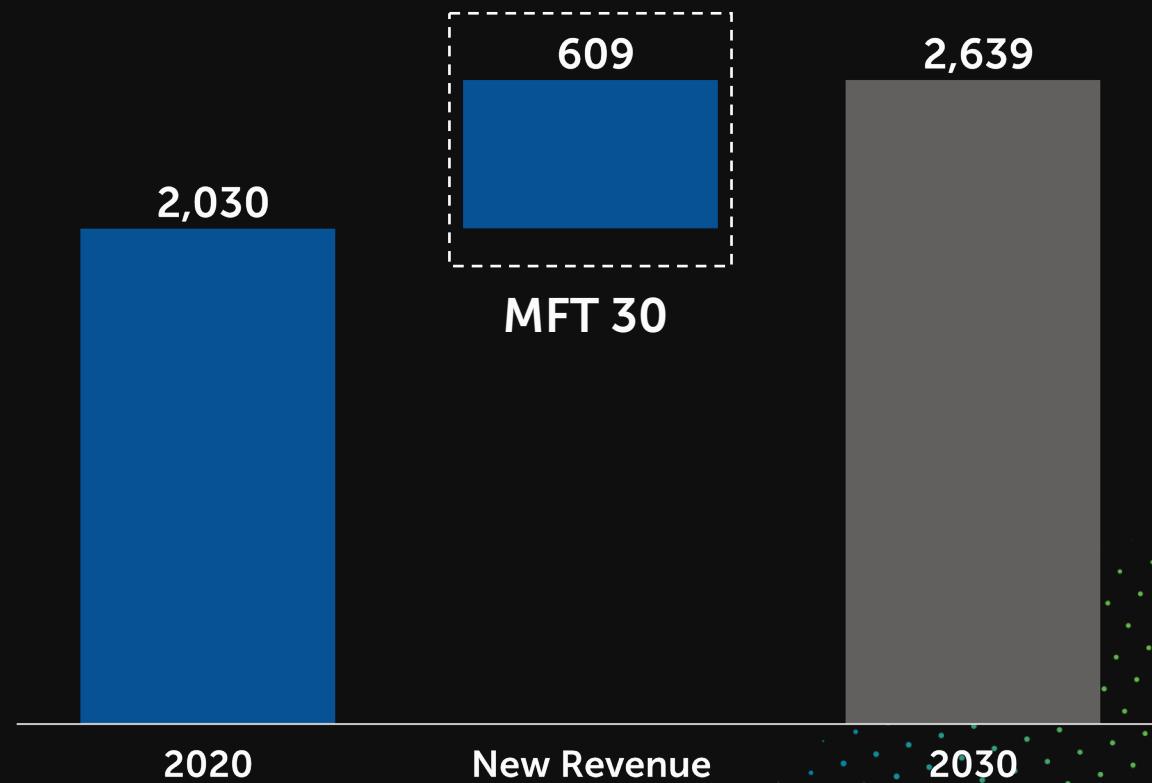


3-PRONGED GROWTH STRATEGY & MFT 50.30.0

Cash Flow from Operations (CFFO)
(50% CFFO improvement by 2025)
(RM'million)



