

Financial Statements

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Directors' Report

For The Financial Year Ended 31 December 2025

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

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

The principal activities of subsidiaries and an associate are stated in Note 32 and Note 33 to the financial statements respectively.

CORPORATE INFORMATION

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

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

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

HOLDING COMPANIES

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

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 5 and Note 32 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	1,282,898	332,875
Attributable to:		
Equity holders of the Company	733,833	332,875
Non-controlling interests relating to KLCC REIT	546,533	–
Other non-controlling interests	2,532	–
	1,282,898	332,875

DIVIDENDS

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

	RM'000
In respect of the financial year ended 31 December 2024 as reported in the Directors' Report in that year:	
A fourth interim dividend of 9.73%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 5 February 2025 and paid on 28 February 2025	175,629
In respect of the financial year ended 31 December 2025:	
A first interim dividend of 1.82%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 23 May 2025 and paid on 30 June 2025	32,857
A second interim dividend of 1.96%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 27 August 2025 and paid on 30 September 2025	35,385
A third interim dividend of 2.11%, tax exempt under single tier system on 1,805,333,083 ordinary shares, was declared on 20 November 2025 and paid on 30 December 2025	38,093
	281,964

A fourth interim dividend in respect of the financial year ended 31 December 2025, of 11.79% tax exempt under the single tier system on 1,805,333,083 ordinary shares, declared on 29 January 2026 amounting to a dividend payable of RM212,848,770 will be payable on 27 February 2026.

The financial statements for the current financial year do not reflect this declared dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

RESERVES AND PROVISIONS

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

DIRECTORS

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

Datuk Ir. Annies Bin Md Ariff (Chairman)
 Datuk Sr Mohd.Salem Bin Kailany
 Farina Binti Farikhullah Khan
 Dato' Jamaludin Bin Osman
 Liza Binti Mustapha
 Chong Chye Neo
 Dato' Sr Mazuki Bin A Aziz
 Freida Binti Amat
 Datin Noor Lily Zuriati Binti Abdullah (retired on 29 April 2025)

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

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

Directors' Report

For The Financial Year Ended 31 December 2025

DIRECTORS' INTERESTS

The Directors in office at the end of the year who have interests and deemed interests in the shares of the Company and of its related corporations other than wholly-owned subsidiaries as recorded in the Register of Directors' Shareholdings are as follows:

Name	Number of ordinary shares in PETRONAS Chemicals Group Berhad			
	Balance at 1.1.2025	Bought	Sold	Balance at 31.12.2025
Freida Binti Amat	6,000	–	–	6,000

None of the other Directors holding office at 31 December 2025 had any interest in the ordinary shares of the Company and of its related corporations during the financial year.

DIRECTORS' BENEFITS

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

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

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2025 was RM1,874,000 comprising fees and other short-term employee benefits.

ISSUE OF SHARES

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

OPTIONS GRANTED OVER UNISSUED SHARES

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

INDEMNITY AND INSURANCE COSTS

During the financial year, PETRONAS and its subsidiaries (hereinafter referred to as "PETRONAS Group"), including the Company, maintained a Directors' and Officers' Liability Insurance in accordance with Section 289 of the Companies Act, 2016. The total insured limit for the Directors and Officers Liability Insurance effected for the Directors and Officers of PETRONAS Group was RM1,290 million per occurrence and in the aggregate. The insurance premium for the Group and the Company is RM10,000 and RM1,000 respectively.

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Directors' Report

For The Financial Year Ended 31 December 2025

AUDITORS

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

The auditors' remuneration paid or payable to Ernst & Young PLT for the financial year ended 31 December 2025 are as follows:

	Group RM'000	Company RM'000
Audit fees	785	277
Non-audit service fees	90	90

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



Datuk Ir. Annies Bin Md Ariff
Chairman



Datuk Sr Mohd.Salem Bin Kailany
Director

Kuala Lumpur, Malaysia
Date: 29 January 2026

Statement By Directors

In the opinion of the Directors, the financial statements set out on pages 256 to 328, are drawn up in accordance with MFRS Accounting Standards as issued by the Malaysian Accounting Standards Board, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2025 and of their financial performance and cash flows for the financial year then ended on that date.

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

Datuk Ir. Annies Bin Md Ariff
Chairman

Datuk Sr Mohd.Salem Bin Kailany
Director

Kuala Lumpur, Malaysia
Date: 29 January 2026

Statutory Declaration

I, **Ahmad Hakimi Bin Muhammad Radzi**, the officer primarily responsible for the financial management of KLCC Property Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 256 to 328 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
Ahmad Hakimi Bin Muhammad Radzi,
NRIC: 730706-14-5127
at **Kuala Lumpur** in **Wilayah Persekutuan**
on 29 January 2026

Ahmad Hakimi Bin Muhammad Radzi

BEFORE ME:



Consolidated Statement of Financial Position

As At 31 December 2025

	Note	2025 RM'000	2024 RM'000
ASSETS			
Property, plant and equipment	3	547,597	542,417
Investment properties	4	16,681,510	16,200,530
Investments in an associate	6	268,134	268,437
Trade and other receivables	7	88,258	196,238
Deferred tax assets	8	2,887	2,791
TOTAL NON-CURRENT ASSETS		17,588,386	17,210,413
Inventories	9	2,032	2,089
Trade and other receivables	7	132,521	86,671
Tax recoverable		112	3,225
Cash and bank balances	10	1,514,728	1,360,879
TOTAL CURRENT ASSETS		1,649,393	1,452,864
TOTAL ASSETS		19,237,779	18,663,277
EQUITY			
Share capital	11	1,823,386	1,823,386
Capital reserve	12	3,514,652	3,164,736
Retained profits	12	678,661	576,708
Total equity attributable to equity holders of the Company		6,016,699	5,564,830
Non-controlling interests ("NCI") relating to KLCC REIT	5	8,122,849	8,106,723
Stapled Securities holders interests in the Group		14,139,548	13,671,553
Other NCI	5	35,563	33,031
TOTAL EQUITY		14,175,111	13,704,584

	Note	2025 RM'000	2024 RM'000
LIABILITIES			
Trade and other payables	14	160,927	167,042
Deferred revenue	15	72,476	77,730
Financings	13	3,792,499	3,905,165
Deferred tax liabilities	8	94,311	79,014
TOTAL NON-CURRENT LIABILITIES		4,120,213	4,228,951
LIABILITIES			
Trade and other payables	14	376,344	278,646
Deferred revenue	15	6,698	7,809
Financings	13	525,525	412,302
Taxation		33,888	30,985
TOTAL CURRENT LIABILITIES		942,455	729,742
TOTAL LIABILITIES		5,062,668	4,958,693
TOTAL EQUITY AND LIABILITIES			
		19,237,779	18,663,277
Net asset value ("NAV")		14,139,548	13,671,553
Less: Fourth interim distribution		(344,819)	(308,682)
Net NAV after distribution		13,794,729	13,362,871
Number of stapled securities/shares in circulation ('000)		1,805,333	1,805,333
NAV per stapled security/share (RM)			
– before distribution		7.83	7.57
– after distribution		7.64	7.40

The notes set out on pages 267 to 328 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For The Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Revenue	16	1,739,820	1,710,860
Operating profit	16	1,076,794	1,067,330
Interest/profit income	19	54,275	52,313
Financing costs	20	(176,753)	(167,299)
Share of profit of an associate	6	12,237	14,290
Fair value adjustments of investment properties	4	463,870	234,731
Profit before taxation	17	1,430,423	1,201,365
Tax expense	21	(147,525)	(144,142)
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,282,898	1,057,223
Profit attributable to:			
Equity holders of the Company		733,833	498,214
NCI relating to KLCC REIT	5	546,533	518,319
Other NCI	5	1,280,366 2,532	1,016,533 40,690
		1,282,898	1,057,223
Earnings per share attributable to equity holders of the Company (sen):			
Basic/diluted	22	40.65	27.60
Earnings per stapled security (sen):			
Basic/diluted	22	70.92	56.31

The notes set out on pages 267 to 328 are an integral part of these financial statements.

Statement of Income Distribution to Stapled Securities Holders

For The Year Ended 31 December 2025

	2025 RM'000	2024 RM'000
Overall distributable income is derived as follows:		
Profit attributable to the equity holders of the Company	733,833	498,214
Add: Unrealised fair value adjustments attributable to the equity holders	(349,916)	(155,870)
	383,917	342,344
Distributable income of KLCC REIT	556,914	526,337
Total available for income distribution	940,831	868,681
Distribution to equity holders of the Company in respect of financial year ended 31 December:		
First interim dividend of 1.82% (2024: 2.20%)	(32,857)	(39,717)
Second interim dividend of 1.96% (2024: 2.46%)	(35,385)	(44,411)
Third interim dividend of 2.11% (2024: 2.41%)	(38,093)	(43,509)
Fourth interim dividend of 11.79% (2024: 9.73%)	(212,849)	(175,629)
	(319,184)	(303,266)
Distribution to KLCC REIT holders in respect of financial year ended 31 December:		
First interim income distribution of 7.38% (2024: 6.80%)	(133,234)	(122,763)
Second interim income distribution of 7.24% (2024: 6.74%)	(130,706)	(121,679)
Third interim income distribution of 7.39% (2024: 6.79%)	(133,414)	(122,582)
Fourth interim income distribution of 7.31% (2024: 7.37%)	(131,970)	(133,053)
	(529,324)	(500,077)
Balance undistributed	92,323	65,338

Consolidated Statement of Changes in Equity

For The Year Ended 31 December 2025

	Note	← Attributable to Equity Holders of the Company →			Total equity attributable to holders of the Company RM'000
		Non-Distributable	← Distributable →		
		Share Capital RM'000	Capital Reserves RM'000	Retained Profits RM'000	
Balance at 1 January 2025		1,823,386	3,164,736	576,708	5,564,830
Total comprehensive income for the year		–	–	733,833	733,833
Transfer of fair value adjustments net of tax	12	–	349,916	(349,916)	–
Dividends	23	–	–	(281,964)	(281,964)
Balance at 31 December 2025		1,823,386	3,514,652	678,661	6,016,699
Balance at 1 January 2024		1,823,386	3,008,866	435,883	5,268,135
Total comprehensive income for the year		–	–	498,214	498,214
Transfer of fair value adjustments net of tax	12	–	155,870	(155,870)	–
Dividends	23	–	–	(272,064)	(272,064)
Acquisition of NCI		–	–	70,545	70,545
Balance at 31 December 2024		1,823,386	3,164,736	576,708	5,564,830

	NCI relating to KLCC REIT RM'000	Other NCI RM'000	Total Equity RM'000
Balance at 1 January 2025	8,106,723	33,031	13,704,584
Total comprehensive income for the year	546,533	2,532	1,282,898
Dividends	(530,407)	–	(812,371)
Balance at 31 December 2025	8,122,849	35,563	14,175,111
Balance at 1 January 2024	8,070,969	2,050,350	15,389,454
Total comprehensive income for the year	518,319	40,690	1,057,223
Dividends	(482,565)	(31,433)	(786,062)
Acquisition of NCI	–	(2,026,576)	(1,956,031)
Balance at 31 December 2024	8,106,723	33,031	13,704,584

The notes set out on pages 267 to 328 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For The Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		1,430,423	1,201,365
Adjustments for:			
Interest/profit income	19	(54,275)	(52,313)
Financing costs	20	176,575	167,208
Amortisation of attributable transaction cost	20	178	91
Amortisation of accrued rental income and deferred revenue		100,841	67,277
Depreciation of property, plant and equipment	3	25,174	28,977
Depreciation of right-of-use assets	3	1,032	1,031
Property, plant and equipment written off	17	–	39
Investment properties written off	4	75	75
Loss on disposal of property, plant and equipment	17	59	380
Gain on fair value adjustments of investment properties	4	(463,870)	(234,731)
Net reversal for impairment losses of receivables	17	(819)	(440)
Share of profit of an associate	6	(12,237)	(14,290)
Operating profit before changes in working capital		1,203,156	1,164,669
Changes in working capital:			
Trade and other receivables		(12,700)	10,227
Amount due from/to ultimate holding company		40,923	(4,213)
Amount due from/to immediate holding company		(24,870)	(6,871)
Amount due from/to related companies		(7,940)	3,513
Trade and other payables		44,272	38,287
Inventories		57	(482)
Cash generated from operations		1,242,898	1,205,130
Interest/profit received		54,926	51,757
Taxation paid		(130,831)	(120,787)
Taxation refunded		4,523	–
Net cash generated from operating activities		1,171,516	1,136,100
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from an associate	6	12,540	12,540
Purchase of property, plant and equipment		(31,472)	(22,082)
Subsequent expenditure on investment properties		(15,792)	(8,073)
Proceeds from disposal of property, plant and equipment		27	63
Acquisition of other NCI		–	(1,950,000)
Cost incidental to acquisition of other NCI		–	(6,031)
Increase in deposits with tenure more than 3 months		(17,086)	(27,744)
Net cash used in investing activities		(51,783)	(2,001,327)

Consolidated Statement of Cash Flows

For The Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of Sukuk Murabahah and Sukuk Wakalah		388,000	3,005,000
Transaction cost incidental to the drawdown of Sukuk Murabahah and Sukuk Wakalah		(284)	(615)
Repayment of term loans		(388,182)	(10,000)
Repayment of Sukuk Murabahah		–	(1,055,000)
Repayment of lease liabilities		(1,196)	(1,194)
Dividends paid to equity holders	23	(281,964)	(272,064)
Dividends paid to other NCI	5	–	(31,433)
Dividends paid to NCI relating to KLCC REIT		(530,523)	(482,525)
Interest/profit paid		(168,821)	(145,883)
Decrease in deposits restricted		826	213
Net cash (used in)/generated from financing activities		(982,144)	1,006,499
NET INCREASE IN CASH AND CASH EQUIVALENTS			
		137,589	141,272
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR			
		1,131,695	990,423
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
	10	1,269,284	1,131,695
The additions in property, plant and equipment and investment properties were acquired by way of:			
Cash		27,410	15,181
Accruals		21,382	19,854
		48,792	35,035
Cash paid for additions in prior years			
		19,854	14,974
Cash paid for additions in current year			
		27,410	15,181
Total cash paid for investment properties and property, plant and equipment			
		47,264	30,155

The notes set out on pages 267 to 328 are an integral part of these financial statements.

Statement of Financial Position

As At 31 December 2025

	Note	2025 RM'000	2024 RM'000
ASSETS			
Property, plant and equipment	3	24	19
Investments in subsidiaries	5	3,327,868	3,327,836
Investments in an associate	6	99,195	99,195
Deferred tax assets	8	1,578	1,272
TOTAL NON-CURRENT ASSETS		3,428,665	3,428,322
Trade and other receivables	7	5,838	6,230
Tax recoverable		–	3,120
Cash and bank balances	10	799,674	742,127
TOTAL CURRENT ASSETS		805,512	751,477
TOTAL ASSETS		4,234,177	4,179,799
EQUITY			
Share capital	11	1,823,386	1,823,386
Retained profits	12	427,507	376,596
TOTAL EQUITY		2,250,893	2,199,982
LIABILITIES			
Financings			
REPRESENTING TOTAL NON-CURRENT LIABILITIES	13	1,949,718	1,949,597
Trade and other payables	14	13,690	13,023
Financings	13	17,598	17,197
Taxation		2,278	–
TOTAL CURRENT LIABILITIES		33,566	30,220
TOTAL LIABILITIES		1,983,284	1,979,817
TOTAL EQUITY AND LIABILITIES		4,234,177	4,179,799

The notes set out on pages 267 to 328 are an integral part of these financial statements.

Statement of Comprehensive Income

For The Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Revenue	16	438,687	399,712
Operating profit	16	386,047	348,863
Interest/profit income	19	27,376	26,227
Financing costs	20	(74,075)	(54,792)
Profit before taxation		339,348	320,298
Tax expense	21	(6,473)	(5,150)
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		332,875	315,148

The notes set out on pages 267 to 328 are an integral part of these financial statements.

Statement of Changes in Equity

For The Year Ended 31 December 2025

	Note	Non-Distributable Share Capital RM'000	Distributable Retained Profits RM'000	Total Equity RM'000
Balance at 1 January 2025		1,823,386	376,596	2,199,982
Total comprehensive income for the year		–	332,875	332,875
Dividends	23	–	(281,964)	(281,964)
Balance at 31 December 2025		1,823,386	427,507	2,250,893
Balance at 1 January 2024		1,823,386	333,512	2,156,898
Total comprehensive income for the year		–	315,148	315,148
Dividends	23	–	(272,064)	(272,064)
Balance at 31 December 2024		1,823,386	376,596	2,199,982

The notes set out on pages 267 to 328 are an integral part of these financial statements.

Statement of Cash Flows

For The Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		339,348	320,298
Adjustments for:			
Interest/profit income	19	(27,376)	(26,227)
Financing costs	20	73,954	54,701
Amortisation of attributable transaction cost	20	121	91
Depreciation of property, plant and equipment	3	13	60
Dividend income		(409,040)	(371,107)
Operating profit before changes in working capital		(22,980)	(22,184)
Changes in working capital:			
Trade and other receivables		(643)	4,584
Amount due from subsidiaries		271	(96)
Amount due from related companies		(65)	1,848
Amount due from immediate holding company		829	(3,309)
Amount due to ultimate holding company		226	(933)
Trade and other payables		441	2,822
Cash used in operations		(21,921)	(17,268)
Interest/profit received		27,376	26,227
Taxation paid		(5,903)	(6,529)
Taxation refunded		4,522	–
Net cash generated from operating activities		4,074	2,430
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from subsidiaries and an associate		409,040	371,107
Purchase of property, plant and equipment		(18)	(11)
Acquisition of other NCI		–	(1,950,000)
Cost incidental to acquisition of other NCI		–	(6,031)
Advances to a subsidiary		(32)	(9)
Net cash generated from/(used in) investing activities		408,990	(1,584,944)
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid		(281,964)	(272,064)
Drawdown of Sukuk Wakalah		–	1,950,000
Transaction cost incidental to the drawdown of Sukuk Wakalah		–	(615)
Profit expenses paid		(73,553)	(37,383)
Net cash (used in)/generated from financing activities		(355,517)	1,639,938
NET INCREASE IN CASH AND CASH EQUIVALENTS		57,547	57,424
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		742,127	684,703
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	10	799,674	742,127

The notes set out on pages 267 to 328 are an integral part of these financial statements.

