



MULTIPLYING



FOR PEOPLE, BUSINESSES, ECONOMIES AND THE PLANET



Extraordinary General Meeting

PROPOSED ACQUISITION OF THE KAPAR LAND

24 May 2023 | Virtual from KLGCC



MULTIPLYING VALUE

FOR PEOPLE, BUSINESSES, ECONOMIES AND THE PLANET



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Property

BACKGROUND OF THE PROPOSED ACQUISITION

Background of the Proposed Acquisition

Maximising Industrial Potential of Bandar Bukit Raja Township



Transaction Background

25 August 2017

- In conjunction with the demerger of Sime Darby Berhad in 2017, SD Property had entered into nine (9) call option agreements with SD Plantation

29 August 2022

- SD Property exercised the call option to acquire Kapar land (the 3 parcels of freehold land in Mukim Kapar, District of Klang, State of Selangor) via wholly owned subsidiary Sime Darby Property (Bukit Tunku) Sdn Bhd at a **purchase consideration of RM618 million** for 949 acres
- The purchase consideration of RM618 million (RM14.95 psf) was based on market value as appraised by Jones Lang Wootton (JLW)

1 December 2022

- SD Property entered into a Sale and Purchase Agreement with SD Plantation to acquire the Kapar Land

Notes:

SD Property : Sime Darby Property Berhad

SD Plantation: Sime Darby Plantation Berhad



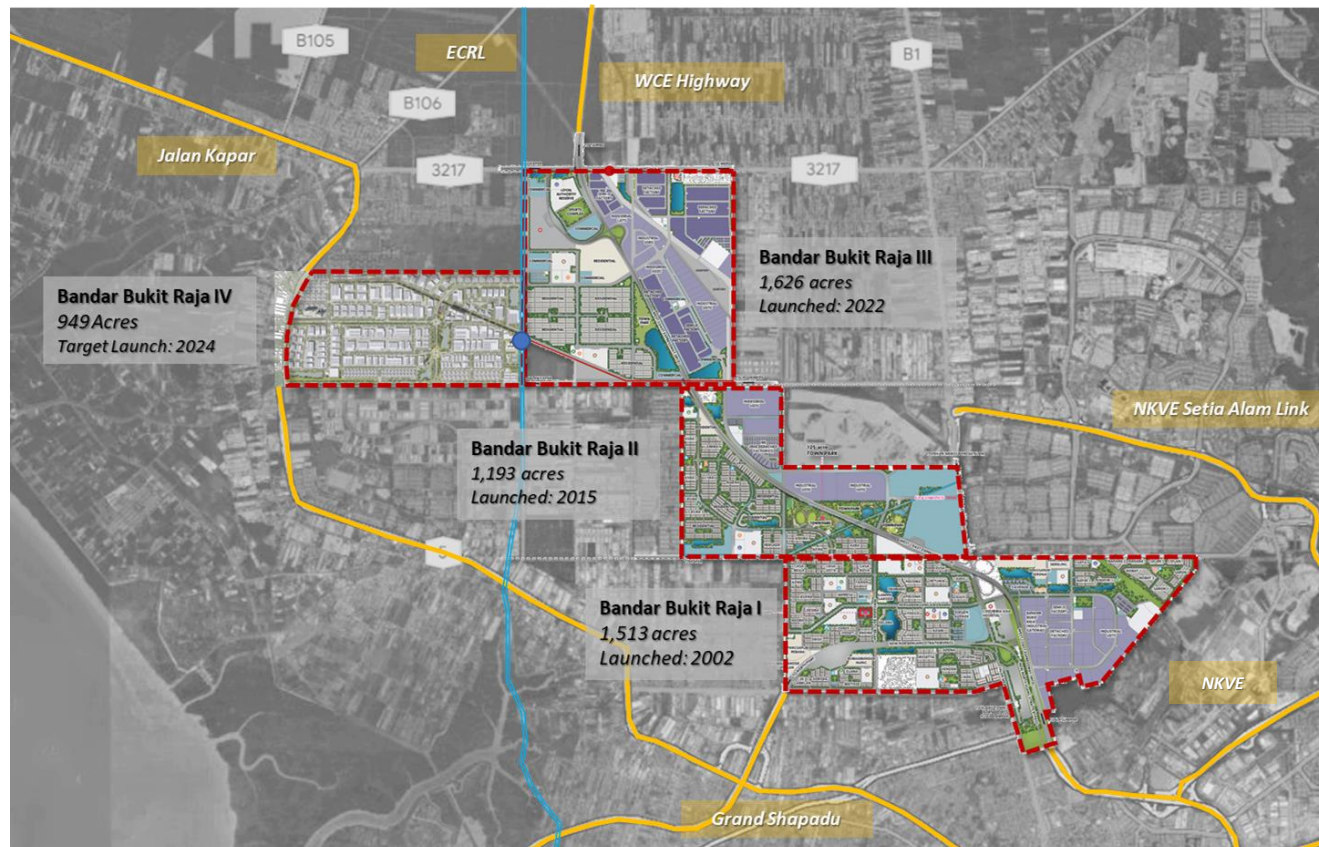
Property

**BANDAR BUKIT RAJA
- ONE OF OUR FLAGSHIP DEVELOPMENTS**

Bandar Bukit Raja – The Beacon of Klang

- Consists of 3 townships (BBR 1, 2 & 3) with estimated GDV of RM 17 bil
- The addition of Kapar Land (BBR 4) will add an estimated GDV of RM5-6 bil

