




“  
**Our commendable results in 2023, while navigating numerous industry challenges, underscore the disciplined execution of our SHIFT25 strategy in translating our strategies and plans into actions and delivering results.**  
 ”



**DATO' AZMIR MERICAN**  
 Group Managing Director



 Serenia Anisa, Serenia City

## Dear Stakeholders

It gives me great pleasure to share that FY2023 was a successful year for Sime Darby Property as the Group recorded a solid performance with its highest revenue and operating profit since the 2017 demerger, reaching RM3.4 billion and RM606.4 million respectively. This achievement was primarily attributed to the robust sales performance of our diversified product mix and recovery from labour shortage which contributed to higher site progress in major townships within the Property Development segment.

The Group’s performance was also supported by a sales achievement of RM3.3 billion and the successful launch of 37 projects with a combined Gross Development Value (“GDV”) of RM4.0 billion during the year.

Our commendable results in 2023, while navigating numerous industry challenges, underscore the disciplined execution of our SHIFT25 strategy in translating our strategies and plans into actions and delivering results. As we progress, the transformation journey remains focused on igniting our Engines of Growth and driving Corporate Priorities. In this statement, I will provide an overview of our operational progress throughout the year and the strides we have taken towards how we are executing our SHIFT25 strategy.

# Group Managing Director

## Review

### A YEAR OF PROGRESS ON ALL FRONTS

Driven by our focus on execution, we achieved notable headway across all our business segments in 2023. It was another significant year for our Property Development business, as we continued to sustain sales momentum, accelerate on-site progress and ensure successful product delivery. Despite a cautious start to the year, we managed to surpass our sales target of RM2.7 billion by 22% while handing over approximately 3,440 units to new homeowners during the year, well above our yearly average of 2,000 units.

The Property Development segment also reached a crucial milestone for our long-term ambitions in the industrial sector. Following on from our announcement last year, we are pleased to have obtained shareholder approval for the acquisition of 949 acres of land in Sg. Kapar, Klang for a consideration of RM618 million. The acquisition will contribute to a future pipeline of products worth approximately RM5-6 billion in GDV within our established Bandar Bukit Raja township. This new industrial gateway, or “BBRX,” will be positioned as a high-value ESG-focused industrial park, enabling us to launch products for the next 10-15 years.

For our Investment & Asset Management (“IAM”) business, we are proud to have secured the first tenancy for our maiden project within the E-Metro Logistics Park in Bandar Bukit Raja, Klang, with J&T Distribution Solutions Sdn Bhd (“J&T”) committing to occupy 21% of the Net Lettable Area (“NLA”) with an option to expand for an additional 23% of the NLA. As the first development under our Industrial Development Fund (“IDF”), formed as a joint venture with LOGOS Property in 2021, our ability to deliver on these initial projects will provide a strong foundation for expanding our fund management business in the future.

Meanwhile, our flagship Leisure asset, Kuala Lumpur Golf & Country Club (“KLGCC”) successfully heralded the return of Ladies Professional Golf Association (“LPGA”) to Malaysia after six years, hosting its sanctioned Maybank Championship on 26-29 October 2023. This event provides a vital boost for the global visibility of our award-winning golf course, attracting over 50,000 visitors and being broadcasted in over 170 markets and 560 million households worldwide. KLGCC will continue to host this exciting event for the next two editions, up until 2025.



## Group Managing Director Review



In addition to these milestones, we also took meaningful steps forward in our sustainability journey during the year, underscored by the November 2023 announcement of our pledge to achieve Net Zero Emissions by 2050, with the intermediate target of reducing our Scope 1 and Scope 2 emissions by 40% by 2030. We have also announced our support for the Government's National Energy Transition Roadmap ("NETR"), specifically towards the vision of achieving 70% renewable energy generation capacity by 2050.

To this end, we are spearheading the industry-wide transition towards renewable energy through residential, commercial and large-scale solar projects amongst others and have signed a Memorandum of Understanding ("MOU") with Tenaga Nasional Berhad ("TNB") for the exploration and development of sustainable higher revenue recognition.

