

FOR IMMEDIATE RELEASE

Sime Darby Property Registers RM888.9 million Sales Achievement with 31% Contribution from its Industrial Segment in Q1 FY2022

- Revenue of RM480.3 million and PBT of RM83.2 million; all business segments registered profits before tax for the quarter;
- On track to meet the FY2022 sales target of RM2.6 billion, underpinned by new launches worth RM2.8 billion in GDV.

ARA DAMANSARA, 24 MAY 2022 – Sime Darby Property Berhad (“Sime Darby Property” or “Group”) registered a sales achievement of RM888.9 million for the first financial quarter ended 31 March 2022 (“Q1 FY2022”). The Group recorded a revenue of RM480.3 million, a decrease from last year’s RM588.8 million with a correspondingly lower profit before tax (“PBT”) of RM83.2 million. Profit after tax and minority interest (“PATAMI”) for the quarter stood at RM51.8 million. Sales achievement for the quarter saw an increase in contribution from its industrial segment from 23% in the previous quarter to 31%, buoyed by sales of industrial facilities across the Group’s major Klang Valley townships, with the balance mainly comprising residential segment products.

The Gross Development Value (“GDV”) for new product launches in FY2022 remains at RM2.8 billion of which RM383.5 million worth of products were launched in the first quarter of the year. Residential landed launches excluding statutory products in Q1 FY2022 achieved exceptional average take-up rate of 96%, with industrial products fully taken-up as of 8 May 2022. This was underpinned by the Group’s strategic launch plans focusing on the right products at prime locations with in-demand pricing that complemented the low interest rate, and targeted marketing & sales activities with seamless end-to-end online and offline purchase experiences.

Sime Darby Property’s Group Managing Director, Dato’ Azmir Merican said that the Group achieved respectable Q1 FY2022 results. “We continue to maintain financial discipline and undertake value engineering with design-to-cost principles, in view of rising cost of materials, which we expect to persist for the rest of the year compounded with labour shortages, to preserve margins and expedite construction progress. Increasing the Group’s recurring income contributions is also essential to sustain the business for the long-term, as well as land bank management and monetisation.”

Commenting on a recent announcement by the Group regarding its inaugural Industrial Development Fund, Dato’ Azmir added, “We have secured preliminary commitments of 50% for our Industrial Development Fund which has a fund size of up to US\$250 million, with efforts underway for first close, thereafter which we can expect its maiden contribution in the second half of FY2022.”

With effect from 1 January 2022, Sime Darby Property has adopted the fair value model for measurement of the Group's investment properties, which provides a more relevant presentation and financial performance measures in line with the Group's strategy of moving to become a real estate company.

Earlier this morning, Sime Darby Property held its 49th Annual General Meeting ("AGM") virtually with all the resolutions as set out in the Notice of AGM dated 25 April 2022 duly approved and passed by shareholders of the Company via online voting.

Q1 FY2022 Year-on-Year ("YoY") by Segment

All business segments were profitable in the quarter under review. The Property Development segment recorded a 90.7% contribution to the total revenue with RM435.7 million, which was a 21.2% YoY decline, with a 38.5% YoY reduction in PBT to RM58.3 million. The drop was mainly due to lower development activities in the City of Elmina, Serenia City, Bukit Jelutong and KLGCC Resort, coupled with lower sales of completed inventories in KLGCC Resort, Taman Melawati and KL East townships which are now almost sold out.

The Investment & Asset Management ("I&AM") segment, which saw improved performance from KL East Mall and Melawati Mall, contributed RM25.2 million to the Group's total revenue; while the Leisure segment was boosted by the lifting of lockdowns and resumption of business activities to register a revenue of RM19.3 million. I&AM and Leisure segments recorded increased PBT of RM16.8 million and RM8.1 million respectively. This included a gain of RM8.9 million from the disposal of a leisure property in Vietnam which aligns with the company's focus to monetise low-yielding assets.

Q1 FY2022 vs Q4 FY2021 ("QoQ")

Sime Darby Property's Q1 FY2022 revenue of RM480.3 million was 35.0% lower against its Q4 FY2021 revenue which had recorded an increase in sales, riding on the tailwinds of the Home Ownership Campaign of 2021. The Group's PBT was recorded at RM83.2 million for the quarter, lower by 32.3% QoQ.

The I&AM segment's revenue decreased by 10.8% but recorded an improved PBT of 78.3% QoQ, an increase from the preceding quarter's restated earnings. The Leisure segment's revenue improved by 8.8% QoQ due to the increased activities in banqueting and golfing events.

Financial and Operational Achievements

Sime Darby Property registered cash balances of RM855.8 million as of 31 March 2022, achieving positive operating cashflows of RM135.4 million. Net gearing is now at 31.1% signalling a strong and healthy balance sheet.

The Group's unbilled sales increased 20.4% QoQ to RM2.9 billion as of 31 March 2022, ensuring revenue visibility for the next two years. Current bookings stood at RM1.5 billion as of 8 May 2022, with completed inventories at a new low of RM301.5 million as of 31 March 2022. Sime Darby Property's sales achievement in this quarter constitutes approximately 34% of the FY2022 sales target of RM2.6 billion.

Prospects for FY2022

Sime Darby Property envisages a positive outlook for the real estate market for the rest of the financial year, in particular the residential and industrial segments as complemented by the easing of restrictions in the endemic phase. This is further supported by the national vaccination rate and reopening of international borders.

On Battersea Power Station ("BPS"), Dato' Azmir added, "We are encouraged with the commercial and retail letting as well as residential sales progress at Phases 2 and 3A, in time for the completion and official opening of the Power Station in September this year. Currently, over 80% of the retail and commercial space in BPS has been let to an excellent range of quality tenants."

-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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