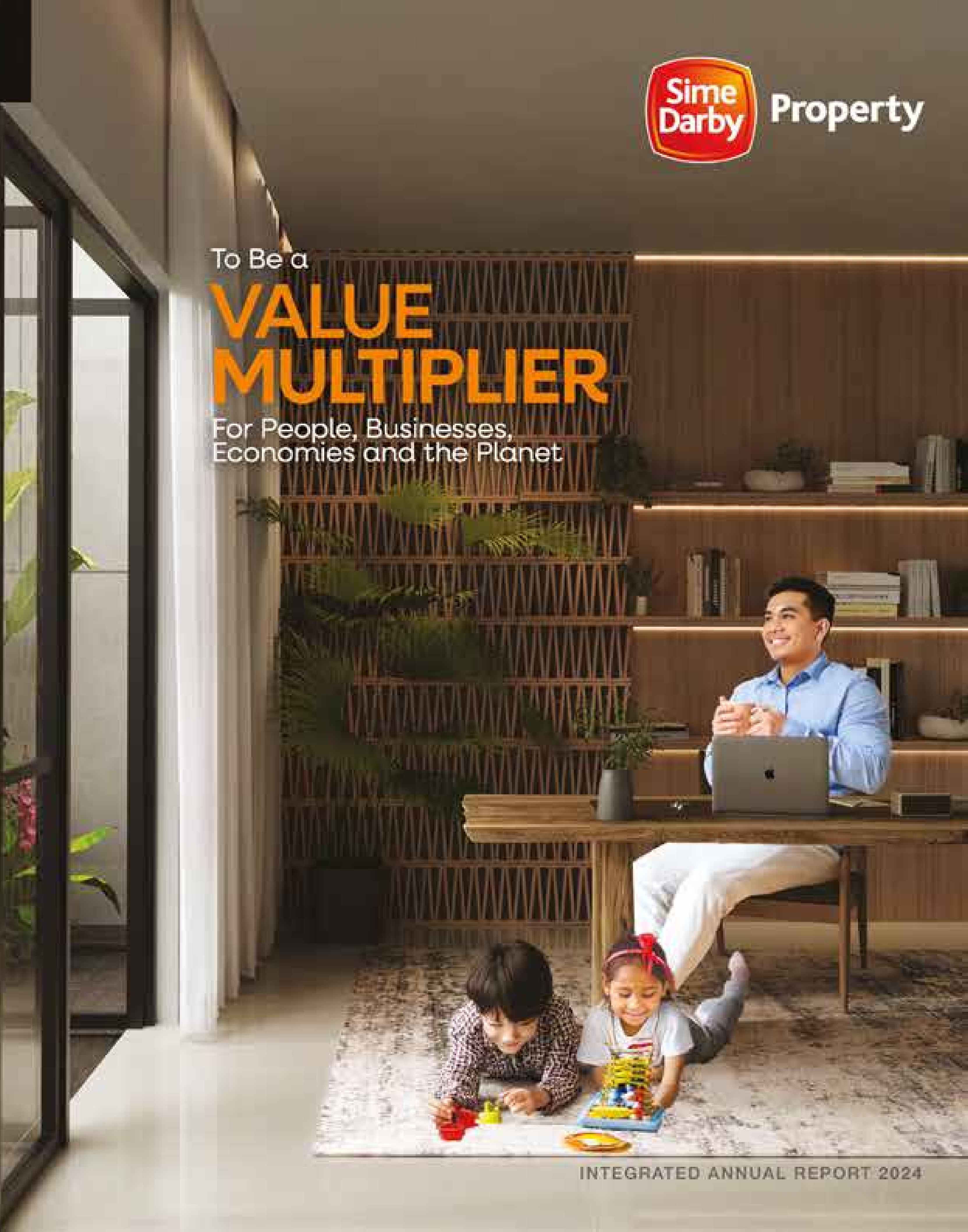
Sime Darby Property

To Be a VALUE MULTIPLIER

For People, Businesses, Economies and the Planet



INTEGRATED ANNUAL REPORT 2024

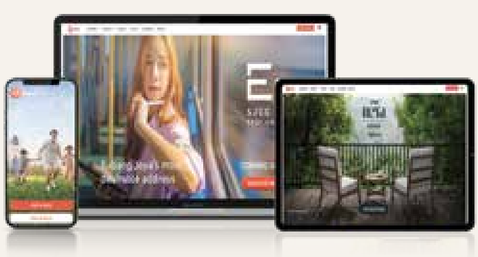
About
This Report

Sime Darby Property's Integrated Annual Report 2024 marks our eighth Integrated Report since our listing in 2017, covering the financial year from 1 January to 31 December 2024 ("FY2024"), and has been prepared in line with the principles of integrated reporting prescribed by the International Integrated Reporting Council.

The report offers a comprehensive and accurate account of the Group's financial and non-financial performance and future prospects based on our strategy. It considers the challenges of the operating environment and key risks affecting the property sector. Additionally, it highlights our principal activities, core business areas and discusses our outlook, targets and objectives.

While the report is primarily intended for capital providers, it also serves all stakeholders seeking insight into how we create value over the short, medium and long term through sound governance, balancing growth aspirations with our environmental and social responsibilities.

Please scan the QR code for the following documents of the Company which are available at https://www.simedarbyproperty.com/investor-relations



You can find more information online at https://www.simedarbyproperty.com/

MATERIALITY

The information presented in this Integrated Annual Report addresses our material matters, identified through comprehensive stakeholder engagement and internal assessment. These material matters represent the current and emerging risks and opportunities that may impact our capacity to create value and fulfil our Purpose, Vision, Mission and Values.

SCOPE AND BOUNDARY

This Integrated Annual Report covers the activities, initiatives and key events that occurred during the financial year from 1 January 2024 to 31 December 2024, unless otherwise specified. It encompasses the operations of the Sime Darby Property Group, including our subsidiaries, joint ventures and associates.

REPORTING FRAMEWORK

Our integrated reporting process and the content of this report are guided by the principles and requirements of:

- The Integrated Reporting <IR> Framework issued by the International Financial Reporting Standards ("IFRS") Foundation
- The Main Market Listing Requirements ("MMLR") issued by Bursa Malaysia
- Bursa Malaysia's Sustainability Guidelines (3rd Edition)
- The Malaysian Code on Corporate Governance ("MCCG") 2021 issued by Securities Commission Malaysia
- GRI Standards, issued by the Global Reporting Initiative ("GRI")
- United Nations' Sustainable Development Goals ("UN SDGs")
- Taskforce on Climate-Related Financial Disclosures ("TCFD")
- Malaysian Financial Reporting Standards ("MFRS")
- Malaysia's Companies Act 2016

ASSURANCE

The contents of this Integrated Annual Report have been reviewed and approved by the Management and Board of Directors. The financial statements within this Integrated Annual Report have been audited by PricewaterhouseCoopers PLT, Malaysia.

FORWARD-LOOKING STATEMENTS

This Integrated Annual Report includes forward-looking statements regarding future performance. These statements are based on current assumptions and circumstances, which are subject to change and inherently involve uncertainty. A range of factors may cause actual outcomes to differ materially from those expressed or implied in these forward-looking statements.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors ("Board") of Sime Darby Property acknowledges responsibility for the integrity of our Integrated Annual Report 2024. In the Board's opinion, the report provides a fair assessment of the Group's performance and addresses all key matters material to our ability to create value. This report was approved by the Board on 26 March 2025.

Dato' Rizal Rickman Ramli
Non-Independent Non-Executive Chairman

Dato' Seri Azmir Merican
Group Managing Director & Chief Executive Officer

Our Reporting Suite

REPORTING FRAMEWORK

INTEGRATED ANNUAL REPORT

Contents

- Provides a comprehensive overview of the Group's financial and non-financial performance for 2024, as well as prospects based on our strategy.

Regulations Complied

- The Integrated Reporting <IR> Framework.
- MMLR issued by Bursa Malaysia.
- Bursa Malaysia's Sustainability Guidelines (3rd Edition).
- MCCG 2021.
- GRI Standards.
- UN SDGs.
- Taskforce on Climate-Related Financial Disclosures.
- MFRS.
- Companies Act 2016.

SUSTAINABILITY REPORT

Contents

- Provides a comprehensive overview of the Group's sustainability performance and initiatives for 2024.

Regulations Complied

- Bursa Malaysia's MMLR on Sustainability Reporting.
- Bursa Malaysia's Sustainability Reporting Guide (3rd Edition).
- GRI Sustainability Reporting Standards.
- The United Nations Sustainable Development Goals.
- TCFD Recommendations.

Feedback

We welcome all enquiries, comments and feedback on our Integrated Annual Report to help clarify any issues and improve our reporting.

Please direct your feedback or queries to:

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Level 2, Block G, No. 2
Jalan PJU 1A/7A, Ara Damansara
PJU 1A, 47301 Petaling Jaya, Selangor

Tel +603-7849 5000
Email group.communications@simedarbyproperty.com

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Cover Rationale

At Sime Darby Property, we envision a future where sustainable communities thrive and the property industry is redefined. Our unwavering Purpose to be a Value Multiplier for people, businesses, economies and the planet has fuelled our success and continues to drive us towards new heights. By emphasising diversification and value creation, we have transformed from a traditional developer into a dynamic real estate leader, embracing a comprehensive approach that encompasses development, investment, and asset management, while placing sustainability at the forefront of everything we do. Our forward-thinking approach empowers us to utilise real estate as a catalyst for shared prosperity, managing a dynamic asset portfolio that creates value for all stakeholders. We believe in building communities that thrive, not just for today but for generations to come.

DATO' RIZAL RICKMAN RAMLI
Chairman

> "We delivered our strongest financial and operational performance to date, achieving an all-time high revenue of RM4.3 billion, operating profit of RM899.8 million, and profit before tax of RM780.0 million."

DIVIDEND PAYOUT OF
RM204.0
million

RE-INCLUSION IN THE **FTSE4GOOD BURSA MALAYSIA INDEX** AND THE **FTSE4GOOD BURSA MALAYSIA SHARIAH INDEX**

COMMITTED TO EMBEDDING
ESG
PRINCIPLES ACROSS OUR BUSINESS

Message from Our Chairman

Dear Stakeholders,

2024 was a defining year for Sime Darby Property. We delivered our strongest financial and operational performance to date, achieving an all-time high revenue of RM4.3 billion, operating profit of RM899.8 million, and profit before tax of RM780.0 million. Sales performance was equally robust, reaching RM4.1 billion and surpassing our sales target by 17%. These milestones reflect the continued success of our SHIFT25 transformation journey and reinforces our position as a leading real estate company.