We are also pleased to have officially opened our new 53-acre KL East Park, an enchanting naturally regenerating secondary rainforest in the heart of the city, home to a variety of rare, endemic species and beautiful geological formations. Following its February 2023 launch, KL East Park has already been accorded numerous awards, including the Placemaker Award (Excellence) in the Star Property Real Estate Developer Awards 2023 and the Landscape Resource Preservation & Conservation Award in the 13th Malaysia Landscape Architecture Awards. Overall, the

Group had won an unprecedented 51 awards in 2023 and received international recognition by winning Gold in the Masterplan category for the City of Elmina and Silver in the Residential Mid-Rise category for Cantara Residences at the 2023 FIABCI World Prix d'Excellence Awards held in the United States.

Another notable highlight of the year was the commencement of our strategic collaboration with Maybank to integrate their Maybank Home2u financing platform into Sime Darby Property's Online Booking System. This strategic venture now enables us to offer homebuyers a seamless experience in booking their dream home and applying for financing in one single journey.

### RESPONDING TO A DYNAMIC MARKET LANDSCAPE

Despite the measurable success achieved in 2023, there were ongoing challenges including domestic and global inflationary pressures, a weakening Ringgit and labour shortages. Like many developers, we were cautious going into FY2023. The improved labour availability contributed to better site progress resulting in higher revenue recognition.

In the first half of FY2023, we witnessed a robust sales momentum, achieving 65% of our full-year target. This encouraged us to revise our full-year sales target from RM2.3 billion to RM2.7 billion and our GDV launch target from RM3.0 billion to RM4.0 billion,

as we were confident that market demand would remain well into the second half of the year. Our agility in swiftly taking advantage of market conditions stems from our product pipeline readiness and having low levels of completed inventories, which enable us to capitalise on growing consumer demands by launching more products.

While the domestic market proved favourable, the landscape in the United Kingdom (“UK”), home to our Battersea Power Station (“BPS”) joint venture with S P Setia and the Malaysian Employee Provident Fund (“EPF”), presented challenges. The overall UK market has been significantly impacted by rising inflation and persistent interest rate hikes, with the Bank of England announcing 14 rate hikes since September 2021, five of them occurring in the past twelve months alone.

As a result, we incurred higher share of losses from the BPS joint venture in 2023, impacting our bottom line. Nonetheless, we will continue to monitor the market environment while we focus our efforts on ensuring the overall Battersea development remains a vibrant and thriving destination for its resident community and visitors alike.

Market dynamics aside, our key challenge in Malaysia was to manage the rising cost of business, with our industry currently exposed to an increase in the overall cost of construction, notably due to rising raw material prices, currency fluctuation and cost of labour, which is placing pressure on margins. To mitigate this challenge, we continue to leverage our strengths and diversify our product mix across 25 of our active townships, offering both landed and high-rise residential products across various price points, commercial products, as well as introducing more industrial products and solutions across an array of customers.

## ROBUST LAUNCHES AND SALES

Aligned with our heightened focus on industrial property development, ten of our launches in 2023 featured industrial products with a collective GDV of RM689 million. Building upon our established success at Elmina Business Park, Serenia City, and XME Business Park in Nilai Impian, six developments within these projects achieved a strong 92% take-up rate, reflecting robust market demand and underscoring our growing reputation as a developer of sought-after industrial parks.

Other launches primarily consisted of residential products. Landed residential offerings amounted to a total GDV of RM1.6 billion, with an average take-up rate of 77%. Standout projects that garnered especially strong take-up rates were Elmina Green 7 in the City of Elmina, Serenia Anisa in Serenia City and Emilia in Nilai Impian.

Meanwhile, high-rise residential launches contributed to a total GDV of RM1.4 billion, reflecting our focus on increasing our portfolio of high-rise residential projects. Notable developments in this category included Teja in SJCC, Serasi Residences in Putra Heights, and Hype Residences, the first serviced apartment introduced in our new SJ7 mixed integrated development.

In 2023, the Group’s total sales of RM3.3 billion featured a well-balanced product mix, with residential landed properties accounting for 36%, high-rise residential units for 27%, and industrial products for 31% of the total sales. Both the industrial and high-rise residential segments demonstrated year-on-year growth, expanding by 15% and 2% to respectively contribute RM1.0 billion and RM889 million towards total sales during the year.