Current Development	
Active Township	BBR1 and BBR2&3
Total Acreage (MLP)	
Gross	4,332 ac
Remaining Acreage	
Nett	965 ac
GDV	
Total	RM 17.2b
Remaining GDV	RM 9.8b
Remaining GDV/Acre	RM 10.1m
Development Status	
Years Remaining	11 years
Completed GDV	RM 5.2b 1,434 ac
On-going GDV	RM 2.2b 598 ac
Remaining GDV & Acreage	
Residential	RM 3.9b 426 ac
Commercial	RM 3.8b 187 ac
Industrial	RM 2.1b 352 ac



Current Development:

Bandar Bukit Raja 1	
Acreage (Total Remaining)	1,513ac 32ac
GDV (Total Remaining)	RM4.1b RM0.2b
Total GDV/Acre	RM2.7m/acre
Remaining GDV/Acre	RM7.3m/acre

Bandar Bukit Raja 2	
Acreage (Total Remaining)	1,193ac 214ac
GDV (Total Remaining)	RM6.8b RM3.9b
Total GDV/Acre	RM5.7m/acre
Remaining GDV/Acre	RM18.1m/acre

Bandar Bukit Raja 3	
Acreage (Total Remaining)	1,626ac 719ac
GDV (Total Remaining)	RM6.3b RM5.7b
Total GDV/Acre	RM3.9m/acre
Remaining GDV/Acre	RM7.9m/acre

Future Development:

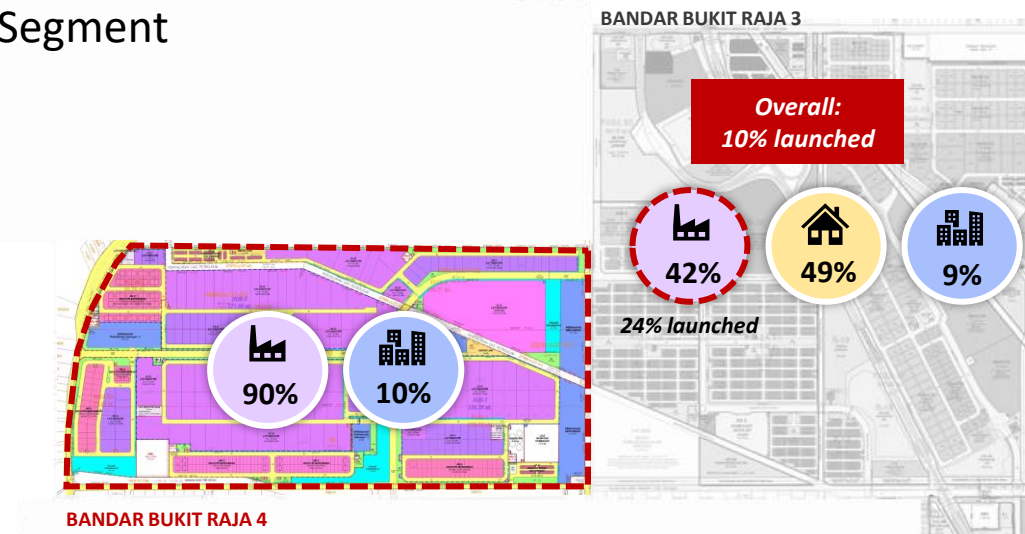
Bandar Bukit Raja 4	
Acreage (Total Remaining)	949ac 949ac
GDV (Total Remaining)	RM5.7b RM5.7b
Total GDV/Acre	RM6.0mil/acre
Remaining GDV/Acre	RM6.0mil/acre

KEY TAKEAWAYS

- BBR 1, 2 & 3 remaining developments comprises of 40% Residential, 21% Industrial and 39% Commercial of the remaining GDV of RM9.8bn.
- BBR township is the second largest Revenue contributor to the Property Development business with 21% and contributed 21% of Total Sales recorded in FY2022.
- Activation of BBR4 is necessary to ensure product pipeline continuity especially for the industrial segment.

Components of BBR Township

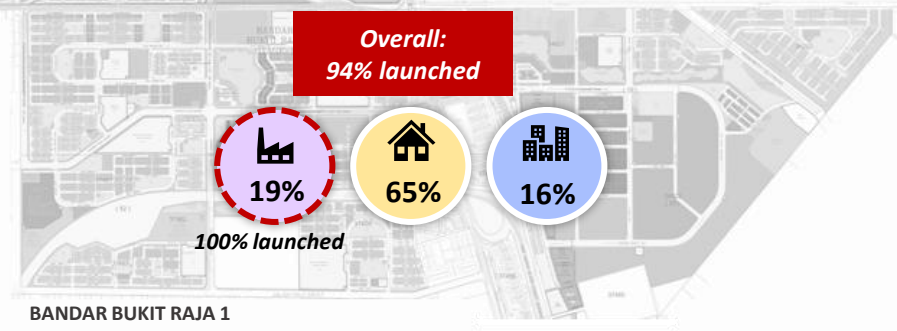
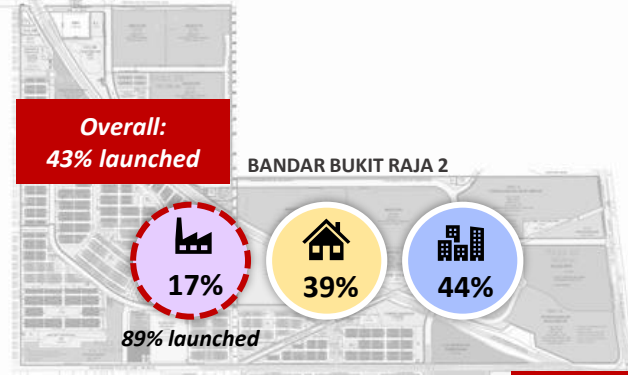
- **Industrial Focused Township** with RM9.7 bil or 42% of the total GDV (BBR 1 - 4) from Industrial Product Segment



