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RIZAL RICKMAN RAMLI
Chairman



Dear Stakeholders,

Sime Darby Property delivered solid operational and financial results for the financial year ended 31 December 2022 (“FY2022”), notwithstanding labour-related challenges and escalating material prices. The Group achieved its highest sales since our 2017 demerger at RM3.7 billion, breaching our target of RM2.6 billion, as well as recording an operating profit of RM487.8 million. This outstanding achievement would not have been possible without the determination to persevere in the face of adversity, the unwavering trust and support of all stakeholders and customers, as well as the resilience and passion of *TEAM Sime Darby Property* in realising our purpose of multiplying value for people, businesses, economies, and the planet.

Reflecting on our transformation journey, we can say that it has been magnificent yet challenging. Our performance and efficiency have significantly improved, particularly for our operations in Malaysia, and 2022 demonstrated the Group’s agility and perseverance.

On this note, it is with great pride that I introduce Sime Darby Property’s annual report for the year 2022, a year that was significant on many counts. It not only marked the Group’s 50th anniversary, a significant milestone for any corporation, but it also signalled the beginning of a new era for one of the country’s most established and respected property entities. 2022 marks the second year of Sime Darby Property’s transformation journey from being a pure-play property developer towards becoming a sustainable real estate company. This was also the year in which we introduced our new Purpose, Vision, Mission and Values, refreshed to reinforce and invigorate our SHIFT25 aspirations.

The SHIFT25 strategy was established in 2021, defining the Group’s ambitions, business direction, goals and tactics in pivoting the organisation over the next few years. The new Purpose, Vision and Mission statements alongside our TEAM values define the spirit and soul of this transformative journey, lending a deeper meaning and purpose to everything

CHAIRMAN'S MESSAGE

OUR PURPOSE

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

OUR VISION

Advancing real estate as a force for collective progress, in harmony with the planet's resources.

OUR MISSION

To develop, own and manage a thriving asset portfolio, creating value for all stakeholders.

OUR VALUES



Together We Do
What's Right



We Lead with
Excellence



We Embrace
New Approaches



We Make
things Happen

we do as part of our ongoing transformation. Together, both our strategy and statements ensure that we not only create value for our stakeholders, but also multiply it across all the domains that we are part of.

Guided and driven by our new direction and purpose, Team Sime Darby Property was able to overcome various challenges in the operating environment, most notably, the persistent labour shortage and rising cost of materials, to produce a solid set of results exceeding expectations.

To have achieved such commendable results, particularly in the aftermath of COVID-19 pandemic, is indeed remarkable, and reflects a strong leadership team that has consistently demonstrated the ability to capitalise on strategic opportunities, as well as dedicated employees who are driven by a strong sense of purpose aligned with our value-creation goals. On behalf of the Board, I would like to take this opportunity to commend the entire Sime Darby Property team for their determination, perseverance and for giving their best.

OUTSTANDING MOMENTS IN 2022

While the year was eventful, with no less than 31 product launches and numerous internal and external events and activities, two occasions in particular raised the Group's profile in both Malaysia and internationally.

Most significantly, we officially opened the doors of the Battersea Power Station to the public on 14 October 2022. This was a historical moment for both Sime Darby Property and Malaysia, as it demonstrated to the world that we have the expertise and capabilities to manage a project of this complexity and magnitude. In recognition of the invaluable contributions of the Malaysian consortium comprising Sime Darby Property, SP Setia Berhad and the Employees Provident Fund ("EPF"), a central space in the iconic monument has been appropriated as Malaysia Square. The entrance to the mall, meanwhile, draws inspiration from the Mulu Caves in Sarawak.

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Chairman's Message

Closer to home, we celebrated another defining moment when Her Majesty Seri Paduka Baginda The Raja Permaisuri Agong inaugurated the official rebranding of TPCKL, embracing its original birth name, Kuala Lumpur Golf and Country Club ("KLGCC"). The name is reflective of the club's history and its cultural personality, setting it apart from others in its league. KLGCC continues to be an international golfing destination, ranking yet again amongst the Top 100 Platinum Golf & Country Clubs of the World 2022-2023.

Further to our operational excellence, we continued to be recognised with coveted industry awards. Among others, we were honoured with 10 wins at the StarProperty Awards 2022, acknowledging our outstanding developments, inclusive of the All-Stars Award in the Real Estate Developer category. Sime Darby Property was also once again ranked among the Top 10 Developers 2022 in the BCI Asia Awards and similarly in The Edge Malaysia's Top Property Developers Awards for the 11th consecutive year, achieving an overall position of fourth place. As selected by the voting public for the Putra Brand Awards, we were recognised with the coveted Platinum ranking in the Property Development category and was awarded the Putra Malaysian Marketer Award for excellence in marketing.

CREATING VALUE FOR OUR STAKEHOLDERS

As a result of our strong performance in 2022, I am pleased to share that the Board has approved a second single-tier dividend of 1 sen per share, leading to a total dividend of 2 sen per share for the year amounting to RM136.0 million. Our shareholders are extremely important to us, and we remain committed to ensuring consistent returns from their investments in the Group.

We also continue to create value for our employees through a competitive and rewarding remuneration and benefits plan, attractive performance-based bonuses, the provision of continuous professional training and development, as well as dynamic career progression opportunities.