Notes to the Financial Statements

31 December 2025

1. BASIS OF PREPARATION

1.1 Statement of compliance

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

As of 1 January 2025, the Group and the Company had adopted Amendments to MFRSs ("pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 29.

MASB has also issued new and revised pronouncements which are not yet effective for the Group and the Company and therefore, have not been adopted in these financial statements. These pronouncements including their impact on the financial statements in the period of initial application are set out in Note 30. Revised pronouncements that are not relevant to the operations of the Group and of the Company are set out in Note 31.

These financial statements were approved and authorised for issue by the Board of Directors on 29 January 2026.

These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

1.2 Basis of measurement

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

1.3 Functional and presentation currency

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

All financial information has been rounded to the nearest thousand, unless otherwise stated.

1.4 Use of estimates and judgments

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

(i) Critical judgments made in applying accounting policies

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

(ii) Key sources of estimation uncertainty

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

Fair value of investment properties

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

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

Notes to the Financial Statements

31 December 2025

1. BASIS OF PREPARATION (continued)

1.4 Use of estimates and judgments (continued)

(ii) Key sources of estimation uncertainty (continued)

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

Fair value of investment properties (continued)

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

	Fair value (Decrease)/increase	
	2025 RM'000	2024 RM'000
Reversion and term yield rate		
+ 0.25%	(464,000)	(441,000)
- 0.25%	473,000	454,000
Discount rate		
+ 0.25%	(149,000)	(178,000)
- 0.25%	151,000	173,000

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

2. MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of consolidation

Subsidiaries

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

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of consolidation (continued)

Business combination

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

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

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

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

Non-controlling interests

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

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

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

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

Loss of control

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

Notes to the Financial Statements

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Associates

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

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

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

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

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

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

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

2.3 Property, plant and equipment and depreciation

Recognition and measurement

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Property, plant and equipment and depreciation (continued)

Subsequent costs

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

Depreciation

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

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

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

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

Derecognition

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

Impairment

At the end of the reporting period, the Group and the Company assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

2.4 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purpose.

Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the Investment Property Under Construction ("IPUC") is not reliably determinable, the IPUC is measured at cost until either its fair value has been reliably determinable or construction is complete, whichever is earlier.

The fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Investment properties (continued)

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

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

2.5 Leases

(i) Recognition and initial measurement

As a lessee

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

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

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

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

The Group and the Company present right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'financings' as per Note 3 and Note 13 in the statement of financial position.

As a lessor

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

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

(ii) Subsequent measurement

As a lessee

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

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Leases (continued)

(ii) *Subsequent measurement (continued)*

As a lessee (continued)

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

As a lessor

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

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

2.6 Investments

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

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

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

2.7 Intangible assets

Goodwill

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

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

2.8 Financial instruments

(i) **Financial assets**

Recognition and derecognition

Regular way purchases or sales were recognised on the settlement date i.e. the date that the asset is delivered to or by an entity. Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), as appropriate.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Company have transferred substantially all the risks and rewards of ownership.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.8 Financial instruments (continued)

(i) Financial assets (continued)

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest/profit on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss.

Subsequent measurement

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest/profit method. Interest/profit income and foreign exchange gains and losses are recognised in profit or loss.

(ii) Financial liabilities

Recognition and derecognition

Financial liabilities categorised as fair value through profit or loss are subsequently measured at their fair value with gains or losses, including any interest/profit expense are recognised in the profit or loss.

For financial liabilities where it is designated as fair value through profit or loss upon initial recognition, the Group and the Company recognise the amount of change in fair value of the financial liability that is attributable to change in credit risk in the other comprehensive income and remaining amount of the change in fair value in the profit or loss, unless the treatment of the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch.

Amortised cost (financings)

Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest/profit method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iii) Effective interest/profit method

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

2.9 Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses ("ECL") on financial assets measured at amortised cost.

The Group and the Company measure loss allowances on debt securities and cash and cash equivalent at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, other debt securities for which credit risk has not increased significantly since initial recognition and finance lease receivables, which are measured as 12-month expected credit loss.

Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime expected credit loss.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Impairment (continued)

(i) Financial assets (continued)

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

(ii) Other assets

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

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

For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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

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

2.10 Cash and cash equivalents

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

2.11 Inventories

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

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

2.12 Provisions

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

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

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.13 Employee benefits

(i) Short term benefits

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

(ii) Defined contribution plans

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

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

2.14 Taxation

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

(i) Current tax

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

(ii) Deferred tax

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

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2.4, the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, the amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

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

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

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

(iii) Global minimum top-up tax

The ultimate holding company has adopted International Tax Reform – Pillar Two Model Rules upon its release on 2 June 2023. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption. The application by the respective entity is subject to when the law is being enacted or substantively enacted in the respective country jurisdiction.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.14 Taxation (continued)

(iii) Global minimum top-up tax (continued)

Upon its application, the ultimate holding company will apply a mandatory temporary exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The mandatory temporary exception applies retrospectively. The retrospective application has no impact to the ultimate holding company's consolidated financial statements.

2.15 Foreign currency transactions

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

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

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

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

	2025 RM	2024 RM
United States Dollar	4.06	4.48

2.16 Revenue

(i) Rental income

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

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

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

(ii) Others

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

Performance obligation by categories are as follows:

(a) Dividend income

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

(b) Hotel operations

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

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.16 Revenue (continued)

(ii) Others (continued)

(c) Revenue from management fees

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

(i) Building and facilities management services

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

(ii) Car park operations

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

(d) Interest/profit income

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

2.17 Financing costs

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

2.18 Fair value measurement

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

(i) Financial instruments

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

(ii) Non-financial assets

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

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

2.18 Fair value measurement (continued)

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

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

2.19 Equity instruments

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

Ordinary shares

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

Transaction costs

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

2.20 Climate-related matters

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

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

Notes to the Financial Statements

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3. PROPERTY, PLANT AND EQUIPMENT

Group	At 1.1.2025 RM'000	Additions RM'000	Disposals/ Write-offs RM'000	Transfers RM'000	At 31.12.2025 RM'000
At cost:					
<u>Own use</u>					
Land and buildings*	635,146	69	(43)	1,400	636,572
Project in progress	3,432	20,369	–	(22,373)	1,428
Furniture and fittings	173,762	6,981	(1,519)	16,567	195,791
Plant and equipment	199,965	1,514	(13)	3,338	204,804
Office equipment	92,377	2,539	(5,008)	744	90,652
Motor vehicles	1,146	–	–	–	1,146
Crockery, linen and utensils	10,194	–	–	324	10,518
	1,116,022	31,472	(6,583)	–	1,140,911
<u>Right-of-use</u>					
Office spaces	19,534	–	–	–	19,534
	1,135,556	31,472	(6,583)	–	1,160,445

Group	At 1.1.2025 RM'000	Charge for the year RM'000	Disposals/ Write-offs RM'000	Transfers RM'000	At 31.12.2025 RM'000
Accumulated depreciation:					
<u>Own use</u>					
Land and buildings*	166,434	7,148	(43)	–	173,539
Furniture and fittings	135,670	11,470	(1,433)	–	145,707
Plant and equipment	177,864	3,456	(13)	–	181,307
Office equipment	84,141	3,009	(5,008)	–	82,142
Motor vehicles	1,140	1	–	–	1,141
Crockery, linen and utensils	10,194	90	–	–	10,284
	575,443	25,174	(6,497)	–	594,120
<u>Right-of-use</u>					
Office spaces	17,696	1,032	–	–	18,728
	593,139	26,206	(6,497)	–	612,848

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	At 1.1.2024 RM'000	Additions RM'000	Disposals/ Write-offs RM'000	Transfers/ Adjustments RM'000	At 31.12.2024 RM'000
At cost:					
<u>Own use</u>					
Land and buildings*	634,748	220	(229)	407	635,146
Project in progress	5,209	6,508	–	(8,285)	3,432
Furniture and fittings	160,904	12,830	(5,822)	5,850	173,762
Plant and equipment	198,231	489	(39)	1,284	199,965
Office equipment	93,828	2,219	(4,414)	744	92,377
Motor vehicles	1,137	9	–	–	1,146
Crockery, linen and utensils	10,312	–	(118)	–	10,194
	1,104,369	22,275	(10,622)	–	1,116,022
<u>Right-of-use</u>					
Office spaces	19,160	–	–	374	19,534
	1,123,529	22,275	(10,622)	374	1,135,556

Group	At 1.1.2024 RM'000	Charge for the year RM'000	Disposals/ Write-offs RM'000	Transfers/ Adjustments RM'000	At 31.12.2024 RM'000
Accumulated depreciation:					
<u>Own use</u>					
Land and buildings*	159,080	7,583	(229)	–	166,434
Furniture and fittings	132,543	8,471	(5,344)	–	135,670
Plant and equipment	168,657	9,242	(35)	–	177,864
Office equipment	84,901	3,654	(4,414)	–	84,141
Motor vehicles	1,113	27	–	–	1,140
Crockery, linen and utensils	10,312	–	(118)	–	10,194
	556,606	28,977	(10,140)	–	575,443
<u>Right-of-use</u>					
Office spaces	16,665	1,031	–	–	17,696
	573,271	30,008	(10,140)	–	593,139

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3. PROPERTY, PLANT AND EQUIPMENT (continued)

Group	At 1.1.2025 RM'000	Additions RM'000	Disposals/ Write-offs RM'000	Transfers RM'000	At 31.12.2025 RM'000
At cost:					
<u>*Land and buildings</u>					
Freehold land	85,889	–	–	–	85,889
Hotel building	389,639	–	–	–	389,639
Renovation	21,400	69	(43)	–	21,426
Building improvement	138,218	–	–	1,400	139,618
	635,146	69	(43)	1,400	636,572

Group	At 1.1.2025 RM'000	Charge for the year RM'000	Disposals/ Write-offs RM'000	Transfers RM'000	At 31.12.2025 RM'000
Accumulated depreciation:					
<u>*Land and buildings</u>					
Hotel building	101,469	5,412	–	–	106,881
Renovation	20,584	322	(43)	–	20,863
Building improvement	44,381	1,414	–	–	45,795
	166,434	7,148	(43)	–	173,539

Group	At 1.1.2024 RM'000	Additions RM'000	Disposals/ Write-offs RM'000	Transfers RM'000	At 31.12.2024 RM'000
At cost:					
<u>*Land and buildings</u>					
Freehold land	85,889	–	–	–	85,889
Hotel building	389,797	–	(158)	–	389,639
Renovation	20,844	220	(71)	407	21,400
Building improvement	138,218	–	–	–	138,218
	634,748	220	(229)	407	635,146

Group	At 1.1.2024 RM'000	Charge for the year RM'000	Disposals/ Write-offs RM'000	Transfers RM'000	At 31.12.2024 RM'000
Accumulated depreciation:					
<u>*Land and buildings</u>					
Hotel building	96,096	5,531	(158)	–	101,469
Renovation	20,027	628	(71)	–	20,584
Building improvement	42,957	1,424	–	–	44,381
	159,080	7,583	(229)	–	166,434

Property, plant and equipment of a subsidiary at carrying amount of RM536,673,000 (2024: RM529,393,000) has been pledged as securities for financing facility as disclosed in Note 13(b) and 13(c).

3. PROPERTY, PLANT AND EQUIPMENT (continued)

Company	At 1.1.2025 RM'000	Additions RM'000	At 31.12.2025 RM'000
At cost:			
Own use			
Renovation	7,223	–	7,223
Furniture and fittings	2,364	–	2,364
Office equipment	1,867	18	1,885
Motor vehicles	17	–	17
	11,471	18	11,489

Company	At 1.1.2025 RM'000	Charge for the year RM'000	At 31.12.2025 RM'000
Accumulated depreciation:			
Own use			
Renovation	7,213	10	7,223
Furniture and fittings	2,362	1	2,363
Office equipment	1,867	–	1,867
Motor vehicles	10	2	12
	11,452	13	11,465

Company	At 1.1.2024 RM'000	Additions RM'000	At 31.12.2024 RM'000
At cost:			
Own use			
Renovation	7,223	–	7,223
Furniture and fittings	2,364	–	2,364
Office equipment	1,865	2	1,867
Motor vehicles	8	9	17
	11,460	11	11,471

Company	At 1.1.2024 RM'000	Charge for the year RM'000	At 31.12.2024 RM'000
Accumulated depreciation:			
Own use			
Renovation	7,160	53	7,213
Furniture and fittings	2,361	1	2,362
Office equipment	1,863	4	1,867
Motor vehicles	8	2	10
	11,392	60	11,452

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3. PROPERTY, PLANT AND EQUIPMENT (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Carrying amount				
<u>Own use</u>				
Land and buildings*	463,033	468,712	–	10
Project in progress	1,428	3,432	–	–
Furniture and fittings	50,084	38,092	1	2
Plant and equipment	23,497	22,101	–	–
Office equipment	8,510	8,236	18	–
Motor vehicles	5	6	5	7
Crockery, linen and utensils	234	–	–	–
	546,791	540,579	24	19
<u>Right-of-use</u>				
Office spaces	806	1,838	–	–
	547,597	542,417	24	19
<u>*Land and buildings</u>				
Freehold land	85,889	85,889	–	–
Hotel building	282,758	288,170	–	–
Renovation	563	816	–	10
Building improvements	93,823	93,837	–	–
	463,033	468,712	–	10

As a lessee

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

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

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

4. INVESTMENT PROPERTIES

Group	Completed investment properties RM'000	IPUC land at fair value RM'000	IPUC at cost RM'000	Total RM'000
At 1 January 2025	15,584,762	478,000	137,768	16,200,530
Additions	17,320	–	–	17,320
Adjustments*	(85)	(50)	–	(135)
Write off	(75)	–	–	(75)
Fair value adjustments	459,735	4,135	–	463,870
At 31 December 2025	16,061,657	482,085	137,768	16,681,510
At 1 January 2024	15,338,046	477,300	137,768	15,953,114
Additions	12,760	–	–	12,760
Write off	(75)	–	–	(75)
Fair value adjustments	234,031	700	–	234,731
At 31 December 2024	15,584,762	478,000	137,768	16,200,530

* Adjustments resulting from assessment of capitalised expenditure.

The following investment properties are held under lease terms:

	Group	
	2025 RM'000	2024 RM'000
Completed investment property	454,000	451,000
IPUC land at fair value	190,000	188,000
IPUC at cost	115,000	115,000
	759,000	754,000

The investment properties are stated at fair value, which have been determined based on valuations performed by independent professional valuers. There are no material events that affect the valuation between the valuation date and financial year end. The valuation methods used in determining the valuations are the investment method and comparison method. During the financial year, the Group has recognised a total fair value gain of RM463,870,000 (2024: RM234,731,000).

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

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

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4. INVESTMENT PROPERTIES (continued)

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

	Note	Group	
		2025 RM'000	2024 RM'000
Rental income	16	1,140,979	1,134,680
Direct operating expenses of income generating investment properties		(103,784)	(106,003)
		1,037,195	1,028,677

Operating lease commitments

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

	Group	
	2025 RM'000	2024 RM'000
Less than 1 year	1,111,128	1,114,931
Between 1 and 5 years	2,793,923	2,664,654
More than 5 years	5,945,227	6,444,965
As at 31 December	9,850,278	10,224,550

Fair value information

Fair value of investment properties are categorised as follows:

Group	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2025				
– Office properties	–	–	9,424,630	9,424,630
– Retail properties	–	–	6,637,112	6,637,112
– Land	–	–	482,000	482,000
	–	–	16,543,742	16,543,742
2024				
– Office properties	–	–	9,297,036	9,297,036
– Retail properties	–	–	6,287,726	6,287,726
– Land	–	–	478,000	478,000
	–	–	16,062,762	16,062,762

4. INVESTMENT PROPERTIES (continued)

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

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

Level 3 fair value

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

Transfer between Level 1, 2 and 3 fair values

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

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

	Group	
	2025 RM'000	2024 RM'000
Valuation per valuers' report	16,632,000	16,259,000
Less: Accrued rental income	(88,258)	(196,238)
	16,543,742	16,062,762
Adjusted valuation on 1 January	16,062,762	15,815,346
Additions	17,320	12,760
Adjustments	(135)	–
Write off	(75)	(75)
Gain on fair value adjustments of investment properties	463,870	234,731
At 31 December	16,543,742	16,062,762

Notes to the Financial Statements

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4. INVESTMENT PROPERTIES (continued)

Valuation technique	Significant unobservable inputs	Range		Inter-relationship between significant unobservable inputs and fair value measurement
		2025	2024	
Investment method (refer a)	Office:			The estimated fair value would increase/(decrease) if:
	– Market rental rate (RM/psf/month)			
	– Term	5.05 – 12.99	4.95 – 12.99	– expected market rental growth was higher/(lower)
	– Reversion	6.53 – 14.10	6.33 – 13.50	– expected market rental growth was higher/(lower)
	– Outgoings			
	– Term	2.90	2.85	– expected inflation rate was lower/(higher)
	– Reversion	2.43 – 3.20	2.37 – 3.05	– expected inflation rate was lower/(higher)
	– Void rate (%)	5.00 – 12.00	5.00 – 12.50	– void rate was lower/(higher)
	– Term yield (%)	5.50 – 6.50	5.50 – 6.50	– term yield rate was lower/(higher)
	– Reversionary yield (%)	5.75 – 7.00	5.75 – 7.00	– reversionary yield was lower/(higher)
	– Discount rate (%)	5.50 – 7.00	5.50 – 7.00	– discount rate was lower/(higher)
	Retail:			
	– Market rental rate (RM/psf/month)			
	– Term	3.00 – 445.63	3.00 – 432.73	– expected market rental growth was higher/(lower)
	– Reversion	3.00 – 445.63	3.00 – 432.73	– expected market rental growth was higher/(lower)
	– Outgoings			
	– Term	6.06 – 7.80	7.09 – 7.85	– expected inflation rate was lower/(higher)
	– Reversion	6.42 – 7.80	7.48 – 7.85	– expected inflation rate was lower/(higher)
	– Void rate (%)	5.00 – 8.00	5.00 – 8.00	– void rate was lower/(higher)
	– Term yield (%)	6.25 – 10.25	6.25	– term yield rate was lower/(higher)
– Reversionary yield (%)	6.50 – 10.75	6.50 – 7.50	– reversionary yield was lower/(higher)	
– Discount rate (%)	6.25 – 10.75	6.25 – 7.50	– discount rate was lower/(higher)	
Comparison method (refer b)	Adjustment factors to prices of comparable properties	-23% – 34%	-19% – 25%	The estimated fair value would increase/(decrease) if: – expected market growth was higher/(lower) – expected size of land was higher/(lower)

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

(b) Under the comparison method, a property's fair value is estimated based on the comparable transactions.