ANDAR BUKIT RAJA
THE PRIDE OF KLANG

STAGE 1, 2, 3 & 4
TOTAL GDV RM 22.9 bil

Industrial Total GDV	Residential Total GDV	Commercial Total GDV
RM9.7bil	RM8.4bil	RM4.8bil
42%	37%	21%
Remaining GDV RM7.3bil	Remaining GDV RM3.9bil	Remaining GDV RM4.3bil



KEY TAKEAWAYS

- BBR4 (Kapar Land) is set to be the main contributor of Industrial GDV for BBR (approximately 53%) with an estimated GDV of RM5-6 billion

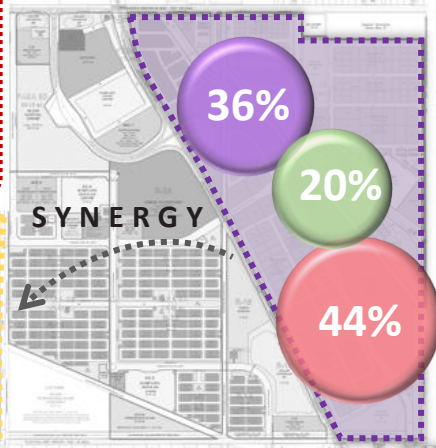
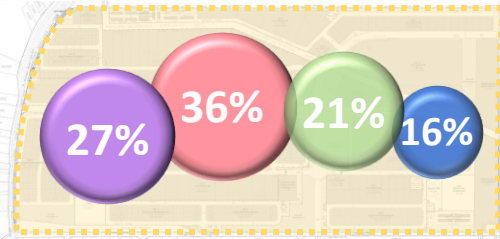
Note:
• Percentage is based on GDV

Best In Class Industrial Development

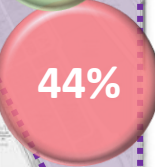
Advancing Ecosystem and Nurturing High Value Investment in Industrial Segment



GATEWAY IV
2024 - 2033
HIGH VALUE INDUSTRIAL
RM5.15bil*
654 ac @ RM7.9mil/ac

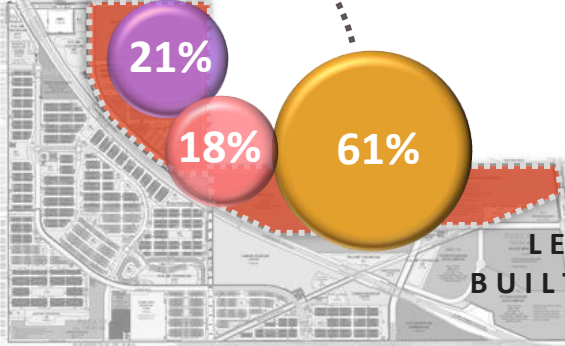


GATEWAY III
2022 - 2030
INDUSTRIAL ECOSYSTEM
RM2.61bil*
456 ac
RM5.7mil/ac



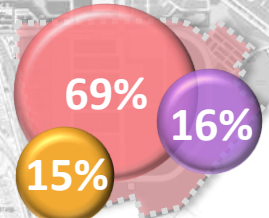
PRODUCT DIVERSIFICATION

GATEWAY II
2018 - 2025
INDUSTRIAL GROWTH
RM1.15bil*
291 ac
RM3.9mil/ac



LEAPFROG BUILT TO LEASE & IDF

GATEWAY I
2011 - 2020
INDUSTRIAL FOOTPRINT
RM0.78bil*
268 ac
RM2.9mil/ac



KEY STRATEGIC PRIORITIES

4 BBR4 WILL BE POSITIONED AS HIGH VALUE INDUSTRIAL TO ACHIEVE HIGHER GDV AND RECURRING INCOME.
Provides the right industrial ecosystem and infrastructure to attract high value industries.

3 BBR3 TRANSFORMED AND EXPEDITED FOR LAUNCHING
The masterplan of BBR3 has been transformed to achieve higher GDV and marketability. BBR3 industrial components has been monetised since 2022.

2 BBR2 POSITIONED TO ENABLE RECURRING INCOME
via the creation of industrial development fund to capture the Build-To-Suit and Build-To-Lease market

1 BBR1 PAVING WAY FOR INDUSTRIAL DEVELOPMENT
Initial launch of industrial products in Bandar Bukit Raja Township

PRODUCT COMPOSITION BASED ON ACREAGE:

- INDUSTRIAL LOT SALE
- READY BUILT FACTORY
- BUILT TO LEASE – RECURRING INCOME
- BUILT TO SUIT SELL
- JOINT VENTURE

*GDV based only on Industrial Development
Note: Acreage is based on net development area