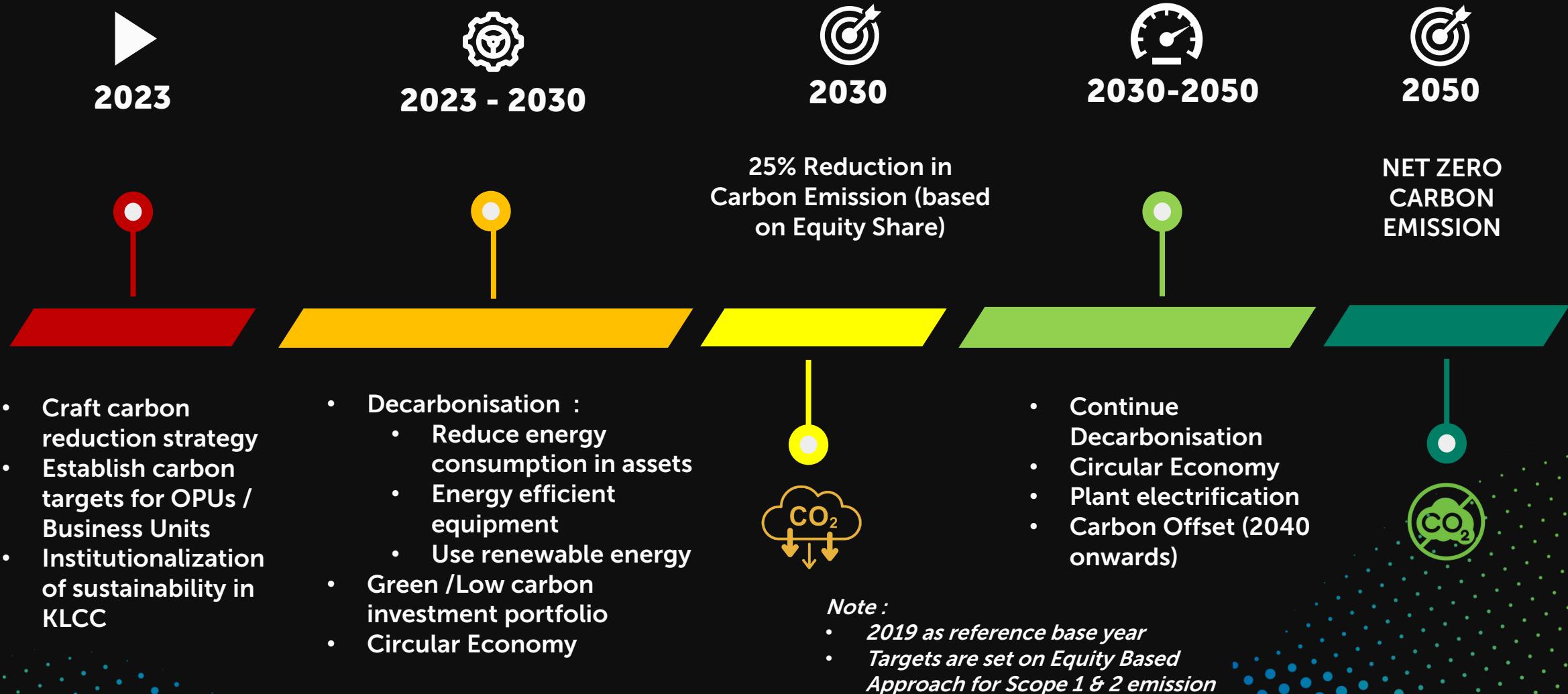
Revenue
(30% new non-traditional business by 2030)
(RM'million)



Note: Excluding Government Portfolio

3-PRONGED GROWTH STRATEGY & MFT 50.30.0

KLCC Group aspires to achieve Net Zero Carbon Emission by 2050, supporting PETRONAS' MFT 0

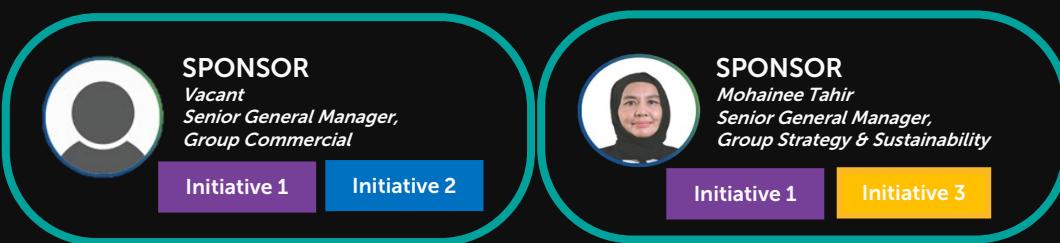


Key Initiatives & Roadmap

PROPERTY INVESTMENT PORTFOLIO: OFFICE

Strategies

- Maximizing Cash Generator 1 2
- Expanding Core Business 3



2022

Current State

Office:

1. Strong portfolio position due to secured TNL agreements
2. Low occupancy in Putrajaya offices
3. Oversupply in office market

Initiative 1

Unlocking value exploration for KOP (Kertih)

2023

2024

2025

2026

2027

Milestones

Finalization of the agreement on the long-term lease

Completion of Block B & C

Value maximization exercise (if feasible)

Initiative 2

Pursuing turnaround position for Putrajaya offices & Lot 91 (Menara PjH, Suasana PjH, Z10, and Lot 91)

Achieve average occupancy of 75%

Initiative 3

Exploration on opportunistic office acquisition

Negotiation & securing approvals (Relevant Boards)

Potential acquisition by KLCC Group (if feasible)

2027

End State

Office:

1. Non-speculative office development
2. Turnaround position for Putrajaya offices with targeted occupancy of 81%
3. Lot 91 fully tenanted (30% Kenyalang Murni)

PROPERTY INVESTMENT PORTFOLIO: RETAIL

Strategies

- Maximizing Cash Generator 2
- Expanding Core Business 1 3



2022

Current State

- Suria KLCC facing competition from newly completed malls
- Alamanda facing stiff competition from IOI City Mall Putrajaya Phase 2, which puts pressure on occupancy and rental rates
- Challenging retail market affecting prospect for Lot LMN, Terra Mall & 7MD7 retail

2023

2024

2025

2026

2027

Milestones

Initiative 1

Best retail positioning and retail mix for Lot L, L1 & M, Terra Mall & 7MD7

Retail operators' appointment

Achieving minimum occupancy of 50% upon mall opening

Achieving occupancy of 75%

Initiative 2

Alamanda rejuvenation

Execution of the rejuvenation exercise

Sustaining occupancy of 90%

Sustaining PBT position

Initiative 3

Highest & best use study for Lot 185

Execution of the highest and best use study by appointed market consultants

Presentation to Board

2027

End State

- Sustaining Suria KLCC occupancy of 90% position
- Sustaining Alamanda occupancy position of 90%
- Pursuing 75% occupancy level with breakeven position by 2027 for our new retail malls

PROPERTY DEVELOPMENT PORTFOLIO: RESIDENTIAL

Strategies

- Maximizing Cash Generator 1
- Expanding Core Business 3
- 2



SPONSOR
Dato' Hashimah Hashim
Chief Executive Officer,
Putrajaya Holdings



SPONSOR
Vacant
Senior General Manager,
Group Commercial



Initiative 1
Initiative 2



SPONSOR
Mohainee Tahir
Senior General Manager,
Group Strategy &
Sustainability



SPONSOR
Vacant
Senior General Manager,
Group Commercial

Initiative 3

2022

Current State

1. Remaining residential lots in Putrajaya are stratified lots
2. Sizeable land bank for future development
3. Prolongation issues leading to high development cost
4. Project delays and quality issues
5. Unsold inventory

2023

2024

2025

2026

2027

Milestones

Initiative 1

Conversion of Putrajaya strata lots to landed

Development proposal approval

Strata lots conversion to landed

Initiative 2

Clearing unsold inventory

Clearing unsold inventory

Initiative 3

Highest & best use study (Sepang Land, French Land, 7MD7 and Lot 22)

Completion of the highest and best use study by appointed market consultants

Tabling moving forward strategy to Board

2027

End State

1. Ready residential landed lots in Putrajaya for potential landed developments
2. Clear moving forward strategy for undeveloped land banks
3. Average ROC margin of 17% for new launches
4. Achieve 100% OTOBOS
5. Zero unsold inventory position

