

Sime Darby Property Achieves Record Profit in FY2022

- The Group recorded its highest sales achievement since its 2017 demerger of RM3.7 billion, supported by RM2.6 billion GDV worth of new launches;
- Revenue of RM2.7 billion and PBT of RM458.9 million achieved in FY2022;
- The Group registered its strongest revenue performance for the year in Q4 FY2022, driven by higher sales and site-progress from its Property Development segment;
- Declared second dividend amounting to a total of 2 sen for FY2022.

ARA DAMANSARA, 28 FEBRUARY 2023 – Sime Darby Property Berhad (“Sime Darby Property” or “Group”) concludes its full year ended 31 December 2022 (“FY2022”) with its highest ever post 2017 demerger operating profit of RM487.8 million and sales achievement of RM3.7 billion, surpassing its RM2.6 billion sales target. Profit after tax and minority interest (“PATAMI”) increased more than two-fold year-on-year (“YoY”) to RM315.8 million from RM146.9 million in the previous year. Sime Darby Property has declared total dividends of 2 sen per share in FY2022.

The Group’s revenue of RM2.7 billion marked a 24% YoY improvement, with profit before tax (“PBT”) registering a 64% YoY increase to RM458.9 million. The significant increase in PBT is underpinned by profitability growth across all business segments, including contributions from the Group’s land monetisation activities and disposal of non-core assets. The Group’s financial performance was partially impacted by fair value loss and lease adjustments on investment properties totalling RM64.4 million.

Sime Darby Property’s Group Managing Director, Dato’ Azmir Merican, said, “While FY2022 has indeed been demanding, particularly due to heightened competition, the results we have achieved is testament to the collective effort of our team, complemented by our wide range of innovative products. We were indeed in the eye of the storm, particularly with labour-related challenges and escalating material prices. Despite these challenges, we successfully delivered 1,855 units of products to our customers during the year,” he said.

Q4 FY2022 vs Q3 FY2022

All of the Group’s business segments, namely, Property Development, Investment & Asset Management (“IAM”) and Leisure, were profitable in Q4 FY2022. Revenue improved by 38.8% whilst PBT grew by 44% quarter-on-quarter (“QoQ”), respectively, after taking into account fair

value losses from investment properties and lease adjustments amounting to RM56.4 million. Its Q4 FY2022 sales achievement of RM917.3 million is 14% higher than the RM808.3 million recorded in the previous quarter, as contributed by sales of in-demand industrial products at the right locations. The said sector surpassed residential landed as the top contributor with RM379.4 million sales achieved.

FY2022 vs FY2021

Higher revenue and profits were recorded in FY2022, with the Property Development segment contributing 93% to the Group's total revenue marking a 66% YoY increase in PBT. In the IAM segment, KL East Mall's 85.2% occupancy rate contributed to the segment's revenue of RM107.9 million, with PBT recorded at RM0.2 million. This was supported by the improved share of results from Melawati Mall, which also recorded higher footfall in the period under review. The Leisure segment's revenue benefitted from the resumption of business activities in FY2022, delivering a turnaround performance with a 52.5% YoY increase in revenue to RM84.7 million and PBT of RM11.3 million as compared to a loss before tax in the previous year.

FY2022 Launches and Sales

The Group launched products worth RM2.6 billion in Gross Development Value ("GDV"), of which 46% comprised industrial products in Elmina Business Park, Bandar Bukit Raja, and Serenia City in Selangor; Hamilton Nilai City and Nilai Impian in Negeri Sembilan; and Bandar Universiti Pagoh in Johor. Residential landed products recorded a notable average take-up rate of 89% for the same period, with Ilham 2 in the City of Elmina, Anggun 2 in Bandar Ainsdale, Nadira 2 in Bandar Bukit Raja, Anira 1 in Serenia City and East 57 in KL East recording 100% take-ups.

The Group's FY2022 sales achievement grew 24% YoY to RM3.7 billion compared to RM3.0 billion achieved in 2021, contributed by 54% of not new launch products followed by 39% of new launches. The industrial segment showed significant improvements, contributing 25% to overall sales in FY2022 as compared to 18% in the previous year, while sales grew by 70% YoY to RM907.0 million from RM532.5 million. Bookings as at 5 February 2023 stood at RM1.8 billion.

The strong sales achievement is underpinned by the Group's unique offerings from its townships marketed via intensive campaigns such as 'Beyond 50' and '*Raya Yang Dinantikan 2022*', which garnered sales bookings worth RM1.25 billion and RM637 million in GDV, respectively. As at 31 December 2022, the Group's unbilled sales soared 50% YoY to RM3.6 billion with completed inventories reduced to RM351.8 million in GDV. Cash balances is registered at RM985.3 million

with positive operating cashflow of RM1 billion. The Group continues to demonstrate its financial strength as substantiated by its net gearing ratio of 21.8%.

On the international front, the Group's Battersea Power Station project achieved £480 million (~RM2.5 billion) of residential sales in 2022, and a further £1.1 billion (~RM5.7 billion) worth of properties completed. FY2022 was a pivotal year for the project, with the public opening of the Grade II* listed Power Station and Electric Boulevard, with more than three million visitors welcomed since 14 October 2022.

"Sime Darby Property outperformed all financial and operational expectations in FY2022, indicating that the Group is capable of thriving amid uncertainties. Thank you to all stakeholders and customers for their unwavering trust in our brand, and to *TEAM* Sime Darby Property for demonstrating resilience and passion in achieving our purpose to multiplying value for people, businesses, economies, and the planet," said Dato' Azmir.

Dividend

Supported by the Group's healthy balance sheet, Sime Darby Property is expected to declare a second single tier dividend of 1 sen per share in the current quarter. This leads to total dividends of 2 sen per share in FY2022, amounting to RM136.0 million.

Outlook for FY2023

In view of the ongoing industry challenges of labour issues and rising raw material prices, the Group will cautiously tread 2023 with more practical ambitions. The Group will continue to proactively undertake landbank management and monetisation activities with the proposed acquisition of up to 948 acres of land in Klang and disposal of its non-core lands. Sime Darby Property remains committed to furthering the sustainability agenda through its vision of *Advancing Real Estate as a Force for Collective Progress, in Harmony with the Planet's Resources*. The Group will also be introducing new initiatives to create more sustainable and game-changing developments.

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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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