Guided by our emphasis on strategic diversification of our Property Development products, the industrial segment’s sales contribution has increased from minimal in 2019 to 31% in 2023, marking its importance and growing demand. Segment sales were mainly from Elmina Business Park, Bandar Bukit Raja and Nilai Impian’s XME Business Park. Similarly, high-rise residential sales have also seen a significant uptick, rising from 19% of sales in 2019 to 27% in FY2023.

Sales for Koa at Electric Boulevard at BPS achieved a take-up rate of approximately 54%, with 111 units sold thus far amounting to a GDV of £101.6 million. As it stands at 31 December 2023, our two previously completed residential projects achieved a combined 97% take-up rate, while our three commercial spaces in Phase 1, 2 and 3A are currently leased at 95%, 90% and 85% respectively. The growing popularity of the Battersea Power Station as a destination for both locals and tourists has resulted in a significant 45% increase in annual footfall, with over 11 million visitors welcomed during 2023.

While our property development activities expanded in 2023, the total land activated (including non-core disposals) during the year reduced by 940 acres, reflecting our increased emphasis on high-rise launches within our portfolio. Recognising the continued potential in this market segment, we are actively exploring strategic pocket land acquisitions for swift turnaround projects that will bolster our high-rise product pipeline.

As we progressed in completing our acquisition of new land for industrial township development in Kapar, Klang, we also maintained momentum in our land monetisation activities to divest non-core land assets. Throughout the year, we executed four Sale and Purchase Agreements (“SPAs”) with a total value of approximately RM87 million for the disposal of approximately 400 acres of non-core lands in Kedah. These agreements are currently in various stages of sale and are targeted to be completed in FY2024.





## Group Managing Director Review

**In 2023, a total of 74,072 training hours were recorded, with 86% of the hours dedicated to technical, functional, and sustainability programmes.**

### INVESTMENT & ASSET MANAGEMENT SEGMENT

Over the past twelve months, significant progress has been achieved in advancing our IAM businesses and ongoing projects. Our inaugural wholly-owned mall, KL East Mall (“KLEM”), has physical occupancy of 90% with footfall boosted by the opening of Camp5, a marquee tenant.

Looking ahead, our retail division is gearing up to launch two new malls, Elmina Lakeside Mall and Senada Mall, in FY2024 and FY2025. These neighbourhood malls will offer a diverse range of amenities, including drive-through restaurants, a variety of dining options, home and living stores, services, health and wellness outlets, and boutique lifestyle retailers. Designed as convenient hotspots for discerning consumers and buyers, our retail assets are not only shaping up to be attractive shopping destinations but also vibrant lifestyle community hubs for our township residents.

For our industrial division, construction of the first development project under our IDF has also progressed as planned. Metrohub 2 is slated to complete in the first half of 2024, with Metrohub 1 on track to complete at the end of the year. In addition to securing J&T as our first tenant for Metrohub 2, we are also pleased to have obtained a SHASSIC 5 Star rating for both Metrohub 2 and Metrohub 1. Furthermore, we have secured commitments for the remaining RM300 million to close the Fund at RM1.0 billion.

With our sights set on unlocking more avenues for recurring income growth, our IAM segment is diversifying its portfolio into new asset classes adjacent to real estate such as renewable solar energy, aligning itself with upcoming trends linked to the government’s National Industrial Masterplan 2030 (“NIMP”) and NETR. Our solar initiatives represent an especially exciting new sector for the Group, enabling us to leverage on various competitive advantages we possess, including our position as property developer with large rooftop spaces and landbanks, our relationships with end customers and tenants, as well as our capital raising capabilities with investments and fund management teams.

In tandem with our growth projects, we have continued to undertake operating efficiency, cost reduction and asset enhancement initiatives across our various asset classes. Compounded with the expected opening of Elmina Lakeside Mall in Q3 2024 and other activations in our pipeline, we expect stronger contributions from our IAM segment in the coming year.