These outstanding outcomes did not happen by chance. They are the result of well-planned and well-executed strategies, made possible by our people. Our financial and operational successes are a direct reflection of the collaborative effort, shared discipline, and cohesive teamwork across the organisation. We are, truly, ONE TEAM: driven by purpose, united by shared values, and committed to making a difference in every aspect of our business.

Building on this strong foundation, our disciplined focus on strengthening our core business, pursuing new growth opportunities, and expanding our recurring income base has delivered record results. Our strategic approach has delivered outstanding results over the past year, underscoring the Group's resilience and ability to adapt to an evolving market landscape.

A SIGNIFICANT CHAPTER IN OUR TRANSFORMATION JOURNEY

The year's progress reflected the maturity of our SHIFT25 strategy, as we delivered meaningful growth across our core and emerging business segments. Our continued leadership in Property Development, supported by strong market response and successful launches — affirmed the strength of our offerings and the trust we've built with our customers.

Elmina Lakeside Mall

Equally encouraging was the momentum in our Investment & Asset Management segment, which is steadily evolving into a key pillar of long-term value creation. We also advanced into new frontiers – most notably, securing RM7.6 billion in long-term leases through our entry into the high-growth data centre sector. Coupled with the expansion of our retail portfolio, these developments reinforce our strategic ambition to build a diversified and resilient business that delivers sustainable value over the long term.

These outcomes represent more than operational progress, they underscore our ability to adapt with purpose, capitalise on emerging opportunities, and advance on a clear strategic ambition: to be a leading real estate company with a well-diversified and growing portfolio.

Sustainability remains a core pillar to our long-term strategy and future relevance in a rapidly evolving industry. As market expectations shift, the demand for integrated renewable energy solutions, green-certified buildings, and low-carbon townships continues to grow. Our developments, designed with biodiversity and sustainable urban living at their foundation, are well-positioned to address these demands. Furthermore, our re-inclusion in the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index underscores our leadership in environmental, social, and governance ("ESG") practices, enhancing our attractiveness to both local and international institutional investors.

The year 2024 was a defining chapter in our journey, marked by our recognition as Malaysia's top property developer at The Edge Malaysia Top Property Developers Award 2024. This distinguished accolade, alongside numerous other prestigious awards, reflects the success of our transformation journey, the commitment of our people, and our aspiration to lead with purpose, innovation, and discipline.

Looking ahead, Sime Darby Property is well-positioned to sustain its growth momentum and shape the future of real estate for the communities we serve. With a clear direction, sound fundamentals, and a steadfast commitment to innovation and sustainability, we are poised to be a Value Multiplier for people, businesses, economies and the planet.

CREATING VALUE FOR THOSE WHO DRIVE OUR SUCCESS

Sime Darby Property remains committed to delivering sustainable shareholder value, as reflected in our financial performance in 2024. An exceptional Total Shareholder Return ("TSR") of 180%, propelled by robust earnings, disciplined execution, and growing investor confidence, affirms the effectiveness of our strategy. The Group declared a total dividend of 3 sen per share, amounting to a dividend payout of RM204.0 million, while market capitalisation surged from RM4.2 billion to RM11.5 billion as of 31 December 2024, signalling the value creation through focused delivery of its strategic initiatives.

Beyond financial returns, our success is anchored by our people, who are instrumental in driving and executing the SHIFT25 strategy. To empower our workforce with the skills and agility required to meet evolving market demands, we continue to invest in building a future-ready workforce. In addition to recruiting critical expertise to support the Group's growth, we enhanced our training initiatives in 2024, increasing training hours by 43% and launching new programmes focused on urban biodiversity, artificial intelligence, and sustainable development.

Alongside strengthening technical capabilities, we intensified engagement efforts to embed our TEAM Values and foster a progressive, collaborative culture. Through the Leadership Engagement and Action Programme ("LEAP"), we actively engaged employees on health and safety matters, providing a platform to gauge their understanding of our newly introduced Barrier Thinking approach aimed at improving their workplace risk identification and mitigation.

Furthermore, in support of employee well-being and in response to rising living costs, Sime Darby Property raised the Minimum Living Wage for our B40 group of employees by 80% – from RM1,500 to RM2,700 per month. This initiative highlights our commitment to financial stability and the well-being of our workforce, particularly those most impacted by rising living costs.

Our initiatives for the community and society at large continued to make a meaningful difference, reaching more than 664,000 individuals through contributions exceeding RM20 million. These efforts—spanning community development, education, environmental programmes, zakat contributions, and sponsorships—reflect our commitment to uplifting lives and fostering resilient, inclusive communities.

"Our re-inclusion in the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index underscores our leadership in environmental, social, and governance ("ESG") practices, enhancing our attractiveness to both local and international institutional investors."

BUILDING A THRIVING AND SUSTAINABLE FUTURE

Sime Darby Property continues to evolve as a developer focused on building communities that are climate-resilient, socially inclusive, and future-ready. As sustainability becomes a defining force in real estate, we remain committed to embedding ESG principles across our business to deliver lasting value for all stakeholders. Our progress in 2024 highlights the importance of balancing growth with responsibility, advancing our Net Zero Pathway through investments in solar energy and sustainable construction to enhance environmental resilience. This reinforces our commitment to achieve Net Zero emissions by 2050, with an interim target of a 40% reduction for our Scope 1 and Scope 2 emissions by 2030.

Our approach to sustainability extends beyond carbon reduction. It focuses on conserving biodiversity, empowering communities, and building developments to thrive over the long term. By implementing green infrastructure, flood resilience measures promoting urban biodiversity corridors and integrating renewable energy solutions, we are future-proofing our townships, commercial developments, and industrial projects to ensure resilience and relevance for generations to come.

Beyond constructing buildings, our role as a developer is to create environments where communities can thrive. In 2024, we continued to support economic empowerment, education, and social well-being through initiatives that uplift lives and strengthen community ties. The Economic Empowerment Programme, for example, has provided individuals with the skills and resources to build sustainable livelihoods. Our retail and commercial developments also play a role in fostering community engagement, whether through integrated green spaces or the creation of public parks and social hubs that enhance connectivity and inclusivity across our developments. These efforts reflect our long-term vision of creating places where businesses thrive, families grow, and communities flourish.

As ESG priorities evolve, we remain committed to responsible development, upholding governance excellence, and transparent reporting, as demonstrated by our ESG ratings and continued alignment with international sustainability benchmarks. Our 'B' rating from the Carbon Disclosure Project ("CDP"), surpassing the Asia average, underscores our accountability in climate action, while recognition at The Edge Malaysia Best Managed & Sustainable Property Awards 2024 and other key wins affirm our progress. Beyond accolades, we remain focused on continuous improvement, ensuring our business decisions are guided by financial prudence, long-term value creation, and environmental responsibility to deliver lasting value for all stakeholders.

"Our progress in 2024 highlights the importance of balancing growth with responsibility, advancing our Net Zero Pathway through investments in solar energy and sustainable construction to enhance environmental resilience."


KL East Park forest trail

GOVERNANCE AND LEADERSHIP DEVELOPMENT

We recognise the critical role of leadership in driving the success of our SHIFT25 strategy and we continue to adopt best practices in line with the Malaysian Code on Corporate Governance ("MCCG") and comply with the Main Market Listing Requirements ("MMLR") by Bursa Malaysia Securities Berhad. As part of our commitment to sound governance, we conduct annual policy reviews to ensure their relevance and robustness. Notably, in November 2024, the Fit & Proper Policy was significantly updated and approved by the Nomination and Remuneration Committee ("NRC") and the Board, broadening its scope beyond directors to include key management personnel and company secretaries. This enhancement underscores our dedication to maintaining high standards of competency and accountability across leadership roles. Furthermore, we have revisited our Human Rights and Modern Slavery Policy, with the Board Sustainability Committee ("BSC") and Board deliberating necessary updates in February 2025.

In 2024, we strengthened leadership capabilities through comprehensive training programmes for the Board and Senior Management, equipping them with strategic insights into evolving market dynamics and governance practices. Topics covered included macroeconomic outlooks, industrial and logistics trends, generative AI, and customer experience strategies. Additionally, targeted training sessions addressed governance and risk areas such as human rights awareness, natural catastrophe analysis, and a Board-level cybersecurity workshop. PwC led sessions on sustainability reporting, tax developments, and corporate reporting updates, while a dedicated Occupational Safety and Health Act ("OSHA") session enhanced workplace safety awareness.

As part of our succession planning and commitment to cultivating a diverse and skilled Board, the Board approved the appointment of Datuk Ir. Ho Hon Sang as an Independent Non-Executive Director and Audit Committee Member, effective 1 January 2025. This decision, made on 20 November 2024, reflects our dedication to ensuring strong governance and strategic oversight. The Board continues to prioritise diversity, with four female leaders contributing to a balanced representation of perspectives and expertise that supports robust decision-making.

ACKNOWLEDGEMENTS

Reflecting on a year of remarkable financial and operational performance, I extend my deepest appreciation to everyone who has contributed to Sime Darby Property's success. To our shareholders, your trust and confidence have been the cornerstone of our growth. To our Board of Directors, your strategic insight and unwavering commitment to governance have been instrumental in shaping our direction. And to our management team and employees – your dedication, resilience, and collective effort have been the driving force behind our achievements.

We are also immensely grateful for the support of government ministries, state governments, and regulatory bodies, whose collaboration has empowered us to navigate opportunities and challenges with confidence. Our sincere appreciation extends to our strategic partners and vendors, whose contributions have been essential to our operations and growth initiatives. To our tenants, customers, and the communities we serve, your continued trust and engagement motivate us to innovate and create developments that enrich lives and shape vibrant, sustainable spaces for the future.

With the collective strength of our people and stakeholders, Sime Darby Property is well-positioned to continue its growth journey. As we move forward, we remain focused on advancing our SHIFT25 strategy with discipline and agility, unlocking new opportunities, creating long-term value, and driving sustainable development that benefits all our stakeholders, communities, and the broader ecosystem in which we operate.

DATO' RIZAL RICKMAN RAMLI
Chairman

Dear Stakeholders,

I am pleased to share that 2024 was a landmark year for Sime Darby Property, marked by record financial and operational achievements. Since our listing in 2017, the Group achieved its highest revenue, operating profit, and profit before tax of RM4.3 billion, RM899.8 million and RM780.0 million, respectively. Beyond the financial achievements, we recorded a significant milestone through our entry into the high-growth data centre sector, securing RM7.6 billion in long-term leases which is set to boost recurring income and expand our Assets Under Management ("AUM") in the coming years.

Notably, the Property Development segment continued to deliver sustained growth, contributing significantly to the Group's performance. Sales reached an all-time high at RM4.1 billion, supported by a successful launch of new products with a combined Gross Development Value ("GDV") of RM4.2 billion for the year.