UTILITIES PORTFOLIO

Strategies

- Maximizing Cash Generator

1 2 3

SPONSOR

*Tharmaseelan Thana
Balasingam
General Manager,
Gas District Cooling
(M)*

Initiative 1

Initiative 2

SPONSOR

*Mohaine Tahir
Senior General Manager,
Group Strategy & Sustainability*

SPONSOR

*Dato' Hashimah Hashim
Chief Executive Officer,
Putrajaya Holdings*

Initiative 3

2022

Current State

1. Challenging position for PMU business under GDC M
2. Low-capacity utilization
3. Ended Government Concession for GDC P

2023

2024

2025

2026

2027

Milestones

Initiative 1

PMU business turnaround

Moving forward strategy recommendation to Board

Achieve a profit position in GDCM

Initiative 2

Secure new supply

- GDCM: Surrounding KLCC Precinct
- GDCP: within Putrajaya & surrounding areas

Prospect sourcing

Execution of CHW supply agreement with new customers

Initiative 3

Finalization of GDCP new concession agreement with Govt

Finalization & execution of the concession agreement

2027

End State

1. Turnaround of PMU business
2. Improve CHW capacity utilization
3. Secure new CHW concession from Govt

MANAGEMENT SERVICES PORTFOLIO: PARKING MANAGEMENT

Strategies

- Maximizing Cash Generator 2
- Expanding Core Business 3



SPONSOR
Mohd Akhram
Yeop @ Yeob
General Manager,
KLCC Parking
Management



SPONSOR
Vacant
Senior General Manager,
Group Commercial

Initiative 1
Initiative 3



SPONSOR
Vacant
Senior General Manager,
Group Commercial



SPONSOR
VACANT
Senior General Manager,
Group Operation

Initiative 2

2022

Current State

1. Profitable position but still below pre-pandemic levels with significant parking spaces within KLCC Precinct

2023

2024

2025

2026

2027

Milestones

Initiative 1

KPM expanding footprint beyond KLCC Precinct

Operate four open car parks in Putrajaya (2C9, 3C9, 2M8 & 3C12)

Operate five additional car parks (2C6, 2C7, 2M7, 7MD7 & Lot LMN)

Initiative 2

Cost reduction

In-house maintenance for parking equipment at Putrajaya

Achieve cost reduction of 5% (base 2021)

Initiative 3

Sustainability agenda collaboration with Partner

Install 18 EV chargers at Lot 310
Operate 77 EV chargers

1. Increase parking space beyond KLCC Precinct
2. Achieve pre-pandemic PBT by 2025

2027

End State

MANAGEMENT SERVICES PORTFOLIO: FACILITY MANAGEMENT

Strategies

- Maximizing Cash Generator 1
- Expanding Core Business 2



SPONSOR
Dato' Ts. Izwan Hasli
Mohd Ibrahim
Executive Director
KLCC Urusharta



SPONSOR
Vacant
Senior General
Manager,
Group Commercial



SPONSOR
Dato' Ts. Izwan Hasli
Mohd Ibrahim
Executive Director
KLCC Urusharta



SPONSOR
VACANT
Senior General Manager,
Group Operation

Initiative 1
Initiative 2

2022

Current State

1. Complex processes resulting in lower overall service efficiency
2. Capability gaps lead to inconsistent service quality
3. Non-competitive cost structure

Initiative 1

Operational performance improvement

2023

2024

2025

2026

2027

Milestones

Review and improve corrective and preventive maintenance process

Achieve high customer satisfaction rating of 75%

Initiative 2

Cost reduction

Optimisation of operating costs

Achieve cost reduction of 5% (base 2021)

Initiative 3

Revenue growth

Competitive FM proposals submission (Terra Mall, 7MD7 retail, Lot LMN retail & PRSB Campus 2)

Secure two FM contracts

2027

End State

1. Achieve consistency in providing quality service delivery
2. Strong FM capability with commercial knowledge

MANAGEMENT SERVICES PORTFOLIO: PROJECT DELIVERY

Strategies

- Maximizing Cash Generator 1



SPONSOR

*Muhamat Hilme Hassan
Senior General Manager,
Project Delivery*

Initiative 1

2022

Current State

1. Inconsistent performance in delivering projects leading to the following:
 - Project delays
 - Quality issues
 - Increased project costs