Valuation processes applied by the Group for Level 3 fair value

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

5. INVESTMENTS IN SUBSIDIARIES

	Note	Company	
		2025 RM'000	2024 RM'000
Investment at cost			
– unquoted shares		6,486,140	6,486,140
Discount on loans to subsidiaries		196,314	196,314
Effects of conversion of amounts due from subsidiaries to investment	(i)	724,274	724,242
Less: Capital reduction		(780,916)	(780,916)
Less: Write-down in value	(ii)	(3,296,954)	(3,296,954)
Less: Impairment loss	(iii)	(990)	(990)
		3,327,868	3,327,836

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

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

(ii) Write-down in value

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

(iii) Impairment review of cost of investment in subsidiaries

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

Details of key subsidiaries are stated in Note 32 to the financial statements.

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5. INVESTMENTS IN SUBSIDIARIES (continued)

NCI in subsidiaries

	2025		
	KLCC REIT RM'000	AKSB RM'000	Total RM'000
NCI percentage ownership interest and voting interest	100.00%	25.00%	
Carrying amount of NCI	8,122,849	35,563	8,158,412
Profit allocated to NCI	546,533	2,532	549,065
Dividend paid to NCI	(530,407)	–	(530,407)

Summarised financial information before intra-group elimination

	KLCC REIT RM'000
As at 31 December 2025	
Non-current assets – Investment properties	9,469,696
Non-current assets – Others	66,426
Current assets	261,977
Non-current liabilities	(1,076,174)
Current liabilities	(599,076)
Net assets	8,122,849
Year ended 31 December 2025	
Revenue	578,037
Profit for the year, representing total comprehensive income	546,533
Cash flows generated from operating activities	648,708
Cash flows used in investing activities	(17,934)
Cash flows used in financing activities	(586,807)
Net increase in cash and cash equivalents	43,967

5. INVESTMENTS IN SUBSIDIARIES (continued)

NCI in subsidiaries (continued)

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

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

Summarised financial information before intra-group elimination

	KLCC REIT RM'000
As at 31 December 2024	
Non-current assets – Investment properties	9,353,707
Non-current assets – Others	176,543
Current assets	195,817
Non-current liabilities	(1,565,214)
Current liabilities	(54,130)
Net assets	8,106,723
Year ended 31 December 2024	
Revenue	579,031
Profit for the year, representing total comprehensive income	518,319
Cash flows generated from operating activities	595,328
Cash flows used in investing activities	(57,306)
Cash flows used in financing activities	(540,135)
Net decrease in cash and cash equivalents	(2,113)

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6. INVESTMENTS IN AN ASSOCIATE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted shares at cost	99,195	99,195	99,195	99,195
Share of post-acquisition reserves	168,939	169,242	–	–
	268,134	268,437	99,195	99,195

Summary of financial information on associate:

	2025 RM'000	2024 RM'000
Assets and liabilities		
Non-current assets	799,327	807,139
Current assets	12,200	9,254
Non-current liabilities	(95,334)	(95,460)
Current liabilities	1,334	(2,489)
Net assets	717,527	718,444
Results		
Revenue	60,674	57,554
Profit for the year, representing total comprehensive income	37,084	43,300
Reconciliation of net assets to carrying amount as at 31 December		
Group's share of net assets	236,784	237,087
Goodwill	31,350	31,350
Carrying amount in the statement of financial position	268,134	268,437
Group's share of profit from continuing operations	12,237	14,290
Other information		
Dividend received	12,540	12,540

Details of key associate are stated in Note 33 to the financial statements.

7. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Accrued rental income		88,258	196,238	–	–
Current					
Trade receivables		10,370	10,286	–	–
Other receivables and deposits		14,407	12,232	1,313	680
Prepayment		11,523	1,990	26	16
Amount due from:					
Ultimate holding company		2,518	1,441	–	–
Immediate holding company		77,894	53,485	174	1,003
Subsidiaries		–	–	1,335	1,606
Related companies		19,195	11,695	2,990	2,925
		135,907	91,129	5,838	6,230
Less: Impairment loss	26(c)	(3,386)	(4,458)	–	–
		132,521	86,671	5,838	6,230
Total trade and other receivables		220,779	282,909	5,838	6,230

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

8. DEFERRED TAX

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
At 1 January		76,223	61,337	(1,272)	(829)
Recognised in profit or loss	21	15,201	14,886	(306)	(443)
At 31 December		91,424	76,223	(1,578)	(1,272)

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

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8. DEFERRED TAX (continued)

Recognised deferred tax (assets)/liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group				
Property, plant and equipment	(98)	(826)	79,507	77,222
Investment properties	–	–	69,729	58,710
Lease liabilities	(215)	(362)	–	–
Right-of-use assets	–	–	188	354
Unabsorbed capital allowances	(18,686)	(20,037)	–	–
Unused investment tax allowances	(37,815)	(37,815)	–	–
Provisions	(6,079)	(4,689)	–	–
Others	(377)	(1,131)	5,270	4,797
Tax (assets)/liabilities	(63,270)	(64,860)	154,694	141,083
Set off tax	191	842	(191)	(842)
Net tax (assets)/liabilities	(63,079)	(64,018)	154,503	140,241
Company				
Property, plant and equipment	–	(2)	–	–
Provisions	(1,578)	(1,270)	–	–
Net tax assets	(1,578)	(1,272)	–	–
	Net			
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Group				
Property, plant and equipment			79,409	76,396
Investment properties			69,729	58,710
Lease liabilities			(215)	(362)
Right-of-use assets			188	354
Unabsorbed capital allowances			(18,686)	(20,037)
Unused investment tax allowances			(37,815)	(37,815)
Provisions			(6,079)	(4,689)
Others			4,893	3,666
Net tax liabilities			91,424	76,223
Company				
Property, plant and equipment			–	(2)
Provisions			(1,578)	(1,270)
Net tax assets			(1,578)	(1,272)

8. DEFERRED TAX (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Deferred tax assets	(2,887)	(2,791)	(1,578)	(1,272)
Deferred tax liabilities	94,311	79,014	–	–
	91,424	76,223	(1,578)	(1,272)

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

	Group		
	At 1.1.2025 RM'000	Credited/ (Charged) to profit or loss RM'000	At 31.12.2025 RM'000
Deferred tax liabilities			
Property, plant and equipment	76,396	3,013	79,409
Investment properties	58,710	11,019	69,729
Others	5,135	230	5,365
	140,241	14,262	154,503
Deferred tax assets			
Unabsorbed capital allowances	(20,037)	1,351	(18,686)
Unused investment tax allowances	(37,815)	–	(37,815)
Others	(6,166)	(412)	(6,578)
	(64,018)	939	(63,079)
	76,223	15,201	91,424

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

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8. DEFERRED TAX (continued)

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

	Company		
	At 1.1.2025 RM'000	Credited/ (Charged) to profit or loss RM'000	At 31.12.2025 RM'000
Deferred tax liabilities			
Property, plant and equipment	(2)	2	–
Deferred tax assets			
Others	(1,270)	(308)	(1,578)
	(1,272)	(306)	(1,578)

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

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

	Group	
	2025 RM'000	2024 RM'000
Unutilised tax losses	70,667	70,667
Year of expiry is analysed as follows:		
Expired by 2028	2,997	2,997
Expired by 2030	32,771	32,771
Expired by 2031	34,899	34,899
	70,667	70,667

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

9. INVENTORIES

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

10. CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash with PETRONAS Integrated Financial Shared Services Centre	1,010,776	924,390	795,532	742,013
Cash and bank balances	11,033	16,897	106	114
Deposits with licensed banks	492,919	419,592	4,036	–
	1,514,728	1,360,879	799,674	742,127
Less: Deposits restricted	(1,367)	(2,193)	–	–
Less: Deposits with tenure of more than 3 months	(244,077)	(226,991)	–	–
Cash and cash equivalents	1,269,284	1,131,695	799,674	742,127

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

Included in cash with IFSSC and cash and bank balances of the Group and of the Company are interest/profit bearing balances amounting to RM1,018,767,000 (2024: RM937,801,000) and RM795,532,000 (2024: RM742,122,000) respectively.

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

The weighted average interest/profit rates applicable to the deposits with licensed banks of the Group and the Company are 3.59% per annum (2024: 3.93% per annum) and 2.87% per annum (2024: Nil per annum) respectively.

Deposits with licensed banks of the Group and the Company have an average maturity of 66 days (2024: 82 days) and 10 days (2024: Nil) respectively.

11. SHARE CAPITAL

	Company			
	Number of shares		Amount	
	2025 Unit'000/ RM'000	2024 Unit'000/ RM'000	2025 Unit'000/ RM'000	2024 Unit'000/ RM'000
Issued and fully paid shares with no par value classified as equity instruments:				
Ordinary shares				
At the beginning/end of the year	1,805,333	1,805,333	1,823,386	1,823,386

Stapled security:

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

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12. RESERVES

Retained profits

As at 31 December 2025, the Company may distribute the entire balance of the retained profits under the single-tier system.

Capital reserve

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

13. FINANCINGS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Lease liabilities	298	896	–	–
Secured:				
Sukuk Murabahah				
– KLCC REIT	855,000	1,355,000	–	–
– A subsidiary	599,743	599,672	–	–
Sukuk Wakalah	2,337,458	1,949,597	1,949,718	1,949,597
Total non-current secured financings	3,792,201	3,904,269	1,949,718	1,949,597
Total non-current financings	3,792,499	3,905,165	1,949,718	1,949,597
Current				
Lease liabilities	598	1,117	–	–
Secured:				
Sukuk Murabahah				
– KLCC REIT	506,054	5,537	–	–
Sukuk Wakalah	18,873	17,197	17,598	17,197
Term loans	–	388,451	–	–
Total current secured financings	524,927	411,185	17,598	17,197
Total current financings	525,525	412,302	17,598	17,197
Total financings	4,318,024	4,317,467	1,967,316	1,966,794
Total financings, comprise:				
Lease liabilities	896	2,013	–	–
Secured:				
Sukuk Murabahah (a)	1,960,797	1,960,209	–	–
Sukuk Wakalah (b)	2,356,331	1,966,794	1,967,316	1,966,794
Term loans (c)	–	388,451	–	–
	4,317,128	4,315,454	1,967,316	1,966,794
	4,318,024	4,317,467	1,967,316	1,966,794

13. FINANCINGS (continued)

Terms and debt repayment schedule

	Group				
	Total RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	Over 5 years RM'000
2025					
Lease liabilities	896	598	38	131	129
Secured					
Sukuk Murabahah	1,960,797	506,054	–	–	1,454,743
Sukuk Wakalah	2,356,331	18,873	900,000	1,049,718	387,740
	4,317,128	524,927	900,000	1,049,718	1,842,483
2024					
Lease liabilities	2,013	1,117	598	120	178
Secured					
Sukuk Murabahah	1,960,209	5,537	500,000	–	1,454,672
Sukuk Wakalah	1,966,794	17,197	–	1,949,597	–
Term loans	388,451	388,451	–	–	–
	4,315,454	411,185	500,000	1,949,597	1,454,672
	Company				
	Total RM'000	Under 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	Over 5 years RM'000
2025					
Secured					
Sukuk Wakalah	1,967,316	17,598	900,000	1,049,718	–
2024					
Secured					
Sukuk Wakalah	1,966,794	17,197	–	1,949,597	–

(a) Sukuk Murabahah

KLCC REIT's Sukuk Murabahah refers to the Islamic Medium Term Notes ("IMTN") issued pursuant to the IMTN Programme of up to RM3 billion in nominal value, which are secured by way of an assignment and charge over the Finance Service Account and the Revenue Account.

Details of the drawdown that are outstanding as at year end are as follows:

Tenure	Value (RM)	Profit rate	Maturity
7 years	500,000,000	4.20%	24 April 2026
10 years	400,000,000	4.00%	23 April 2031
10 years	455,000,000	4.19%	25 April 2034

The profit rate is payable semi-annually.

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13. FINANCINGS (continued)

(a) Sukuk Murabahah (continued)

The RM500,000,000 Sukuk Murabahah will mature on 24 April 2026 and the Group has plans in place for the repayment of the Sukuk Murabahah. As such, the RM500,000,000 Sukuk Murabahah is presented as current liabilities as at 31 December 2025.

Another subsidiary of the Group also issued Sukuk Murabahah amounting to RM600,000,000 on 31 December 2024. The Series 2 of Sukuk Murabahah Programme is upside of up to RM2 billion limit in nominal value. RM600,000,000 has been drawdown at the profit rate of 4.00% per annum and maturing on 29 June 2035.

The profit rate is payable semi-annually.

(b) Sukuk Wakalah

The Group and the Company issued its first issuance of Sukuk Wakalah amounting to an aggregate of RM1,950 million in nominal value pursuant to the Sukuk Wakalah Programme.

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

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

The profit rate is payable semi-annually.

Another subsidiary of the Group also successfully issued its first issuance of Sukuk Wakalah amounting to RM388,000,000 in nominal value pursuant to the Sukuk Wakalah under the Perpetual Sukuk Programme on 28 May 2025.

The Sukuk Wakalah under the Perpetual Sukuk Programme allows for the issuance of Sukuk Wakalah from time to time, provided that the aggregate outstanding nominal value of Sukuk Wakalah does not exceed the Sukuk Wakalah Programme's size of RM1 billion at any one time. Details of the drawdown that are outstanding as at year end are as follows:

Tenure	Value (RM)	Profit rate	Maturity
7 years	388,000,000	3.77%	28 May 2032

The Sukuk Wakalah was secured by way of a fixed charge over the land and hotel property as well as debenture covering all fixed and floating assets of the hotel property as disclosed in Note 3.

The profit rate is payable semi-annually.

13. FINANCINGS (continued)

(c) Term loans

On 27 May 2015, a subsidiary of the Group entered into a Supplemental Agreement with Public Bank Berhad to restructure the term loan with an aggregate sum of RM378,000,000, comprising the following:

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

The term loans were repayable at RM7,500,000 per annum for 7 years commencing on the 3rd year with the final bullet payment of the remainder in the final year.

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

Term loan facility 3 was approved on 25 May 2016. The subsidiary has utilised RM78,000,000 from the total facility of RM102,000,000.

The term loan facility 3 was repayable by way of 6 annual principal repayments of RM2,500,000 million each and one final principal payment of the remainder sum.

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

In the previous financial year, the loan bore an interest rate of 4.70% per annum.

The RM388,000,000 term loan facilities matured on 28 May 2025 was refinanced through the issuance of Sukuk Wakalah as disclosed in Note 13(b).

Other information on financial risks of financings are disclosed in Note 26.

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13. FINANCINGS (continued)

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

Group	Liabilities			
	Lease liabilities RM'000	Sukuk Murabahah RM'000	Sukuk Wakalah RM'000	Term loans RM'000
Balance at 1 January 2025	2,013	1,960,209	1,966,794	388,451
Changes from financing cash flows				
Drawdown of Sukuk Wakalah	–	–	388,000	–
Transaction cost incidental to the drawdown	–	(284)	–	–
Repayment of term loans	–	–	–	(388,182)
Repayment of lease liabilities	(1,196)	–	–	–
Interest/profit paid	–	(80,284)	(80,927)	(7,610)
Total changes from financing cash flows	(1,196)	(80,568)	307,073	(395,792)
Other changes				
Liability-related				
Interest/profit expenses	79	80,800	82,650	7,310
Amortisation of transaction cost	–	28	150	–
Accrued transaction cost incidental to the drawdown	–	328	(336)	–
Others	–	–	–	31
Total liability-related other changes	79	81,156	82,464	7,341
Balance at 31 December 2025	896	1,960,797	2,356,331	–

Group	Liabilities	
	Dividend paid RM'000	Total RM'000
Balance at 1 January 2025	–	4,317,467
Changes from financing cash flows		
Drawdown of Sukuk Wakalah	–	388,000
Transaction cost incidental to the drawdown	–	(284)
Repayment of term loan	–	(388,182)
Repayment of lease liabilities	–	(1,196)
Dividend paid	(812,487)	(812,487)
Interest/profit paid	–	(168,821)
Total changes from financing cash flows	(812,487)	(982,970)
Other changes		
Liability-related		
Interest/profit expenses	–	170,839
Amortisation of transaction cost	–	178
Accrued transaction cost incidental to the drawdown	–	(8)
Dividend payable	812,487	812,487
Others	–	31
Total liability-related other changes	812,487	983,527
Balance at 31 December 2025	–	4,318,024

13. FINANCINGS (continued)

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

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

Group	Liabilities		
	Dividend paid RM'000	Others* RM'000	Total RM'000
Balance at 1 January 2024	–	–	2,364,172
Changes from financing cash flows			
Repayment of Sukuk Murabahah	–	–	(1,055,000)
Drawdown of Sukuk Murabahah	–	–	1,055,000
Drawdown of Sukuk Wakalah	–	–	1,950,000
Transaction cost incidental to the drawdown	–	–	(615)
Repayment of term loan	–	–	(10,000)
Repayment of lease liabilities	–	–	(1,194)
Dividend paid	(786,022)	–	(786,022)
Interest/profit paid	–	–	(145,883)
Total changes from financing cash flows	(786,022)	–	1,006,286
Other changes			
Liability-related			
Interest/profit expenses	–	71	160,921
Amortisation of transaction cost	–	–	91
Accrued transaction cost incidental to the drawdown	–	–	(328)
Remeasurement of lease	–	–	374
Dividend payable	786,022	–	786,022
Others	–	(71)	(71)
Total liability-related other changes	786,022	–	947,009
Balance at 31 December 2024	–	–	4,317,467

* Other relates to commitment fee for term loan.