BBR3 & 4 Launch Plan

Synergy between launches of BBR3 and BBR4 to ensure maximum take-up rate

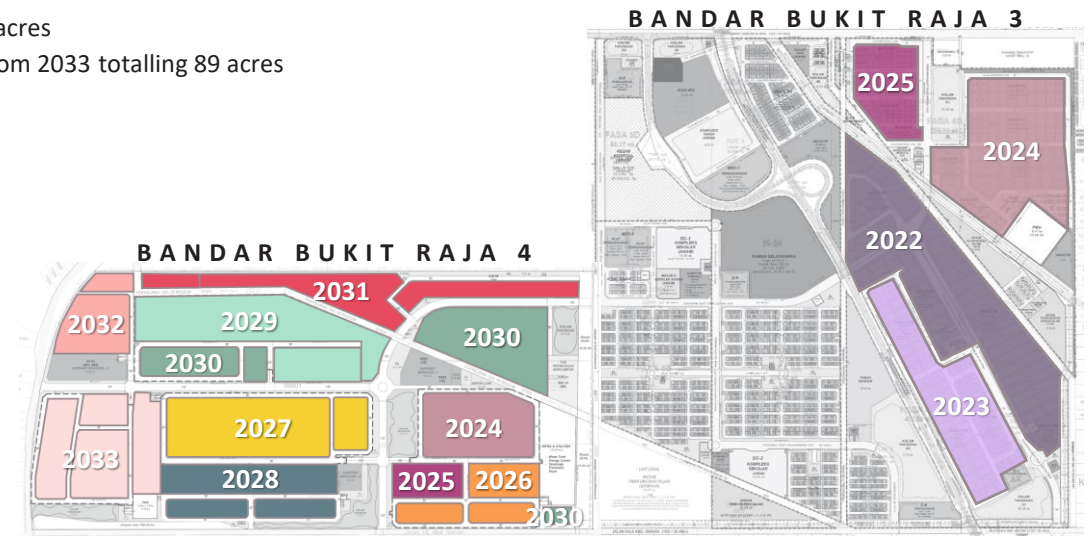
	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
BBR3	128 Ac	84 Units 10k-20k sqft	42 Ac 46 Units 20k sqft	62 Units 10k sqft	21 Ac 97 Units 3.6k sqft						
Total acreage*	128ac	96ac	112ac	52ac	54ac						
BBR4			33 Ac	16 Ac 14 Units 29k sqft	64 Units 9k-25k sqft	62 Ac 6 Units	19 Ac 6 Units 80 Units 7k sqft	71 Ac 6 Units	60 Ac 20 Units 24k sqft	30 Ac 19 Units 24k sqft	50 Units 11k-26k sqft
Total acreage**			33ac	36ac	45ac	80ac	74ac	92ac	96ac	71ac	38ac

INDUSTRIAL LOT SALES BUILT TO SUIT READY BUILT FACTORY

*Excluding Statutory factories – 14 acres
**Industrial launches to continue from 2033 totalling 89 acres

KEY TAKEAWAYS

- Organic growth from BBR3 to BBR4 ensuring continuous supply of industrial offerings
- BBR3 will become the market trend setter and will unlock the development potential of BBR4



BBR Industrial Gateway I

Township's First Industrial Development Has Achieved 100% Take-up Rate, Paving Way For Further Industrial Developments in BBR II and III



In 2019, Gateway 16 (ready built factories) located at BBR Industrial Gateway I won "The Edge Malaysia - PEPS Value Creation Excellence Award (Non-Residential)" for delivering high value product to customers

Average price appreciation of **46%** within three years

Total Industrial Area

268

acres

Light Industry

zone

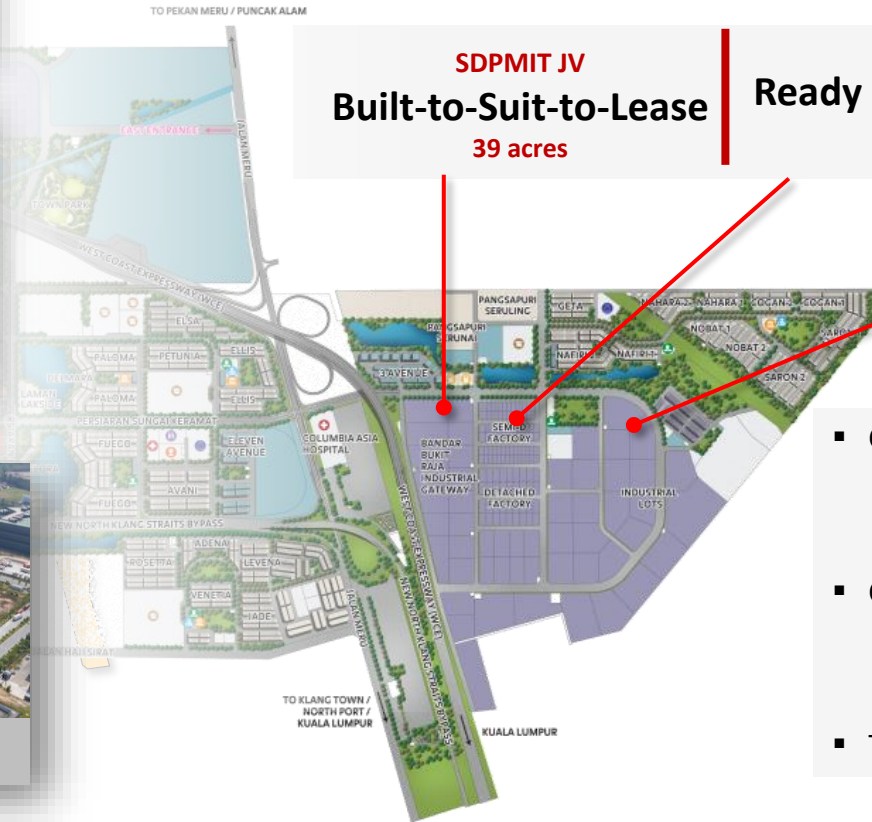
SDPMIT JV
Built-to-Suit-to-Lease
39 acres

