

OPERATIONS REVIEW



PROPERTY DEVELOPMENT

The Property Development segment has approximately 15,400 acres of land bank, with a potential GDV of RM104.4 billion, located mainly in the Klang Valley, as well as in Negeri Sembilan and Johor. Our core offerings include landed-residential and high-rise products, as well as industrial-themed developments.



Lumira Park, Bandar Bukit Raja

OPERATIONS REVIEW

OVERVIEW

TOWNSHIP AND INTEGRATED DEVELOPMENT

The Group boasts a successful track record of 50 years in delivering landed and high-rise properties covering residential, commercial and industrial & logistics developments. Our broad product spectrum, which includes affordable-to-luxury homes, malls, eco-parks, office buildings, shop lots and industrial business parks, captures various market segments and caters to different lifestyle preferences, affordability and business needs.



Park in Elmina Garden, City of Elmina

INDUSTRIAL & LOGISTICS DEVELOPMENT

The Group has expanded into Industrial & Logistics Development (“ILD”) business as part of product diversification. Our projects include the Elmina Business Park in Shah Alam, which is set to be the largest freehold industrial park in the Klang Valley, as well as Bandar Bukit Raja in Klang, Serenia City in Sepang and the MVV2.0 in Negeri Sembilan. In addition, we are also involved in the Pagoh Special Economic Zone in Johor. The latter is a joint initiative between the Federal Government, Johor State Government and Sime Darby Property aimed at spurring the economic and industrial growth in Pagoh and develop the northern region of Johor’s economic zone by 2045.



Cipta Utara, Serenia City’s upcoming Industrial Park

BATTERSEA POWER STATION

The Battersea Power Station project is one of Central London’s largest new destinations which covers an area of 42 acres. It is a JV project between the Group, SP Setia Berhad and the Employees Provident Fund (“EPF”). Upon completion, the project will comprise approximately 3.5 million sq. ft. of mixed commercial space of shops, restaurants, cafes, leisure facilities and office space, combined with over 4,000 homes. The development will also feature 19 acres of public space including a six-acre public park and a town square, named Malaysia Square.



Battersea Power Station, located in the heart of Central London

OPERATIONS REVIEW

KEY BUSINESS HIGHLIGHTS

The Property Development segment remained the main contributor to the Group's income in FY2021. For the year under review, it accounted for 93.2 percent of the total Group revenue.

Despite challenges posed by a series of lockdowns under the MCO, the segment recorded an improved performance for FY2021. This was achieved through strategic new launches which were supported by effective online sales & marketing efforts, the HOC and prevailing low-interest rates to spur interest from homebuyers, as well as the segment's focus on clearing unsold inventories.

Our new residential launches – Elmina Green 5, City of Elmina; Lyra, Bandar Bukit Raja; Serenia Aiora, Serenia City; Dayana 1 & 2, Nilai Impian; and Maya Ara Residences, Ara Damansara – registered good take-up rates of more than 85.0 percent.

In the ILD segment, we launched two new industrial townships, namely the Pagoh Special Economic Zone in Johor and the Hamilton Nilai City at MVV 2.0 in Negeri Sembilan.

Launched in March 2021, the Pagoh Special Economic Zone is a joint initiative between the Federal Government, Johor State Government and Sime Darby Property. The project is envisioned to spur economic and industrial growth in Pagoh and develop the northern region of Johor's economic zone by 2045. The first phase, involving 850 acres, will house the Industrial and Entrepreneurship Park, with an estimated GDV of RM1.1 billion, in the next five to seven years.

The Group has unveiled Hamilton Nilai City, which is a 2,723-acre township comprising predominantly industrial, as well as several mixed developments that will be activated after five (5) years. The first phase of Hamilton Nilai City is the Hamilton Industrial Park, which was launched on 21 July 2021. This industrial park consists of 514 acres of land, focusing on medium to heavy manufacturing-based industries, and has received promising response from industrialists.