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13. FINANCINGS (continued)

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

Company	Liabilities		
	Sukuk Wakalah RM'000	Dividend paid RM'000	Total RM'000
Balance at 1 January 2025	1,966,794	–	1,966,794
Changes from financing cash flows			
Dividend paid	–	(281,964)	(281,964)
Interest/profit paid	(73,553)	–	(73,553)
Total changes from financing cash flows	(73,553)	(281,964)	(355,517)
Other changes			
Liability-related			
Interest/profit expenses	73,954	–	73,954
Amortisation of transaction cost	121	–	121
Dividend payable	–	281,964	281,964
Total liability-related other changes	74,075	281,964	356,039
Balance at 31 December 2025	1,967,316	–	1,967,316
Balance at 1 January 2024	–	–	–
Changes from financing cash flows			
Drawdown of Sukuk Wakalah	1,950,000	–	1,950,000
Transaction cost incidental to the drawdown of Sukuk Wakalah	(615)	–	(615)
Dividend paid	–	(272,064)	(272,064)
Interest/profit paid	(37,383)	–	(37,383)
Total changes from financing cash flows	1,912,002	(272,064)	1,639,938
Other changes			
Liability-related			
Interest/profit expenses	54,701	–	54,701
Amortisation of transaction cost	91	–	91
Dividend payable	–	272,064	272,064
Total liability-related other changes	54,792	272,064	326,856
Balance at 31 December 2024	1,966,794	–	1,966,794

14. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current					
Security deposit payables	(i)	160,346	166,444	–	–
Other payables		581	598	–	–
		160,927	167,042	–	–
Current					
Trade payables		58,472	49,439	213	414
Other payables		163,035	135,760	10,253	9,611
Prepaid rental		21,738	21,738	–	–
Security deposits	(i)	77,719	57,428	–	–
Amount due to:	(ii)				
Ultimate holding company		51,056	9,056	3,224	2,998
Immediate holding company		361	822	–	–
Related companies		3,963	4,403	–	–
		376,344	278,646	13,690	13,023
Total trade and other payables		537,271	445,688	13,690	13,023

- i. Security deposit payables are interest-free, unsecured and refundable upon expiry of the respective lease agreements. The fair values at initial recognition were determined based on interest rates ranging from 4.00% to 4.73% (2024: 4.31% to 4.73%) per annum.
- ii. The amounts due to ultimate holding company, immediate holding company, and related companies arose in the normal course of business, are unsecured, non-interest bearing and repayable on demand.

15. DEFERRED REVENUE

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

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16. OPERATING PROFIT

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Revenue:					
Rental income from investment properties					
– Office		583,081	583,443	–	–
– Retail		557,898	551,237	–	–
	4	1,140,979	1,134,680	–	–
Revenue from contracts with customers					
Hotel operations		223,726	239,823	–	–
Management services		375,115	336,357	29,647	28,605
		598,841	576,180	29,647	28,605
Other revenue					
Dividend income from subsidiaries		–	–	396,500	358,567
Dividend income from an associate		–	–	12,540	12,540
		–	–	409,040	371,107
Total revenue		1,739,820	1,710,860	438,687	399,712
Cost of revenue:					
Cost of services and goods		(489,141)	(475,094)	–	–
Gross profit		1,250,679	1,235,766	438,687	399,712
Selling and distribution expenses		(19,025)	(16,361)	–	–
Administration expenses		(159,647)	(156,705)	(52,640)	(50,856)
Other operating income		4,787	4,630	–	7
Operating profit		1,076,794	1,067,330	386,047	348,863

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

17. PROFIT BEFORE TAX

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

	Note	Group		Company	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration					
– audit fees		785	748	277	264
– non-audit service fees		90	16	90	16
Depreciation:					
– property, plant and equipment	3	25,174	28,977	13	60
– right-of-use assets	3	1,032	1,031	–	–
Valuation fees		513	564	–	–
Employee benefits expense	18	151,226	155,772	30,961	31,246
Directors' remuneration	25	1,874	1,292	1,874	1,292
Fee in relation to services of Executive Director		1,071	1,321	1,071	1,321
Loss on disposal of property, plant and equipment		59	380	–	–
Investment properties written off		75	75	–	–
Property, plant and equipment written off		–	39	–	–
Rental expenses relating to short-term lease and lease of low-value assets		482	416	3	10
Net reversal for impairment losses of receivables		(819)	(440)	–	–

18. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Wages, salaries and others	137,386	142,286	27,554	27,920
Defined contribution plans	13,840	13,486	3,407	3,326
Total	151,226	155,772	30,961	31,246

19. INTEREST/PROFIT INCOME

In RM'000	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest/profit income from:				
Deposits	54,275	52,313	27,376	26,227

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20. FINANCING COSTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Interest/profit expense on:				
Term loans	7,310	20,682	–	–
Sukuk Murabahah	80,800	85,335	–	–
Sukuk Wakalah	82,650	54,701	73,954	54,701
Lease liabilities	79	132	–	–
Accretion of financial instruments	5,736	6,358	–	–
Amortisation of attributable transaction cost	178	91	121	91
	176,753	167,299	74,075	54,792

21. TAX EXPENSE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Current tax expense				
Current year	132,201	129,232	6,722	5,651
Under/(over) provision of tax in prior year	123	24	57	(58)
Total current tax expense	132,324	129,256	6,779	5,593
Deferred tax expense/(credit) (Note 8)				
Origination/(reversal) of temporary differences	17,081	11,971	(146)	(432)
(Over)/under provision in prior years	(1,880)	2,915	(160)	(11)
Total deferred tax expense/(credit)	15,201	14,886	(306)	(443)
Total tax expense	147,525	144,142	6,473	5,150

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

	Group	
	2025 RM'000	2024 RM'000
Profit before taxation	1,430,423	1,201,365
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	343,302	288,328
Expenditure allowed under section 60F	(10)	(11)
Expenses not deductible for tax purposes	30,189	24,693
Income not subject to tax	(87,670)	(39,861)
Income exempted from tax	(144,611)	(137,073)
Effects of share of profit of an associate	(2,937)	(3,430)
Deferred tax recognised at different tax rates	11,019	7,836
Deferred tax assets not recognised during the year	–	721
(Over)/under provision of deferred tax in prior year	(1,880)	2,915
Under provision of taxation in prior year	123	24
Tax expense	147,525	144,142

21. TAX EXPENSE (continued)

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

	Company	
	2025 RM'000	2024 RM'000
Profit before taxation	339,348	320,298
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	81,444	76,872
Expenses not deductible for tax purposes	23,302	17,413
Income not subject to tax	(98,170)	(89,066)
Over provision of deferred tax in prior year	(160)	(11)
Under/(over) provision of taxation in prior year	57	(58)
Tax expense	6,473	5,150

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

The ultimate holding company is subject to Pillar Two legislation which come into effect on 1 January 2025 following the Amendments to MFRS 112 Income Taxes International Tax Reform – Pillar Two Model Rules.

Mandatory temporary exception has been applied to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

The assessment of the Pillar Two income taxes is performed based on best financial statements information available for the constituent entities in the ultimate holding company as at reporting period by applying the requirements issued by Organisation for Economic Co-operation and Development ("OECD"). Based on the assessment carried out for the period, the Pillar Two effective tax rates in which the Group and the Company operate are above 15%. Therefore, the Group and the Company do not expect a potential exposure to Pillar Two top-up taxes.

22. EARNINGS PER SHARE/STAPLED SECURITY – BASIC AND DILUTED

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

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

	2025 RM'000	2024 RM'000
Profit attributable to equity holders of the Company	733,833	498,214
Profit attributable to NCI relating to KLCC REIT	546,533	518,319
Profit attributable to stapled securities holders	1,280,366	1,016,533
In thousand of shares		
Weighted average number of stapled securities/shares in issue	1,805,333	1,805,333
Basic/diluted earnings per share (sen)	40.65	27.60
Basic/diluted earnings per stapled security (sen)	70.92	56.31

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

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23. DIVIDENDS

	Dividends Recognised in Year		Net Dividends per Ordinary Share	
	2025 RM'000	2024 RM'000	2025 sen	2024 sen
Recognised during the year:				
A fourth interim dividend of 9.73% (2024: 8.00%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	175,629	144,427	9.73	8.00
A first interim dividend of 1.82% (2024: 2.20%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2025/2024	32,857	39,717	1.82	2.20
A second interim dividend of 1.96% (2024: 2.46%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2025/2024	35,385	44,411	1.96	2.46
A third interim dividend of 2.11% (2024: 2.41%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2025/2024	38,093	43,509	2.11	2.41
	281,964	272,064	15.62	15.07

A fourth interim dividend in respect of the financial year ended 31 December 2025, of 11.79%, tax exempt under the single tier system on 1,805,333,083 ordinary shares, declared on 29 January 2026 amounting to a dividend payable of RM212,848,770 will be payable on 27 February 2026.

The financial statements for the current financial year do not reflect this declared dividend. Such dividend will be accounted for in equity as an appropriation of retained profits in the financial year ending 31 December 2026.

24. COMMITMENTS

Outstanding commitments in respect of capital expenditure at the end of the reporting year not provided for in the financial statements are:

Capital commitments

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Investment properties				
Approved and contracted for				
Less than 1 year	–	2,200	–	–
Approved but not contracted for				
Less than 1 year	54,871	39,167	–	–
Between 1 and 5 years	65,639	76,246	–	–
	120,510	115,413	–	–
	120,510	117,613	–	–

24. COMMITMENTS (continued)

Outstanding commitments in respect of capital expenditure at the end of the reporting year not provided for in the financial statements are: (continued)

Capital commitments (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Property, plant and equipment				
Approved and contracted for				
Less than 1 year	6,972	4,719	–	–
Approved but not contracted for				
Less than 1 year	70,626	69,569	100	104
Between 1 and 5 years	238,187	153,120	–	–
	308,813	222,689	100	104
	315,785	227,408	100	104

25. RELATED PARTY DISCLOSURES

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

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

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

Key management personnel compensation

Directors

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Directors of the Company				
Executive*	–	–	–	–
Non-Executive:				
Fees	1,874	1,292	1,874	1,292
	1,874	1,292	1,874	1,292

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

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25. RELATED PARTY DISCLOSURES (continued)

Key management personnel compensation (continued)

Directors (continued)

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Analysis excluding benefits-in-kind:				
Total Non-Executive Directors' remuneration (Note 17)	1,874	1,292	1,874	1,292

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

	Group		Company	
	2025	2024	2025	2024
Executive Director*	1	1	1	1
Non-Executive Directors				
RMNil – RM50,000	–	–	–	–
RM50,001 – RM100,000	1	–	1	–
RM100,001 – RM150,000	–	2	–	2
RM150,001 – RM200,000	–	6	–	6
RM200,001 – RM250,000	3	–	3	–
RM250,001 – RM300,000	3	–	3	–
RM300,001 – RM350,000	1	–	1	–

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

Other key management personnel

Datuk Sr Mohd.Salem Bin Kailany, Executive Director and Chief Executive Officer of the Company is an employee of KLCCH. KLCCH charges fees in consideration for their services to the Company during the current and previous financial years as disclosed in Note 17.

Significant transactions with related parties

The names of subsidiaries and associates, all of which are incorporated in Malaysia have been disclosed in Notes 32 and 33 respectively.

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Expense)/income				
Federal Government of Malaysia:				
Property licences and taxes	(13,431)	(13,439)	–	–
Sales and Service Tax and Tourism Tax	(68,197)	(40,763)	(47)	(10)
Government of Malaysia's related entities:				
Purchase of utilities	(22,346)	(25,152)	–	–
Hotel revenue	3,485	2,388	–	–

25. RELATED PARTY DISCLOSURES (continued)

Significant transactions with related parties (continued)

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Expense)/income (continued)				
Ultimate Holding Company:				
Rental income	559,414	559,750	–	–
Rental expense	(48)	(286)	–	–
Facilities management and manpower fees	164,967	145,103	–	–
Interest income	35,543	26,178	27,291	19,182
Rental of car park spaces	(8,278)	(7,831)	–	–
Fees for representation on the Board of Directors*	(439)	(138)	(439)	(138)
Hotel revenue	2,331	3,561	–	–
Centralised Head Office Services charges	(20,577)	(19,749)	(5,234)	(3,953)
Learning and development cost	(476)	(672)	(341)	(364)
Immediate Holding Company:				
General management services fee payables	(10,305)	(10,353)	(3,964)	(3,364)
General management services fee receivables	6,962	6,299	6,962	6,299
Fee in relation to services of Executive Director	(1,071)	(1,321)	(1,071)	(1,321)
Subsidiaries:				
Facilities management and manpower fees	–	–	(280)	(280)
General management services fee receivable	–	–	7,562	7,210
Hotel charges	–	–	–	(516)
Other Related Companies:				
Facilities management and manpower fees	82,763	66,610	–	–
General management services fee receivable	15,123	15,097	15,123	15,097
Hotel revenue	232	89	–	–
Management and incentive fees	3,631	3,147	–	–
Chilled water supply	(35,754)	(37,988)	–	–
Project management fees	(890)	(1,840)	–	–
Fees for secondment of executive director	–	(21)	–	–
Rental of car park spaces	(10,387)	(7,893)	–	–
Learning and development cost	(226)	(299)	(112)	(210)

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

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

Information regarding outstanding balances arising from related party transactions as at 31 December 2025 and 31 December 2024 are disclosed in Notes 7 and 14.

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26. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets				
Trade and other receivables (exclude prepayment)	124,384	89,139	5,812	6,214
Cash and bank balances	1,514,728	1,360,879	799,674	742,127
	1,639,112	1,450,018	805,486	748,341
Financial liabilities				
Financings	4,318,024	4,317,467	1,967,316	1,966,794
Trade and other payables (exclude prepaid rental)	515,533	423,950	13,690	13,023
	4,833,557	4,741,417	1,981,006	1,979,817

Financial risk management objectives and policies

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

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

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

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

(a) Market risk

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

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

Interest/profit rate risk

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

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

26. FINANCIAL INSTRUMENTS (continued)

(a) Market risk (continued)

Interest/profit rate risk (continued)

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

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
Financial assets	492,919	419,592	4,036	–
Financial liabilities	(4,317,128)	(3,927,003)	(1,967,316)	(1,966,794)
Floating rate instruments				
Financial assets	1,018,767	937,801	795,532	742,122
Financial liabilities	–	(388,451)	–	–

Cash flow sensitivity analysis for floating rate instruments

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

	Increase/ (decrease) in interest/ profit rate rate b.p.s	Group Profit or loss RM'000	Company Profit or loss RM'000
2025			
KLIBOR	-40	(4,075)	(3,182)
KLIBOR	+40	4,075	3,182
2024			
KLIBOR	-40	(2,175)	(2,968)
KLIBOR	+40	2,175	2,968

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

(b) Liquidity Risk

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

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26. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity Risk (continued)

Maturity analysis

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

	Group			
	Carrying amount RM'000	Contractual interest/ profit rate	Contractual cash flow* RM'000	Within 1 year RM'000
2025				
Financial Liabilities				
Sukuk Murabahah	1,960,797	4.00% – 4.20%	2,443,309	569,311
Sukuk Wakalah	2,356,331	3.73% – 3.85%	2,601,051	88,261
Trade and other payables (excluding prepaid rental)	515,533	4.00% – 4.73%	527,889	286,130
Lease liabilities	896	4.30% – 5.49%	963	622
2024				
Financial Liabilities				
Sukuk Murabahah	1,960,209	4.00% – 4.20%	2,523,593	80,111
Sukuk Wakalah	1,966,794	3.73% – 3.85%	2,191,503	73,553
Term loans	388,451	4.70%	402,690	402,690
Trade and other payables (excluding prepaid rental)	423,950	4.31% – 4.73%	526,188	278,646
Lease liabilities	2,013	4.30% – 5.49%	2,158	1,195
	Company			
	Carrying amount RM'000	Contractual interest/ profit rate	Contractual cash flow* RM'000	Within 1 year RM'000
2025				
Financial Liabilities				
Sukuk Wakalah	1,967,316	3.73% – 3.85%	2,117,950	73,553
Trade and other payables	13,690	–	13,690	13,690
2024				
Financial Liabilities				
Sukuk Wakalah	1,966,794	3.73% – 3.85%	2,191,503	73,553
Trade and other payables	13,023	–	13,023	13,023

26. FINANCIAL INSTRUMENTS (continued)

(b) Liquidity Risk (continued)

Maturity analysis (continued)

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

	Group		
	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
2025			
Financial Liabilities			
Sukuk Murabahah	59,100	177,267	1,637,631
Sukuk Wakalah	971,512	1,131,357	409,921
Trade and other payables (excluding prepaid rental)	40,626	36,308	164,825
Lease liabilities	49	156	136
2024			
Financial Liabilities			
Sukuk Murabahah	569,484	177,303	1,696,695
Sukuk Wakalah	73,553	2,044,397	–
Trade and other payables (excluding prepaid rental)	54,707	38,457	154,378
Lease liabilities	622	151	190
	Company		
	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
2025			
Financial Liabilities			
Sukuk Wakalah	956,924	1,087,473	–
Trade and other payables	–	–	–
2024			
Financial Liabilities			
Sukuk Wakalah	73,553	2,044,397	–
Trade and other payables	–	–	–

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

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26. FINANCIAL INSTRUMENTS (continued)

(c) Credit risk

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

Receivables

Risk management objectives, policies and processes for managing the risk

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

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

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

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

Exposure to credit risk

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

Concentration of credit risk

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

Recognition and measurement of impairment loss

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

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

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

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

26. FINANCIAL INSTRUMENTS (continued)

(c) Credit risk (continued)

Receivables (continued)

Recognition and measurement of impairment loss (continued)

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

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

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

	Group	
	2025 RM'000	2024 RM'000
At gross:		
Not past due	3,950	4,366
Past due 1 to 30 days	1,071	1,116
Past due 31 to 60 days	855	152
Past due 61 to 90 days	158	97
Past due more than 90 days	4,336	4,555
	10,370	10,286
Less: Allowance for impairment losses	(3,386)	(4,458)
	6,984	5,828

The movement in the allowance account is as follows:

	Group	
	2025 RM'000	2024 RM'000
At 1 January	4,458	6,197
Net reversal for impairment	(810)	(436)
Bad debt written off	(262)	(1,303)
At 31 December	3,386	4,458

The Group does not typically renegotiate the terms of trade receivables. There were no renegotiated balances outstanding as at 31 December 2025 and 31 December 2024.