### LEISURE SEGMENT

Our Leisure segment increased its revenue by 11% during 2023, with a 4% increase in membership during the year contributing to higher F&B and golfing activities. A key highlight for this segment was certainly the successful hosting of the Maybank Championship 2023 which was an important coup in our ongoing efforts to bring world-class events to the club and further promote our KLGCC West Course as amongst the best in Asia. With hosting rights for the next two years secured, we are seizing the opportunity to enhance and upgrade our facilities and amenities to capitalise on the exposure to grow membership.

In 2023, we refurbished our KLGCC gym with cutting edge equipment powered by Technogym to boost our members’ experience, while also enhancing our badminton and squash courts, as well as our golf course greens. The club has also underscored its commitment to elevate the township’s offerings by collaborating with partners to introduce new activities such as pickle ball, padel, spin classes and yoga at The Courts at KLGCC Resort.

Across our Leisure assets, we were successful in growing the total revenue from events. A total of 1,068 events generated revenue of RM21.7 million in 2023, compared to 1,011 events and RM15.8 million revenue in 2022.

Moving forward, we will continue to enhance our offerings across our assets, seeking to offer greater value, variety and convenience to our members. One exciting development our KLGCC members can look forward to is the refinement of our KLGCC mobile application to include digitalisation of our driving range and other sports facilities on top of existing golf sessions booking system, which will be supplemented by a 7-day advance booking policy to foster fair booking practices for all members.

### STRONG FINANCIAL PERFORMANCE

In 2023, the Group’s revenue reached RM3.4 billion, marking a significant 25.3% increase from the previous year. This growth was driven by the strong performance of the Property Development segment, supported by higher opening unbilled sales, healthy sales momentum and took advantage of improving labour market conditions to ramp up on-site development across



→ KLGCC was the official venue host for the Maybank Championship 2023 as sanctioned by LPGA

major townships. On the back of our highest revenue since the 2017 demerger, we also saw a notable increase in operating profit, rising by 39.0% to RM606.4 million. Similarly, our profit before tax ("PBT") surged by 33.0% to RM610.3 million, and profit after tax and minority interest ("PATAMI") grew by 29.2% to RM407.9 million. However, these profits were partly offset by an increase in our share of loss from joint ventures, which amounted to RM58.1 million compared to RM27.8 million in 2022, primarily due to challenges faced by our BPS project in the UK stemming from an unfavourable operating environment.

Our impressive performance in 2023 is further highlighted by an increase in our total bookings, which reached RM1.9 billion as of 4 February 2024, while our total unbilled sales have remained steady at RM3.6 billion. With the cash deployment on land acquisitions for future developments in Bandar Bukit Raja and Malaysian Vision Valley 2.0, our cash position remains robust at RM602.6 million and is further supported by a healthy net gearing ratio of 22.7%.

## DEVELOPING OUR PEOPLE

We regard our workforce as our most invaluable asset and are making significant investments to provide them with opportunities for professional development, empowering them to contribute meaningfully to our SHIFT25 dynamic transformation objectives.

In 2023, a total of 74,072 training hours were recorded, with 86% of the hours dedicated to technical, functional, and sustainability programmes. We deployed a wide range of development programmes to meet the diverse needs of our workforce, including the resumption of face-to-face training sessions based on the request of the management and employees, and the continued use of LinkedIn Learning, which was integrated with AI functionality in 2023 to curate learning plans tailored to each employee's specific needs.

Our training and development framework was further bolstered during the year with the introduction of a variety of new initiatives. These include an Aspiration and Development Conversation workshop to equip Line Managers with communication skills for engaging and developing top talent, a pilot programme crafting Individual Development Plans for selected employees to initiate their career progression with Sime Darby Property, and site visits to provide additional on-ground exposure for our workforce to understand our business activities and safety practices.

We initiated a partnership with YSD to provide our high potential employees a chance to advance their professional qualifications via the Masters of Real Estate Development programme that has been designed by Universiti Tunku Abdul Rahman in collaboration with Real Estate and Housing Developers Association ("REHDA").



## Group Managing Director Review

Complementing our training and development thrusts, we conducted a comprehensive array of engagement activities throughout the year to maintain robust engagement and motivation among our workforce. These activities ranged from festive gift-giving and observance of global days such as Mother’s Day, to sporting events like futsal and cycling games, and a variety of webinars.