Maya Ara Residences, Ara Damansara

- New residential launches **Elmina Green 5, City of Elmina; Lyra, Bandar Bukit Raja; Serenia Aiora, Serenia City; Dayana 1 & 2, Nilai Impian; and Maya Ara Residences, Ara Damansara** – registered good take-up rates of more than **85%**

- **Industrial and Entrepreneurship Park at the Pagoh Special Economic Zone** with an estimated **GDV of RM1.1 billion** in the next five to seven years

FINANCIAL PERFORMANCE

The segment registered an increase of 7.7 percent in revenue to RM2.1 billion for the year under review compared with RM1.9 billion in FY2020. Growth was driven mainly by higher sales and development activities in the City of Elmina, Elmina Business Park, Bukit Jelutong, Bandar Ainsdale and KLGCC Resort, coupled with higher sales of completed inventories in KL East, KLGCC Resort, Melawati and Planters' Haven.

The segment's bottom line improved significantly, with a profit of RM255.3 million for FY2021 as compared to a loss of RM354.7 million (or a profit of RM184.2 million excluding one-offs) in FY2020 when development activities and sales were negatively impacted by the initial waves of COVID-19 and implementation of MCO.

In FY2021, the segment also registered lower share of losses from joint ventures and associates of RM24.2 million versus the losses of RM394.4 million (or losses of RM57.3 million, excluding one-offs) in FY2020. The improvement was mainly due to higher contribution from our PJ Midtown project and the lower operating expenses incurred by the Battersea Power Station development in the year under review.

OPERATIONS REVIEW

KEY INITIATIVES

Focused on building sustainable and vibrant townships, while introducing more placemaking and sustainability elements into townships such as:

Lifestyle Mall	Sports & Recreational Activities
Commercial Activities	Education Centres



Serenia City's FIFA-sized Football Field

RESULTS & ACHIEVEMENTS

- Completed the KL East Mall and a FIFA-size football field in Serenia City
- Ongoing projects: Kolej Yayasan Saad ("KYS") International School, KL East Eco Park
- Projects in planning stage: Developments within Senada Residences, Elmina City Centre, F&B outlets at sales galleries

KEY INITIATIVES

Ensured consistency in GDV launches and sustainable product pipelines

RESULTS & ACHIEVEMENTS

- Recorded strong sales which contributed to steady revenue growth for the Group
- Strong brand name from active launching activities

KEY INITIATIVES

Focused on rolling out quality products that meet market demand and customer needs, as well as identified the right pricing and product mix

RESULTS & ACHIEVEMENTS

- Achieved 85.0 percent in take-up rates for new launches, including Elmina Green 5, Dayana Phase 1 & 2 and Maya Ara Residences
- Strengthened position as a reputable lifestyle developer that contributes to value creation for communities, investors and other stakeholders



KEY CHALLENGES FOR 2022

- Sustaining revenue growth and product pipeline
- Product diversification across all market segments

OPPORTUNITIES

- Venture into new growth areas to boost financial performance and ensure healthy product pipeline
- Expand further into the industrial and logistics segment for product diversification

OPERATIONS REVIEW

OUTLOOK & PROSPECTS

In line with the recovery of Malaysia’s economy, the Property Development segment expects higher sales activities in the primary market in FY2022, supported by the prevailing low-interest-rate environment.

Demand in the local property market will also be sustained by certain measures initiated by the Government under Budget 2022. These include the removal of the Real Property Gains Tax (“RPGT”) for house sales from the sixth year onwards and the resumption of the Malaysia My Second Home (“MM2H”) programme.

By type, landed residential projects are expected to be the most in demand, and will make up the majority of sales transactions in the Klang Valley.

To take advantage of the positive momentum, the Property Development business has planned new launches worth RM2.8 billion in GDV for FY2022, comprising mainly residential and industrial products.

From FY2022 onwards, the Group will look into the replenishment of its land bank to facilitate a secure project pipeline and ensure business continuity.