(d) Fair Values

Recognised financial instruments

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

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

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

This analysis assumes that all other variables remain constant.

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26. FINANCIAL INSTRUMENTS (continued)

(d) Fair Values (continued)

Recognised financial instruments (continued)

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

	Group				
	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2025					
Financial liabilities					
Sukuk Murabahah	–	1,953,394	–	1,953,394	1,960,797
Sukuk Wakalah	–	2,321,623	–	2,321,623	2,356,331

2024

Financial liabilities

Sukuk Murabahah	–	1,929,268	–	1,929,268	1,960,209
Sukuk Wakalah	–	1,878,485	–	1,878,485	1,966,794

	Company				
	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
2025					
Financial liabilities					
Sukuk Wakalah	–	1,926,698	–	1,926,698	1,967,316

2024

Financial liabilities

Sukuk Wakalah	–	1,878,485	–	1,878,485	1,966,794
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For the financial instruments listed above, fair values have been determined by discounting expected future cash flows at market incremental lending rate for similar types of financings at the reporting date. There were no transfers between Level 1, 2 and 3 fair values during the financial year (2024: no transfer between Level 1, 2 and 3 fair values).

26. FINANCIAL INSTRUMENTS (continued)

(d) Fair Values (continued)

Recognised financial instruments (continued)

Income/(expense), net gains and losses arising from financial instruments

	Group		
	Interest/ profit income/ (expense) RM'000	Reversal RM'000	Total RM'000
2025			
Financial assets at amortised cost:			
– recognised in profit or loss	54,275	819	55,094
Financial liabilities at amortised cost	(176,753)	–	(176,753)
	(122,478)	819	(121,659)

2024

Financial assets at amortised cost:			
– recognised in profit or loss	52,313	440	52,753
Financial liabilities at amortised cost	(167,299)	–	(167,299)
	(114,986)	440	(114,546)

	Company		
	Interest/ profit income/ (expense) RM'000	Reversal RM'000	Total RM'000
2025			
Financial assets at amortised cost:			
– recognised in profit or loss	27,376	–	27,376
Financial liabilities at amortised cost	(74,075)	–	(74,075)
	(46,699)	–	(46,699)

2024

Financial assets at amortised cost:			
– recognised in profit or loss	26,227	–	26,227
Financial liabilities at amortised cost	(54,792)	–	(54,792)
	(28,565)	–	(28,565)

(e) Foreign Currency Risk

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

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

Notes to the Financial Statements

31 December 2025

27. CAPITAL MANAGEMENT

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

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

The debt to equity ratio as at 31 December 2025 and 31 December 2024 is as follows:

	Group	
	2025 RM'000	2024 RM'000
Total debt (excluding lease liabilities)	4,317,128	4,315,454
Total equity (excluding Other NCI)	14,139,548	13,671,553
Debt equity ratio	31:69	32:68

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

28. SEGMENTAL INFORMATION

(a) Reporting Format

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

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

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

The Group comprises the following main business segments:

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

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

28. SEGMENTAL INFORMATION (continued)

(b) Allocation Basis and Transfer Pricing

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

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

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

Business segments 2025	Property investment – Office RM'000	Property investment – Retail RM'000	Hotel operations RM'000
Revenue			
External customers	583,081	557,898	223,726
Inter-segment revenue	1,645	13,237	–
Total revenue	584,726	571,135	223,726
Results			
Operating profit	511,883	471,757	28,576
Fair value adjustments on investment properties	123,364	338,506	–
Financing costs	(56,795)	(29,803)	(16,038)
Interest/profit income			
Share of profit of an associate			
Tax expense			
Profit after tax but before NCI			
Segment assets	10,526,374	6,893,804	589,716
Investment in an associate	–	–	–
Total assets			
Total liabilities	1,660,436	858,015	448,086
Capital expenditure	6,426	11,939	27,828
Depreciation	193	706	20,463
Non-cash items other than depreciation	–	(792)	116

Notes to the Financial Statements

31 December 2025

28. SEGMENTAL INFORMATION (continued)

Business segments 2025 (continued)	Management services RM'000	Elimination & Others RM'000	Consolidated RM'000
Revenue			
External customers	375,115	–	1,739,820
Inter-segment revenue	68,156	(83,038)	–
Total revenue	443,271	(83,038)	1,739,820
Results			
Operating profit	87,891	(23,313)	1,076,794
Fair value adjustments on investment properties	2,000	–	463,870
Financing costs	(15)	(74,102)	(176,753)
Interest/profit income			54,275
Share of profit of an associate			12,237
Tax expense			(147,525)
Profit after tax but before NCI			1,282,898
Segment assets	188,602	771,149	18,969,645
Investment in an associate	99,195	168,939	268,134
Total assets			19,237,779
Total liabilities	134,659	1,961,472	5,062,668
Capital expenditure	2,599	–	48,792
Depreciation	4,844	–	26,206
Non-cash items other than depreciation	(9)	–	(685)

28. SEGMENTAL INFORMATION (continued)

Business Segments 2024	Property investment – Office RM'000	Property investment – Retail RM'000	Hotel operations RM'000
Revenue			
External customers	583,443	551,237	239,823
Inter-segment revenue	1,657	12,278	–
Total revenue	585,100	563,515	239,823
Results			
Operating profit	512,207	464,379	31,429
Fair value adjustments on investment properties	77,132	157,599	–
Financing costs	(56,377)	(35,622)	(20,680)
Interest/profit income			
Share of profit of an associate			
Tax expense			
Profit after tax but before NCI			
Segment assets	10,425,995	6,513,992	581,364
Investment in an associate	–	–	–
Total assets			
Total liabilities	1,619,287	822,812	449,862
Capital expenditure	5,110	8,251	20,885
Depreciation	227	793	17,362
Non-cash items other than depreciation	–	(367)	419

Notes to the Financial Statements

31 December 2025

28. SEGMENTAL INFORMATION (continued)

Business Segments 2024 (continued)	Management services RM'000	Elimination & Others RM'000	Consolidated RM'000
Revenue			
External customers	336,357	–	1,710,860
Inter-segment revenue	67,350	(81,285)	–
Total revenue	403,707	(81,285)	1,710,860
Results			
Operating profit	81,461	(22,146)	1,067,330
Fair value adjustments on investment properties	–	–	234,731
Financing costs	(10)	(54,610)	(167,299)
Interest/profit income			52,313
Share of profit of an associate			14,290
Tax expense			(144,142)
Profit after tax but before NCI			1,057,223
Segment assets	156,541	716,948	18,394,840
Investment in an associate	99,195	169,242	268,437
Total assets			18,663,277
Total liabilities	108,923	1,957,809	4,958,693
Capital expenditure	789	–	35,035
Depreciation	11,626	–	30,008
Non-cash items other than depreciation	(4)	–	48

29. ADOPTION OF REVISED PRONOUNCEMENTS

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

Effective for annual periods beginning on or after 1 January 2025

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

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

30. PRONOUNCEMENTS YET IN EFFECT

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

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments*:

Disclosures (Classification and Measurement of Financial Instruments)

Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 7 *Financial Instruments*:

Disclosures, MFRS 9 *Financial Instruments*, MFRS 10 *Consolidated Financial Statements* and MFRS 107 *Statement of Cash Flows (Annual Improvements to MFRS Accounting Standards – Volume 11)*

30. PRONOUNCEMENTS YET IN EFFECT (continued)

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 *Presentation and Disclosure in Financial Statements*

Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates Translation to a Hyperinflationary Presentation Currency*

Effective for a date yet to be confirmed

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

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

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

MFRS 18 Presentation and Disclosure in Financial Statements

MFRS 18 replaces MFRS 101 and introduces enhanced requirements for the presentation and disclosure of financial statements. The standard mandates structured subtotals in the statement of profit or loss, classification of income and expenses into defined categories, and disclosure of management – defined performance measures with reconciliations to MFRS amounts.

The Group and the Company have assessed the estimated impact on financial statements upon the initial application of MFRS 18. The implementation of MFRS 18 will not result in changes to the recognition and measurement of financial statements. The impact will be limited to the financial statements' disclosures and presentation.

Upon adoption, the Group and the Company expect the impact mainly from the classification of income derived from the Group's equity accounted investments into the investing category within the statement of profit or loss.

The Group and the Company do not expect significant changes to the information that is currently disclosed in the notes as the requirement to disclose material information remains unchanged. However, there will be new disclosures required for:

- (i) Management – defined performance measures; and
- (ii) The nature of expenses for certain line items presented by function in the operating category of the statement of profit or loss.

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

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

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (Contracts Referencing Nature-dependent Electricity)*

Effective for annual periods beginning on or after 1 January 2027

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Notes to the Financial Statements

31 December 2025

32. KEY SUBSIDIARIES AND ACTIVITIES

Companies incorporated in Malaysia	Effective ownership interest and voting interest		Principal activities
	2025 %	2024 %	
Subsidiaries of the Company			
Suria KLCC Sdn Bhd ("SKSB")	100	100	Ownership and management of a shopping centre and the provision of business management services
Asas Klasik Sdn Bhd ("AKSB")	75	75	Property investment in a hotel
Arena Johan Sdn Bhd ("AJSB")	100	100	Inactive
KLCC Parking Management Sdn Bhd ("KPM")	100	100	Management of car park operations
KLCC Urusharta Sdn Bhd ("KLCCUH")	100	100	Facilities management
Kompleks Dayabumi Sdn Bhd ("KDSB")	100	100	Property investment
Midciti Resources Sdn Bhd ("MRSB")	100	100	Inactive
Impian Cemerlang Sdn Bhd ("ICSB")	100	100	Property investment
Arena Merdu Sdn Bhd ("AMSB")	100	100	Inactive
KLCC REIT Management Sdn Bhd ("KLCC REIT Management")	100	100	Management of a real estate investment trust
KLCC REIT	*	*	To invest in a Shariah compliant portfolio or real estate assets and real estate related assets
Subsidiary of KLCC REIT			
Midciti Sukuk Berhad ("MSB") *	100	100	To act as a special-purpose company for the purpose of raising Islamic financing for KLCC REIT

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

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

33. KEY ASSOCIATE AND ACTIVITIES

Companies incorporated in Malaysia	Effective ownership interest and voting interest		Principal activities
	2025 %	2024 %	
Name of associate			
Associates of the Company Impian Klasik Sdn Bhd ("IKSB")*	33	33	Property investment

* Audited by a firm of auditors other than Ernst & Young PLT.

Independent Auditors' Report

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of KLCC Property Holdings Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, as set out on pages 256 to 328.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

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

Valuation of investment properties

As at 31 December 2025, the carrying value of the Group's investment properties carried at fair value amounted to RM16,543,742,000 which represents 86% of the Group's total assets. The Group adopts the fair value model for its investment properties. The valuation of completed investment properties carried at fair value is significant to our audit due to their magnitude, complex valuation method and high dependency on a range of estimates (amongst others, rental income data, yield rate and discount rate) which are based on current and future market or economic conditions. The Group has engaged external valuers to determine the fair value of the investment properties carried at fair value at the reporting date and a fair value gain of RM463,870,000 has been recognised during the year.

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

- We considered the objectivity, independence and expertise of the firms of independent valuers;
- We obtained an understanding of the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuers to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, rental income data and yield rate;

Independent Auditors' Report

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

Valuation of investment properties (continued)

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

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Other matters

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

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

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

Kuala Lumpur, Malaysia
29 January 2026

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Manager's Report

For The Financial Year Ended 31 December 2025

The Manager of KLCC Real Estate Investment Trust ("KLCC REIT" or "the Fund"), KLCC REIT Management Sdn. Bhd. ("the Manager"), has pleasure in submitting their report and the audited financial statements of the Group and of the Fund for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

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

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

CORPORATE INFORMATION

The Fund is a Malaysia-domiciled real estate investment trust constituted pursuant to the Trust Deed dated 2 April 2013 (as amended and restated by the Amended and Restated Trust Deed dated 3 September 2019) (the "Amended and Restated Trust Deed") entered into between the Manager and Maybank Trustees Berhad (the "Trustee"). The Amended and Restated Trust Deed was registered with the Securities Commission Malaysia on 16 October 2019. The Fund was listed on the Main Market of Bursa Malaysia Securities Berhad on 9 May 2013. The registered office of the Manager is located at Level 82, Tower 2, PETRONAS Twin Towers, Kuala Lumpur City Centre, 50088 Kuala Lumpur.

HOLDING COMPANIES

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

SUBSIDIARY

The details of the Fund's subsidiary is disclosed in Note 5 to the financial statements.

RESULTS

	Group RM'000	Fund RM'000
Profit for the year	546,533	546,540

DISTRIBUTION OF INCOME

During the financial year, the amount of income distributions paid by the Fund were as follows:

	RM'000
In respect of the financial year ended 31 December 2024 as reported in the Manager's Report of that year:	
Fourth interim income distribution of 7.37% on 1,805,333,083 units, declared on 5 February 2025 and paid on 28 February 2025	133,053
In respect of the financial year ended 31 December 2025:	
First interim income distribution of 7.38% on 1,805,333,083 units, declared on 23 May 2025 and paid on 30 June 2025	133,234
Second interim income distribution of 7.24% on 1,805,333,083 units, declared on 27 August 2025 and paid on 30 September 2025	130,706
Third interim income distribution of 7.39% on 1,805,333,083 units, declared on 20 November 2025 and paid on 30 December 2025	133,414
	530,407

Manager's Report

For The Financial Year Ended 31 December 2025

DISTRIBUTION OF INCOME (continued)

A fourth interim income distribution in respect of the financial year ended 31 December 2025 of 7.31% on 1,805,333,083 units, declared on 29 January 2026, amounting to an income distribution payable of RM131,969,848 will be payable on 27 February 2026.

The financial statements for the current year do not reflect this fourth interim income distribution. Such income distribution will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2026.

RESERVES AND PROVISIONS

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

DIRECTORS

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

Datuk Ir. Annes Bin Md Ariff (Chairman)
 Datuk Sr Mohd.Salem Bin Kailany
 Farina Binti Farikhullah Khan
 Dato' Jamaludin Bin Osman
 Liza Binti Mustapha
 Chong Chye Neo
 Dato' Sr Mazuki Bin A Aziz
 Freida Binti Amat
 Datin Noor Lily Zuriati Binti Abdullah (retired on 29 April 2025)

DIRECTORS OF MANAGER'S INTERESTS

The Directors in office at the end of the year who have interests and deemed interests in the units of the Fund and of its related corporations other than wholly-owned subsidiaries as recorded in the Register of Directors' Shareholdings are as follows:

Name	Number of ordinary shares in PETRONAS Chemicals Group Berhad			
	Balance as at 1.1.2025	Bought	Sold	Balance as at 31.12.2025
Freida Binti Amat	6,000	–	–	6,000

None of the other Directors holding office at 31 December 2025 had any interest in the ordinary units of the Fund and of its related corporations during the financial year.

DIRECTORS OF MANAGER'S BENEFITS

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

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

ISSUE OF UNITS

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

OPTIONS GRANTED OVER UNISSUED UNITS

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

SOFT COMMISSION

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

OTHER STATUTORY INFORMATION

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

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

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

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

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

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

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

In the opinion of the Manager, the financial performance of the Group and of the Fund for the financial year ended 31 December 2025 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

Manager's Report

For The Financial Year Ended 31 December 2025

AUDITORS

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

The auditors' remuneration paid or payable to Ernst & Young PLT for the financial year ended 31 December 2025 are as follow:

	Group RM'000	Fund RM'000
Audit fees		
Ernst & Young PLT	115	110

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



Datuk Ir. Annie Bin Md Ariff

Chairman



Datuk Sr Mohd.Salem Bin Kailany

Director

Kuala Lumpur, Malaysia

Date: 29 January 2026

Statement by The Manager

In the opinion of the Directors of the Manager, the financial statements set out on pages 340 to 382 are drawn up in accordance with the provision of the Trust Deed dated 2 April 2013 and an Amended and Restated Trust Deed dated 3 September 2019 (collectively referred to as the "Deed"), the Securities Commission's Guidelines on Listed Real Estate Investment Trusts in Malaysia, MFRS Accounting Standards and IFRS Accounting Standards so as to give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2025 and of their financial performance and cash flows for the financial year then ended on that date.