116 units
Ready Built Factories
49 acres
(100% Sold)

Industrial Lots
166 acres
(100% Sold)

SDPMIT update

- Completed two built-to-suit warehouses:
 - I. Senheng (Malaysian electrical goods chain)
 - II. Leschaco (a German-integrated logistics provider)
- Currently constructing warehouse for:
 - I. CEVA Logistics & SL Ng (multinational logistics & supply chain companies)
 - Target completion end-2023
- The remaining plots have been taken up and scheduled to be completed by 2026



BIG DUTCHMAN (Food) – 18 acres



CJ CENTURY (Integrated Logistic) – 13 acres



SENHENG (Electrical Goods) – 10 acres

BBR Industrial Gateway II

- Caters for Larger Scale Industrial Lots
- Positioned to Enable Recurring Income

SDP-LOGOS JV (SDPLOG)



- Inaugural Industrial Development Fund by SD Property and LOGOS Property JV; Secured 70% of its targeted fund size up to RM1 billion during its First Close in June 2022
- At its maiden site, the 177-acre E-Metro Logistics Park, the Fund is set to deliver logistics assets spanning 8 million square feet in gross lettable area
- SDPLOG secured J&T Distribution Solutions Sdn Bhd as their first tenant for Metrohub 2 which has a total of ~800k sqft in GLA within the E-Metro Logistics Park

Vinda established regional headquarters in Malaysia

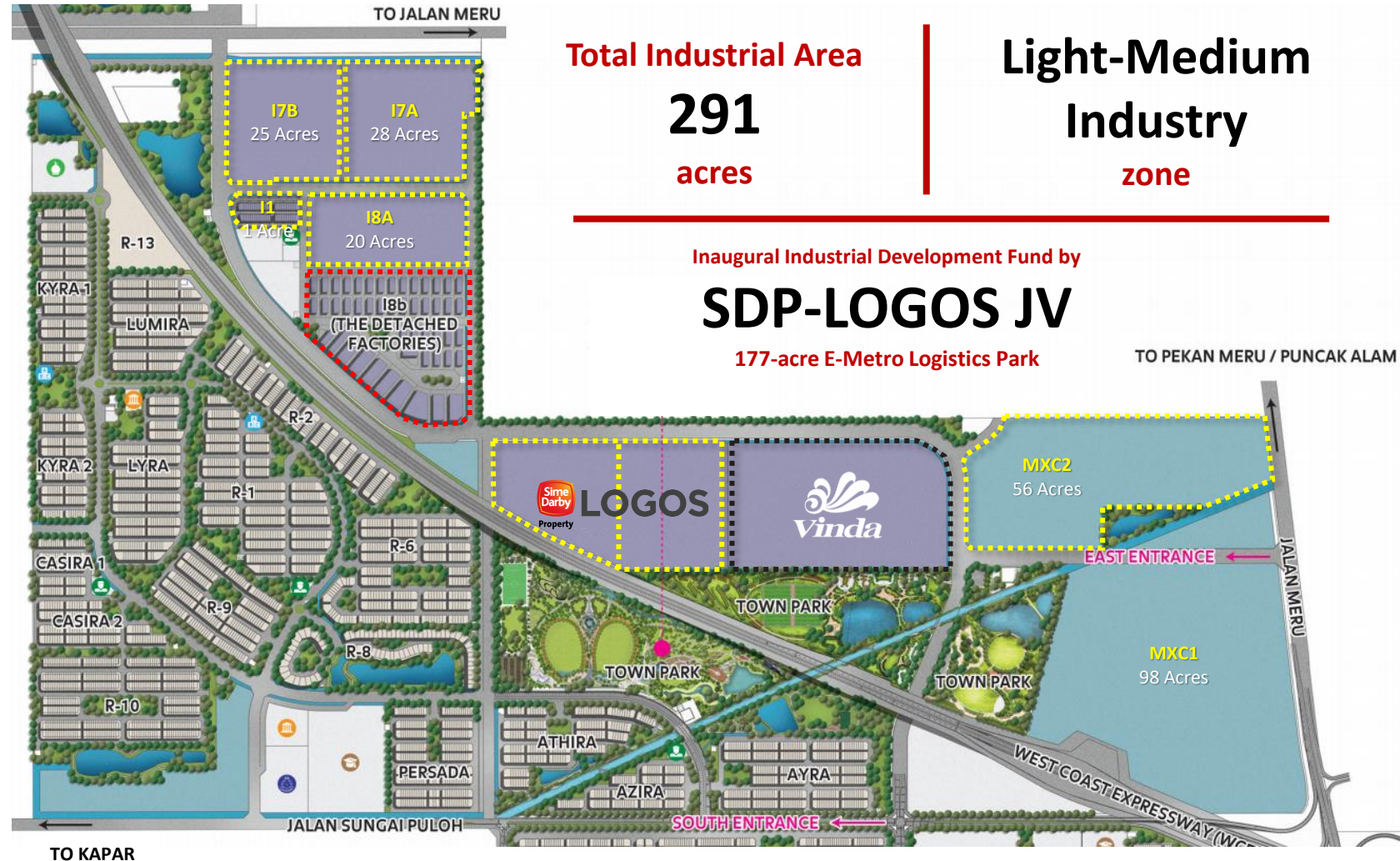


- 50-acre regional HQ to house automated finished goods warehouse, a double-storey plant with raw material warehouse and a six-storey administration block
- First innovation centre outside China
- Operationalised in December 2022

i8b – Ready Built Factories



- 49 units of ready-built semi detached and detached factories with 100% take-up rate
- ~ 88% sold within 2 weeks of launch