It is heartening to see our efforts to empower employees recognised by the broader industry, as we picked up three notable awards reflecting our commitment in this aspect: the LinkedIn Learning Champion 2023, Talentbank’s Graduates’ Choice Award 2023 and HR Asia’s Best Companies to Work for in Asia 2023.

### PROGRESSING OUR DIGITALISATION JOURNEY

Acknowledging the pivotal role of digitalisation in maintaining our competitive edge in today’s landscape, the Group has prioritised the adoption of new technologies while reinforcing our cybersecurity framework.

Key digitalisation efforts undertaken during FY2023 include the implementation of an executive management dashboard, which offers easy access to construction and sales progress to our leadership teams, along with the automation of purchaser application data for submission to Lembaga Perumahan dan Hartanah Selangor (“LPHS”) and the integration of our Enterprise Resource Planning (“ERP”) and eProcurement systems to reduce double entries for property contract related transactions.

As we seek to embed ESG considerations into our business processes, we have adopted the use of Benchmark Gensuite’s digital ESG reporting software to streamline the tracking of key safety and sustainability KPIs, enhancing our ability to disclose our performance in adherence to ESG frameworks and provide meaningful updates of our impacts to investors and other stakeholders.

Cognisant that increased digitalisation brings additional exposure to cybersecurity risks and data privacy compliance requirements, we have continued to bolster our cybersecurity systems in FY2023. Key initiatives include enhancing protection for our email systems with three layers of defence to block malware and phishing emails, as well as the adoption of Data Leakage Protection (“DLP”) tools to encrypt and classify user data, protecting against unauthorised access or use.

As we progress in our digitalisation journey, we remain mindful of the challenges and opportunities in our path. Costs continue to be a significant consideration, particularly due to the limited availability of software tailored for Property Developers and Construction digitalisation. This scarcity leads to low competition and consequently, higher costs for software acquisition.

Simultaneously, we recognise the importance of fostering a shift in employee mindset, and are actively addressing this through the implementation of digital and cybersecurity-related training modules. Over the past year, we began integrating Cybersecurity eLearning into our HR on Cloud (“HROC”) platform, enabling employees to learn at their convenience and empowering managers to oversee their progress.

At the same time, our digital transformation concurrently presents opportunities to enhance our competitiveness and operational efficiencies through the use of cutting-edge tools and technology. Among the initiatives we are exploring are the utilisation of augmented reality cameras to monitor construction progress, identify defects and remotely manage issues on our construction sites. Additionally, we are assessing the implementation of an online marketplace ecosystem that connects developers and construction materials, streamlining the procurement process and facilitating more efficient buying, selling and price negotiation for raw materials.

Moving forward, we are committed to identifying and adopting a broader range of smart building technologies to be integrated into both construction processes and home design. This approach will result in the creation of more energy-efficient, sustainable and desirable properties, solidifying our position as a market leader in the industry.

### FULFILLING OUR PROMISE OF SUSTAINABLE RETURNS

In addition to achieving strong financial returns in 2023, we focused on delivering clear social and environmental impacts and have made significant progress on the ESG front.

A pivotal measure of our success has been our ability to maintain and enhance our ratings in global and local sustainability benchmark indices. In 2023, the Group was successful in improving our Carbon Disclosure Project (“CDP”) rating from ‘C’ to ‘B’, surpassing Asia’s ‘C’ average and indicating the meaningful progress we have made to embed robust environmental management into our operations. With this improved rating, the Group is positioned more favourably amongst financial institutions, investors and regulators that are demanding greater transparency in environmental disclosures and increased climate action from corporate entities.

In conjunction with this, I am delighted to announce that our Sukuk Musharakah Programme has maintained its AA+<sub>IS</sub> rating with a stable outlook from MARC Ratings Berhad for the third consecutive year in 2023. This continued strong rating reflects the Group’s robust fundamentals and ongoing growth prospects, where MARC Ratings have noted our strong sales track record in well-established townships, and strong balance sheet, characterised by low leverage, as key rating drivers.