Meanwhile, the industrial and logistics market has shown encouraging improvement since the easing of the lockdowns and MCOs in the fourth quarter of 2021, following the successful roll-out of COVID-19 vaccination programmes across the country.

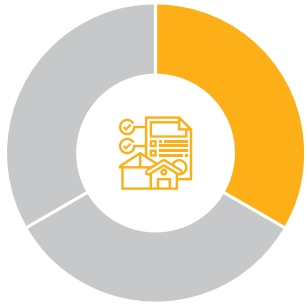
Moving forward, the strategic priorities of the Property Development segment for FY2022 are:

- Strengthening our brand as the best-in-class lifestyle developer by offering quality and sustainable products to customers
- Creating lifestyle-centric developments by incorporating catalytic and placemaking assets in developments with a focus on sustainability
- Maintaining the momentum of revenue growth and creating new product pipelines across market segments (residential and industrial), while enhancing the identities of our townships
- Improving cost efficiency and ensure continuous profitability by focusing on launching market receptive residential products, targeted land monetisation and implementation of impactful marketing campaigns

Performance Review



Lumira, Bandar Bukit Raja



INVESTMENT & ASSET MANAGEMENT

Our Investment & Asset Management segment manages the Group's retail, office, and industrial assets in the Klang Valley, as well as in Singapore and the United Kingdom. Through concession arrangements, the business also provides asset management services for the Pagoh Education Hub, which houses four (4) higher educational institutions in Johor.



Aerial view of the Battersea Power Station development in Central London

OPERATIONS REVIEW

OVERVIEW



Oasis Square, Ara Damansara



Industrial Gateway II, Bandar Bukit Raja

COMMERCIAL ASSETS

Our key commercial assets in the Klang Valley include, Wisma MRT, ReGen Rehab Hospital, as well as Block F and Block G in Oasis Square. Our overseas assets, held via JVs, include the Sime Darby Business Centre in Singapore and the Battersea Power Station in the United Kingdom.

INDUSTRIAL & LOGISTICS DEVELOPMENT

Through a partnership with Mitsui & Co., Ltd and Mitsubishi Estate Co., Ltd, we are developing the Bandar Bukit Raja Industrial Gateway, with three (3) tenants at two of our Built-to-Lease (“BTL”) assets, and more in the pipeline. It is expected that the ILD segment would provide the Group with a stable and sustainable recurring income portfolio.

KEY BUSINESS HIGHLIGHTS

- The Group formed a

51:49

JV with LOGOS Property in September 2021

-

The segment commanded an NLA of about

5.4 million sq. ft.

-

100%

occupancy rate for key commercial assets



Aerial view of the E-Metro Logistics Park at Bandar Bukit Raja

OPERATIONS REVIEW



Sime Darby Property's first wholly-owned retail mall, KL East Mall

RETAIL

Our retail portfolio includes KL East Mall, which is the Group's first wholly-owned retail mall development with 400,750 sq. ft. in Net Lettable Area ("NLA"), as well as Melawati Mall, which comes with an NLA of 614,642 sq. ft., and held under our 50.0 percent-owned JV with CapitaMalls Asia Ltd. The incoming portfolio pipeline include proposed retail developments in Senada Residences and Elmina City Centre.



Pagoh Education Hub, Bandar Universiti Pagoh

CONCESSION ARRANGEMENT

The Concession Arrangement segment provides asset management services for the campus facilities and infrastructure for the Pagoh Education Hub in Bandar Universiti Pagoh.

Sime Darby Property became the first public-listed developer in Malaysia to introduce a fund management platform focused on the development of industrial and logistics assets.

Overall, the portfolio of the Investment & Asset Management segment commanded an NLA of about 5.4 million sq. ft., encompassing commercial, retail, hospitality, industrial and other assets in Malaysia, Singapore and the United Kingdom, with an average occupancy rate of 94.0 percent as at 31 December 2021.

The Group's key assets performed relatively well despite the varying degree of restrictions under the MCO amid the rise in COVID-19 cases in Malaysia in 2021.