Total Industrial Area
291
acres

Light-Medium
Industry
zone

Inaugural Industrial Development Fund by

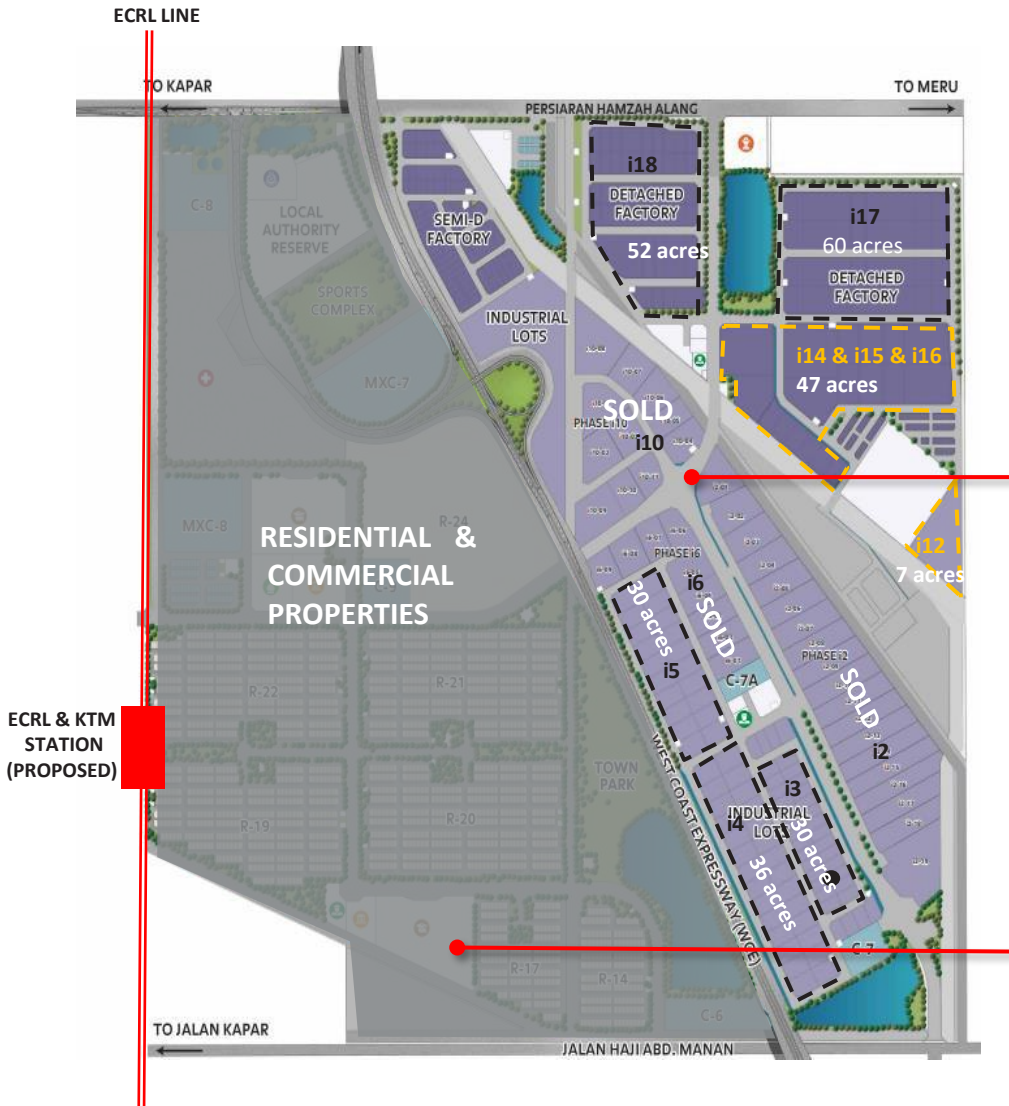
SDP-LOGOS JV

177-acre E-Metro Logistics Park

TO PEKAN MERU / PUNCAK ALAM

BBR Industrial Gateway III

Robust Demand with 128 acres of Industrial Lot Launched to Date Fully Sold



Total Industrial Area

456
acres

Light-Medium Industry
zone

128 acres of
Industrial lot launched to date

100%
sold

(Phase i2, i6 and i10 – Launched in June 2022)

Ready built factories
Detached and Semi Detached

84 Units (96 acres)
to be launched in 2023

(Phase i3, i4, i5– Anticipate Launch in Q4 2023)

Types of Industrial Players

- Logistics, manufacturing, OEMs
- MNCs expansion
- SMEs with relocation and expansion needs

Strong GDV launch pipeline

- **RM2.0 billion** GDV for the remaining industrial with 328 acres launch pipeline between 2023 to 2026

Residential Properties

- **RM3.1 billion** GDV launch pipeline between 2025 to 2032

Commercial Properties

- **RM0.6 billion** GDV launch pipeline between 2025 to 2032



Property

KAPAR LAND BANDAR BUKIT RAJA IV

ESG Focused Industrial Development

BBR Industrial Gateway IV

ESG Focused Industrial Development



Property

- Structured phased development over **10 to 15 years** - **first phase expected to be launched in 2024**



KEY CONCEPT

'ESG Focused Industrial Development in Malaysia'

GREEN DEVELOPMENT



- Green Rated Industrial Park
- Quality Landscape with carbon sink species
- Eco mobility including EV charging station's

MANAGED & GATED GUARDED



- Hubs and Zones
- Fully managed for better upkeeping
- Command Centre
- IOT Sensors

WASTE MANAGEMENT



- Waste to Energy (Jeram Landfill)
- Industrial Waste Recycling (Value added services as Managed Industrial Park)

VALUE ADDED INFRA








- Wider roads, Ingress and Egress
- Dedicated cycling and jogging track
- Smart Development / 5G
- Flooding mitigation initiatives

BBR4 Layout : Placemaking



SYNERGY PARK





Business leisure park that offer an extended external space for business & networking, productivity and collaboration.