These results reinforce the strength of our diversified product mix and disciplined execution of our SHIFT25 strategy. As we advance into the next phase of growth, our focus remains on execution, strengthening our core business, scaling our recurring income portfolio and unlocking new revenue streams to multiply value for all stakeholders.

DEFINING MILESTONES AND ACHIEVEMENTS

Our record performance in 2024 underscores our disciplined business and financial planning over the preceding years, anchored by our SHIFT25 strategy, which continues to serve as a solid foundation for sustainable growth. This transformation journey has enabled us to adapt our strategies to capitalise on emerging opportunities across our diverse portfolio, meeting the rising demand for quality, sustainable, and well-connected developments.

The Property Development segment recorded its highest revenue and sales, crossing the RM4 billion mark for the first time. Unbilled sales grew to RM3.7 billion, supported by a balanced and diversified product mix providing earnings visibility for the next three years. The commercial segment also expanded as our townships matured into vibrant, community-centric developments, contributing towards the Group's revenue.

In line with the Group's aim to grow its recurring income portfolio, we've made significant strides under Engine 2, or the Investment & Asset Management segment during the year. A key highlight was the Group's entry into the high-growth data centre sector, securing long-term agreements to develop two hyperscale Data Centres ("DCs") in Elmina Business Park. This milestone affirms our ability to develop, own, and lease DCs that meet the evolving demands of the global digital economy. The 20-year leases, with a combined value of RM7.6 billion, significantly enhances our recurring income trajectory through the addition of high-quality, yield-accretive assets – while further strengthening Sime Darby Property's position as a trusted partner to global technology giants.

REVENUE
RM4.3 billion

OPERATING PROFIT
RM899.8 million

PROFIT BEFORE TAX
RM780.0 million

SALES
RM4.1 billion

DATO' SERI AZMIR MERICAN
Group Managing Director & Chief Executive Officer

> "Our record performance in 2024 underscores our disciplined business and financial planning over the preceding years, anchored by our SHIFT25 strategy, which continues to serve as a solid foundation for sustainable growth."

Group Managing Director & Chief Executive Officer's Review

The Group also marked another key milestone with the successful financial close of over RM1 billion for its Industrial Development Fund ("IDF"), reflecting strong investor confidence from both local and international institutional investors. Anchored by the state-of-the-art E-Metro Logistics Park – featuring best-in-class facilities, seamless connectivity, and high ESG standards – the fund supports the growth of the Group's industrial segment and fund management capabilities. The two facilities, Metrohub 1 and Metrohub 2 were operationalised during the year with a combined Net Lettable Area ("NLA") of 1.8 million sq. ft., and achieved healthy occupancy rates of 68% and 73%, respectively, underscoring our ability to deliver premier, customised industrial solutions.

The successful opening of Elmina Lakeside Mall in August 2024 represented another major milestone, as Sime Darby Property's second wholly owned mall. Offering a vibrant retail experience that harmoniously blends nature-inspired elements with modern amenities, the mall serves both the residents within the City of Elmina and a wider catchment population of 870,000 within a 20-minute radius. Integrated within a 35-acre urban park, the mall achieved 100% committed occupancy within six months of opening, and attracts an average of 450,000 visitors monthly, making a strong impact within its first year.

Sustainability remains a core focus as we continue to respond to the evolving expectations of customers and stakeholders. Our triple bottom line aspirations were reaffirmed by our re-inclusion in the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index. We also advanced our renewable energy agenda through a joint venture with GSPARX Sdn Bhd, a subsidiary of Tenaga Nasional Berhad, to deploy rooftop solar across our assets, supporting our ambition to reduce Scope 1 and Scope 2 emissions by 40% by 2030, a critical step in our Net Zero Pathway by 2050. These efforts, alongside our strategic and operational achievements, contributed to a transformative year for Sime Darby Property.

In 2024, we were named Malaysia's No. 1 Property Developer at The Edge Malaysia Top Property Developers Awards 2024, a recognition complemented by numerous prestigious accolades. Guided by our SHIFT25 Strategy, we delivered strong performance while advancing our pursuit as the nation's leading real estate company. As we move forward, we continue to remain guided by our purpose ***to be a Value Multiplier for people, businesses, economies and the planet***.

NAVIGATING MARKET TRENDS TO DRIVE STRATEGIC GROWTH

The Malaysian property sector remained steady and resilient in 2024, supported by sustained demand and a continuous pipeline of new developments. Transaction volumes and values grew by 5.4% and 18.0% year-on-year ("YoY"), reflecting sustained confidence and a positive market sentiment. Supportive government policies and favourable financing conditions further promoted homeownership, fostering a conducive environment for growth for both buyers and developers.

"In 2024, we were named Malaysia's No. 1 Property Developer at The Edge Malaysia Top Property Developers Awards 2024, a recognition complemented by numerous prestigious accolades."

Capitalising on strong market sentiment and momentum, we surpassed our revised RM3.5 billion sales target by 17%, achieving RM4.1 billion in sales. Our ability to swiftly adapt to market demand was instrumental to our robust performance. Strong demand across our industrial products from townships such as Elmina Business Park, Bandar Bukit Raja, and Serenia Industrial Park highlights the key proposition of end-to-end solutions within our well-positioned industrial parks, offering seamless connectivity to key infrastructures.

Despite favourable market conditions, we had to navigate challenges such as rising construction costs, skilled labour shortages, and intensifying competition. In response, we strengthened cost efficiency through value engineering, design optimisation, and long-term contractor agreements, ensuring operational stability and resilience. Our diverse product mix across townships also helped safeguard margins without compromising quality.

In contrast, the United Kingdom ("UK") property market continued to face headwinds in 2024, with high inflation, cautious lending, and subdued buyer sentiment. Despite these headwinds, Battersea Power Station ("BPS") maintained its status as one of London's most vibrant urban regeneration projects, attracting over 13 million visitors in 2024, a 15% YoY increase. Phase 3B ("Electric Boulevard") achieved 64% take-up rate, while 50 Electric Boulevard ("50EB") reached 45% occupancy as of Q4 FY2024, and will be significantly occupied by the second half of 2025. Although weaker market conditions contributed to a higher share of losses from BPS, its strong footfall and ongoing sales and leasing momentum highlight its resilience and long-term growth potential.

As market dynamics evolve, understanding and meeting customer preferences remains at the core of our growth strategy. By enhancing product offerings, elevating customer experience, and strengthening partnerships with external stakeholders, we are bolstering our capability to deliver real estate solutions across residential, industrial & commercial segments that align with market needs. This customer-centric approach paired with our agility and innovation in driving value creation, continues to position Sime Darby Property as a progressive and forward-thinking industry leader.

Aerial view of Elmina Business Park

PROPERTY DEVELOPMENT SEGMENT REVIEW

The Property Development ("PD") segment continued to be the largest contributor achieving revenue and profit before tax ("PBT") of RM4.0 billion and RM820.8 million marking a 24% and 38% increase, respectively, from FY2023 representing the highest performance in the Group's history.

We achieved record sales of RM4.1 billion and launched RM4.2 billion worth of products in FY2024. Residential high-rise developments emerged as the largest contributor, delivering 31% or approximately RM1.2 billion of total sales, an increase from 27% in FY2023. High-rise launches amounted to RM1.6 billion, making up 39% of the total GDV launched for the year. Notably, 2024 marked the highest GDV extraction per acre for high-rise developments since 2019, at RM13.5 million. This strong performance was driven by key projects such as The Ophera in KLGCC Resort (luxury segment), Hype Residences in SJ7 (transit-oriented development), TriARA Residences in Ara Damansara (modern flexi design), and Kanopi in the City of Elmina, our first-ever high-rise in the township.

The industrial sector remained a core pillar of our growth strategy, contributing RM1.2 billion or 30% of total sales, reinforcing its importance in driving portfolio diversification. We launched approximately RM1.6 billion in GDV, representing 38% of our total product launches, supported by strong demand across Bandar Bukit Raja ("BBR"), Serenia Industrial Park, Elmina Business Park and Nilai Impian's XME Business Park. Key projects such as BBR 3 i14 and XME Business Park 2 achieved a full 100% take-up rate by year-end, reflecting sustained investor appetite for high-quality industrial assets.

Residential landed properties accounted for RM1.0 billion or 24% of total sales. We launched RM641.5 million in GDV, comprising 15% of total launch GDV, achieving average take-up rates of 73%. Key projects such as Elmina Ridge 1 in the City of Elmina, Serenia Anisa 2 in Serenia City, and Emilia 4 in Nilai Impian received strong market reception, underscoring consistent demand for landed homes.

The commercial segment demonstrated robust growth, contributing approximately RM500 million or 12% of total sales, a significant rise from RM56 million or 2% in FY2023. This momentum was propelled by new commercial launches with a GDV of approximately RM300 million, representing 7% of total GDV launched. Notable projects such as The Corak in Serenia City, Temu 2 in Elmina East, XME Boulevard in Nilai Impian 2, and Laman Idaman in Bukit Jelutong, highlight the Group's strength in delivering community-centric commercial spaces across its townships.

Looking ahead, we remain confident that our Property Development segment will continue to deliver robust performance, supported by a well-diversified product mix and sustained market demand. Our proven ability to consistently launch and deliver high-quality developments with strong take-up rates reinforces our position as a leading property developer.

INVESTMENT & ASSET MANAGEMENT SEGMENT REVIEW

In 2024, the Investment & Asset Management ("IAM") segment made significant progress across its recurring income portfolio, achieving 29% YoY revenue growth driven by solid contributions from both retail and industrial assets.

The retail division delivered robust performance, supported by the successful operationalisation of Elmina Lakeside Mall, which has achieved 100% committed occupancy to-date. Meanwhile, KL East Mall ("KLEM") continued its positive momentum, recording a 99.5% physical occupancy rate and positive rental reversions. Its appeal was further enhanced with the addition of a new anchor tenant in Golden Screen Cinemas, boosting visitor footfall. KLEM's dedication to excellence in property management was recognised with a Bronze Award in the 'Below 10 Years: Retail Category' at The Edge Malaysia Best Managed & Sustainable Property Awards 2024. Looking ahead, the retail division is gearing up for the highly anticipated launch of KLGCC Mall in the second half of 2025.

On the industrial front, we successfully completed and operationalised two Grade-A and Green Certified ready-built industrial warehouses, under the IDF, catering to regional and global logistics tenants. Metrohub 2 which is BCA Green Mark-certified, commenced operations in May 2024 with a committed occupancy of approximately 73%, attracting tenants such as JD Logistics, Toll Logistics, ComOne Express, and Deppon Express. Metrohub 1, which secured GreenRE and LEED certification, went operational in August 2024 with 68% committed occupancy, featuring tenants such as J&T Express, J&T Distribution Solutions, and J&T Cargo.

