

FOR IMMEDIATE RELEASE

Sime Darby Property's Profit Before Tax Rises by 41% to RM229.0 million in H1 FY2022

- Sales of RM1.9 billion achieved in H1 FY2022 representing 48% growth YoY and 18% QoQ, attributable to a healthy product mix within the residential and industrial segments;
- Revenue of RM1.1 billion in H1 FY2022 remains on par against preceding year;
- All business segments continue to be profitable in H1 FY2022 leading to stronger PBT YoY;
- First interim dividend of 1.0 sen declared.

ARA DAMANSARA, 25 AUGUST 2022 – Sime Darby Property Berhad (“Sime Darby Property” or “Group”) registered RM1.9 billion sales for the six months ended 30 June 2022 (“H1 FY2022”), marking a 48% increase from the RM1.3 billion achieved in the same period last year. The Group also recorded revenue and profit before tax (“PBT”) of RM1.1 billion and RM229.0 million, representing an increase of 0.5% and 40.9% year-on-year (“YoY”). Profit after tax and minority interest (“PATAMI”) increased 75.3% YoY to RM156.6 million.

For Q2 FY2022, Sime Darby Property registered higher revenue quarter-on-quarter (“QoQ”). This was driven by strong development site progress at its major townships from June onwards as well as sales of products with higher margins. The Group remains committed to achieve its product launch target in FY2022 of RM2.8 billion in Gross Development Value (“GDV”) of which RM1.5 billion worth of products were launched in H1 FY2022, garnering a 94% average take-up rate for residential properties excluding statutory products as at 7 August 2022.

The Group continues to yield positive results to unlock value from its active land bank management and monetisation exercise. Total completed stocks has also reduced to RM319.9 million as at 30 June 2022.

Sime Darby Property's Group Managing Director, Dato' Azmir Merican said the Group's strong performance in H1 FY2022 was driven by its steady product launches throughout the pandemic period which registered commendable take up rates.

“The Group will continue to exercise rigorous financial discipline across our operations, working closely with our reliable pool of vendors to manage the current challenges in the operating environment. We were resilient in addressing these operational issues, leading to our strong momentum in the first half of the year and we aim to sustain this positive trajectory for the remainder of the year.” he said.

Dato' Azmir added: "We are also excited to announce that in June 2022, the Group launched its new Purpose statement 'To be a Value Multiplier for People, Businesses, Economies and the Planet' to multiply value for our stakeholders. This new clarity of purpose will set a clear direction vis-à-vis the Group's long-term strategy towards becoming a real estate company."

H1 FY2022 vs H1 FY2021

The Property Development segment contributed 91.5% of the Group's total revenue. The revenue in the first half of the year has been impacted by the ongoing nationwide labour shortage issue, limiting the acceleration of site progress. Nevertheless, PBT increased by 29.5% YoY mainly driven by higher margin products and overall development site progress as compared to the impact of Full Movement Control Order ("FMCO") enforced in June 2021, plus gains from disposal of industrial land to the Industrial Development Fund via dilution of interest.

The Investment & Asset Management segment also registered good performances in terms of revenue and PBT, which grew by 21.1% and 35.2% YoY respectively to RM52.3 million and RM29.0 million, buoyed by higher revenue from KL East Mall ("KLEM") that reflected an improved occupancy rate of 80% versus last year's 73%, as well as increased footfall. This was further supported by the improved share of results from Melawati Mall, which also recorded higher footfall in the period under review.

The resumption of business activities in Q4 FY2021 contributed to the Leisure segment's RM41.2 million revenue. The RM8.9 million gain from the disposal of a property in Vietnam also boosted the PBT for this segment over 100% from last year's loss before tax ("LBT") of RM6.3 million.

Sales Achievements and Unbilled Sales

Sime Darby Property is on track to exceed its FY2022 sales target based on the Group's RM1.9 billion sales achievement in H1 FY2022 which captures approximately 73% of the RM2.6 billion full year target. This achievement marks a 48% YoY increase compared to the RM1.3 billion registered in the same period last year. Boosted by data-driven and omnichannel customer-focused marketing initiatives, the launches of in-demand products at the right price points in strategically located townships continue to be effective in maintaining the Group's bookings to sales conversion at approximately 80% despite the tough market conditions.

The Group's unbilled sales has also increased to RM3.4 billion as at June 2022 compared to RM1.8 billion in the corresponding period last year, ensuring earnings visibility for the next two years. This achievement was mainly driven by the coveted high-rise products at Jendela Residences in KLGCC Resort and Maya Ara Residences in Ara Damansara, as well as industrial products at Bandar Bukit Raja and XME Business Park in Nilai Impian.

Dividend

Premised on the strong H1 FY2022 results supported by the Group's healthy financial position, Sime Darby Property has declared its first interim dividend of 1.0 sen dividend per share for financial year ending 31 December 2022 amounting to RM68 million and will strive towards maximising further value creation to reward its shareholders.

Outlook for FY2022

Sime Darby Property will continue to introduce more products which resonate with the market, given the encouraging demand from its recent launches. The Group's continued financial strength is substantiated by its cash and cash equivalents at RM820 million and net gearing of 30.3% as at H1 FY2022, ensuring it is well-positioned to fund future growth initiatives.

Dato' Azmir added, "Sime Darby Property's first half performance has outperformed expectations to-date and we are confident of surpassing the Group's FY2022 sales target of RM2.6 billion, underpinned by new launches worth RM2.8 billion in GDV. For the remainder of the year we are looking forward to many exciting new developments including the launch of the Battersea Power Station in the United Kingdom in October, and ongoing progress of our Industrial Development Fund through the joint venture with LOGOS Property, a new source of recurring income for the Group in line with its long-term strategy."

-END OF PRESS RELEASE-

About Sime Darby Property Berhad

Sime Darby Property is a leading property developer with a strong success rate of developing sustainable communities for 50 years. With 25 active townships/developments, Sime Darby Property has a wide reach that encompasses assets and operations across the country. It marks its presence in the UK as part of a Malaysian consortium to develop the iconic Battersea Power Station Project in central London.

As a responsible corporate player, Sime Darby Property and its philanthropic arm, Yayasan Sime Darby (YSD) actively implement various initiatives to assist underprivileged communities living within and nearby its townships. A multi award-winning property group with numerous international and local accolades, Sime Darby Property is a constituent of the MSCI ACWI Small Cap Index with MSCI ESG Rating of BBB and is rated by the Carbon Disclosure Project.

Sime Darby Property is honoured to be recognised with numerous real estate industry awards throughout the years. In 2021, the Group continues to be recognised as a top property developer in 'The Edge Malaysia's Top Property Developers Awards', achieving the feat for the tenth year running. The Group was also named as 'EdgeProp Malaysia's Responsible Developer: Building Sustainable Development Award 2021', as well as the winner in PwC's 'Building Trust Awards 2021' under the FBM Mid 70 Index category.

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