We maintained a 100.0 percent occupancy rate for key commercial assets, namely Wisma MRT, ReGen Rehab Hospital and Block G in Oasis Square. Apart from that, the Group also managed to keep rental rates on par with the average market rate despite the negative impact of COVID-19 on the office sector. Net Property Income ("NPI") yield for these assets remained healthy at more than 5.0 percent.

In addition, we secured new tenants for the two malls operated by the Group - KL East Mall and Melawati Mall, including some notable brands such as Tomei, Uniqlo, Rakuzen, Li-Ning and Levi's, in 2021. This was an encouraging feat, given the challenges faced in the retail sector due to the impact of the COVID-19 lockdowns.

In September 2021, the Group formed a 51:49 JV partnership with LOGOS Property to establish a fund management platform to manage funds for the logistics sector, as well as provide development services, targeting capital commitments of equivalent to US\$200 million from accredited and institutional investors.

OPERATIONS REVIEW



FINANCIAL PERFORMANCE

For the year under review, the Investment & Asset Management segment contributed RM94.7 million in revenue, marking a 37.2 percent increase from RM69.0 million in FY2020. The growth in revenue was driven mainly by higher contribution from the retail business and concession business in the Pagoh Education Hub, while several key commercial assets continued to see encouraging occupancy rates and the ILD business remained in an expansionary mode.

The segment's PBT increased 129.4 percent to RM27.0 million in FY2021 as compared to a loss of RM92.0 million (or a loss of RM16.6 million excluding one-offs) in FY2020. The improvement is mainly attributable to KL East Mall as the prior year's results were impacted by pre-operating expenditure incurred in preparation for the opening of the new mall, as well as lower share of losses from Melawati Mall during the year in review.

KEY INITIATIVES

Expanded portfolio by investing into new asset classes:

- 1 Embarked on Fund Management business through our tie-ups with strategic partners to enhance Industrial & Logistics Development
- 2 Invested in placemaking/catalytic assets, with reasonable yields and growth potential on a standalone basis, to improve the value of existing developments

RESULTS & ACHIEVEMENTS

- Establishment of an inaugural fund management platform within the ILD segment via a JV partnership with LOGOS Property in September 2021. Sime Darby Property will hold 51.0 percent equity of the JV partnership, becoming the first public-listed developer in Malaysia to venture into the creation of development funds within this sector. A 177-acre site is allocated to generate close to 8 million sq. ft. in gross lettable area within Bandar Bukit Raja to leverage the township's strength as an established industrial township due to its strategic connectivity and access to essential infrastructure in the Klang Valley.
- Completion of a 2-storey warehouse, with a total NLA of around 180,000 sq. ft. and a 100.0 percent occupancy rate, at the Bandar Bukit Raja 1 Plot 10. This is part of our ongoing development with Mitsui & Co., Ltd. and Mitsubishi Estate Co., Ltd. to develop the Bandar Bukit Raja Industrial Gateway on a 39-acre land for 'Built-to-Suit' and 'Ready-Built Warehouses' products.

KEY INITIATIVES

Divested some non-core, non-performing assets to avoid further financial losses and improve overall financial standing

RESULTS & ACHIEVEMENTS

- Completed the disposal of a 3-storey shop office in Bukit Jelutong, Shah Alam in April 2021.
- Proposed the redevelopment of the Sime Darby Pavilion as part of the new residential development in Bukit Jelutong by 2022.
- Disposal of other low-yielding, non-strategic assets is actively ongoing as planned for 2022 and 2023.

OPERATIONS REVIEW

KEY INITIATIVES

Reviewed and retained assets that complement existing/future developments, provide reasonable yield, and with potential to uplift the value of related development components

RESULTS & ACHIEVEMENTS

Commercial

- Maintained 100.0 percent occupancy rate for key commercial assets (Wisma MRT, ReGen Rehab Hospital & Block G in Oasis Square) and managed to keep rental rates within the average market rate despite the impact of COVID-19 on the office sector. NPI yield for these assets remained above 5.0 percent.