Having issued an additional RM600 million under the Sukuk Musharakah Programme during FY2023, we have utilised these proceeds to part fund the Group's long-term assets, including working capital requirements, all guided by our overarching goal of delivering sustainable returns to all our shareholders.

## CLIMATE CHANGE

As the global community intensifies efforts to combat the impacts of climate change, our Net Zero pledge announced in 2023 reaffirms our commitment to driving positive transformation within our sectors. Embracing a comprehensive approach to climate change mitigation, we are actively increasing our use of renewable energy, exploring alternative materials with lower carbon footprints, reducing operational waste sent to landfills, and implementing optimised electricity consumption practices, among other initiatives.

With our efforts intensifying, we are confidently on track to achieve our goal of reducing Scope 1 and 2 emissions by 40% by 2030. Recognising that collaboration within the industry is vital for reaching our Net Zero Emissions target across all three emission scopes, we have also heightened our engagement with industry associations and our supply chain to advocate for swift decarbonisation.

In addition to our carbon abatement initiatives, we remain committed to enhancing biodiversity across all our developments while preserving and regenerating natural ecosystems. Two significant biodiversity projects reached key milestones during the year, with the launch of the first phase of our KL East Park undertaken in February, and work commencing on our City of Elmina biodiversity corridor in December.

It is heartening to see KL East Park already being recognised through numerous awards for its landscaping design, placemaking value and contribution to the community, and we are excited to replicate a similar success for the City of Elmina biodiversity corridor. This ambitious project aims to restore ecological connectivity to the Bukit Cherakah Forest Reserve via the 300-acre Elmina Central Park. In our efforts to create a truly diverse and welcoming urban wildlife sanctuary, our design will mimic the layers of natural rainforests, providing refuge and resources for the flourishing of flora and fauna.

As we advance as a catalyst for positive change, we recognise the significance of having an enthusiastic and highly knowledgeable workforce, alongside a collaborative network of supply chain partners, prepared to tackle the challenges ahead. Accordingly, in 2023, we introduced three new educational and awareness ESG learning modules to strengthen our engagement with employees and supply chain partners, while building their competencies in the areas of carbon footprint reduction and biodiversity protection.

“  
As we advance as a catalyst for positive change, we recognise the significance of having an enthusiastic and highly knowledgeable workforce, alongside a collaborative network of supply chain partners, prepared to tackle the challenges ahead.”

## SAFETY FIRST

As a leading national property developer, the Group remains a strong proponent of workplace safety and health in the real estate industry in Malaysia. Now in its third year, our leaders, including two board members, have continued to engage staff, contractors and consultant owners via the Leadership Engagement and Action Programme (“LEAP”). In 2023, we enhanced this engagement with the launch of the Talk to Workers (“T2W”) initiative, facilitating one-to-one discussions with 62 workers to gain deeper insights into their safety challenges.

In addition, we have also significantly revamped our Health, Safety, Security, and Environment (“HSSE”) management systems over the past year, launching a comprehensive suite of 19 HSSE manual to systematically ingrain safety practices across our organisation. As part of this upgrade, we provided a total of 8,037 hours of engagement and training with all relevant members of our workforce, culminating in the successful completion of the Hazard and Effect Management process for Working at Heights.





## Group Managing Director Review

As we refine our management approach, our commitment to promoting robust safety practices on-site remains unwavering. I am pleased to report that our compliance with Personal Protective Equipment (“PPE”) protocols across construction sites reached an impressive 97% as at the end of 2023. Additionally, we achieved improved compliance with work-at-height scaffolds measuring contractors’ adherence against CIDB requirements. Through our proactive engagement with staff, we also witnessed a notable increase in the reporting of first aid and injury incidents. Responding to our calls to embed a robust safety culture across all levels of our organisation, 94% of our staff reported at least two safety observations or concerns during the year.

Despite our diligence, we suffered one fatality involving a subcontractor’s worker in December 2023. Our heartfelt condolences go out to the affected family and colleagues. This incident is not acceptable and we are working closely with our contractors for strict adherence to safety standards, practices and cultures at worksites. We remain steadfast in ensuring that all employees, contractors and site workers comply with the set safety standards and regulations to eliminate such occurrences.