2023

2024

2025

2026

2027

----- Milestones -----

Initiative 1

Review, improvement and institutionalizing PMT in the following focus areas :

Improving project delivery performance

- Cost & contracts
- Design
- Quality
- Constructability & Technology
- HSE
- Planning & Scheduling

Achieving OTOBOS 100% for all projects

2027

End State

1. All projects delivered on time, on budget and on scope
2. Achieve high customer satisfaction of 75% on service delivery
3. Project managers are techno-commercial savvy

GOVERNMENT CONCESSION PORTFOLIO

Strategies

- Maximizing Cash Generator 1



2022

Current State

1. Tapering Government revenue post 2024

Initiative 1

2023

2024

2025

2026

2027

----- Milestones -----

Securing new Government Concession

Negotiation with Government

Finalization & execution of the concession agreement (subject to Government)

2027

End State

1. Sustainable new government contracts



Our Journey Towards Sustainability

OUR JOURNEY TOWARDS SUSTAINABILITY

ESG risk has become more prominent for businesses in the wake of worsening climate change effects and social disparities

CLIMATE ACTION FAILURE TOPS GLOBAL RISKS

- The 2022 WEF Global Risk Report's top 10 global risks for the next 10 years are dominated by environmental and social risks.
- Expert respondents of the 2022 World Economic Forum Global Risk Report cited "climate action failure" as the world's number one long-term threat and the risk that could have the most severe consequences over the next decade.

REAL ESTATE MAIN CONTRIBUTOR TO CARBON EMISSION

- Nearly 40% of global carbon dioxide emissions come from the real estate sector. Of these emissions, approximately 70% are produced by building operations, while the remaining 30% comes from construction.
- Governments, investors, and the public have become increasingly committed to reaching net-zero emissions by 2050. This ambition intends to mitigate the worst potential effects of climate change by limiting warming to 1.5°C above pre-industrial levels.

OUR JOURNEY TOWARDS SUSTAINABILITY

Stakeholders especially policy makers, regulators and investors are increasingly focused on working with businesses that demonstrate strong ESG performance

POLICIES SETTING LOW CARBON TARGETS

- 12th Malaysian Plan : Advancing Green Growth for Sustainability & Resilience. Target 45% reduction on carbon intensity by 2030 from 2005 level
- Kuala Lumpur Low Carbon Society by 2030. 70% reduction on carbon intensity by 2030 from 2010 level
- Putrajaya Low Carbon Green City (2025 Putrajaya Structure Plan). Reduction of 60% carbon by 2025 (compared with 2025 BAU)

REGULATORS AND INVESTORS FOCUS ON LOW CARBON ECONOMY

- Bursa Malaysia Main Listing - Enhanced Sustainability Reporting Framework Sept 2022
- Bank Negara Malaysia - Climate Change and Principle-based Taxonomy (April 2021) for Financial Institutions to assess and categorise economic activities according to the extent to which the activities meet climate objectives and promote the transition to a low-carbon economy.
- Institutional Investors (e.g, KWSP) and Credit Rating Agencies are signatories to UN-supported Principles for Responsible Investment.

