



# Message from Our Chairman

**DATO' RIZAL RICKMAN RAMLI**  
Chairman



## Dear Stakeholders,

Sime Darby Property delivered continued solid financial and operational performances in FY2023, notwithstanding escalating material prices, threat of inflationary pressures and a cautious outlook at the start of the year. The Group remained focused on creating sustained value and recorded its highest revenue and operating profit, since the 2017 demerger, of RM3.4 billion and RM606.4 million respectively. This demonstrates 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 to be a Value Multiplier for People, Businesses, Economies and the Planet.

Our SHIFT25 strategy continues to be the driving force in enabling the Group to push through challenges and capitalise on opportunities to deliver our targets. It has been heartening to see our employees fully engaged and working together as TEAM Sime Darby Property to execute our plans and achieve our goal of transforming from a pure-play developer to a real estate company.

The success of our strategies is reflected by the favourable response from customers, with our emphasis on delivering high-quality products and services that meet their evolving expectations being rewarded by a steady growth in launches and sales over the past three years. This has placed us firmly on the right trajectory towards our goal of building a best-in-class Property Development business.



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Simultaneously, we have remained dedicated to expanding our Investment & Asset Management (“IAM”) business, aiming to cultivate strong and diversified recurring income streams for sustained long-term shareholder value. Over the past year, significant strides have been made under our Industrial Development Fund (“IDF”), with the construction of Metrohub 1 and 2 at the E-Metro Logistics Park, which is slated for completion in 2024, and managed to secure J&T Distribution Solutions Sdn Bhd as the first pre-committed tenant. Furthermore, we have also secured commitments for the remaining RM300 million to close the fund at RM1.0 billion.

Our productivity in 2023 was further highlighted by our concerted efforts to enhance ongoing operations via asset enhancement initiatives, alongside the active exploration of new asset classes such as solar energy, with several promising prospects currently in our pipeline.

The progress we have unlocked since embarking on our SHIFT25 strategy has been encouraging; we have strengthened our fundamentals, pursued numerous new ventures and broadened our business model. Riding on this momentum and fortified by our robust financial standing, the Group is ideally positioned to forge ahead, seizing opportunities for expansion, growth and diversification with agility and determination.

## A YEAR OF HIGHLIGHTS

It was a truly productive year for the Group on all fronts, marked by 37 product launches in our Property Development segment and the initiation of various exciting new projects in our IAM business, alongside enhancements to our management and operational pursuits across all segments.

The Group marked a key milestone by making its maiden foray into the affordable township sector through Seed Homes, Sime Darby Property’s new portfolio to deliver innovative solutions in the affordable homes segment. Seed Homes had recently formed a strategic partnership

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with Lagenda Properties to revolutionise affordable housing, and through this joint venture, we are combining our experience, expertise and strategic land bank ownership with Lagenda Properties’ highly scalable model of developing self-sustainable affordable townships. Our ongoing efforts to launch our inaugural affordable township project in Gurun, Kedah, reflects our commitment to making homeownership more accessible to Malaysians.

Meanwhile, the Group has laid rousing new inroads into the renewable energy sector, aligning its efforts with the Malaysian government’s new National Energy Transition Roadmap (“NETR”). In our commitment to spearheading the transition to renewable energy across the real estate industry, we have devised a three-pronged approach that will explore the implementation of residential, commercial and large-scale solar projects in the near future.

In tandem with our foray into renewable energy and commitment as a ‘Force for Good’, the Group has further solidified its long-term climate change ambitions. In November, we announced our pledge to achieve Net Zero emissions by 2050, with an intermediate target of attaining a 40% reduction in our Scope 1 and Scope 2 emissions by 2030. We firmly believe that adopting a Net Zero approach is crucial in mitigating global warming, and as such, we have implemented both near-term and long-term strategies to guide the transformation of our business for the betterment of the planet.

In 2023, our commitment to excellence was widely recognised by the industry, as we proudly received a total of 51 awards across various categories throughout the year. At the international level, our achievements were highlighted by two major wins at the FIABCI Prix d’Excellence Awards 2023, including a Gold in the Master Plan category for City of Elmina and a Silver in the Residential Mid-Rise category for Cantara Residences. These two developments were

## Message From Our Chairman

similarly recognised in the Malaysian chapter of the FIABCI awards, taking top honours in their respective categories.