### OUTLOOK

Entering 2024, there is a notable upswing in optimism compared to the start of 2023, underpinned by rising sales volumes, encouraging market response to new property launches and successful project completions. Additionally, positive government policies and incentives further bolster our confidence in the market outlook.

Recent economic forecasts suggest that the country is primed for stronger growth of between 4-5%, while the expected stability of interest rates augurs well to provide businesses and consumers with more certainty. Globally, economic growth is expected to remain modest due to monetary policy tightening and subdued trade amidst ongoing geopolitical tensions. However, there is a positive indication of declining global inflation from its 2023 peaks. Nevertheless, we remain vigilant to a weakening ringgit and rising cost of materials impacting our margins and cost of doing business.

On the back of robust demand and improving labour conditions in 2023, our Property Development arm will remain agile to respond to market developments by launching products tailored



 A safety briefing during a LEAP visit

## “ We remain steadfast in ensuring that all employees, contractors and site workers comply with the set safety standards and regulations. ”

to specific segmental needs and target markets. We will maintain an aggressive stance in executing our launch pipeline, particularly focusing on all three segments of landed residential, industrial and high-rise residential. Emphasis will also be placed on addressing the growing demand for value-oriented solutions across residential and commercial sectors, incorporating elements of sustainable living, green initiatives, energy efficiency and ESG principles into our upcoming product offerings.

Sustainability remains a core focus for us at Sime Darby Property, driving our passion to lead and effect change. The introduction of various solar initiatives by our IAM segment in 2023 underscores this commitment, and we are optimistic to see meaningful progress in these ventures during 2024, while also seeking outcomes from our collaboration with TNB to explore renewable energy opportunities.

Moreover, we see significant potential for our IAM segment in capitalising on new opportunities arising from recently announced government policies, such as the NIMP and NETR. Leveraging our strategic land holdings and project execution capabilities, we are in a prime position to benefit from the various catalytic projects under these policies, especially within the solar energy and industrial and logistic parks sectors.

Across all segments, our focus will remain on executing our SHIFT25 strategy and plans with emphasis on accelerating our Engines of Growth and driving Corporate Priorities. We will continue to protect our margins through effective cost management practices, while ensuring an agile and diversified product mix that is complemented by placemaking and developing of catalytic assets to uplift the value of our townships.

Simultaneously, we will increase our urgency and attention on ESG and sustainability in our role as a ‘Force for Good’, setting the bar higher each year to create multiplied value for all stakeholders.

### ACKNOWLEDGEMENTS

I am delighted to acknowledge the numerous parties whose contributions have propelled the Group to its record-breaking performance in 2023.

First and foremost, heartfelt thanks to our esteemed Board of Directors for their invaluable guidance, counsel and unwavering support. The Board and the various Board committees have spent much effort and time to help shape our progress and transformation. To my dedicated colleagues in management, your collaborative spirit has been instrumental in driving our SHIFT25 transformation journey forward. We are also profoundly grateful for the enduring trust and support of our valued investors and shareholders, particularly key stakeholders such as Permodalan Nasional Berhad (“PNB”), who have steadfastly believed in our vision.

A sincere appreciation goes out to the State Governments of Selangor, Negeri Sembilan and Johor, and the local authorities, as well as the Federal Government, Ministries, agencies, regulatory bodies, industry associations like REHDA, and our strategic partners and vendors. Your ongoing support has been essential in facilitating our continuous evolution and enabling us to surpass our targets. I would like to especially extend my gratitude to our customers and the communities we serve. Your support and confidence in our products and strategies motivate us to continuously strive for excellence.

Last but certainly not least, I offer my deepest appreciation to all our employees. Your remarkable resilience and adaptability in navigating the current environment while consistently delivering your best efforts are truly commendable.

To all of you who share and believe in our Purpose, Vision, Mission and Values, you are the cornerstone of our successes. Let us continue to collaborate, cooperate and engage meaningfully together to ensure that TEAM Sime Darby Property remains a driving force for collective progress, delivering sustainable value for people, businesses, economies and the planet.

### DATO’ AZMIR MERICAN

Group Managing Director