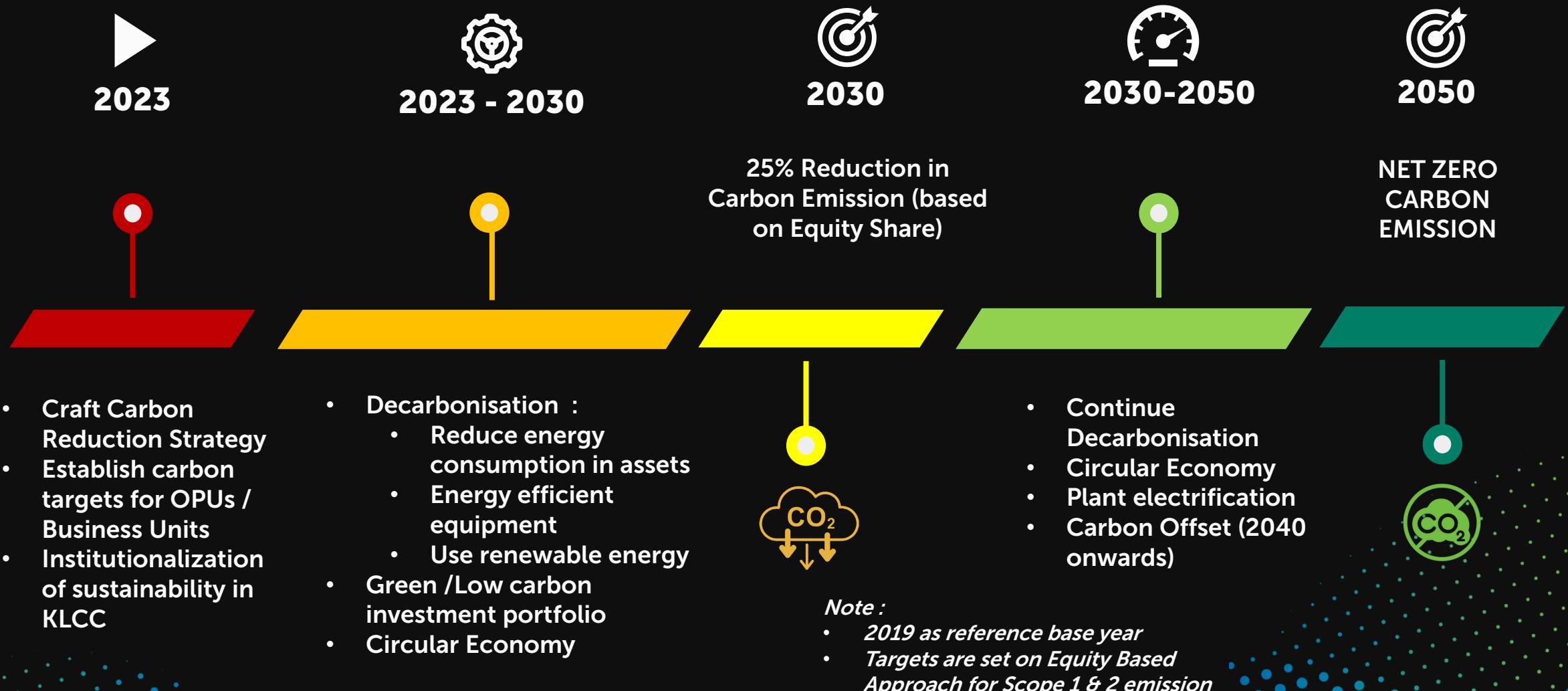
OUR JOURNEY TOWARDS SUSTAINABILITY

KLCC Sustainability Framework is guided by the critical dimensions in United Nation's 2030 agenda and aligned with the 4 Sustainability Lenses of PETRONAS



OUR JOURNEY TOWARDS SUSTAINABILITY

KLCC Group aspires to achieve Net Zero Carbon Emission by 2050, supporting PETRONAS MFT 0



OUR JOURNEY TOWARDS SUSTAINABILITY : KEY INITIATIVES

Initiatives	2023	2024	2025	2026	2027
Disclosure based on "Task force on Climate change related Financial Disclosures (TCFD)" Recommendations	Identify and assess : <ul style="list-style-type: none">• impact of climate related risk & opportunities on business• resilience of business strategy under different climate scenario		<ul style="list-style-type: none">• KLCCP SG to publicly disclose climate related action (based on TCFD) starting December 2025• Implementation of mitigation action based on TCFD recommendations		
Greenhouse Gas Emission Reduction	<ul style="list-style-type: none">• Establish GHG emission Reduction targets (Group & OPUs)	GHG emission reduction initiatives : <ul style="list-style-type: none">• Enhance energy efficiency in buildings• Replace aged plants and machinery / equipment with energy efficient alternatives• Use renewable energy			<ul style="list-style-type: none">• Carbon Sequestration / Capture• Green supply chain
Enhance Environmental Management	<ul style="list-style-type: none">• Waste diversion from disposal• Water conservation in buildings		<ul style="list-style-type: none">• Phase out Zero Single Use Plastics• Responsible Material Usage		