KLGCC was the official host venue for the Maybank Championship 2024 as sanctioned by LPGA

The division also secured two major build-to-suit lease agreements with Pearl Computing Sdn Bhd for hyperscale data centre developments in Elmina Business Park, with a combined lease value of RM7.6 billion, marking a strategic entry into this rapidly expanding asset class. Our partnership with a global technology company like Google has enabled us to establish a strong foothold within the sector, and catalyse Elmina Business Park's growth through clustering effects, fostering a thriving ecosystem of supporting industries.

In January 2025, we expanded our logistics portfolio further by acquiring 2 warehouses in BBR valued at RM232 million, adding 670,174 sq. ft. of NLA. This acquisition further enhances our recurring income base and aligns with our aim to grow our asset management pillar.

Our Asset Management activities remained centred on enhancing operational efficiencies. We successfully secured key tenancy renewals for ReGen Rehab and Wisma MRT assets. Additionally, Sime Darby Property now serves as the asset manager for 4 warehouses, further strengthening our capabilities in managing institutional-grade assets.

As we move forward, our focus remains on driving growth, undertaking asset enhancement initiatives and delivering investment-grade yields. With a clear strategy and a strong foundation, the Group is well-positioned to unlock further value and deliver continued contributions from the IAM segment.

LEISURE SEGMENT REVIEW

The Leisure segment achieved strong performance in FY2024, with 7% YoY revenue growth driven by higher banqueting and F&B revenue, increased golf course utilisation, and a 3% rise in club membership.

Golf remained the primary revenue driver, with a 53% increase in course utilisation across our clubs. KLGCC reinforced its status as a premier tournament venue by hosting the second LPGA-Maybank Championship in October 2024, which featured Asia's highest prize purse for the winner's payout of USD450,000. Additionally, the inaugural ASEAN Qualifier in August 2024 and the PGAM Satellite Tour at Impian Golf & Country Club ("IGCC") further strengthened our presence in competitive golf.

The segment also saw rising demand with higher corporate and private banqueting events driving overall revenue growth. Simultaneously, facility upgrades and enhancements were carried out across our assets to elevate customer experience.

Going forward, we will continue to enhance service excellence, broaden our offerings, and advance sustainability initiatives to support the Group's Net Zero ambitions.

OUR ROBUST GROWTH AND FINANCIAL STRENGTH

The Group achieved its strongest financial performance to date in 2024, marking its third consecutive year of record revenue, profitability, and sales. Revenue surged 24% YoY to RM4.3 billion, while operating profit climbed 48% to RM899.8 million. PBT increased by 28% to RM780.0 million, and profit after tax and minority interest ("PATAMI") grew 23% to RM502.2 million, compared to RM407.9 million in the previous year.

This robust financial performance was driven by sustained sales momentum and higher site progress within the Property Development segment. Sales reached an all-time high of RM4.1 billion, exceeding the FY2024 target by 17%, demonstrating the Group's ability to deliver products that align with evolving customer needs.

Despite this strong performance, profitability was partly impacted by an increase in the Group's share of losses from joint ventures, which amounted to RM181.2 million, primarily due to challenges faced by the BPS project in the UK.

The Group's financial position remains solid, with total bookings increasing to RM2.0 billion as of 16 February 2025, and unbilled sales at RM3.7 billion, ensuring earnings visibility for the next three years. Unsold GDV for completed inventories remained low at 5.7% or RM208.8 million, while cash balances strengthened to RM640.4 million. The Group maintains a stable net gearing ratio of 24.3%, providing financial flexibility for future growth.

NURTURING A FUTURE READY WORKFORCE

At Sime Darby Property, our people are the strength of our success and the driving force behind our transformation journey. In 2024, we intensified our commitment in talent development, delivering over 106,000 training hours—an aggressive 43% increase from the previous year. This translated to an average of 8.10 learning days per employee, a significant leap from 6.09 days in 2023.

Our learning and development initiatives are built on four strategic pillars: leadership, customer service excellence, technical competencies, and sustainability. Recognising the growing importance of environmental stewardship, we introduced specialised training in urban biodiversity and sustainable development, equipping our workforce with the skills to contribute meaningfully to our long-term sustainability goals.

We continued our corporate social responsibility ("CSR") efforts via our philanthropic arm, Yayasan Sime Darby ("YSD"), extending educational opportunities to employees and the wider community. This includes financial assistance for employees' children and scholarships for postgraduate studies. For the second consecutive year, we supported high-potential talents in their pursuit of an MBA at Asia School of Business in collaboration with MIT Sloan, as well as the Master's in Real Estate Development at Universiti Tunku Abdul Rahman in partnership with the Real Estate and Housing Developers Association ("REHDA").

Further strengthening our industry engagement, we partnered with Universiti Teknologi MARA to provide foundational training in property development, while our collaborations with CIDB and REHDA enhanced technical certifications and networking opportunities.

Beyond structured learning, we reinforced our TEAM Values through immersive engagement programmes. The Leaders' Turun Padang initiative brought senior leaders to the ground, sharing success stories that demonstrate the power of our values in action. Meanwhile, the TEAM Houses & Sports Activities fostered camaraderie, strengthening team bonds beyond the workplace.

Our collective commitment to workplace excellence and inclusivity, employee well-being, human capital transformation, as well as nurturing talent was recognised through multiple industry accolades in 2024. Notably, the company was honoured at the Life at Work Awards ("LAWA") and HR Excellence Awards for its dedication to fostering a people-centric workplace, with recognition also extended at the leadership level through the CEO Champion accolade from LAWA and Most People-Focused CEO from the HR Excellence Awards—reflecting the organisation's commitment to driving progressive workplace practices. Additionally, being ranked among the Top 3 Most Preferred Employers in Malaysia at the Graduan Brand Awards, Talentbank's Graduates' Choice Awards, and Malaysia's 100 ("M100") Leading Graduate Employers Awards reaffirms our commitment to nurturing future talent and shaping industry leaders.

As we forge ahead, my commitment and that of the entire leadership team remains steadfast to cultivate a resilient, agile, and future-ready workforce that will propel Sime Darby Property's continued growth and transformation.

DRIVING GROWTH THROUGH DIGITAL INNOVATION

As the real estate landscape evolves, digital transformation has transitioned from being a competitive advantage to a strategic necessity. It serves as a critical enabler of efficiency, resilience, and sustainability across Sime Darby Property's operations, driving improvements in decision-making, process optimisation, and resource allocation.

A key initiative in 2024 was the integration of Building Information Modeling ("BIM") and Procore, a leading digital construction management platform, which has improved collaboration among architects, engineers, and contractors. This integration enhances project oversight, reduces any errors & rework, and contributes to cost efficiency and accelerated project completion.

To drive sustainability, we digitalised several key processes in 2024, including quality inspections and carbon emissions tracking. These efforts have enhanced our efficiency and improved transparency contributing towards our Net Zero ambitions by enabling more effective monitoring and management of sustainability targets.

Other key digitalisation initiatives in 2024 included the deployment of e-Invoicing, and the adoption of a new Customer Relationship Management ("CRM") system for enhanced sales lead management. The launch of the Sime Darby Property mobile application has further streamlined the homeownership journey, providing real-time project updates, digital documentation, and seamless customer service interactions. Simultaneously, we bolstered cybersecurity measures by implementing advanced security technologies, conducting regular risk assessments, and enhancing data protection protocols to counter increasingly sophisticated cyber threats.

As we move forward, we aim to deepen AI integration across all business functions. The modernisation of our data analytics platform will unlock advanced insights on customer behaviour, market trends, and resource optimisation enhancing predictive decision-making and supply chain management. Additionally, we are exploring AI-driven automation, and augmented reality ("AR") to improve workplace safety, operational precision, and customer experiences – ensuring Sime Darby Property remains at the forefront of digital innovation.

ADVANCING SUSTAINABILITY AND CLIMATE ACTION

Sustainability remains a core priority for Sime Darby Property, with continued progress made across the Environmental, Social, and Governance ("ESG") spectrum throughout 2024. The Group strengthened its commitments to climate action, biodiversity conservation, and operational sustainability, integrating these principles across all business segments to drive long-term value and resilience.

A key milestone was our joint venture with GSPARX Sdn Bhd to implement rooftop solar installations across our assets and developments. During the year, installations were completed at 9 of 14 sites, with 1 additional site targeted for completion by April 2025. The initiative supports the Group's Net Zero Pathway by delivering an estimated 1.0 MWp in total solar capacity, contributing to annual carbon emissions reductions of approximately 2,729 tCO_2-e. Additionally, under the IAM segment, a solar PV initiative at Pagoh Education Hub was launched to align with the sustainability commitments of its university partners, promoting renewable energy adoption and reinforcing our environmental objectives.

Biodiversity and urban greening efforts remain central to our sustainability agenda. In the City of Elmina, we advanced rewilding projects, nature-based solutions, and community-led tree planting to enhance ecological resilience and township connectivity. The Elmina Rainforest Knowledge Centre ("ERKC"), recognised at the FIABCI Malaysia Property Awards 2023 in the Environmental Category, exemplifies our impactful approach to promoting urban biodiversity conservation, environmental literacy, and community engagement. Our commitment to placemaking continued across various developments, including KL East Park, KL East Micro Forest, PARC at Taman Subang Ria, The Courts at KLGCC Resort, Elmina Central Park's Urban Park, and the BBR Wetland Townpark in BBR, further strengthening our efforts toward sustainable urban living.

Our leisure operations continued to integrate sustainability initiatives, prioritising carbon reduction measures, enhanced safety protocols, and food waste management systems through composting. Additionally, KLGCC is exploring the development of a wildlife tunnel as part of its broader biodiversity conservation efforts.

To promote ESG awareness across our workforce and supply chain, we launched the Sustainability Learning Series in 2024. This initiative featured three industry talks and three workshops addressing critical ESG topics.

Furthermore, sustainability-focused training was integrated into our Vendor Development Programme, with dedicated sessions on human rights and carbon management conducted throughout the year.

Our continuous improvement in sustainability was demonstrated through enhanced ESG ratings and industry recognition. We maintained a 'B' rating in the Carbon Disclosure Project ("CDP"), exceeding the Asia average, and were successfully re-included in both the FTSE4Good Bursa Malaysia Index and the FTSE4Good Bursa Malaysia Shariah Index following the December 2024 semi-annual review. This acknowledgment underscores our strengthened ESG efforts and long-term commitment to sustainability. Moreover, we retained our AA+$_{IS}$ rating from MARC Ratings Berhad for the fourth consecutive year, highlighting our financial resilience and robust governance standards.