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

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

Datuk Ir. Annies Bin Md Ariff
 Chairman

Datuk Sr Mohd.Salem Bin Kailany
 Director

Kuala Lumpur, Malaysia
 Date: 29 January 2026

Statutory Declaration

I, Ahmad Hakimi Bin Muhammad Radzi, the officer of the Manager primarily responsible for the financial management of KLCC Real Estate Investment Trust, do solemnly and sincerely declare that the financial statements set out on pages 340 to 382 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed
Ahmad Hakimi Bin Muhammad Radzi,
 NRIC: 730706-14-5127
 at **Kuala Lumpur** in **Wilayah Persekutuan**
 on 29 January 2026

Ahmad Hakimi Bin Muhammad Radzi
 BEFORE ME:

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



Trustee's Report

To the unitholders of KLCC REAL ESTATE INVESTMENT TRUST

We have acted as Trustee of KLCC Real Estate Investment Trust ("KLCC REIT") for the financial year ended 31 December 2025. To the best of our knowledge, KLCC REIT Management Sdn. Bhd. ("the Manager") has managed KLCC REIT in the financial year under review in accordance to the following:

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

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

- (i) First interim income distribution of 7.38 sen per unit distributed on 30 June 2025;
- (ii) Second interim income distribution of 7.24 sen per unit distributed on 30 September 2025;
- (iii) Third interim income distribution of 7.39 sen per unit distributed on 30 December 2025;
- (iv) Fourth interim income distribution of 7.31 sen per unit for year ended 31 December 2025 declared and will be payable on 27 February 2026.

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

For and on behalf of

MAYBANK TRUSTEES BERHAD

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



Noradilah Binti Nordin

Head, Corporate Trust

Kuala Lumpur, Malaysia

Shariah Adviser's Report

To the unitholders of KLCC REIT

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

In our opinion, KLCC REIT Management Sdn. Bhd. has managed and administered KLCC REIT in accordance with Shariah principles and complied with the applicable guidelines, rulings and decisions issued by the Securities Commission Malaysia pertaining to Shariah matters for the financial year ended 31 December 2025.

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

- (a) Comprises investment properties and rental income which complied with the Securities Commission's Guidelines on Islamic Capital Market Products and Services and Guidelines on Listed Real Estate Investment Trusts. The percentage ratio of Shariah Non-Compliant Rental for the financial year ended 31 December 2025 is 1.62%;
- (b) KLCCP Stapled Securities is listed on Bursa Malaysia Securities Berhad which have been classified as Shariah-compliant by Shariah Advisory Council of the Securities Commission;
- (c) Cash placement and liquid assets, which are placed in Shariah-compliant investments and/or instruments;
- (d) There is no acquisition of real estate during the financial year; and
- (e) The percentage of Shariah Non-Compliant Rental by the end of 10th financial year post listing or establishment has been complied with.

For and on behalf of Shariah Adviser

CIMB Islamic Bank Berhad

Ahmad Suhaimi Yahya

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

Kuala Lumpur, Malaysia

Consolidated Statement of Financial Position

As At 31 December 2025

	Note	2025 RM'000	2024 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	122	250
Investment properties	4	9,469,696	9,353,707
Trade and other receivables	6	66,304	176,293
		9,536,122	9,530,250
Current Assets			
Trade and other receivables	6	12,327	3,945
Cash and bank balances	7	249,650	191,872
		261,977	195,817
TOTAL ASSETS		9,798,099	9,726,067
TOTAL UNITHOLDERS' FUND AND LIABILITIES			
Unitholders' Fund			
Unitholders' capital	8	7,212,684	7,212,684
Merger reserve	9	6,212	6,212
Capital reserve	10	627,556	528,383
Retained profits		276,397	359,444
Total Unitholders' Fund		8,122,849	8,106,723
Non-Current Liabilities			
Other long term liabilities	11	84,836	80,458
Financing	13	855,000	1,355,000
Deferred tax liability	14	69,728	58,709
Other payables	15	66,610	71,047
		1,076,174	1,565,214
Current Liabilities			
Other payables	15	93,023	48,593
Financing	13	506,053	5,537
		599,076	54,130
Total Liabilities		1,675,250	1,619,344
TOTAL UNITHOLDERS' FUND AND LIABILITIES		9,798,099	9,726,067
Number of units in circulation ('000 units)		1,805,333	1,805,333
Net asset value ("NAV")			
– before income distribution		8,122,849	8,106,723
– after income distribution		7,990,879	7,973,670
NAV per unit (RM)			
– before income distribution		4.50	4.49
– after income distribution		4.43	4.42

The notes set out on pages 348 to 382 are an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For The Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Revenue	16	578,037	579,031
Property operating expenses	17	(33,072)	(33,023)
Net property income		544,965	546,008
Fair value adjustments of investment properties	4	110,192	78,359
Profit income		8,327	7,291
Management fees	18	663,484	631,658
Trustee's fee	19	(44,994)	(44,983)
Financing costs	20	(600)	(600)
		(60,338)	(59,920)
Profit before taxation	21	557,552	526,155
Tax expense	22	(11,019)	(7,836)
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		546,533	518,319
Basic earnings per unit (sen)	23	30.27	28.71
Income Distribution			
Total comprehensive income for the financial year		546,533	518,319
Add/(less) adjustments:			
Accrued rental income		109,989	79,855
Amortisation of deferred revenue		(4,639)	(4,394)
Accretion of discount/(amortisation of premium) for Sukuk Murabahah		478	(321)
Deferred tax expense		11,019	7,836
Depreciation of property, plant and equipment		188	205
Accretion of financial instruments		3,538	3,196
Fair value adjustments of investment properties		(110,192)	(78,359)
		10,381	8,018
Total income available for distribution		556,914	526,337
Distribution to unitholders in respect of financial year 2025/2024:			
First interim income distribution of 7.38% (2024: 6.80%) on 1,805,333,083 units		(133,234)	(122,763)
Second interim income distribution of 7.24% (2024: 6.74%) on 1,805,333,083 units		(130,706)	(121,679)
Third interim income distribution of 7.39% (2024: 6.79%) on 1,805,333,083 units		(133,414)	(122,582)
Fourth interim income distribution of 7.31% (2024: 7.37%) on 1,805,333,083 units		(131,970)	(133,053)
Balance undistributed		27,590	26,260

The notes set out on pages 348 to 382 are an integral part of these financial statements.

Consolidated Statement of Changes in Net Asset Value

For The Year Ended 31 December 2025

	Note	Non-distributable		Distributable		Total Group RM'000
		Unitholders' Capital RM'000 (Note 8)	Merger Reserve RM'000 (Note 9)	Capital Reserve RM'000 (Note 10)	Retained Profits RM'000	
As at 1 January 2025		7,212,684	6,212	528,383	359,444	8,106,723
Total comprehensive income for the year		–	–	–	546,533	546,533
Transfer of fair value adjustments net of tax		–	–	99,173	(99,173)	–
Income distribution	24	–	–	–	(530,407)	(530,407)
Net total comprehensive income for the year attributable to unitholders		–	–	99,173	(83,047)	16,126
As at 31 December 2025		7,212,684	6,212	627,556	276,397	8,122,849
As at 1 January 2024		7,212,684	6,212	457,860	394,213	8,070,969
Total comprehensive income for the year		–	–	–	518,319	518,319
Transfer of fair value adjustments net of tax		–	–	70,523	(70,523)	–
Income distribution	24	–	–	–	(482,565)	(482,565)
Net total comprehensive income for the year attributable to unitholders		–	–	70,523	(34,769)	35,754
As at 31 December 2024		7,212,684	6,212	528,383	359,444	8,106,723

The notes set out on pages 348 to 382 are an integral part of these financial statements.

Consolidated Statement of Cash Flows

For The Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		557,552	526,155
Adjustments for:			
Profit income		(8,327)	(7,291)
Financing costs	20	60,338	59,920
Accrued rental income and amortisation of deferred revenue		105,350	75,461
Depreciation of property, plant and equipment	3	188	205
Fair value adjustments on investment properties	4	(110,192)	(78,359)
Operating profits before changes in working capital		604,909	576,091
Changes in working capital:			
Trade and other receivables		(8,615)	579
Other payables including other long term liabilities		43,853	11,592
Cash generated from operations		640,147	588,262
Profit income received		8,561	7,066
Net cash generated from operating activities		648,708	595,328
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions for investment properties	4	(4,063)	(5,295)
Purchase of property, plant and equipment	3	(60)	(10)
Increase in deposits with tenure of more than 3 months		(13,811)	(52,001)
Net cash used in investing activities		(17,934)	(57,306)
CASH FLOWS FROM FINANCING ACTIVITIES			
Income distributions paid		(530,523)	(482,525)
Financing cost paid		(56,284)	(57,610)
Proceed from issuance of Sukuk Murabahah		–	455,000
Payment of Sukuk Murabahah		–	(455,000)
Net cash used in financing activities		(586,807)	(540,135)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		43,967	(2,113)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		139,832	141,945
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	183,799	139,832

The notes set out on pages 348 to 382 are an integral part of these financial statements.

Statement of Financial Position

As At 31 December 2025

	Note	2025 RM'000	2024 RM'000
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	122	250
Investment properties	4	9,469,696	9,353,707
Investment in a subsidiary	5	*	*
Trade and other receivables	6	66,304	176,293
		9,536,122	9,530,250
Current Assets			
Trade and other receivables	6	12,327	3,945
Cash and bank balances	7	249,282	191,597
		261,609	195,542
TOTAL ASSETS		9,797,731	9,725,792
TOTAL UNITHOLDERS' FUND AND LIABILITIES			
Unitholders' Fund			
Unitholders' capital	8	7,212,684	7,212,684
Merger reserve	9	6,212	6,212
Capital reserve	10	627,556	528,383
Retained profits		276,476	359,516
Total Unitholders' Fund		8,122,928	8,106,795
Non-Current Liabilities			
Other long term liabilities	11	84,836	80,458
Amount due to a subsidiary	12	855,000	1,355,000
Deferred tax liability	14	69,728	58,709
Other payables	15	66,610	71,047
		1,076,174	1,565,214
Current Liabilities			
Other payables	15	93,016	48,584
Amount due to a subsidiary	12	505,613	5,199
		598,629	53,783
Total Liabilities		1,674,803	1,618,997
TOTAL UNITHOLDERS' FUND AND LIABILITIES		9,797,731	9,725,792
Number of units in circulation ('000 units)			
Net asset value ("NAV")		1,805,333	1,805,333
– before income distribution		8,122,928	8,106,795
– after income distribution		7,990,958	7,973,742
NAV per unit (RM)			
– before income distribution		4.50	4.49
– after income distribution		4.43	4.42

* Represents RM2 in Midciti Sukuk Berhad

The notes set out on pages 348 to 382 are an integral part of these financial statements.

Statement of Comprehensive Income

For The Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
Revenue	16	578,037	579,031
Property operating expenses	17	(33,065)	(33,019)
Net property income		544,972	546,012
Fair value adjustments of investment properties	4	110,192	78,359
Profit income		8,327	7,291
		663,491	631,662
Management fees	18	(44,994)	(44,983)
Trustee's fee	19	(600)	(600)
Financing costs	20	(60,338)	(59,920)
Profit before taxation	21	557,559	526,159
Tax expense	22	(11,019)	(7,836)
PROFIT FOR THE YEAR, REPRESENTING TOTAL COMPREHENSIVE INCOME FOR THE YEAR		546,540	518,323
Basic earnings per unit (sen)	23	30.27	28.71
Income Distribution			
Total comprehensive income for the year		546,540	518,323
Add/(less) adjustments:			
Accrued rental income		109,989	79,855
Amortisation of deferred revenue		(4,639)	(4,394)
Accretion of discount/(amortisation of premium) for Sukuk Murabahah		478	(321)
Deferred tax liabilities		11,019	7,836
Depreciation of property, plant and equipment		188	205
Accretion of financial instruments		3,538	3,196
Fair value adjustments of investment properties		(110,192)	(78,359)
		10,381	8,018
Total income available for distribution		556,921	526,341
Distribution to unitholders in respect of financial year 2025/2024:			
First interim income distribution of 7.38% (2024: 6.80%) on 1,805,333,083 units		(133,234)	(122,763)
Second interim income distribution of 7.24% (2024: 6.74%) on 1,805,333,083 units		(130,706)	(121,679)
Third interim income distribution of 7.39% (2024: 6.79%) on 1,805,333,083 units		(133,414)	(122,582)
Fourth interim income distribution of 7.31% (2024: 7.37%) on 1,805,333,083 units		(131,970)	(133,053)
Balance undistributed		27,597	26,264

The notes set out on pages 348 to 382 are an integral part of these financial statements.

Statement of Changes in Net Asset Value

For The Year Ended 31 December 2025

	Note	Non-distributable		Distributable		Total Funds RM'000
		Unitholders' Capital RM'000 (Note 8)	Merger Reserve RM'000 (Note 9)	Capital Reserve RM'000 (Note 10)	Retained Profits RM'000	
As at 1 January 2025		7,212,684	6,212	528,383	359,516	8,106,795
Total comprehensive income for the year		–	–	–	546,540	546,540
Transfer of fair value adjustments net of tax		–	–	99,173	(99,173)	–
Income distribution	24	–	–	–	(530,407)	(530,407)
Net total comprehensive income for the year attributable to unitholders		–	–	99,173	(83,040)	16,133
As at 31 December 2025		7,212,684	6,212	627,556	276,476	8,122,928
As at 1 January 2024		7,212,684	6,212	457,860	394,281	8,071,037
Total comprehensive income for the year		–	–	–	518,323	518,323
Transfer of fair value adjustments net of tax		–	–	70,523	(70,523)	–
Income distribution	24	–	–	–	(482,565)	(482,565)
Net total comprehensive income for the year attributable to unitholders		–	–	70,523	(34,765)	35,758
As at 31 December 2024		7,212,684	6,212	528,383	359,516	8,106,795

The notes set out on pages 348 to 382 are an integral part of these financial statements.

Statement of Cash Flows

For The Year Ended 31 December 2025

	Note	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		557,559	526,159
Adjustments for:			
Profit income		(8,327)	(7,291)
Financing costs	20	60,338	59,920
Accrued rental income and amortisation of deferred revenue		105,350	75,461
Depreciation of property, plant and equipment	3	188	205
Fair value adjustments on investment properties	4	(110,192)	(78,359)
Operating cash flows before changes in working capital		604,916	576,095
Changes in working capital:			
Trade and other receivables		(8,615)	579
Other payables including other long term liabilities		43,753	11,489
Cash generated from operations		640,054	588,163
Profit income received		8,561	7,066
Net cash generated from operating activities		648,615	595,229
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions for investment properties	4	(4,063)	(5,295)
Purchase of property, plant and equipment	3	(60)	(10)
Increase in deposits with tenure of more than 3 months		(13,810)	(52,000)
Net cash used in investing activities		(17,933)	(57,305)
CASH FLOWS FROM FINANCING ACTIVITIES			
Income distributions paid		(530,523)	(482,525)
Financing cost paid		(56,284)	(57,610)
Proceed received from a subsidiary		–	455,000
Payment of amount due to a subsidiary		–	(455,000)
Net cash used in financing activities		(586,807)	(540,135)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		43,875	(2,211)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		139,597	141,808
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	7	183,472	139,597

The notes set out on pages 348 to 382 are an integral part of these financial statements.

Notes to the Financial Statements

31 December 2025

1. BASIS OF PREPARATION

1.1 Statement of compliance

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

As of 1 January 2025, the Group and the Fund had adopted Amendments to MFRS ("pronouncements") that have been issued by the Malaysian Accounting Standards Board ("MASB") as described fully in Note 31.

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

These financial statements were approved and authorised for issue by the Board of Directors of the Manager in accordance with a resolution of the Directors of the Manager on 29 January 2026.

1.2 Basis of measurement

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

As at 31 December 2025, the current liabilities of the Group and the Fund exceeded the current assets by RM337,099,000 and RM337,020,000 respectively. The net current liabilities positions are due to the maturity of their RM500,000,000 Sukuk Murabahah on 24 April 2026. The Manager has plans in place for the repayment of the Sukuk Murabahah upon its maturity as disclosed in Note 28. Hence, the Manager continues to prepare the financial statements of the group and the Fund on a going concern basis.

1.3 Functional and presentation currency

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

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

1.4 Use of estimates and judgements

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

(i) Critical judgement made in applying accounting policies

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

(ii) Key sources of estimation uncertainty

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

1. BASIS OF PREPARATION (continued)

1.4 Use of estimates and judgments (continued)

(ii) Key sources of estimation uncertainty (continued)

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

Fair value of investment properties

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

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

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

	Fair value Increase/(decrease)	
	2025 RM'000	2024 RM'000
Reversion and term yield rate		
– 0.25%	263,000	244,000
+ 0.25%	(246,000)	(231,000)
Discount rate		
– 0.25%	147,000	149,000
+ 0.25%	(145,000)	(154,000)

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

2. MATERIAL ACCOUNTING POLICIES

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

2.1 Basis of Consolidation

Subsidiaries

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

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

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of Consolidation (continued)

Subsidiaries (continued)

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

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

Business Combination

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

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

The Group measures goodwill as the excess of the aggregate fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and any previously held interest in the acquiree over the fair value of the identifiable assets acquired and liabilities assumed at the acquisition date. When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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

2.2 Property, plant and equipment and depreciation

Recognition and measurement

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

2.2 Property, plant and equipment and depreciation (continued)

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

Subsequent costs

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

Depreciation

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

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

Building improvements	5 to 6 years
Office equipment	5 years

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

Derecognition

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

Impairment

At the end of the reporting period, the Group and the Fund assess whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

2.3 Investment properties

Investment properties are properties which are owned to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purpose.

Investment properties are measured initially at cost and subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the Investment Property Under Construction ("IPUC") is not reliably determinable, the IPUC is measured at cost until either its fair value has been reliably determinable or construction is complete, whichever is earlier.

The fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

Notes to the Financial Statements

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2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Investment properties (continued)

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

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

2.4 Leases

(i) Recognition and initial measurement

As a lessor

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

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

Operating leases – the Fund as lessor

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

(ii) Subsequent measurement

As a lessor

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

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

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

2.5 Investment in a Subsidiary

Investment in a subsidiary is stated at cost less impairment loss, if any, in the Fund's financial statements unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

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

2. MATERIAL ACCOUNTING POLICIES (continued)

2.6 Financial instruments

Recognition and derecognition

(i) Financial assets

Regular way purchases or sales were recognised on the settlement date i.e. the date that the asset is delivered to or by an entity. Financial assets are classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL"), as appropriate.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group and the Fund have transferred substantially all the risks and rewards of ownership.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss.