-  Outdoor Event
-  Sculpture
-  Business Event
-  Play Zone
-  Jogging/ Walking



ENERGY PARK





A Social & Energetic Park that promote health and active lifestyle with facilities such as multiples court, indoor & outdoor gym and public amenities.

-  Football / Multi Purpose
-  Public Facilities
-  Indoor Gym
-  Team Building



ECO LINK





Green corridor of forest layers that create biodiversity which have higher absorption of CO2, improve outdoor thermal comfort and becoming wildlife corridor.

-  Connector
-  Signages
-  Cycling
-  Jogging/ Walking



REFLECTION PARK

A Nature Park acting as a neutralizer that provide the calmness and tranquility for mental wellness equilibrium. A Park to reflect and submerge with nature.

-  Neutralize Zone
-  Net Zero Park
-  Outdoor Gym
-  Jogging/ Walking

BBR4 Layout : Biodiversity



CARBON SINK TREES

- High Carbon Absorption Plant Species (2 times more on absorption rate)
- Endangered & Native Species
- Tree2Tree Concept (1acre : 55nos trees)
- Air Purification & Reduce Urban Heat Island Effect



GREEN TECH

- Water Harvesting Tank
- Real-time sensors for flooding and pollution



WETLAND

- Additional Water Catchment (Flood Plain)
- Water Bio-Filtration (aquatic plant)
- Wildlife Corridor
- Bioswale

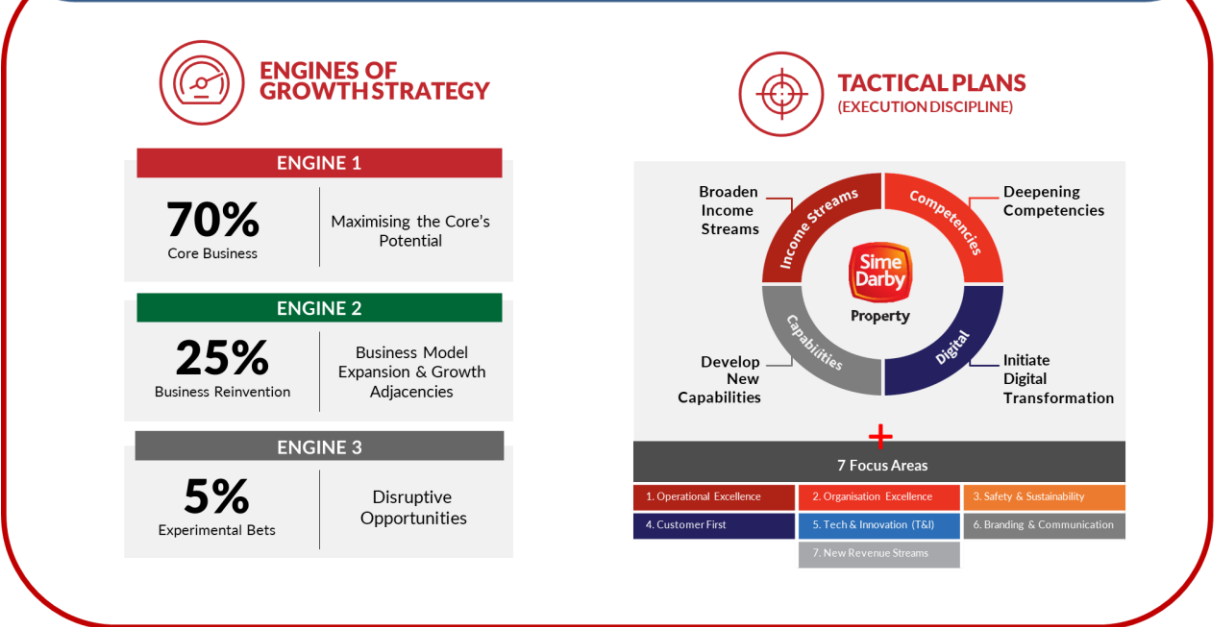


Property

KAPAR LAND ACQUISITION RATIONALE

Rationale

Building on existing success of Bandar Bukit Raja Township and unlocking greater value



1 Maximising Industrial potential

- Industrial and logistics development (“ILD”) remains a **key growth engine** contributing approx. 25% in sales achieved for FY2022
- Structured phased development over **10 to 15 years** - first phase expected to be **launched in 2024**
- Significant growth potential of Kapar land with **estimated gross development value of RM5.0 – 6.0 billion**
- Large catchment of population** due to its **connectivity** to major cities i.e. Klang and Shah Alam
- Surrounded by **mature ecosystem of established industrial players** and **supporting infrastructure**

2 Revving up Engine 2 & Broaden Income Streams

- Diversifying recurring income streams** via the development of built-to-suit-to-lease facilities
- Feeder to new fund** beyond IDF1

3 Catalyst for Group’s product offering expansion

- Envisage development of an **integrated and sustainable industrial development** comprising a **managed industrial park facility with green initiatives**
- Tapping into the **growing demand for high-technology industrial facilities** with **sustainable building elements**

Proposed Acquisition is well-positioned to contribute positively to the future earnings of the Group



Property

SOURCE OF FUNDING & EFFECTS OF THE PROPOSED ACQUISITION

Source of Funding



Source of Funding

The Purchase Consideration is to be fully satisfied in cash.