Retail

- KL East Mall's occupancy rate stood at 79.0 percent, with a total footfall of 7.1 million in 2021. Melawati Mall achieved an occupancy rate of 79.8 percent, but footfall was modest at 4.0 million due to the impact of COVID-19 restrictions especially when dining-in was prohibited. However, shopper traffic has improved since the fourth quarter of 2021, as Klang Valley entered Phase Four of the National Recovery Phase ("NRP") in October 2021.
- Although the retail sector was negatively impacted by the pandemic, both malls managed to secure new tenants in 2021. Among the notable new openings were Habib Jewels, Tomei, Levi's, Li-Ning and Rakuzen at KL East Mall; and Uniqlo, Telekung Rawdah, Chizu and Cuckoo at Melawati Mall.

Industrial & Logistics Development

- The JV between Sime Darby Property and LOGOS Property will focus on 'build-to-suit to lease or sell' assets, primarily for clients in the logistics sector. To this end, Sime Darby Property has allocated a 177-acre site within its Bandar Bukit Raja township in Klang, Selangor to spearhead this initiative.
- Completed a 2-storey warehouse at Bandar Bukit Raja 1 Plot 10 with 100.0 percent occupancy and interest from potential tenants to occupy other plots within the Bandar Bukit Raja Industrial Gateway.



KEY INITIATIVES

Integrated technology and innovation with ESG elements into existing and future assets to create sustainability-themed and technology-centric investment platforms

RESULTS & ACHIEVEMENTS

- Adoption of sustainability elements as standard design and operational components in all assets under the Group's management.
- KL East Mall activated a 'Sustainability Awareness and Education' campaign on 1 July 2021 to inculcate sustainability in the community. The mall's full-on effort to promote sustainability was recognised by SWCorp Malaysia in November 2021 for its Solid Waste Management Best Practice.

OPERATIONS REVIEW

KEY CHALLENGES FOR 2022

1 Asset Disparity

The Group has a portfolio of inherited/acquired assets of disparate classes, with three key strategic commercial assets boasting 100.0 percent occupancy rates and more than 5.0 percent in NPI yield, while the remainder is non-core/low-yielding assets.

2 Lingering Impact of COVID-19

The recovery of the retail business may be slower than anticipated due to deferred decisions by prospective partners and tenants in view of the macro economic challenges.

3 New Ventures

The Group needs to allocate resources to focus on operationalisation and capability building for its fund management platform.



Aerial view of the Elmina Business Park, City of Elmina

OPPORTUNITIES

- To intensify efforts to monetise and dispose of non-core/low-yielding assets to free up capacity to enhance the value of strategic assets.
- To increase prospecting post-pandemic activities in order to take advantage of the anticipated recovery in the retail sector in 2022 in achieving targeted occupancy rates; and set up a centralised retail team to strengthen technical and operational expertise in retail.
- Each land parcel under the ILD segment has its respective uniqueness and ecosystems to meet the broad spectrum of customer demands, offering them options in terms of location, connectivity, facilities and supporting industries, among others.
- To leverage ongoing collaborations with JV partners to ensure progress in the ILD sector and fund management platform to create new recurring income streams. The aim is to secure new deals for ILD through 50.0 percent-owned Sime Darby Property MIT Development Sdn. Bhd. and operationalise the fund management platform under the JV partnership between Sime Darby Property and LOGOS Property in Bandar Bukit Raja, underpinned by synergies with existing townships to achieve targeted outcomes. The JV enables Sime Darby Property to leverage on LOGOS Property's experience in developing property solutions for the logistics sector in creating a fund platform that taps on the global investors' appetite for logistics assets which are seen as defensive with potential for growth.

OPERATIONS REVIEW

OUTLOOK & PROSPECTS

We are optimistic about the prospects of growth across this segment in 2022.