Meanwhile, we continued our winning streak at the StarProperty Awards 2023, with the standout achievement amongst nine accolades being our No.1 All Star ranking amid all real estate developers. Additionally, we maintained our Platinum ranking in the Property Development category at the Putra Brand Awards and received the esteemed Marketer of the Year award for the second consecutive year. Our consistent performance was further validated by our placement in the Top Ten Developers 2023 in the BCI Asia Awards, while we improved our rank from fourth to third in The Edge Malaysia's Top Property Developers Awards.

I am delighted to extend my heartfelt congratulations to our Director, Datuk Soam Heng Choon and Group Managing Director, Dato' Azmir Merican, for receiving the Outstanding Contribution


to the Real Estate Industry award and Outstanding Property CEO award respectively, at the Edge Property Excellence Awards 2023. Their dedication and contribution has guided us through a commendable transformational journey, and the Board is deeply appreciative of their efforts.

### CREATING VALUE FOR STAKEHOLDERS

On the back of our solid performance in 2023, I am delighted to announce that the Board has declared a second single-tier dividend of 1.5 sen per share, contributing to a total dividend of 2.5 sen per share for the year, amounting to RM170 million. The Board's decision reflects confidence in our strategies to drive future value for our shareholders through recurring earnings, most notably by harnessing the potential of both our development pipeline and capital transaction capabilities to bolster funds management income.

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 A bird's eye view of the Elmina Peak located in the City of Elmina

Throughout the year, we remained committed to enriching the lives of our employees by offering competitive rewards and fostering numerous avenues for professional growth and career advancement. We introduced several new initiatives to strengthen our human development framework across all levels, including a pilot programme designed to empower line managers with effective conversational skills to engage and nurture their top talents, alongside executive coaching sessions for senior leaders and specialised leadership development programmes tailored to meet the unique needs of our diverse talent pools.

“  
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Safety is a paramount for the Group, and the Board remains informed of the progress made across our Health, Safety, Security and Environment (“HSSE”) portfolio, ensuring a steadfast focus on the safety of all staff and contractor personnel at our construction projects and operations. Our Leadership Engagement and Action Programme (“LEAP”) continues to reinforce our commitment to safety, with leadership playing a pivotal role in driving the safety message to our staff. To this end, our leadership team, alongside two board members, conducted one-to-one sessions with 62 foreign workers at various construction sites throughout 2023. These sessions were aimed at gaining a better understanding of the day-to-day challenges faced by frontline project staff and foreign workers, ensuring their work safety remains a top priority.

As a responsible corporate citizen, we remain committed to supporting and creating valuable opportunities for the wider community, both independently and through our philanthropic foundation, Yayasan Sime Darby (“YSD”). With an eye on enhancing educational support for the next generation, we launched a new Technical and Vocation Education and Training (“TVET”) initiative in collaboration with YSD, and will leverage on this programme to sponsor the learning aspirations of B40 youths.

At the same time, the Group had conducted 25 Corporate Social Responsibility (“CSR”) programmes, and contributed RM12.2 million in donations and sponsorships, as well as RM3.4 million in local community investments. Through these endeavours, we were able to touch the lives of over 5,000 people.

### PROGRESSING OUR SUSTAINABILITY JOURNEY

Advancing our sustainability journey remains pivotal to our long-term strategy for creating shared value and ensuring sustainable performance across all business segments. To this end, we established a Board Sustainability Committee (“BSC”) on 1 January 2023, tasked with driving our Environmental, Social, and Governance (“ESG”) agenda forward, reviewing our progress against internal sustainability targets, and ensuring that our long-term strategies are geared towards enhancing our capacity to create shared value.

Bolstered by our heightened focus and oversight across the ESG spectrum, we underscored our commitment to climate change action through our Net Zero announcement this year. In conjunction, we have identified numerous near-term and long-term strategies to achieve our targets, ranging from the transition to renewable energy sources to the electrification of our vehicles and equipment, alongside the education of our workforce to promote good energy practices.

Looking ahead, we recognise the immense value in carbon sequestration through nature-based solutions focused on conservation and regeneration of urban biodiversity. This holistic strategy does not merely entail the planting of trees, but involves

**“ In February, we inaugurated the initial phase of KL East Park, encompassing 17 acres of flourishing regenerating forest boasting over 300 plant species, 120 bird species, and a diverse cornucopia of fish, reptiles and insects. ”**


scientific analysis, internal capacity building and the involvement of communities across several of our townships.