Similarly, the safety of our people is of top priority, which drives the continuous strengthening of our safety framework to prevent incidents and injuries. In 2022, we introduced improved safety monitoring and mechanisms to systemise various Health, Safety, Security & Environment ("HSSE") standards and practices. These reinforced our on-site safety standards, supervision, self-regulation and basic safety compliance and reporting. In promoting felt and visible leadership on HSSE, our leadership team participated in 11



Bird's-eye view of the Kuala Lumpur Golf & Country Club

official Leadership Engagement Action Programme ("LEAP") site visits across the year to ensure the observance of safety practices at our project sites. A Partners' Dialogue was also organised to engage with our vendors and contractors on health, safety and sustainability matters.

Further attesting to our social citizenry, we organised several community outreach programmes both independently, via our philanthropic foundation, Yayasan Sime Darby ("YSD"). Following the floods in Johor, our volunteers delivered daily necessities to close to 200 families in January and February. Meanwhile, through our flagship Sinar Harapan Festive Aid Programme, we contributed essentials to three centres in the Klang Valley and Negeri Sembilan, benefitting about 200 homeless and aged individuals, as well as special needs children.

Children have always been close to our heart. Last year, together with UNICEF, we launched the country's first Inclusive Playground in the City of Elmina in Shah Alam, offering a safe space for children with disabilities to play, engage and have fun. We also provided 1,755 children from B40 families with back-to-school kits in preparation for the new academic year.



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BUILDING OUR SUSTAINABILITY SCORECARD

Our community outreach programmes are part of our Environmental, Social and Governance (“ESG”) agenda through which we manifest our value creation imperatives. Our commitment towards ESG is clearly reflected in our Purpose, Vision and Mission statements, which reiterate the triple bottom-line approach of creating profits while serving the interests of our stakeholders and protecting the environment. This notion has been further underlined by the setting up of the Board Sustainability Committee (“BSC”) on 1 January 2023.

While the Board has always overseen sustainability matters in Sime Darby Property, today there is a structured framework for sustainability discussions and oversight, with the BSC taking the lead in the Group’s sustainability direction and strategies. Under the guidance of the BSC, all sustainability risks are entered into our risk register for effective monitoring and management.



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Chairman's Message



As a responsible organisation, we are committed to reducing our carbon footprint and contributing to the fight against climate change.



As a responsible organisation, we are committed to reducing our carbon footprint and contributing to the fight against climate change. Recognising the criticality of climate action, we are currently developing our net zero pathway. Over the past year, the Board and management team have been working closely with experts to better understand our carbon emissions and identify risks and opportunities as we transition towards net zero.

Meanwhile, we have been pleased to see increasing efforts towards the preservation of biodiversity across our townships and developments. In the City of Elmina, for example, we established the Elmina Rainforest Knowledge Centre ("ERKC"), which runs various public conservation programmes. In the process, we have developed our own capabilities and capacity to execute urban projects where man and nature can co-exist in harmony.

Efforts to integrate ESG practices into the fabric of our operations did not go to waste. In 2022, we were presented the Outstanding ESG Award at the Business Excellence Awards 2022 from the British Malaysian Chamber of Commerce ("BMCC"), further solidifying us as a leading voice in advancing the sustainability agenda.



Elmina Rainforest Knowledge Centre, City of Elmina

GOVERNANCE

A sound corporate governance system underpins our sustainable operations and performance, as well as our ability to create stakeholder value. Acknowledging its importance, the Board ensures that Sime Darby Property adopts best practices in corporate governance as advocated by the Malaysian Code on Corporate Governance ("MCCG") issued by the Securities Commission Malaysia, and the Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia Securities Berhad.

Upon the recommendation of our Nomination and Remuneration Committee ("NRC"), on 24 March 2022, the Board approved the proposed Fit and Proper Policy for Sime Darby Property. This policy stipulates criteria for the appointment and re-election of Directors to the Boards of Sime Darby Property and our subsidiaries, in line with the latest MMLR requirements to address board quality and integrity.



Students being briefed about the conservation of native tree species at the Elmina Living Collection Nursery

In November 2022, the Board also approved the formation of the BSC to drive the Group’s sustainability agenda. The BSC comprises four members, namely Dato’ Seri Ahmad Johan Mohamad Raslan as Chairman, along with Datin Norazah Mohamed Razali, Dato’ Hamidah Naziadin and Dr. Lisa Lim Poh Lin. Other significant Board changes during the year included the redesignation of Dato’ Jagan Sabapathy, previously our Senior Independent Director (“SID”), as a Non-Independent Director; and his replacement by Dato’ Soam Heng Choon as our new SID. This change is in line with Clause 3.2 of Sime Darby Property’s Board Charter and Practice 5.3 of the MCCG, which limits the tenure of independent directors to nine years. Dato’ Jagan would have served the Board for nine years on 27 March 2023.

In my message last year, I had indicated that we are committed to maintaining women representation in senior management at a minimum of 30%. The Group did not waver in its commitment, with three out of our 10 (or 30%) C-suite positions today still held by our outstanding female leaders.

ACKNOWLEDGMENTS

In conjunction with Sime Darby Property’s 50th anniversary in 2022, I would like to express my gratitude not only to our current Board, leadership and employees, but also to all previous Board members, leaders and employees who have contributed to the creation of a values-driven organisation that continues to make all the right moves in meeting stakeholders’ needs.

At the same time, it would be remiss if we failed to recognise the many stakeholders who have played a critical role in our 50-year journey. Therefore, on behalf of the Board, I would like to express our sincere appreciation to the Government and its regulatory bodies, our shareholders, vendors, partners and customers for their continued support and trust in our brand.

Thanks to the contributions of all our internal and external stakeholders, Sime Darby Property today is in a stronger position than ever before to achieve our aspiration to become Malaysia’s leading and most admired real estate company, *multiplying value for People, Businesses, Economies and the Planet.*

Rizal Rickman Ramli
Non-Independent, Non-Executive Chairman

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