With 5.4 million sq. ft. of NLA across Malaysia, Singapore and the United Kingdom, and equipped with the knowledge and understanding of real estate regulations in these countries, the segment is well-positioned to enhance our rental income. This will be backed by our growing expertise across the industrial and logistics, residential, commercial, retail, education and hospitality sub-sectors.

We also see opportunities to expand as curators of townships and communities, given our experience in curating catalytic components in Sime Darby Property's flagship developments such as the Elmina Business Park, KL East, KLGCC Resort, Bandar Bukit Raja and Serenia City. The door is also open for the Group to undertake specialised placemaking in the United Kingdom via the Battersea Power Station project located in Central London.

Leveraging our proven capabilities in the design and development of industrial and logistics properties, especially built-to-suit units and in the management of various properties and facilities, the Group has the competitive advantage in securing new projects involving industrial and logistics development, as well as retail and commercial assets.

For 2022, we see investment opportunities as we gain access to strategic land parcels in the prime areas of the Greater Klang Valley and along the West Coast economic corridor, as well as access to other lands via call option agreements with Sime Darby Berhad and Sime Darby Plantation Berhad.

Under ILD, we are set to develop strategic land plots totalling about 447 acres in Bandar Bukit Raja, Elmina Business Park and MVV 2.0 in phases between 2022 and 2024. This segment is also expected to offer a wider product range from ready-built warehouses to built-to-suit facilities that will allow Sime Darby Property to capture growing customer demand, and at the same time, boost risk diversification.



As for the Asset Management business, the Group will focus on measures to enhance the value of strategic assets through rental and occupancy optimisation, maintain or increase NPI yield, as well as improve property income. We will also work on strengthening our technical and operational expertise to manage, operate and monitor facilities for all Sime Darby Property's assets.

To avoid further losses and minimise disparity in portfolio, the Group plans to divest non-core/low-yielding assets.

For the retail business, our priority going forward is to position retail as a placemaking component in Sime Darby Property's major townships to uplift the GDV of our developments and accelerate land monetisation.

We will also position KL East Mall as the Group's showpiece and centre of excellence for retail. The Group will leverage on the experience gained at KL East Mall for future mall developments.

Apart from that, the Group will increase efforts to enhance tenant mix to assimilate the segment with the retail landscape and increase occupancy of spaces at both KL East Mall and Melawati Mall.

Overall, the Investment & Asset Management segment will continue to spearhead Sime Darby Property's transformation beyond an archetype developer into a distinguished real estate development company.

OPERATIONS REVIEW



LEISURE

Our Leisure segment, owns and manages four (4) properties in Malaysia. These assets include the prestigious Kuala Lumpur Golf & Country Club; the five-storey multi-purpose convention and business centre, Sime Darby Convention Centre; the Impian Golf & Country Club in Kajang; and the Bayuemas Sports and Events Complex in Klang.



Aerial view of the West Course, KLGCC

OPERATIONS REVIEW

OVERVIEW

Our Leisure segment's four (4) key assets:



KUALA LUMPUR GOLF & COUNTRY CLUB

A premier lifestyle oasis residing within a golf and country club spanning **279 acres** in KLGCC Resort.



IMPIAN GOLF & COUNTRY CLUB

A **142-acre golf and country club** that delights golfers with its diverse range and charming expanse, nestled in the outskirts of the city.



Convention Centre

SIME DARBY CONVENTION CENTRE

A 17,000 sq. ft. event venue in a strategic location within the KLGCC Resort that is accessible via **5 major highways**, featuring a ballroom with a **capacity of 2,600** and **20 function rooms**.



BAYUEMAS SPORTS AND EVENTS COMPLEX

A **sports complex** featuring a cricket stadium which has played host to local and international sporting events.

IMPACT OF LOCKDOWN

In FY2021, KLGCC, SDCC, IGCC and Bayuemas Sports and Events Complex were subject to 137 days of closure due to the MCO to curb the resurgence of COVID-19 cases in Malaysia.

However, the segment recorded a reduced LBT of RM14.0 million in FY2021, compared to RM28.1 million in FY2020.