KL East Park forest trail

Key sustainability accolades received during the year include three awards at The Edge Malaysia Best Managed & Sustainable Property Awards 2024, a silver recognition for KL East Park at The Edge Malaysia-ILAM Sustainable Landscape Awards, and a Special Mention for PARC @ Taman Subang Ria. These achievements, highlight our commitment to embedding sustainability at the core of our operations, as we advance our journey towards a greener, more resilient future.

EMBEDDING A CULTURE OF SAFETY

Safety remains paramount at Sime Darby Property, underscoring our commitment to fostering a safe and conducive working environment through health, safety, security, and environmental ("HSSE") best practices. With a diverse workforce of local and foreign workers engaged across our construction projects, we consistently strive to translate effective safety protocols from paper to practice, ensuring rigorous implementation and accountability across all sites.

In 2024, we made significant progress in strengthening our HSSE Management System by introducing Barrier Thinking, a structured approach designed to enhance risk assessment, management and communication. This initiative equips frontline workers with a clearer understanding of physical and administrative safety controls, simplifying complex systems to ensure they are both accessible and actionable. To date, close to 1,000 staff have been trained in Barrier Thinking, ensuring a stronger line of sight from policies to practical execution on-site. As this framework becomes fully embedded, we expect it to further cultivate a culture of safety ownership at all levels.

Our commitment to building and enhancing HSSE capabilities within the organisation remains steadfast, aimed at enforcing stronger safety compliance across all operational areas. This dedication is further exemplified by the Leadership Engagement and Action Programme ("LEAP"), which has evolved into a direct engagement platform where senior leadership actively evaluates safety awareness and reinforces accountability. Throughout 2024, 62 workers were individually engaged, and seven mass toolbox sessions were conducted to deepen risk understanding. Regular site visits and interventions ensure the consistent application of Barrier Thinking principles in daily operations, fostering a culture where safety is a shared responsibility.

Despite our extensive safety efforts, we tragically recorded a fatal incident in September 2024 involving two subcontractor workers. In response, we engaged key stakeholders and implemented a comprehensive suite of corrective actions, ensuring that lessons learned are effectively translated into stronger preventative measures moving forward.

Looking ahead, we will continue to enhance and expand HSSE capabilities across the organisation to drive stronger safety compliance. By leveraging Barrier Thinking, real-time engagement, and digital monitoring, we are embedding a culture where every worker takes ownership of their safety and that of their peers. Our focus remains on translating safety principles into practical, everyday actions to safeguard the well-being of our people across all sites.

A POSITIVE OUTLOOK

Malaysia's economy is projected to grow between 4.5% to 5.5% in 2025, driven by robust domestic spending, rising investment activity, sustained external demand and a stable monetary environment. Despite an increasingly competitive operating environment and growing concerns over global trade policies, we anticipate market demand to remain resilient.

The residential market is expected to demonstrate continued resilience, buoyed by steady demand and positive sentiment. We are well-positioned to sustain our momentum and launch pipeline for both residential landed and high-rise projects. Our strategically located townships, designed around urban biodiversity and sustainable living, continue to cater to evolving consumer preferences for connectivity and vibrant, lifestyle-driven communities. Commercial demand is also expanding as our townships mature, with consumers increasingly seeking a diverse range of offerings that prioritise convenience, lifestyle integration, and modern amenities.

Meanwhile, the industrial segment is anticipated to experience sustained demand, particularly for data centres as well as industrial and logistic hubs, driven by the ongoing shift towards cloud computing, artificial intelligence, increasing industrialisation, and changes in supply chain and trade flows.

Across all segments, our focus remains on executing our SHIFT25 strategy, accelerating growth engines, and advancing our corporate priorities. We will continue to safeguard our margins by staying agile, maintaining a diversified product mix, and enhancing placemaking assets to strengthen our market positioning. Sustainability remains at the core of our approach, with ongoing efforts to reduce emissions, enhance urban biodiversity, and promote responsible development, ensuring our growth is both strategic and sustainable.

ACKNOWLEDGEMENTS

I would like to express my sincere appreciation to everyone who has contributed to Sime Darby Property's record financial and operational performance in 2024.

As we reflect on another year of progress and achievement, I would like to express our deepest appreciation to our Board of Directors for their invaluable guidance, governance, and unwavering support. The Board's insights, counsel, and constructive oversight have been instrumental in steering the company through both opportunities and challenges.

Equally, I would like to express my heartfelt thanks to our management team for their exceptional execution, agility, and unwavering dedication in translating vision into reality. I am honoured to work alongside such a talented and committed team, and I am confident that our shared purpose will take us to greater heights.

We are also truly grateful for the enduring trust and support of our valued investors and shareholders, especially key stakeholders such as Permodalan Nasional Berhad ("PNB"), whose confidence in our vision has been instrumental to our continued growth.

Our sincere appreciation extends to the Federal Government, Ministries, agencies, regulatory bodies, and industry associations such as REHDA, along with the State Governments of Selangor, Negeri Sembilan, and Johor, as well as respective local authorities. Your continued support has been fundamental to our growth, transformation, and ability to surpass our targets.

To our strategic partners, vendors, tenants, customers, and the communities we proudly serve—thank you for your trust and confidence in our products and strategies. Your support motivates us to continuously innovate and strive for excellence.

Above all, I wish to convey my heartfelt gratitude to all our employees. Your resilience, adaptability, and steadfast dedication have been truly commendable. To everyone who shares and believes in our Purpose, Vision, Mission, and Values ("PVMV")—you are the cornerstone of our achievements, and your perseverance drives our progress forward.

As we move into the next phase of our journey, we are committed to placing purpose at the heart of everything we do. This means translating our Purpose into the decisions we make and the actions we take—at every level of the organisation. We want every employee to feel connected to our PVMV, so that Purpose is not just a statement, but a compass that guides us. By strengthening this shared understanding, we can ensure that Purpose is reflected in how we lead, build, and grow together. In doing so, we will continue to be a *Force for Good* that delivers lasting value for our shareholders, customers, and communities.

DATO' SERI AZMIR MERICAN
Group Managing Director & Chief Executive Officer

Who We Are

With over 50 years of experience in developing sustainable communities, Sime Darby Property ("the Group") is proud to be recognised as Malaysia's leading property developer. To date, we have built more than 100,000 homes across 25 active townships and developments, with extensive operations and assets across the country. Expanding beyond the Malaysian market, we have established a presence in the United Kingdom through our involvement in a Malaysian consortium that successfully redeveloped the iconic Battersea Power Station in Central London.

In addition to residential and integrated developments, the Group has built a strong foothold in the industrial and logistics sector across three Malaysian states. Our industrial developments can be found in Bandar Bukit Raja, Elmina Business Park and Serenia City in Selangor; Nilai Impian and Hamilton Nilai City in Negeri Sembilan; and Bandar Universiti Pagoh in Johor. Through strategic partnerships with global players such as LOGOS SE Asia Pte Ltd ("LOGOS Property"), now part of ESR Group, Mitsui & Co Ltd ("Mitsui") and Mitsubishi Estate Co Ltd ("Mitsubishi Estate"), we have established world-class industrial and logistics facilities, highlighted by the E-Metro Logistics Park in Bandar Bukit Raja. Additionally, in our Leisure segment, the Group is the proud owner of the Kuala Lumpur Golf & Country Club, one of the region's most prestigious golf clubs.

The Group remains deeply committed to making a positive impact on society. In partnership with our philanthropic arm, Yayasan Sime Darby ("YSD"), we actively and continually implement various social welfare initiatives to support underprivileged communities within and around our townships.

As of March 2025, the Group holds approximately 13,800 acres of land, primarily in strategic locations along the west coast of Peninsular Malaysia. Within our Investment & Asset Management business, we manage around 7.8 million sq. ft. of net lettable area across commercial, retail, education and industrial segments.

MARKET CAPITALISATION

RM11.5 billion as of 31 Dec 2024

TOTAL ASSETS

RM16.5

billion as of 31 Dec 2024

TOTAL SALES

RM4.1

billion as of 31 Dec 2024

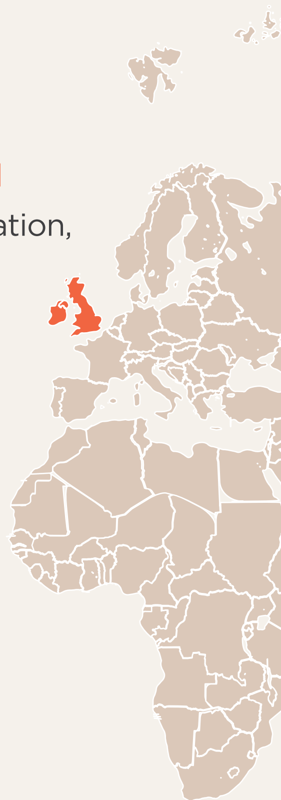
Our Purpose

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

Our Presence

UNITED KINGDOM

Battersea Power Station, Central London



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 Core Values

T — **T**ogether We Do What's Right

E — We Lead with **E**xcellence

A — We Embrace New **A**pproaches

M — We **M**ake Things Happen

ATTRACTIVE INVESTMENT PROPOSITION

Business Highlights

Sales Achievement of

RM4.1 BILLION

Exceeded Sales Target of RM3.5 billion

Number of Units Sold:

2,989 UNITS

(2023: 3,070 units)

Announced the development of 2 hyperscale data centres, securing a lease value of **RM7.6 billion**

Delivery of Completed Units:

2,346 UNITS

(2023: 3,440 units)

FTSE4Good

Re-inclusion into the **FTSE4Good Bursa Malaysia Index** and **FTSE4Good Bursa Malaysia Shariah Index**

Positive leasing momentum in E-Metro Logistics Park, with the occupancy rate for Metrohub 1 and 2 reaching **68%** and **73%,** respectively *(as of 24 February 2025)*

Received a **Gold Award** in the 'Companies with RM2 billion to RM10 billion in Market Capitalisation' category at the **National Annual Corporate Report Awards 2024**

Sime Darby Property retains **AA+$_{IS}$ Rating** for fourth consecutive year on **Sukuk Musharakah Programme** with stable outlook by MARC

Financial Highlights

Revenue

RM4,250.8 MILLION

(2023: RM3,436.9 million)

Gross Profit

RM1,356.5 MILLION

(2023: RM1,009.0 million)

Profit Before Tax

RM780.0 MILLION

(2023: RM610.3 million)

Profit After Tax and Minority Interest

RM502.2 MILLION

(2023: RM407.9 million)

Total Equity

RM10,497.0 MILLION

(2023: RM10,283.5 million)

Gross Gearing Ratio

30.4%

(2023: 28.6%)

Net Assets per Share Attributable to Owners of the Company

RM1.51

(2023: RM1.48)

Dividend Declared

RM204.0 MILLION

3.0 Sen Per Share;

40.6% Payout Ratio

(FY2023: 2.5 sen per share; 41.7% payout ratio)