THE PEOPLE BEHIND KLCC GROUP'S STRATEGY BLUEPRINT

Datuk Md. Shah Mahmood
Nuratiqah Kadir Sultan
Mohaine Tahir
Bindu Menon
Yasmin Abdullah
Intan Liana Mohd Pilus
Ariff Ashraff Ahmad
Fadhillin Hana Musanif
Norleen Abd Rahman
Chui Yuet Yue
Inas Sofiya Mohd Zamri
Khairul Nizam Ghazali
Vigna Kumar Logarajah
Jaime Lee Zhi Mey
Nurliyana Radzi
Zulkiflee Mansor
Ladjadamsik Landu
Suaibatul Aslamiah Achni
Nazri Abdul Hamid
Idham Hadi Md Nor
Mohammad Zappill Mat Lizah
Wan Shahrir Wan Mansor
Muhammad Ruzaini Ibrahim
Nur Shaidatul Jannah Yusyairi

Noor Syahida Md Sofian
Farah Hanissa Muriddan
Sheren Nabeela Abdul Halim
Hassan Ramadi
Yasmin Husin Jamal
Ahmad Faisal Ahmad Shayuti
Hafiza Harun
Intan Zuraazni Zaharin
Wan Shamsul Azhar Wan M Amin
Muhmat Hilme Hassan
Mohd Zaim Kusuan @ Hj Mohamed Tahir
Chee Whye Ying
Saiful Anuar Saad
Mohamed Faraish Ja'afar
Zaidatul Ahmad Zubel
Mohd Samli Ibrahim
Mazidah Joary Tajudin
Zaradiyah Abu Bakar
Ahmad Aza Amir
Rohizal Kadir
Annuar Marzuki Abdul Aziz
Subachini Maraiah
Siti Hajar Anuar
Nuraslin Ismail

Lee Ban Chong
Mohamed Mustadin Md Adnan
Looi Poh Wah
Ahmed Sharifuddin Abdullah
Muhammad Riza Zarkasi
Mohd Khairi Ibrahim
Dato' Hashimah Hashim
Noor Izlina Idris
Norimah Ahmad
Hanida Hanum Jamon
Yap Sew Ling
Siti Masyitah Roslan
Nur Melissa Ismail
Ariff Ikmal Shattri
M Amirul Arshad M Zamri
Nuratika Liyana Suhazeri
Azmel Shah Zulkaply
Dato' Ts. Izwan Hasli Mohd Ibrahim
Suraya Hussein
Mustaffa Awang
Mohd Akmam Yeop @ Yeob
Sharifah Othman
Hamema Hanim Mohamed Hashim
Tharmaseelan Thana Balasingam

Zakaria Hassan
Ahmad Abu Seman
Mohd Fihmi Pathor Rahman
Azharuddin Ismail
Shahirul Fahizam Hussain
Ho Mei Ling
Salha Ahmad Dahlan
Nazlee Hadanee Awang
Ahmad Zahid Zainal Abidin
Abd Aziz Abd Kadir
Juddy Lim Siew Mei
Chong Lai Khuan
Syed Amir Syed Jalal
Satvinder Singh Jaswant Singh
Muhammad Ariff Noorizan
Faizul Harris Mohd Kamal
Shabuddin Ahmad
Noradila Suhimi
Norhayani Mohd Khalid
Norfazli Abdul Samad



THE END