During the year in review, the segment saw reduced occupancy, as limited weddings or banqueting events were allowed amid the restrictions under the MCO until the fourth quarter of the year. Potential tenants and event organisers took a "wait-and-see" approach as business sentiment was severely dented because of the pandemic.

Due to the above, cost management exercises were put in place to optimise the recurring costs for golf course maintenance activities, staff salaries and COVID-19 precautionary measures at these venues.

OPERATIONS REVIEW

KEY BUSINESS HIGHLIGHTS

KUALA LUMPUR GOLF & COUNTRY CLUB

● **Return of the iconic KLGCC brand**
in conjunction with the institution’s 30th anniversary, creating a synergy between the Club and the KLGCC Resort.

●● **Consolidated operations with SDCC**
to leverage on the facility’s logistics mainly for events and catering services.

●●● **Digitalised club systems** with a mobile application that allows Members to book golf sessions and order F&B online. Increased the efficiency of the back-end office system with digitalised workflows.

●●●● KLGCC’s West Course ranked #21 by Golf Travel Magazine in its **Top 100 Golf Courses in Asia 2021**

Clean Energy Ministerial **2021 Energy Management Award of Excellence**



SIME DARBY CONVENTION CENTRE

● Hosted Ramadan Buffet for 24 days during the MCO, with **over 5,000 patrons**

●● **Rented out space** as a COVID-19 vaccination venue

IMPIAN GOLF & COUNTRY CLUB

● Ventured into becoming a **landscape maintenance contractor**

BAYUEMAS SPORTS AND EVENTS COMPLEX

● Focused on **cost-containment initiatives** to boost bottom-line performance

OPERATIONS REVIEW

FINANCIAL PERFORMANCE

Revenue decreased by 22.5 percent to RM55.5 million from RM71.7 million in the previous year due to the reimplementation of movement restrictions.

Despite the lower revenue, the segment recorded a lower loss of RM14.0 million, as compared to a loss of RM28.1 million in FY2020 mainly due to cost-saving initiatives.

KUALA LUMPUR GOLF & COUNTRY CLUB

KEY INITIATIVES

- Reintroduced the Kuala Lumpur Golf & Country Club brand, which features a new look and feel that represents a modern and refreshing experience for Club Members.
- Increased efforts to introduce more lifestyle and wellness tenants at the Club.
- Refurbished the driving range and introduced a new golf ball management system.
- Enhanced the existing facilities, including the refurbishment of the Golfers Terrace, tennis court and swimming pool.
- Maximised golf tee times by offering special prices for afternoon sessions, organised corporate golf events, and invited golf event organisers such as MST and Golf Malaysia, among others.
- Held events and forums to educate members on new products and services in line with KLGCC's rebranding exercise.

RESULTS & ACHIEVEMENTS

- Sustained revenue amid the slowdown in overall business income due to restrictions under the MCO.
- Increased profit margin due to optimisation of manpower.
- A spike in customer satisfaction as represented by the higher number of golf rounds due to better conditions of the courses.
- Striving towards becoming a family-oriented club through fun, engaging activities and programmes.



OPERATIONS REVIEW

SIME DARBY CONVENTION CENTRE

KEY INITIATIVES

- Focused on managing cost and spending on non-discretionary items.
- Consolidated operations with KLGCC, and outsourced business processes, wherever possible.
- Organised virtual consultations as part of a brand awareness campaign.
- Implemented targeted marketing activities to selected segments such as weddings and customers with recurring needs.
- Successfully hosted Ramadan 2021 activities in compliance with the Government mandated SOPs.
- Increased demands for banquet functions in Q4, and conducted in accordance with the relevant health and safety guidelines.

RESULTS & ACHIEVEMENTS

- Converted a majority of fixed costs to variable costs through consolidation and outsourcing efforts.
- Captured pent-up demand after Klang Valley entered Phase 4 of the NRP.
- Increased the utilisation rate of facilities by patrons.