Operating Profit

RM899.8 MILLION

(2023: RM606.4 million)

Cash Position

RM640.4 MILLION

(2023: RM602.6 million)

Net Gearing Ratio

24.3%

(2023: 22.7%)

Sustainability Highlights

B rating in the CDP (Carbon Disclosure Project)

★★★ 3 Star FTSE4Good Bursa Malaysia Index

Silver Award FIABCI World Prix d'Excellence Awards (Elmina)

90.3% of operations assessed for biodiversity risks

30,100 Endangered, Rare & Threatened ("ERT") species of trees planted since 2011

Planted **1,450 trees** along a 500-metre stretch of the Elmina Urban Biodiversity Corridor

50% waste diversion rate

9 rooftop solar photovoltaic installed with capacity of 603 kWp

0.26% Lost Time Injury Frequency Rate

106,130 hours of learning and training recorded

983 Employees trained in health and safety (138% increase from 2023)

33% female board members

44% female representation in the workforce

More than **70,000** beneficiaries of community programmes and spaces, with a total economic spend of **RM20.8** MILLION

Awards
& Recognitions

The Edge Property Excellence Awards 2024
- The Edge Malaysia Top Property Developers Awards 2024 – Ranked 1st Overall
- The Edge Malaysia Top Property Developers Awards 2024 – Best in Qualitative

StarProperty Real Estate Developer Awards 2024
- All-Stars Award – Ranked 1st
- StarProperty Readers' Choice – Most Preferred Developer (Top 3)
- StarProperty Readers' Choice – Newsmaker of the Year (Top 3)

Putra Brand Awards 2024
- Platinum Award (Property)

Malaysia Developer Awards 2024
- Top-of-the-Charts (RM1 Billion Market Cap and Above) – Ranked 1st
- Best in Quantitative (RM1 Billion Market Cap and Above)

BCI Asia Awards 2024
- Top 10 Developers (Malaysia) Award

PropertyGuru Asia Awards 2024
- People's Choice Award

National Annual Corporate Report Awards 2024
- Gold: Excellence Awards (Companies with RM2 Billion to RM10 Billion in Market Capitalisation) – Integrated Annual Report 2023

Malaysia Landscape Architecture Awards 14
- Best Client Award

ARC Awards 2024
- Bronze: PDF Version of Annual Report (Combined Annual & Sustainability Report: Traditional) – Integrated Annual Report 2023

SEEK People and Purpose Awards 2024
- Platinum: Real Estate & Construction

TalentCorp Life At Work Awards 2024
- Best Organisation (Public Listed Company) – 1st Runner-Up

Our Competitive **Advantage**

Strategic development regions

We have 25 active townships across the Klang Valley, Negeri Sembilan and Johor, with more than RM100 billion in remaining GDV, alongside our ongoing development of the iconic Battersea Power Station in Central London.

Over 50 years of experience

Our reputation and expertise as the nation's leading master developer have enabled us to create strategic, sustainable townships and communities for over half a century.

Resilient financial position

Our robust financial position is underpinned by a solid financial base, ample cash flow and a healthy net gearing ratio.

Strong Purpose

Driven by our Purpose, we aim to multiply value for people, businesses, economies and the planet.

Diversified product offerings

Our product portfolio includes residential, commercial and industrial properties, as well as integrated developments featuring green spaces and other amenities.

Leading voice in sustainability & biodiversity

Our pioneering conservation, urban biodiversity and energy initiatives underscore our commitment to spearheading corporate sustainability across the industry.

Indices Representation **& Credit Ratings**

CDP DISCLOSURE INSIGHT ACTION

MARC MALAYSIAN RATING CORPORATION BERHAD

FTSE4Good

What We Do:
Core Business Segments

Elmina Ridge, City of Elmina

PROPERTY DEVELOPMENT

With over five decades of experience in shaping sustainable communities, we have built a legacy of excellence in planning, executing, and delivering high-quality products and developments. Our expertise spans a diverse range of property sectors, from landed and high-rise residential properties, in both affordable and luxury segments, as well as dynamic commercial hubs, thriving industrial and logistics spaces, and other specialised developments tailored to evolving market needs.

Our dedication to creating vibrant, well-connected communities is reflected in our portfolio of both established and emerging townships across Malaysia. Among our most iconic developments are Subang Jaya, Ara Damansara, Melawati, and Bukit Jelutong, which have grown into thriving, self-sustaining neighbourhoods.

Beyond these established townships, we continue to drive new growth in key developments such as the City of Elmina, Bandar Bukit Raja, KLGCC Resort, Putra Heights, and Serenia City in the Klang Valley, as well as in Negeri Sembilan and Johor with townships such as Nilai Impian, Hamilton Nilai City, Bandar Ainsdale, and Bandar Universiti Pagoh.

SEGMENT REVENUE	TOTAL SALES	NO. OF UNITS SOLD
RM4.0 billion	**RM4.1** billion	**2,989**

INVESTMENT & ASSET MANAGEMENT

Our Investment & Asset Management ("IAM") segment focuses on generating recurring income streams through the development, ownership, and operations of investment-grade assets, as well as formation of real estate funds. With a presence across Malaysia, the United Kingdom, and Singapore, IAM manages a diversified portfolio of retail, commercial/office, education and industrial assets.

Notable achievements include raising over RM1 billion for the inaugural Industrial Development Fund in a joint venture with LOGOS Property, now part of ESR Group. The venture's first development, Metrohub 1 and 2 in Bandar Bukit Raja, has been successfully completed, offering world-class facilities for stakeholders and investors. The segment has also secured two build-to-suit lease agreements for the development of hyperscale data centre projects in Elmina Business Park, valued at a combined RM7.6 billion, marking an entry into the rapidly growing asset class.

In retail, our second wholly-owned mall, Elmina Lakeside Mall, has achieved 100% committed occupancy, following the success of KL East Mall. A third wholly-owned mall, KLGCC Mall, is set to launch in the second half of 2025 with five anchor tenants secured.

Additionally, Sime Darby Property's investment asset portfolio encompasses the iconic Battersea Power Station in Central London and a Concession Arrangement business, managing campuses within the Pagoh Education Hub.

TOTAL NUMBER OF ASSETS OWNED/MANAGED

33

TOTAL NET LETTABLE AREA

7.8 million sq. ft.

Kuala Lumpur Golf & Country Club

LEISURE

The Leisure segment of our business owns and manages Malaysia's premier golf and country club, the iconic Kuala Lumpur Golf & Country Club ("KLGCC"). Located in a serene and verdant region of Bukit Kiara, Kuala Lumpur, this world-class club boasts a 36-hole tournament-standard course and is a regular venue for high-profile golf tournaments, including the prestigious LPGA-sanctioned Maybank Championship.

In addition to KLGCC, the segment manages the Impian Golf & Country Club ("IGCC") in Kajang, the Sime Darby Convention Centre ("SDCC")—a renowned venue for meetings, conferences, events and exhibitions—and the Bayuemas Sports and Events Complex, which features a cricket field that hosts both local and international matches.

Elmina Lakeside Mall

KLGCC is ranked 76th in the top 150 platinum golf & country clubs of the world for 2024-2025

KLGCC is the first and only certified Audubon Cooperative Sanctuary golf club in Malaysia

Group Corporate Structure
- Operating Entities

Sime Darby Property

MALAYSIA: WHOLLY-OWNED SUBSIDIARIES

- Harvard Golf Resort (Jerai) Berhad
- Harvard Hotel (Jerai) Sdn Bhd
- Impian Golf Resort Berhad
- Kuala Lumpur Golf & Country Club Berhad
- MVV Holdings Sdn Bhd
- Seed Homes Sdn Bhd
- Sime Darby Property (Ainsdale) Sdn Bhd
- Sime Darby Property (Ampar Tenang) Sdn Bhd
- Sime Darby Property (Ara Damansara) Sdn Bhd
- Sime Darby Property (Asset I) Sdn Bhd
- Sime Darby Property (BBR3 Asset 1) Sdn Bhd
- Sime Darby Property (Australia) MY Holdings Sdn Bhd Group
- Sime Darby Property (BBR Asset I) Sdn Bhd
- Sime Darby Property (BBR Asset II) Sdn Bhd
- Sime Darby Property (BBR Asset III) Sdn Bhd
- Sime Darby Property (BBR Asset IV) Sdn Bhd
- Sime Darby Property (Bukit Jelutong) Sdn Bhd
- Sime Darby Property (Bukit Raja) Sdn Bhd
- Sime Darby Property (Bukit Subang) Sdn Bhd
- Sime Darby Property (Bukit Tunku) Sdn Bhd
- Sime Darby Property (BUP Asset I) Sdn Bhd
- Sime Darby Property (Chemara) Sdn Bhd
- Sime Darby Property (City of Elmina) Sdn Bhd
- Sime Darby Property (Convention Centre) Sdn Bhd
- Sime Darby Property (EBP Asset I) Sdn Bhd
- Sime Darby Property (EBP Asset II) Sdn Bhd
- Sime Darby Property (Elmina East Asset I) Sdn Bhd
- Sime Darby Property (Elmina East Asset II) Sdn Bhd
- Sime Darby Property (Elmina Lakeside Mall Power) Sdn Bhd
- Sime Darby Property (Elmina Lakeside Mall) Sdn Bhd
- Sime Darby Property (Glades) Sdn Bhd
- Sime Darby Property (Golfhome) Sdn Bhd
- Sime Darby Property (Golftek) Sdn Bhd
- Sime Darby Property (Ironwood) Sdn Bhd
- Sime Darby Property (KL East) Sdn Bhd
- Sime Darby Property (Klang) Sdn Bhd
- Sime Darby Property (KLGCC Resort) Sdn Bhd
- Sime Darby Property (Lagong) Sdn Bhd
- Sime Darby Property (Lembah Acob) Sdn Bhd
- Sime Darby Property (Lukut) Sdn Bhd
- Sime Darby Property (Management Services) Sdn Bhd
- Sime Darby Property (MVV Central) Sdn Bhd
- Sime Darby Property (Nilai Realty) Sdn Bhd
- Sime Darby Property (Nilai) Sdn Bhd
- Sime Darby Property (Pagoh) Sdn Bhd
- Sime Darby Property (Saujana Impian) Sdn Bhd
- Sime Darby Property (Selangor) Sdn Bhd
- Sime Darby Property (Senada Mall Power) Sdn Bhd
- Sime Darby Property (Serenia City) Sdn Bhd
- Sime Darby Property (SJ7) Sdn Bhd
- Sime Darby Property (Subang) Sdn Bhd
- Sime Darby Property (Sungai Kapar) Sdn Bhd
- Sime Darby Property (Utara) Sdn Bhd
- Sime Darby Property Capital Partners Sdn Bhd (formerly known as SD Property RE Ventures Sdn Bhd)
- Sime Darby Property Holdings Sdn Bhd
- Sime Darby Property Management Sdn Bhd
- Sime Darby Property Oasis (Holding) Sdn Bhd Group
- Sime Darby Property Pasir Gudang (Holdco) Sdn Bhd Group
- Sime Darby Property Sepang DC (Holdco) Sdn Bhd Group
- Sime Darby Property Selatan (Holding) Sdn Bhd
- Sime Darby Property Solar Energy (Holding) Sdn Bhd Group
- Sime Darby Property Urus Harta Sdn Bhd
- Sime Darby Property Ventures (MY) Sdn Bhd Group

