

Sime Darby Property Retains AA+IS Rating for Fourth Year Running on Sukuk Musharakah Programme with Stable Outlook

ARA DAMANSARA, 16 DECEMBER 2024 – Sime Darby Property Berhad (“Sime Darby Property” or “Group”) has maintained the AA+IS rating with a stable outlook for its RM4.5 billion Islamic Medium-Term Notes (“IMTN”) Programme (“Sukuk Musharakah”). This investment-grade rating was reaffirmed by MARC Ratings Berhad (“MARC Ratings”) for the fourth consecutive year.

The outstanding under the rated programme stood at RM1.4 billion as of 30 November 2024.

This rating reflects Sime Darby Property’s robust sales performance across its well-established townships and its strong balance sheet, supported by low leverage. MARC Ratings noted the Group’s RM2.8 billion in gross development value (“GDV”) launches for the first nine months of FY2024 (“9M FY2024”), with a strong overall take-up rate of 76% for its diversified product mix of residential high-rise, residential landed, and industrial offerings located within populous townships with well-established connectivity. Unbilled sales of RM3.7 billion provide the Group with earnings visibility over the next three years. Completed inventory remained modest relative to the size of the Group’s projects, stood at RM185.5 million as of September 2024, reflecting efficient management of project rollouts.

The rating agency highlighted the Group’s ongoing diversification into industrial and logistics property development, including built-to-lease projects aimed at generating recurring income. Sime Darby Property’s developable landbank of approximately 12,900 acres (excluding non-core lands), continues to provide development opportunities for industrial and township projects.

MARC Ratings also assessed the progress on the Battersea Power Station development, in which Sime Darby Property holds a 40% stake. By September 2024, Phase 3B’s residential component reached a 61% sales rate, while the commercial building, 50 Electric Boulevard, achieved 45% occupancy, with negotiations for additional leases ongoing.

The Group’s 9M FY2024 revenue grew by 35% year-on-year to RM3.3 billion, driven by higher sales and progress across projects primarily in its Klang Valley townships. The period’s pre-tax profit stood at RM636.8 million, supported by higher revenue and non-core land parcel

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sales, offsetting provisions for rental guarantees related to Battersea Power Station's 50 Electric Boulevard Grade A office building.

Gearing level remained low, with borrowings reduced slightly to RM2.8 billion as compared to the previous year (end-2023: RM2.9 billion), and a gross debt-to-equity ratio of 0.27x. Cash balances of RM790.7 million reflect a healthy liquidity position.

Sime Darby Property's Group Managing Director, Dato' Seri Azmir Merican, said, "The reaffirmation of our AA+IS rating reflects our commitment to financial stability, which is key to delivering consistent results. This stability, indicating a strategic balance between managing debt effectively and leveraging it for future growth opportunities, enables us to responsibly advance our growth plans and diversify our income streams. As we continue to evolve as a sustainable real estate player, the Sukuk Musharakah Programme remains a key enabler of our strategic growth initiatives."

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About Sime Darby Property Berhad

With over 50 years of experience, Sime Darby Property leads in creating master-planned communities, setting the benchmark for quality, innovation, and sustainability in residential, integrated and high-rise projects within its 25 townships and developments across Malaysia.

As it transitions into a real estate company by 2025, the company drives the industrial and logistics segment in Elmina Business Park, Bandar Bukit Raja, Hamilton Nilai City, and the Pagoh Special Economic Zone. Propelling its recurring income portfolio, Sime Darby Property is also the first public-listed property developer in Malaysia to venture into the creation of development funds in the industrial and logistics sector.

The company has pledged to achieve Net Zero carbon emissions by 2050, referencing the science-based target of limiting global temperature rise to 1.5°C. A consistent champion for biodiversity, Sime Darby Property is a constituent of the MSCI ACWI Small Cap Index with an MSCI ESG Rating of BBB and is rated by the Carbon Disclosure Project.

Part of the respectable Malaysian consortium that successfully regenerated the iconic Battersea Power Station in the United Kingdom, Sime Darby Property also owns the multi-award-winning Kuala Lumpur Golf & Country Club, which hosts the prestigious LPGA-sanctioned Maybank Championship.

Driven by its Purpose to be a Value Multiplier for people, businesses, economies, and the planet, Sime Darby Property, through its philanthropic arm, Yayasan Sime Darby, continuously creates positive social impacts for the communities it serves.

Sime Darby Property has been recognised as Malaysia's number one property developer at 'The Edge Malaysia's Top Property Developers Awards 2024', with other notable achievements, including Gold and Silver wins at the prestigious FIABCI World Prix d'Excellence Awards 2023, All-Stars at the StarProperty Awards 2024 and All-Stars at the StarProperty Awards 2023, a number one ranking for the Top of The Chart Award in the RM1 billion and above market capitalisation category at the Malaysia Developer Awards 2024, a Top 10 Developers (Malaysia) Award at the BCI Asia Awards 2024, a Platinum ranking in the Property Development category at the Putra Brand Awards 2023, and a People's Choice Award at the PropertyGuru Asia Awards Malaysia 2024. Apart from that, Sime Darby Property is listed on the Fortune Southeast Asia 500 list, one of only 89 Malaysian companies to be featured on the inaugural listicle.

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