Subsequent measurement

Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective profit rate method. Interest income and foreign exchange gains and losses are recognised in profit or loss.

(ii) Financial liabilities

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

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

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

Amortised cost (financings)

Subsequent to initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective profit rate method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

(iii) Effective profit rate method

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

2.7 Impairment

(i) Financial assets

The Group and the Fund recognise loss allowances for expected credit losses on financial assets measured at amortised cost.

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Impairment (continued)

(i) Financial assets (continued)

The Group and the Fund measure loss allowances on debt securities and cash and cash equivalent at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, other debt securities for which credit risk has not increased significantly since initial recognition and finance lease receivables, which are measured as 12-month expected credit loss.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit loss.

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

(ii) Other assets

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

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

For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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

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

2.8 Cash and cash equivalents

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

2.9 Provisions

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

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

2. MATERIAL ACCOUNTING POLICIES (continued)

2.10 Taxation

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

(i) Current tax

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

(ii) Deferred tax

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

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

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

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

(iii) Global minimum top-up tax

The ultimate holding company has adopted International Tax Reform – Pillar Two Model Rules upon its release on 2 June 2023. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption. The application by the respective entity is subject to when the law is being enacted or substantively enacted in the respective country jurisdiction.

Upon its application, the ultimate holding company will apply a mandatory temporary exception from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred. The mandatory temporary exception applies retrospectively. The retrospective application has no impact to the ultimate holding company's consolidated financial statements.

2.11 Revenue

(i) Rental income

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

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

Notes to the Financial Statements

31 December 2025

2. MATERIAL ACCOUNTING POLICIES (continued)

2.11 Revenue (continued)

(ii) Others

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

(iii) Profit income

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

2.12 Financing Costs

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

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

2.13 Operating segments

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

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

2.14 Fair value measurement

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

(i) Financial instruments

The fair value of financial instruments that are actively traded in organised financial markets are determined by reference to quoted market bid prices at the close of business at the end of reporting date. For financial instruments where there is no active market, fair value is determined using valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

(ii) Non-financial assets

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

2. MATERIAL ACCOUNTING POLICIES (continued)

2.14 Fair value measurement (continued)

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

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

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

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

2.15 Equity instruments

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

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

2.16 Earnings per unit

The Group presents basic earnings per unit (“EPU”) data for its ordinary shares.

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

2.17 Climate-related matters

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

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

Notes to the Financial Statements

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3. PROPERTY, PLANT AND EQUIPMENT

	Note	Group/Fund		
		Building Improvements RM'000	Office Equipment RM'000	Total RM'000
At 31 December 2025				
Cost				
At 1 January 2025		2,250	1,125	3,375
Additions		–	60	60
At 31 December 2025		2,250	1,185	3,435
Accumulated Depreciation				
At 1 January 2025		2,151	974	3,125
Charge for the year	21	65	123	188
At 31 December 2025		2,216	1,097	3,313
Net Carrying Amount		34	88	122
At 31 December 2024				
Cost				
At 1 January 2024		2,250	1,115	3,365
Additions		–	10	10
At 31 December 2024		2,250	1,125	3,375
Accumulated Depreciation				
At 1 January 2024		2,074	846	2,920
Charge for the year	21	77	128	205
At 31 December 2024		2,151	974	3,125
Net Carrying Amount		99	151	250

4. INVESTMENT PROPERTIES

	Group/Fund	
	2025 RM'000	2024 RM'000
At 1 January	9,353,707	9,271,852
Fair value adjustments	110,192	78,359
Additions during the year	5,797	3,496
At 31 December	9,469,696	9,353,707

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

	Group/Fund	
	2025 RM'000	2024 RM'000
Cash	2,878	2,311
Other payables	2,919	1,185
	5,797	3,496
Cash paid for additions in prior year	1,185	2,984
Cash paid for additions in current year	2,878	2,311
Total cash paid for investment properties	4,063	5,295

The investment properties are stated at fair value, which have been determined based on valuations performed by an independent professional valuer. The valuation method used in determining the valuations is the investment method.

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

	Note	Group/Fund	
		2025 RM'000	2024 RM'000
Rental income	16	578,037	579,031
Direct operating expenses		(31,319)	(31,089)
		546,718	547,942

Notes to the Financial Statements

31 December 2025

4. INVESTMENT PROPERTIES (continued)

Fair value information

Fair value of investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
31 December 2025				
– Office properties	–	–	8,970,629	8,970,629
– Retail properties	–	–	499,067	499,067
	–	–	9,469,696	9,469,696
31 December 2024				
– Office properties	–	–	8,846,165	8,846,165
– Retail properties	–	–	507,542	507,542
	–	–	9,353,707	9,353,707

Policy on transfer between levels

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

Level 1 fair value

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

Level 2 fair value

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

Level 3 fair value

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

Transfer between Level 1, 2 and 3 fair values

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

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

	Note	Group/Fund	
		2025 RM'000	2024 RM'000
Valuation per valuer's reports		9,536,000	9,530,000
Less: Accrued rental income	6	(66,304)	(176,293)
		9,469,696	9,353,707

4. INVESTMENT PROPERTIES (continued)

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

Valuation technique	Significant unobservable inputs	Range		Inter-relationship between significant unobservable inputs and fair value measurement
		2025	2024	
Investment method (refer below)	Office:			The estimated fair value would increase/(decrease) if:
	Market rental rate (RM/psf/month)			
	– Term	8.80 – 12.99	8.50 – 12.99	– expected market rental growth was higher/(lower)
	– Reversion	9.20 – 14.10	9.00 – 13.50	– expected market rental growth was higher/(lower)
	Outgoings (RM/psf/month)			
	– Term	2.90	2.85	– expected inflation rate was lower/(higher)
	– Reversion	2.90 – 3.20	2.85 – 3.05	– expected inflation rate was lower/(higher)
	Void rate (%)	5.00	5.00	– void rate was lower/(higher)
	Term yield (%)	5.50 – 5.75	5.50 – 5.75	– term yield rate was lower/(higher)
	Reversionary yield (%)	5.75 – 6.00	5.75 – 6.00	– reversionary yield was lower/(higher)
	Discount rate (%)	5.50 – 6.00	5.50 – 6.00	– discount rate was lower/(higher)
	Retail:			The estimated fair value would increase/(decrease) if:
	Market rental rate (RM/psf/month)			
	– Term	7.59 – 112.72	7.58 – 126.35	– expected market rental growth was higher/(lower)
– Reversion	8.35 – 123.99	8.34 – 138.99	– expected market rental growth was higher/(lower)	
Outgoings (RM/psf/month)				
– Term	7.80	7.85	– expected inflation rate was lower/(higher)	
– Reversion	7.80	7.85	– expected inflation rate was lower/(higher)	
Void rate (%)	5.00	5.00	– void rate was lower/(higher)	
Term yield (%)	6.25	6.25	– term yield rate was lower/(higher)	
Reversionary yield (%)	6.50 – 7.50	6.50 – 7.50	– reversionary yield was lower/(higher)	
Discount rate (%)	6.25 – 7.50	6.25 – 7.50	– discount rate was lower/(higher)	

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

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

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

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4. INVESTMENT PROPERTIES (continued)

Description of property	Tenure of land	Existing use	Location	Date of acquisition	Acquisition cost RM'000	Carrying value as at 31.12.2025 RM'000	Carrying value as at 31.12.2024 RM'000	Fair value per valuation report as at 31.12.2025 RM'000	Fair value per valuation report as at 31.12.2024 RM'000	Percentage of fair value to NAV as at	
										31.12.2025 %	31.12.2024 %
PETRONAS Twin Towers	Freehold	Office	Kuala Lumpur	10.04.2013	6,500,000	6,928,082	6,828,296	6,950,000	6,950,000	85.6	85.7
Menara 3 PETRONAS	Freehold	Office & retail	Kuala Lumpur	10.04.2013	1,790,000	1,997,115	1,985,411	2,040,000	2,040,000	25.1	25.2
Menara ExxonMobil	Freehold	Office	Kuala Lumpur	10.04.2013	450,000	544,499	540,000	546,000	540,000	6.7	6.7

5. INVESTMENT IN SUBSIDIARY

	Fund	
	2025 RM	2024 RM
Unquoted shares at cost	2	2

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

Name of Subsidiary	Effective ownership interest and voting interest		Principal Activity
	2025 %	2024 %	
Midciti Sukuk Berhad ("MSB")	100	100	To act as a special-purpose company for the purpose of raising Islamic financing for KLCC REIT.

6. TRADE AND OTHER RECEIVABLES

	Group		Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Accrued rental income	66,304	176,293	66,304	176,293
Current				
Trade receivables	131	184	131	184
Other receivables and deposits	3,152	2,472	3,152	2,472
Prepayment				
Amount due from:	8,482	45	8,482	45
Ultimate holding company	–	27	–	27
Fellow subsidiaries	562	1,217	562	1,217
Total current trade and other receivables	12,327	3,945	12,327	3,945
Total	78,631	180,238	78,631	180,238

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

7. CASH AND BANK BALANCES

	Group		Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances	390	415	63	180
Deposits with licensed banks	249,260	191,457	249,219	191,417
	249,650	191,872	249,282	191,597
Less: Deposits with tenure of more than 3 months	(65,851)	(52,040)	(65,810)	(52,000)
Total cash and cash equivalents	183,799	139,832	183,472	139,597

The weighted average effective profit rate applicable to the deposits with licensed banks for the Group and the Fund at the reporting date were 3.55% per annum (2024: 3.85% per annum) and 3.55% per annum (2024: 3.85% per annum) respectively.

Deposits with licensed banks for the Group and Fund have average maturity of 51 days (2024: 63 days) and 49 days (2024: 61 days) respectively.

8. UNITHOLDERS' CAPITAL

	Group/Fund			
	Number of Units		Amount	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Issued and fully paid with no par value classified as equity instruments:				
At 1 January/31 December	1,805,333	1,805,333	7,212,684	7,212,684

Notes to the Financial Statements

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8. UNITHOLDERS' CAPITAL (continued)

Stapled Security:

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

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

As at 31 December 2025, the Manager did not hold any units in the Fund. However, parties related to the Manager held units in the Fund as follows:

	Group/Fund			
	Number of Units		Market value	
	2025 '000	2024 '000	2025 RM'000	2024 RM'000
Direct unitholdings of parties related to the Manager				
KLCCH	1,167,639	1,167,639	10,181,812	9,516,258
PETRONAS	40,817	40,817	355,924	332,659
	1,208,456	1,208,456	10,537,736	9,848,917
Indirect unitholdings of parties related to the Manager				
PETRONAS	1,167,639	1,167,639	10,181,812	9,516,258

The market value of the units held by the parties related to the Manager is determined by using the closing market value of the Fund as at 31 December 2025 of RM8.72 per unit (2024: RM8.15 per unit).

9. MERGER RESERVE

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

10. CAPITAL RESERVE

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

11. OTHER LONG TERM LIABILITIES

	Group/Fund	
	2025 RM'000	2024 RM'000
Security deposits payable	84,836	80,458

Security deposits payable are interest-free, unsecured and refundable upon expiry of the respective lease agreements. The fair values at initial recognition were determined based on profit rates ranging from 4.14% to 4.35% (2024: 4.14% to 4.35%) per annum.

12. AMOUNT DUE TO A SUBSIDIARY

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

Information regarding the Sukuk as at 31 December 2025 and 31 December 2024 are disclosed in Note 13.

13. FINANCING

	Group	
	2025 RM'000	2024 RM'000
Short term financing		
Secured:		
Sukuk Murabahah	506,053	5,537
Long term financing		
Secured:		
Sukuk Murabahah	855,000	1,355,000
Total financing		
Secured:		
Sukuk Murabahah	1,361,053	1,360,537

Terms and debt payment schedule:

	Group				
	Total RM'000	Under 1 year RM'000	1 – 2 years RM'000	3 – 5 years RM'000	Over 5 years RM'000
31 December 2025					
Secured					
Sukuk Murabahah	1,361,053	506,053	–	400,000	455,000
31 December 2024					
Secured					
Sukuk Murabahah	1,360,537	5,537	500,000	–	855,000

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13. FINANCING (continued)

Sukuk Murabahah refers to the Islamic Medium Term Notes ("IMTN") issued pursuant to the IMTN Programme of up to RM3 billion in nominal value, which are secured by way of an assignment and charge over the Finance Service Account and the Revenue Account.

The Group had repaid its RM455,000,000 Sukuk Murabahah upon maturity on 25 April 2024 and on the same date issued RM455,000,000 of Sukuk Murabahah with a profit rate of 4.19% per annum and maturing on 25 April 2034. Details of the drawdown that are outstanding as at year end are as follows:

Tenure	Value (RM)	Profit rate	Maturity
7 years	500,000,000	4.20%	24 April 2026
10 years	400,000,000	4.00%	23 April 2031
10 years	455,000,000	4.19%	25 April 2034

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

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

	Note	Group		
		Sukuk Murabahah RM'000	Dividend paid RM'000	Total RM'000
Balance at 1 January 2025		1,360,537	–	1,360,537
Changes from financing cash flows				
Financing cost paid		(56,284)	–	(56,284)
Income distribution paid		–	(530,523)	(530,523)
Total changes from financing cash flows		(56,284)	(530,523)	(586,807)
Other changes				
Liability-related				
Financing cost	20	56,800	–	56,800
Income distribution payable		–	530,523	530,523
Total liability-related other changes		56,800	530,523	587,323
Balance at 31 December 2025		1,361,053	–	1,361,053
Balance at 1 January 2024		1,361,423	–	1,361,423
Changes from financing cash flows				
Proceeds from issuance of Sukuk Murabahah		455,000	–	455,000
Payment of Sukuk Murabahah		(455,000)	–	(455,000)
Financing cost paid		(57,610)	–	(57,610)
Income distribution paid		–	(482,525)	(482,525)
Total changes from financing cash flows		(57,610)	(482,525)	(540,135)
Other changes				
Liability-related				
Financing cost	20	56,724	–	56,724
Income distribution payable		–	482,525	482,525
Total liability-related other changes		56,724	482,525	539,249
Balance at 31 December 2024		1,360,537	–	1,360,537

14. DEFERRED TAX LIABILITY

	Note	Group/Fund	
		2025 RM'000	2024 RM'000
At 1 January		58,709	50,873
Recognised in profit or loss	22	11,019	7,836
At 31 December		69,728	58,709

15. OTHER PAYABLES

	Note	Group		Fund	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-Current					
Deferred revenue	(i)	66,610	71,047	66,610	71,047
Current					
Deferred revenue	(i)	4,486	4,626	4,486	4,626
Prepaid rental		21,738	21,738	21,738	21,738
Other payables		12,567	5,263	12,560	5,254
Security deposits payable		4,046	3,188	4,046	3,188
Amount due to:	(ii)				
Ultimate holding company		37,383	–	37,383	–
Immediate holding company		771	771	771	771
Fellow subsidiaries		11,413	12,295	11,413	12,295
A related company		619	712	619	712
Total current other payables		93,023	48,593	93,016	48,584

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

(ii) Amounts due to ultimate holding company, immediate holding company, fellow subsidiaries and a related company which arose in the normal course of business are unsecured, interest-free and repayable on demand.

16. REVENUE

	Note	Group/Fund	
		2025 RM'000	2024 RM'000
Investment properties	4		
– Office		542,361	542,908
– Retail		35,676	36,123
		578,037	579,031

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17. PROPERTY OPERATING EXPENSES

	Group		Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Utilities expenses	11,056	12,269	11,056	12,269
Maintenance expenses	11,886	10,724	11,886	10,724
Quit rent and assessment	3,441	3,441	3,441	3,441
Other operating expenses	6,689	6,589	6,682	6,585
	33,072	33,023	33,065	33,019

18. MANAGEMENT FEES

	Group/Fund	
	2025 RM'000	2024 RM'000
Base fee	28,645	28,603
Performance fee	16,349	16,380
	44,994	44,983

The Manager will receive the following fees from KLCC REIT:

- a base fee of 0.3% (2024: 0.3%) per annum of the total asset value of KLCC REIT (excluding cash and bank balances) at each financial year end.
- a performance fee of 3.00% (2024: 3.00%) per annum of KLCC REIT's net property income in the relevant financial year.

19. TRUSTEE'S FEE

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

20. FINANCING COSTS

	Group		Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit expense:				
Amount due to a subsidiary	–	–	56,800	56,724
Sukuk Murabahah	56,800	56,724	–	–
Accretion of financial instruments	3,538	3,196	3,538	3,196
	60,338	59,920	60,338	59,920

21. PROFIT BEFORE TAXATION

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

	Note	Group		Fund	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Auditors' remuneration		115	110	110	105
Valuation fees		286	285	286	285
Property manager fee		97	97	97	97
Depreciation	3	188	205	188	205

22. TAX EXPENSE

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

As at the date of this financial statements, KLCC REIT has declared more than 90% of its distributable income to unitholders for the financial year ended 31 December 2025 accordingly. No provision for income tax expense has been made for the year.

Deferred tax liability has been provided for the investment properties held by KLCC REIT at 10% (2024: 10%) which reflects the expected manner of recovery of the investment properties, i.e. recovered through sale.

Reconciliation of the tax expense is as follows:

	Group	
	2025 RM'000	2024 RM'000
Profit before taxation	557,552	526,155
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	133,812	126,277
Income exempted from tax	(133,812)	(126,277)
Deferred tax recognised at different tax rate	11,019	7,836
Tax expense	11,019	7,836

	Fund	
	2025 RM'000	2024 RM'000
Profit before taxation	557,559	526,159
Taxation at Malaysian statutory tax rate of 24% (2024: 24%)	133,814	126,278
Income exempted from tax	(133,814)	(126,278)
Deferred tax recognised at different tax rate	11,019	7,836
Tax expense	11,019	7,836

Notes to the Financial Statements

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22. TAX EXPENSE (continued)

The ultimate holding company is subject to Pillar Two legislation which come into effect on 1 January 2025 following the Amendments to MFRS 112 Income Taxes International Tax Reform - Pillar Two Model Rules.