In 2023, our efforts in this area gained significant momentum with the launch of two key projects. In February, we inaugurated the initial phase of KL East Park, encompassing 17 acres of flourishing regenerating forest boasting over 300 plant species, 120 bird species, and a diverse cornucopia of fish, reptiles and insects. The remaining 36-acres of this already award-winning destination will be utilised for placemaking initiatives and educational programmes, as we seek to involve and empower local communities in understanding and safeguarding urban biodiversity.

Additionally, in December, we began work on our ambitious City of Elmina biodiversity corridor, a project that aims to restore ecological connectivity to the Bukit Cherakah Forest Reserve through the 300-acre Elmina Central Park. Designed to emulate the natural function of rainforests in supporting diverse flora and fauna, this initiative will provide refuge and resources for local wildlife. In tandem with these two projects, we are launching a new Citizen Scientists pilot project that seeks to harness enthusiastic members of the public to further our biodiversity research activities.

Our dedication to biodiversity and environmental management was widely recognised in 2023, evidenced through multiple awards received. In the StarProperty Real Estate Developer Awards 2023, KL East Park earned the prestigious Placemaker Award (Excellence), while our Bandar Bukit Raja Townpark was honoured with the Landscape Development Award (Excellence). Similarly, in the Malaysia Landscape Architecture Awards 13, KL East Park secured the Landscape Resource Preservation & Conservation Award, while both the City of Elmina and Serenia City were recipients of the Sustainable Management Category – Environmental & Landscape Management Award.



 Outdoor Discovery League programme by the Citizen Scientist initiative



 Learning the basics of composting via the Outdoor Discovery League

## GOVERNANCE

We acknowledge the critical role that effective governance plays in maintaining our operational excellence and generating stakeholder value, and remain committed to upholding best practices in corporate governance, as outlined in the Malaysian Code on Corporate Governance (“MCCG”) and the Main Market Listing Requirements (“MMLR”) by Bursa Malaysia Securities Berhad.

We continue to review and enhance our governance framework and policies each year, taking into account the recommendations of our various Board Committees. Our initiatives in 2023 included revisions to our Fit & Proper Policy and the Group’s Code of Business Conduct (“COBC”), while we also updated the terms of reference for our Audit Committee to align with the enhanced Conflict of Interest (“COI”) disclosure requirements mandated by Bursa Malaysia. Furthermore, we introduced a new Non-Audit Services (“NAS”) Concurrence Policy to reinforce the independence and objectivity of external auditors.

In our steadfast commitment to uphold human rights, the Board approved a new Human Rights Policy in June 2023. This initiative was further reinforced with the undertaking of a human rights assessment for our top five contractors, which was carried out by the Group Corporate Assurance Department (“GCAD”) and the Cost & Control Department in line with the due diligence guidelines set forth by the International Labour Organisation.

Recognising the ever-changing landscape of our industry, the Board also conducted an evaluation of the training needs for our directors. Through this undertaking, we were able to ensure the engagement of reputable regional training providers to keep our directors well-informed and up-to-date on global business trends, corporate governance practices, sustainability principles, strategic planning and leadership methodologies.

In recent Board developments, I am delighted to welcome Puan Nur Farahbi binti Shaari as a Non-Independent Non-Executive Director, officially appointed on 1 September 2023,

alongside her alternate, Encik Khalid bin Mohammed Noor. With this addition, our Board has expanded from 10 to 11 members and, more significantly, increased the proportion of women directors to 36%, with four exceptional female leaders on our Board lending us greater diversity in experience, expertise and viewpoints.

## ACKNOWLEDGEMENTS

In closing, I extend my heartfelt gratitude to our Board, leadership teams and entire workforce for their remarkable contributions to the Group’s achievements in 2023. Your unwavering dedication to fostering a values-driven organisation has set us on a path of success, positioning us to not only meet but exceed the expectations of our stakeholders as we pursue our overarching goals.

We are immensely grateful to our various stakeholders for their continued support of the Group’s activities and operations. I would like to extend my appreciation for the ongoing collaboration of government and regulatory bodies, as well as the remarkable loyalty and support of our esteemed shareholders, vendors and partners. A special acknowledgment is reserved for our valued customers, whose enthusiasm and appetite for our products and services have remained stronger than ever throughout 2023.

Through the collective and dedicated efforts of all our stakeholders, the Group has made progress towards our aspiration of becoming Malaysia’s leading and most admired real estate company. As we forge ahead towards our ambitions, let us continue to collaborate meaningfully to consistently multiply the value we generate for the betterment of people, businesses, economies and the planet.

### DATO’ RIZAL RICKMAN RAMLI

Chairman