IMPIAN GOLF & COUNTRY CLUB

KEY INITIATIVES

- Focused on landscaping business and club refurbishment on top of business as usual.
- Rescheduled tee times to maximise daily flight availabilities, with strict implementation of the booking system.
- Reviewed pricing to increase revenue and be competitive with neighbouring clubs.
- Reduced the use of outsourced caddy services to increase revenue.
- Collaborated with online golf agent MyGolf2U to create awareness and increase sales target.
- Launched programmes to increase F&B patronage.
- Introduced various offers and promotions to drive membership sales.

RESULTS & ACHIEVEMENTS

- Encourage non-active members to transfer their memberships to newer members, enhancing the usage of the club's facilities while reducing cost in daily operations.

OPERATIONS REVIEW

KEY CHALLENGES FOR 2022

1 Lower Revenue

The market uncertainty from the recovery of COVID-19 could possibly affect the demand for social gatherings, banquet and golf events. Current norm of conducting virtual events may also reduce the need for physical venues for meetings and trainings.

2 High Maintenance Cost

Shortage of labourers and increasing cost of manpower. Managing higher raw material cost while maintaining high quality of service delivery will result in high maintenance cost.

OPPORTUNITIES

- Servicing and fulfilling the order book for banquets, especially weddings.
- New membership launch to attract possible Members from a younger age group.
- Digital marketing to better target customers' needs.
- Increased cost efficiency from digitalisation and automation of internal processes.



Impian Golf & Country Club

OPERATIONS REVIEW

OUTLOOK & PROSPECTS

In tandem with the reopening of economic activities, the Leisure segment is expected to see a recovery in business, and hence, an improvement in financial performance.

For FY2022, the segment will work towards increasing our membership population through the offer of new packages.

The completion of Senada Residences is expected to result in increased population and footfall within the KLGCC Resort development, which could also have a positive spill-over effect on KLGCC and SDCC.



A view of KLGCC from Hole 2, East Course

To achieve consistent growth in revenue for the next three years, Leisure’s business strategies will be streamlined into seven (7) key areas from FY2022 to FY2024. These are:

OPERATIONAL EXCELLENCE

- Golf course maintenance optimisation to obtain the best golf course standard and cost via mechanisation.
- Business process improvements and SOPs revisions to drive operational efficiency.
- Drive more revenue through tee time and occupancy utilisation.
- Produce better quality and services in F&B and other facilities.

ORGANISATIONAL EXCELLENCE

- Continuous manpower-related cost optimisation to support cost-saving initiatives while elevating employees’ productivity.
- Provide and maintain 5-star hospitality quality by working closely with Group Human Resources in driving continuous learning and development plans for customer-facing employees.

SAFETY & SUSTAINABILITY

- Achieve ISO standards for occupational health & safety programmes and inspections.
- Managing the COVID-19 pandemic through continuous controls and procedures in place.

CUSTOMER FIRST

- Create family-oriented clubs with activities and entertainment.
- Deliver the best golf and country club experience in Malaysia.

OPERATIONS REVIEW



TECHNOLOGY & INNOVATION

- Digitalisation of processes at KLGCC with the introduction of a mobile application.
- Increased efficiency of back-end office system with digitalised workflow.
- Infrastructure upgrade, which includes network upgrade for KLGCC and SDCC.
- Improve the network system at IGCC.
- Technology upgrades, encompassing computer replacement and system updates.
- Cloud migration on premise server to Microsoft Azure.

BRANDING & COMMUNICATION

- Focused marketing and branding efforts on offering family-oriented experiences from dining to family-friendly activities, events and functions, as well as golf.
- Aspire to brand ourselves as the top golfing destination in Southeast Asia.
- Digital marketing efforts to promote KLGCC and SDCC's services.
- Enhanced communications with Members via new website and mobile app.

GENERATING NEW REVENUE STREAMS

- Review of tenantable spaces to branded services.
- Increase membership population and lower membership age to ensure business sustainability.
- Offer a wider range of cuisines for our F&B services.
- Enhance our lifestyle and wellness services.