MALAYSIA: NON-WHOLLY OWNED SUBSIDIARIES

- Sime Darby Nilai Utama Sdn Bhd
- Sime Darby Property Selatan Sdn Bhd Group

MALAYSIA: JOINT VENTURES

- PJ Midtown Development Sdn Bhd
- Seed Homes Lagenda Sdn Bhd
- Sime Darby Property (Rooftop Solar Solutions) Sdn Bhd
- Sime Darby Property CapitaLand (Melawati Mall) Sdn Bhd
- Sime Darby Property MIT Development Sdn Bhd Group
- Sime Darby Property Sunrise Development Sdn Bhd

MALAYSIA: ASSOCIATES

- Shaw Brothers (M) Sdn Bhd

FOREIGN: WHOLLY-OWNED SUBSIDIARIES

- Sime Darby Property (Capital Holdings) Pte Ltd
- Sime Darby Property (DC 1 Holdings) Pte Ltd Group
- Sime Darby Property (Hong Kong) Limited
- Sime Darby Property (London) Limited
- Sime Darby Property Singapore Limited Group

FOREIGN: JOINT VENTURES

- Aster Real Estate Investment Trust I
- Battersea Power Station Development Company Limited Group
- Battersea Power Station Estates Limited
- Battersea Project Holding Company Limited Group
- SDPLOG – IDF 1 (JV Holdings) Pte Ltd
- Sime Darby Property – LOGOS Property Industrial Development Fund 1 LP Group

Note:
For the full list of entities as at 31 December 2024, please refer to pages 393 to 402, Note 44 List of Subsidiaries, Joint Ventures and Associates

Our
Distinctive Developments

Laman Lakeside, Bandar Bukit Raja

Triara, Ara Damansara

TOWNSHIP DEVELOPMENTS

- City of Elmina, Shah Alam
    - Denai Alam
    - Elmina Business Park
    - Elmina East
    - Elmina West
- Bukit Jelutong, Shah Alam
- Bandar Bukit Raja, Klang
- Serenia City, Sepang
- Hamilton Nilai City, Nilai
- Nilai Impian, Nilai
- Bandar Ainsdale, Seremban
- Bandar Universiti Pagoh, Muar
- Taman Pasir Putih, Pasir Gudang

INTEGRATED DEVELOPMENTS

- Ara Damansara, Petaling Jaya
    - Cantara Residences
    - Maya Ara Residences
    - TRiARA Residences
- KL East, Kuala Lumpur
    - East 57
    - The Ridge
    - The Reya
    - The Veo
- Melawati, Ampang Jaya
    - Park One
    - Melawati Corporate Centre
    - Serini
- Saujana Impian, Kajang
- USJ Heights, Subang Jaya
- Putra Heights, Subang Jaya
    - The Serenade
    - Serasi Residences
    - Damayan Residences
- SJ7, Subang Jaya
    - Hype Residences
- Subang Jaya City Centre ("SJCC"), Subang Jaya
    - Aurora
    - Lot 15
    - Teja Residences

The Ophera, KLGCC Resort

Radia, Bukit Jelutong

SIGNATURE/NICHE DEVELOPMENTS

- KLGCC Resort, Kuala Lumpur
  - Jendela Residences
  - Senada Residences
  - The Ophera
- Chemara Hills, Seremban
- Planters Haven, Nilai

JOINT VENTURE DEVELOPMENTS

- PJ Midtown, Petaling Jaya
- Radia, Bukit Jelutong

25*
Township, Integrated and Signature/Niche Developments

Approximately
13,800
Acres of Available Land Bank

RM114 billion
Total Estimated Gross Development Value ("GDV")

* *including JV developments*

2024
Significants Events

18 JANUARY 2024

Sime Darby Property's highly successful 'Great Deals' sales campaign achieves RM1.1 billion in sales bookings

11 MARCH 2024

The Elmina Rainforest Knowledge Centre ("ERKC") earns accolades in the "Environmental Category" at the FIABCI Malaysia Property Award 2023

23 MAY 2024

Sime Darby Property announces the development of a hyperscale data centre at the Elmina Business Park

27 MAY 2024

SDPLOG, the joint venture between Sime Darby Property and LOGOS, achieves RM1 billion target in Final Close of its Industrial Development Fund ("IDF")

11 JULY 2024

Sime Darby Property and Tenaga Nasional Berhad's ("TNB") subsidiary, GSPARX Sdn Bhd, launch a joint venture to promote sustainable renewable energy initiatives in Malaysia

22 AUGUST 2024

Elmina Lakeside Mall, Sime Darby Property's second wholly-owned mall, officially opens its doors to visitors

2 OCTOBER 2024

The hyperscale data centre at Elmina Business Park officially breaks ground

18 NOVEMBER 2024

Sime Darby Property is named the top property developer at the prestigious The Edge Malaysia Top Property Developer Awards 2024

Our Approach
to Value Creation

To fulfil our Purpose as a Value Multiplier for people, businesses, economies and the planet, we must uphold a robust business model and implement responsive, forward-looking strategies. This requires an integrated approach to value creation that balances the risks and opportunities presented by our operating environment, while aligning with stakeholder needs and advancing our own aspirations.

ASSESSING OUR OPERATING CONTEXT

Our business performance and value creation are shaped by macroenvironmental factors such as economic, regulatory, social, environmental, and competitive dynamics. Consequently, we continually monitor our operating landscape to anticipate and respond to emerging trends.

IDENTIFYING AND MANAGING RISKS

We proactively identify and monitor operational, financial, regulatory, market, digital, and sustainability risks, integrating them into our risk register. By monitoring and managing these risks within our appetite, we ensure reliable execution and achievement of our corporate objectives.

FACTORING IN OUR STAKEHOLDER NEEDS

We drive sustainable growth by fostering strong relationships with key stakeholders—including shareholders, investors, employees, and the community. Through active engagement, we understand their needs and expectations, integrating these insights into our strategies.

DEFINING OUR MATERIAL MATTERS

By defining our material matters in correlation with the state of our macroenvironment, identified risks, and stakeholder needs, we ensure relevance to driving value creation for Sime Darby Property and our stakeholders.

BRINGING OUR SUSTAINABILITY AGENDA TO LIFE

We are guided by four key imperatives to foster resilient communities.

- Championing Energy Transition and Low Carbon in Real Estate
- Enhancing Urban Biodiversity
- Creating Positive Community Experiences
- Building Climate Adaptive Communities

Leadership Insights
Overview of Sime Darby Property
Value Creation
Management Discussion and Analysis
Sustainability Statement
Leadership
Governance
Financial Statements
Additional Information

TAKE STOCK OF OUR CAPITALS

Our six capitals represent the resources that we have and use to drive our business and create value. Effective management and access to these six capitals are critical to managing every aspect of the business.

PLAN OUR STRATEGY

Consolidating our risks and opportunities, our material matters and capitals, we outlined our SHIFT25 strategy to transform Sime Darby Property from a pure-play property developer to one of Malaysia's leading and most admired real estate players by 2025 with diversified income streams.

OUR INTEGRATED BUSINESS MODEL

Through our business model, we develop, own and manage a thriving asset portfolio that creates value for all stakeholders.

Leveraging upon our expertise and extensive land holdings, we focus on our core business in Property Development, Investment & Asset Management, and Leisure. Our approach is underpinned by robust governance, aimed at fulfilling both customer and market demand. In being a *Force for Good*, we are committed to the enviromental preservation and urban biodiversity conservation while striving to generate value for all stakeholders.

Our Value Creating **Business Model**

PURPOSE

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

OUR CAPITALS

INPUTS

MANUFACTURED CAPITAL
- Approximately 13,800 acres of land owned, primarily located in the Klang Valley, Negeri Sembilan, and Johor
- 25 active townships and integrated developments
- 33 various assets owned and managed
- 4 leisure assets

FINANCIAL CAPITAL
- Prudent in protecting the Group's financial position through optimal liquidity management and efficient capital structure
- Shareholders' fund of RM10.3 billion
- Cash balances of RM640.4 million
- Total debt of RM3.1 billion

HUMAN CAPITAL
- 1,638 employees within the organisation
- 721 female employees (44%)
- 917 male employees (56%)
- RM5.9 million* invested in Learning & Development programmes

SOCIAL AND RELATIONSHIP CAPITAL
- Number of volunteers in 2024: 757 volunteers
- Total number of registered vendors: 2,779 vendors (as at 31 December 2024)
- Empowering local communities
- Embracing sustainable development and responsible ESG practices
- High levels of integrity, trust and transparency in our communications with key stakeholders
- Eminent brand and market presence, as a reputable, ethical and widely trusted brand

NATURAL CAPITAL
- Community partnerships to deliver high impact social initiatives
- Established Elmina Living Collection Nursery ("ELCN")
- Established Urban Biodiversity Framework and guidelines to integrate biodiversity initiatives at all project stages
- Launched the Elmina Urban Biodiversity Corridor ("EUBC") to rehabilitate ecological connectivity along Sungai Subang
- Promoting sustainable energy practices of renewable energy, water-efficient fittings, and energy-efficient equipment
- Ongoing environmental preservation efforts

INTELLECTUAL CAPITAL
- Deployed Robotic Process Automation ("RPA") solutions within our Enterprise Resource Planning ("ERP") Finance Modules to improve operations efficiency
- Integrated our ERP, e-Procurement and project collaboration platform to streamline property development processes
- Integrated our Online Booking System ("OBS") into the Sales Back Office ("SBO") to create seamless buying experience for customers
- Rolled out the Sime Darby Property App ("SDP App") to offer a better customer engagement and experience

** Includes HRDF contribution*

...ENABLE VALUE-ADDING

GLOBAL MEGATRENDS
- Identifying Emerging Trends at Regional and National Levels
- Meeting Demands for Sustainable Urban Planning
- Adapting to Evolving Societal Expectations
- Employing New Tools to Enhance Sustainability, Efficiency and Customer Experience
- Managing Higher Stakeholder Expectations

KEY STRATEGIC PRIORITIES
- Expanding Recurring Income
- Achieve Cost & Operational Efficiencies
- Improve Organisational Effectiveness
- Launch New Growth Areas
- Embark on Digital Transformation

KEY RISKS
- Market Risk
- Development and Product Strategy
- Project Development and Execution
- Safety and Health
- Cybersecurity
- Joint Ventures, Collaborations and Strategic Partnerships
- Talent and Resource Management
- Legal/Regulatory and Contractual Compliance
- Competition
- Climate Risk
- Supply Chain and Its Related Human Rights Risk

KEY MATERIAL MATTERS

Economic
- Innovation

Environment
- Energy and Carbon Management
- Urban Biodiversity
- Circularity
- Water Management
- Climate Adaptation

Social
- Occupational Health and Safety
- Community Experience
- Diversity and Inclusion
- Labour Standards and Practices
- Responsible Supply Chain Management

Governance
- Data and Cybersecurity
- Anti-Bribery and Corruption

GOVERNANCE Supported by strong governance and effective Board leadership

VISION

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

MISSION

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

VALUES

T Together We Do What's Right

E We Lead with Excellence

A We Embrace New Approaches

M We Make Things Happen

ACTIVITIES THAT CREATE...