The Group proposes to use **internally generated funds and/or existing Islamic Medium-Term Notes (IMTN) programme** to complete the Proposed Acquisition.

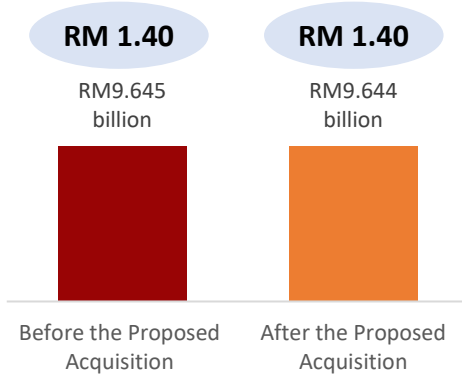
- The Group's **IMTN programme of RM4.5 billion** under the Shariah principle of Musharakah has been assigned a **final credit rating of AA+** with a stable outlook by Malaysian Rating Corporation Berhad (MARC).⁽¹⁾
- The Group has **cash and bank balances** of approximately **RM599.2 million**.⁽²⁾
- The pro forma gross gearing ratio will increase from 0.31x to 0.37x⁽³⁾ post the Proposed Acquisition.

Notes:

1. *FYE 31 December 2022*
2. *Based on the Company's latest audited consolidated financial results for the FYE 31 December 2022*
3. *Assuming RM556.0 million or approximately 90% of the Purchase Consideration is funded through new borrowings while the remaining is funded by internally-generated funds.*

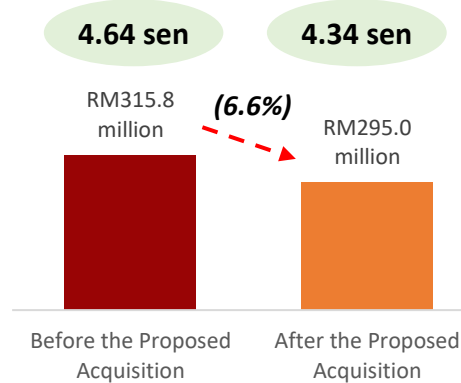
EFFECTS OF THE PROPOSED ACQUISITION⁽¹⁾

Pro forma Net asset per Share⁽²⁾



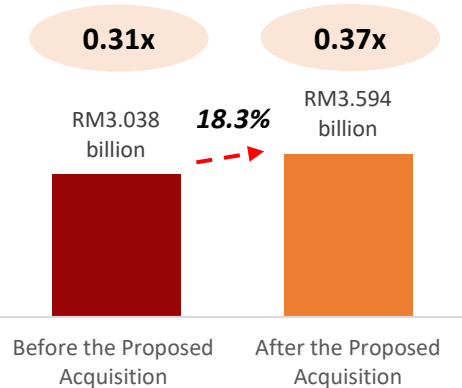
- The retained profits will decrease slightly by **RM1.2 million**, resulting in a decrease of total equity by the same amount.
- However, the net asset per share of SD Property remains at **RM1.40** as the change in net asset is negligible.

Pro forma Earnings and EPS⁽⁴⁾



- The net profit will be reduced by **RM20.8 million** after adjusting for the estimated expenses and assuming 1-year interest costs relating to the Proposed Acquisition.
- Hence, the EPS of our Company will also decrease from **4.64 sen to 4.34 sen** post the Proposed Acquisition.
- The Proposed Acquisition is expected to value add to the future earnings and EPS of the Group arising from the future development of the Kapar Land.

Pro forma Gearing⁽³⁾



- The total borrowings will be increased by **RM56.0 million**, assuming 90.0% of the Purchase Consideration is funded by new bank borrowings and/or the proceeds from the Sukuk Musharakah Programme.
- Hence, the gearing ratio of our Company will also increase from 0.31x to 0.37x post the Proposed Acquisition.

Notes:

- Based on the latest audited consolidated financial statements of our Group for the FYE 31 December 2022.
- Computed based on NA attributable to owners of our Company over total number of SD Property Shares in issue. Based on the assumption that the Proposed Acquisition had been effected on 31 December 2022.
- Computed based on total borrowings over total equity. Based on the assumption that the Proposed Acquisition had been effected on 31 December 2022.
- Based on the assumption that the Proposed Acquisition had been effected on 1 January 2022.



Property

APPROVALS AND TIMELINE

Approvals Required and Tentative Timeline



Approvals Required

The Proposed Acquisition is subject to the following being obtained:

- (i) approval of the non-interested shareholders at the forthcoming EGM;

Note: The Estate Land Board has approved for the transfer and acquisition of the Kapar Land on 18 April 2023

The tentative timeline for implementation of the Proposed Acquisition

Description	Tentative timeline
EGM to approve the Proposed Acquisition	24 May 2023
Fulfillment of the Conditions Precedent	Second quarter of 2023
Completion of the Proposed Acquisition	Third quarter of 2023



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Thank You

Sime Darby Property Berhad 197301002148 (15631-P)

OUR PURPOSE

To be a Value Multiplier
for people, businesses,
economies and the planet