Mandatory temporary exception has been applied to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two Model Rules as well as disclosure requirements on the exposure to Pillar Two income taxes upon adoption.

The assessment of the Pillar Two income taxes is performed based on best financial statements information available for the constituent entities in the ultimate holding company as at reporting period by applying the requirements issued by Organisation for Economic Co-operation and Development ("OECD"). Based on the assessment carried out for the period, the Pillar Two effective tax rates are above 15%. Therefore, the Group and the Fund do not expect a potential exposure to Pillar Two top-up taxes.

23. BASIC EARNINGS PER UNIT

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

	Group		Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit attributable to unitholders	546,533	518,319	546,540	518,323
Weighted average number of units in issue ('000)	1,805,333	1,805,333	1,805,333	1,805,333
Basic earnings per unit (sen)	30.27	28.71	30.27	28.71

24. INCOME DISTRIBUTION

	Income distribution recognised in year		Net income distribution per unit	
	2025 RM'000	2024 RM'000	2025 sen	2024 sen
Recognised during the year:				
A fourth interim income distribution of 7.37% (2023: 6.40%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2024/2023	133,053	115,541	7.37	6.40
A first interim income distribution of 7.38% (2024: 6.80%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2025/2024	133,234	122,763	7.38	6.80
A second interim income distribution of 7.24% (2024: 6.74%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2025/2024	130,706	121,679	7.24	6.74
A third interim income distribution of 7.39% (2024: 6.79%) on 1,805,333,083 ordinary shares for financial year ended 31 December 2025/2024	133,414	122,582	7.39	6.79
	530,407	482,565	29.38	26.73

24. INCOME DISTRIBUTION (continued)

A fourth interim income distribution in respect of the financial year ended 31 December 2025 of 7.31% on 1,805,333,083 units, declared on 29 January 2026 amounting to an income distribution payable of RM131,969,848 will be payable on 27 February 2026.

The financial statements for the current year do not reflect this fourth interim income distribution. Such income distribution will be accounted for in equity as an appropriation of profits in the financial year ending 31 December 2026.

Distribution to unitholders is from the following sources:

	Group	
	2025 RM'000	2024 RM'000
Net property income	544,965	546,008
Profit income	8,327	7,291
Fair value adjustments of investment properties	110,192	78,359
	663,484	631,658
Less: Expenses	(105,932)	(105,503)
Tax expense	(11,019)	(7,836)
Profit for the year	546,533	518,319
Add: Non-cash items	10,381	8,018
Add: Brought forward undistributed income available for distribution	144,854	118,594
Total available for income distribution	701,768	644,931
Less: Income distributed	(397,354)	(367,024)
Less: Income to be distributed on 27 February 2026 (2024: 28 February 2025)	(131,970)	(133,053)
Balance undistributed income available for distribution	172,444	144,854
Distribution per unit (sen)	29.32	27.70

	Fund	
	2025 RM'000	2024 RM'000
Net property income	544,972	546,012
Profit income	8,327	7,291
Fair value adjustments of investment properties	110,192	78,359
	663,491	631,662
Less: Expenses	(105,932)	(105,503)
Tax expense	(11,019)	(7,836)
Profit for the year	546,540	518,323
Add: Non-cash items	10,381	8,018
Add: Brought forward undistributed income available for distribution	144,864	118,600
Total available for income distribution	701,785	644,941
Less: Income distributed	(397,354)	(367,024)
Less: Income to be distributed on 27 February 2026 (2024: 28 February 2025)	(131,970)	(133,053)
Balance undistributed income available for distribution	172,461	144,864
Distribution per unit (sen)	29.32	27.70

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25. MANAGEMENT EXPENSE RATIO

	Group		Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Total Trust expenses	47,314	47,516	47,309	47,511
Net asset value at the end of the financial year	8,122,849	8,106,723	8,122,928	8,106,795
Less: Fourth interim income distribution	(131,970)	(133,053)	(131,970)	(133,053)
Net asset value at the end of the financial year, after interim income distribution	7,990,879	7,973,670	7,990,958	7,973,742
Management Expense Ratio ("MER")	0.59	0.60	0.59	0.60

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

26. COMMITMENTS

(a) Capital commitments

Outstanding commitments in respect of capital expenditure at the end of the reporting year not provided for in the financial statements are:

	Group/Fund	
	2025 RM'000	2024 RM'000
Investment properties		
Approved but not contracted for		
Less than 1 year	10,595	6,979
Between 1 and 5 years	20,450	14,795
More than 5 years	–	–
	31,045	21,774
Property, plant and equipment		
Approved but not contracted for		
Less than 1 year	637	587
Between 1 and 5 years	3,914	1,704
More than 5 years	–	–
	4,551	2,291
	35,596	24,065

26. COMMITMENTS (continued)

(b) Operating lease commitments – as lessor

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

	Group/Fund	
	2025 RM'000	2024 RM'000
Not later than 1 year	672,360	653,915
Later than 1 year but not later than 5 years	2,152,147	2,257,225
More than 5 years	5,709,707	6,215,484
	8,534,214	9,126,624

27. RELATED PARTY DISCLOSURES

(a) Significant transactions with related parties

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

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

	Group		Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
(Expense)/income				
Federal Government of Malaysia				
Property licenses and other taxes	(3,441)	(3,441)	(3,441)	(3,441)
Government of Malaysia's related entities				
Purchase of utilities	(4,092)	(4,782)	(4,092)	(4,782)
Ultimate Holding Company				
Rental income	517,010	516,803	517,010	516,803
Fellow subsidiaries				
Management fees	(44,994)	(44,983)	(44,994)	(44,983)
Property management fees	(2,262)	(2,181)	(2,262)	(2,181)
Property maintenance fees	(10,416)	(9,570)	(10,416)	(9,570)
Property advertising and marketing fees	(1,142)	(1,073)	(1,142)	(1,073)
Carpark income	579	863	579	863
A subsidiary				
Profit expense	–	–	(60,338)	(59,920)
A related company				
Chilled water supply	(6,964)	(7,487)	(6,964)	(7,487)

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27. RELATED PARTY DISCLOSURES (continued)

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

Information regarding outstanding balances arising from related party transactions as at 31 December 2025 and 31 December 2024 are disclosed in Notes 6, 12 and 15.

28. FINANCIAL INSTRUMENTS

Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost.

	Note	Group		Fund	
		2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Financial assets					
Trade and other receivables	*	3,845	3,900	3,845	3,900
Cash and bank balances	7	249,650	191,872	249,282	191,597
		253,495	195,772	253,127	195,497
Financial liabilities					
Financings	13	1,361,053	1,360,537	–	–
Amount due to a subsidiary		–	–	1,360,613	1,360,199
Other payables	*	66,799	43,967	66,792	43,958
Other long term liabilities	11	84,836	80,458	84,836	80,458
		1,512,688	1,484,962	1,512,241	1,484,615

* These balances exclude non-financial instruments balances.

Financial risk management

The Group and the Fund are exposed to various risks that are particular to its core business operations. These risks, which arise in the normal course of the Group's and of the Company's business, comprise counterparty credit risk, liquidity risk and market risk relating to profit rate risk.

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

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

28. FINANCIAL INSTRUMENTS (continued)

Categories of financial instruments (continued)

Market Risk

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

Profit Rate Risk

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

The Group's and the Fund's profit rate risk arises primarily from profit-bearing financing. Financing obtained at fixed rates expose the Group and the Fund to fair value profit rate risk.

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

	Group		Fund	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Fixed rate instruments				
Financial assets	249,260	191,457	249,219	191,417
Financial liabilities	(1,361,053)	(1,360,537)	(1,360,613)	(1,360,199)

Since most of the Group's and the Fund's financial assets and liabilities are fixed rate instruments measured at amortised cost, a change in interest rate is not expected to have material impact on the Group's and the Fund's profit or loss.

Liquidity Risk

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

The Group and the Fund are in net current liabilities position of RM337,099,000 and RM337,020,000 respectively as at 31 December 2025. This is due to the reclassification of its RM500,000,000 Sukuk Murabahah to current liabilities as the maturity date is on 24 April 2026. The Group and the Fund have plans in place for the repayment of the Sukuk Murabahah on the maturity date.

The Manager does not expect repayment risk and is currently exploring various refinancing options and source to redeem the Sukuk Murabahah. Based on the reaffirmed AAA ratings from RAM Ratings on 6 August 2025, the Manager is confident that the Group and the Fund will be able to refinance the Sukuk Murabahah upon maturity.

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28. FINANCIAL INSTRUMENTS (continued)

Maturity analysis

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

	Group						
	Carrying amount RM'000	Contractual profit rate %	Contractual cash flow RM'000	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Financial Liabilities							
31 December 2025							
Sukuk Murabahah	1,361,053	4.00 – 4.20	1,615,342	545,311	35,100	105,201	929,730
Other payables	62,753	–	62,753	62,753	–	–	–
Security deposits payables	88,882	4.14 – 4.35	166,147	9,243	4,507	1,595	150,802
31 December 2024							
Sukuk Murabahah	1,360,537	4.00 – 4.20	1,671,626	56,111	545,484	105,237	964,794
Other payables	19,041	–	19,041	19,041	–	–	–
Security deposits payables	83,646	4.14 – 4.35	164,243	2,939	8,288	2,423	150,593
	Fund						
	Carrying amount RM'000	Contractual profit rate %	Contractual cash flow RM'000	Within 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
Financial Liabilities							
31 December 2025							
Amount due to a subsidiary	1,360,613	4.00 – 4.20	1,614,902	544,871	35,100	105,201	929,730
Other payables	62,746	–	62,746	62,746	–	–	–
Security deposits payables	88,882	4.14 – 4.35	166,147	9,243	4,507	1,595	150,802
31 December 2024							
Amount due to a subsidiary	1,360,199	4.00 – 4.20	1,671,288	55,773	545,484	105,237	964,794
Other payables	19,032	–	19,032	19,032	–	–	–
Security deposits payables	83,646	4.14 – 4.35	164,243	2,939	8,288	2,423	150,593

28. FINANCIAL INSTRUMENTS (continued)

Credit risk

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

Trade Receivables

Risk management objectives, policies and processes for managing the risk

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

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

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

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

Exposure to credit risk

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

Concentration of credit risk

At statement of financial position date, there was no significant concentration of credit risk.

Recognition and measurement of impairment loss

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

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

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

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

Notes to the Financial Statements

31 December 2025

28. FINANCIAL INSTRUMENTS (continued)

Trade Receivables (continued)

Recognition and measurement of impairment loss (continued)

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

	Group/Fund	
	2025 RM'000	2024 RM'000
At net:		
Current	83	148
Past due 1 to 30 days	48	36
Net trade receivable	131	184

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

The Group does not typically negotiate the terms of trade receivables. There were no renegotiated balances outstanding as at 31 December 2025 and 31 December 2024.

Fair Value Information

Recognised financial instruments

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

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

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

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

	Fair value of financial instruments not carried at fair value				Carrying amount RM'000
	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	
31 December 2025					
Financial liabilities					
Sukuk Murabahah	–	1,352,329	–	1,352,329	1,361,053
31 December 2024					
Financial liabilities					
Sukuk Murabahah	–	1,337,287	–	1,337,287	1,360,537

For the financial instruments listed above, fair values have been determined by discounting expected future cash flows at market incremental financing rate for similar types of financing at the reporting date. There were no transfers between Level 1, 2 and 3 fair values during the financial year (2024: no transfer between Level 1, 2 and 3 fair values).

29. CAPITAL MANAGEMENT

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

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

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

The financing to total assets ratio as at 31 December 2025 is as follows:

	Group	
	2025 RM'000	2024 RM'000
Total financing	1,361,053	1,360,537
Total assets	9,798,099	9,726,067
Financing to total assets ratio	13.9%	14.0%

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

30. SEGMENT INFORMATION

(a) Reporting format

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

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

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

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

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

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

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

Notes to the Financial Statements

31 December 2025

30. SEGMENT INFORMATION (continued)

(b) Allocation basis and transfer pricing

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

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

Business Segments

31 December 2025	Property investment – office RM'000	Property investment – retail RM'000	Consolidated RM'000
Revenue			
External customers	542,361	35,676	578,037
Results			
Net property income	521,218	23,747	544,965
Profit income			8,327
Fair value adjustments on investment properties	119,028	(8,836)	110,192
Management fees			(44,994)
Trustee's fee			(600)
Financing costs	(56,386)	(3,952)	(60,338)
Tax expense			(11,019)
Profit after taxation			546,533
Depreciation	166	22	188
Non-cash items other than depreciation	2,782	7,411	10,193
Segment assets	8,922,440	626,009	9,548,449
Cash and bank balances			249,650
Consolidated total assets			9,798,099
Segment liabilities	300,293	13,904	314,197
Financing			1,361,053
Consolidated total liabilities			1,675,250

30. SEGMENT INFORMATION (continued)

(b) Allocation basis and transfer pricing (continued)

Business Segments (continued)

31 December 2024	Property investment – office RM'000	Property investment – retail RM'000	Consolidated RM'000
Revenue			
External customers	542,908	36,123	579,031
Results			
Net property income	521,756	24,252	546,008
Profit income			7,291
Fair value adjustments on investment properties	77,988	371	78,359
Management fees			(44,983)
Trustee's fee			(600)
Financing costs	(55,984)	(3,936)	(59,920)
Tax expense			(7,836)
Profit after taxation			518,319
Depreciation	188	17	205
Non-cash items other than depreciation	8,601	(788)	7,813
Segment assets			
Cash and bank balances			191,872
Consolidated total assets	8,902,504	631,691	9,534,195
Segment liabilities			
Financing	244,424	14,383	258,807
Consolidated total liabilities			1,360,537
			1,619,344

31. ADOPTION OF REVISED PRONOUNCEMENTS

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

Effective for annual periods beginning on or after 1 January 2025

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

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

32. PRONOUNCEMENTS YET IN EFFECT

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

Effective for annual periods beginning on or after 1 January 2026

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

Notes to the Financial Statements

31 December 2025

32. PRONOUNCEMENTS YET IN EFFECT (continued)

Effective for annual periods beginning on or after 1 January 2026 (continued)

Amendments to MFRS 1 *First-time Adoption of Malaysian Financial Reporting Standards*, MFRS 7 *Financial Instruments: Disclosures*, MFRS 9 *Financial Instruments*, MFRS 10 *Consolidated Financial Statements* and MFRS 107 *Statement of Cash Flows (Annual Improvements to MFRS Accounting Standards – Volume 11)*

Effective for annual periods beginning on or after 1 January 2027

MFRS 18 *Presentation and Disclosure in Financial Statements*
Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates Translation to a Hyperinflationary Presentation Currency*

Effective for a date yet to be confirmed

Amendments to MFRS 10 *Consolidated Financial Statements: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*
Amendments to MFRS 128 *Investments in Associates and Joint Ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)*

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

MFRS 18 *Presentation and Disclosure in Financial Statements*

MFRS 18 replaces MFRS 101 and introduces enhanced requirements for the presentation and disclosure of financial statements. The standard mandates structured subtotals in the statement of profit or loss, classification of income and expenses into defined categories, and disclosure of management-defined performance measures with reconciliations to MFRS amounts.

The Group and the Fund have assessed the estimated impact on financial statements upon the initial application of MFRS 18. The implementation of MFRS 18 will not result in changes to the recognition and measurement of financial statements. The impact will be limited to the financial statements' disclosures and presentation.

Upon adoption, the Group and the Fund expect the impact mainly from the classification of income derived from fund and other investments into the investing category within the statement of profit or loss.

The Group and the Fund do not expect significant changes to the information that is currently disclosed in the notes as the requirement to disclose material information remains unchanged. However, there will be new disclosures required for:

- i. Management – defined performance measures; and
- ii. The nature of expenses for certain line items presented by function in the operating category of the statement of profit or loss.

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

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

Effective for annual periods beginning on or after 1 January 2026

Amendments to MFRS 9 *Financial Instruments* and MFRS 7 *Financial Instruments: Disclosures (Contracts Referencing Nature-dependent Electricity)*

Effective for annual periods beginning on or after 1 January 2027

MFRS 19 *Subsidiaries without Public Accountability: Disclosures*

Independent Auditors' Report

To the unitholders of KLCC Real Estate Investment Trust

Report on the audit of the financial statements

Opinion

We have audited the financial statements of KLCC Real Estate Investment Trust ("KLCC REIT" or the "Fund"), which comprise the statements of financial position as at 31 December 2025 of the Group and of the Fund, and statements of comprehensive income, statements of changes in net asset value and statements of cash flows of the Group and of the Fund for the year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 340 to 382.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Fund as at 31 December 2025, and of their financial performance and their cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Securities Commission's Guidelines on Real Estate Investment Trusts in Malaysia.

Basis for opinion

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

Independence and other ethical responsibilities

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

Key audit matters

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

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

Valuation of investment properties

As at 31 December 2025, the carrying value of the Group and of the Fund's investment properties carried at fair value amounted to RM9,469,696,000 which represents 97% of the Group and of the Fund's total assets. The Group and the Fund adopt the fair value model for its investment properties. The valuation of investment properties carried at fair value is significant to our audit due to their magnitude, complex valuation method and high dependency on a range of estimates (amongst others, rental income data, yield rate and discount rate) which are based on current and future market or economic conditions. The Group and the Fund have engaged an external valuer to determine the fair value of the investment properties at the reporting date and a fair value gain of RM110,192,000 has been recognised during the year.

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

- We considered the objectivity, independence and expertise of the independent valuer;
- We obtained an understanding of the methodology adopted by the independent valuer in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry;
- We had discussions with the independent valuer to obtain an understanding of the property related data used as input to the valuation models which included, amongst others, rental income data and yield rate;

Independent Auditors' Report

To the unitholders of KLCC Real Estate Investment Trust

Valuation of investment properties (continued)

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

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

Information other than the financial statements and auditors' report thereon

The Manager of the Fund is responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Fund and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Manager of the Fund and take appropriate action.

Responsibilities of the Manager for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

Other matters

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

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

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

Kuala Lumpur, Malaysia
29 January 2026