OUTPUTS

Our End Products

- Township & Integrated Development
- Investment & Asset Management
- Leisure Operations
- Active Land Bank Management
- Robust Capital Management
- Strong Financial Discipline
- Sustainable Talent & Performance Management
- Effective Governance
- Corporate Sustainability Strategy
- Sustainable Procurement
- Product & Digital Innovation

Waste and Emissions

- Total Operational Carbon Emissions of 16,973 tCO_2e for Scope 1 and Scope 2 emissions with Green Energy Tariff (2023: 16,387 tCO_2e)
- 30,633 tonnes of total waste generated across operations (2023: 14,402 tonnes)
- 50% waste diversion from landfill rate (2023: 25%)

... VALUE FOR OUR STAKEHOLDERS

OUTCOMES

MANUFACTURED CAPITAL

- 2,346 units delivered over 30 phases
- RM4.2 billion of GDV launched
- Total unbilled property sales of RM3.7 billion
- Achieved sales of RM4.1 billion (2023: RM3.3 billion)

FINANCIAL CAPITAL

- Revenue of RM4,250.8 million (2023: RM3,436.9 million)
- PATAMI of RM502.2 million (2023: RM407.9 million)
- 40.6% dividend payout ratio (2023: 41.7%)
- Net gearing ratio of 24.3% (2023: 22.7%)

HUMAN CAPITAL

- Conducted 5,638 hybrid learning programmes on leadership/soft skills, customer service excellence, sustainability, and technical skills (2023: 4,217)
- 106,130 total learning hours in 2024 (2023: 74,072)
- Strengthened organisational culture and safety commitment by embedding TEAM values, leadership-driven LEAP initiatives and holistic assessments
- 33% female representation at the board, and 46% of women in C-suite positions
- Employees' salaries & benefits: RM306.8 million

SOCIAL AND RELATIONSHIP CAPITAL

- Made approximately RM19 million worth of charitable contributions (2023: RM12 million)
- Volunteered 2,878 hours for the community (2023: 2,941 hours)
- Total socioeconomic spend in 2024: RM20.8 million (2023: RM15.6 million)
- More than 70,000 beneficiaries of community programmes and spaces
- More than 60 organisations supported through donations and sponsorships (2023: 50 organisations)
- RM1.9 million in community investments made
- Paid RM262.4 million in government tax
- Approximately RM2.9 billion spent on local vendors to generate revenue, supporting national economic growth
- Customer Net Promoter Score of 74%
- RM448.4 million gained in Public Relations ("PR") value

NATURAL CAPITAL

- 4% increase in operational carbon (Scope 1 and Scope 2) from 16,387 tCO_2e in 2023 to 16,973 tCO_2e in 2024 (with Green Energy Tariff)
- 50% of waste diverted from landfill
- Piloted zero waste to landfill initiatives in KLGCC and in Putra Heights
- 30,100 Endangered, Rare & Threatened ("ERT") trees planted in 2024 (2023: 26,085)
- 155,349 trees planted at our townships and developments since 2011 (2023: 143,679)
- Initiated a riverine corridor restoration effort (Elmina Urban Biodiversity Corridor) by planting 1,450 trees along a 500 metre river bank
- 201 bird species recorded, including 24 threatened species
- 39 mammal species recorded, including 20 threatened species
- 70 reptile and amphibian species recorded, including 4 threatened species
- Established Urban Biodiversity Framework and Guideline
- Enhanced the Integrated Waste Management Guideline
- Subscribed to TNB's Green Energy Tariff to reduce carbon footprint, sourcing 1,171 MWh of green energy

INTELLECTUAL CAPITAL

- Achieved a QLASSIC Score of 81%
- Implementation and deployment of e-invoicing across our systems
- Implementation and deployment of an ESG digital dashboard
- Increased working flexibility by empowering more than 800 employees to work from home ("WFH") at any time
- Digitalisation of Quality Management processes for all new project handovers (homes)
- Improved cybersecurity through assessments, learning and simulation exercises
- Enhanced customer experience and sustainability by collaborating with the Ministry of Housing and Local Government to implement the Housing Integrated Management System ("HIMS")
- Facilitated a smooth digital transition through targeted change management initiatives

Stakeholder Engagement
& Value Creation

To fully comprehend the issues that matter to our stakeholders, we engage with them regularly to understand and address their concerns and expectations. These interactions build stronger relationships and provide valuable insights into their diverse priorities. This approach empowers us to define our material matters accurately and align our strategies with stakeholder needs, ultimately maximising value for all parties connected to our business.

FREQUENCY OF ENGAGEMENT

A Annually **Q** Quarterly **M** Monthly **W** Weekly **D** Daily **O** Ongoing **OR** On Request **R** Regularly **P** Periodically

CUSTOMERS

Our customers are our top priority, as our success depends on our ability to effectively meet their needs and expectations.

Purpose for Engagement (Why We Engage)

Engaging with existing and potential customers is crucial for understanding their needs and anticipating market trends. By integrating their insights into our product designs and promotional strategies, we can exceed expectations and sustain demand for our developments and homes

Channel and Frequency of Engagement (How We Engage)

- **O** Online Booking System (“OBS”) platform
- **O** Physical sales and marketing initiatives
- **O** Website, call centre and social media channels
- **O** High-5 and Quick-Fix initiatives (upon handover of keys)
- **O** Net Promoter Score (“NPS”) surveys
- **P** Project launches
- **P** PRIME member events
- **P** Product launches and corporate events
- **P** Meetings with joint management bodies and residents’ associations
- **P** Community events that promote sustainability such as tree-planting, urban farming and recycling efforts

CUSTOMERS (continued)

Key Concerns Raised	Responses
Continuous engagement and effective resolution of property-related issues.	• Regular meetings with management bodies and residents' associations, as well as: – Dedicated personnel for each township and development to serve as community liaisons; and – A Quick-Fix programme to promptly resolve issues faced by residents after moving into their new homes.
Provision of community facilities that promote healthy and sustainable lifestyles.	• Integrate placemaking features such as jogging and bicycle tracks, community parks, and many more elements to enhance lifestyles. We have also opened KL East Park to the public, offering a biodiverse environment with thriving flora and fauna for visitors to enjoy.
Eco-efficient townships and homes, with safe amenities.	• Utilise green label construction materials, including FSC-certified doors and timber flooring. We also provide homebuyers with the option to install solar panels and water-saving fittings. Additionally, we have implemented a Tree-to-Tree replacement policy, focusing on planting endangered, rare, and threatened ("ERT") species.

Risks

Failing to adapt to market expectations and demographic trends may impact the relevance of our business, impacting our market share and industry leadership.

Opportunities

- Staying ahead of market trends enables us to maintain our competitive edge and industry leadership.
- Incorporating sustainability-focused elements promotes environmentally conscious lifestyles within our communities.

Value Created for Stakeholders

- Safe and sustainable products that meet their lifestyle aspirations.
- Facilities and amenities that support thriving communities.
- High levels of customer service and product quality.

Value Created for Sime Darby Property

- Continuous and sustainable demand for our projects and new products.
- Enhanced recognition as a trusted and reliable developer.
- Strengthened collaboration with customers towards fostering sustainable communities.

Business Initiatives

- Promoting the PRIME membership to increase awareness of new deals and product launches.
- Establishing a strategic partnership with Maybank for a seamless home financing experience via the OBS.
- Engaging regularly with potential and existing customers through project launches, community events, forums, and customer satisfaction surveys.

Value Creation Indicators, Highlights and Achievements

- Monitoring the positive or negative customer feedback trends, benchmarking against KPIs such as NPS. In 2024, our NPS was 74%.
- Tracking customer footfall and their participation in our placemaking activities.
- Tracking the total number of bookings.
- Volume of customer complaints.
- Number of available touchpoints.

MATERIAL MATTERS

CAPITALS

EMPLOYEES

Our employees are the cornerstone of our organisation, driving success through their skills, dedication, and commitment. Their contributions are essential to achieving the Group's strategic objectives and fulfilling its long-term vision and mission.

Purpose for Engagement (Why We Engage)

We actively engage with our employees to foster a sense of belonging and ownership in their roles, promoting a high-performance culture. Additionally, we prioritise gathering feedback on their key concerns, leveraging these insights to enhance our talent management strategies.

Channel and Frequency of Engagement (How We Engage)

- **M** Intra – and interdepartmental meeting
- **W** Email announcements
- **Q** Newsletters
- **O** Viva Engage digital employee engagement platform
- **P** Individual performance reviews
- **O** Knowledge sharing session by leaders & subject matter experts
- **A** Focus group discussions
- **Q** Company Townhalls
- **O** Volunteering opportunities
- **O** A Day with HR roadshow
- **O** Jalinan Nurani digital platform
- **O** Company-wide and departmental engagement activities
- **R** Skip-Level Meetings
- **M** Structured onboarding programme for new hires
- **O** Speak Up Forum
- **A** Mental Health First Aider certification
- **A** Annual Management Dialogue

Key Concerns Raised	Responses
Fair and competitive career promotion opportunities.	• Provide training and project assignments that enhance employees' skills in alignment with business objectives. • Establish an internal mobility framework.
Employee well-being and wellness.	• Utilise the Jalinan Nurani platform to assist employees and their family members with mental or physical health concerns. • Provide monetary relief for those facing unfortunate and unforeseen tragedies. • HR Practitioners certified as Mental Health First Aider provide first line of aid to employees requiring medical assistance from mental health professionals • Organise employee well-being programmes and webinars on topics such as healthy eating habits, using supplements properly, battling burnout and reducing the risk of breast cancer, among others. • Introduce Group-wide sports and outdoor events to promote active lifestyles and healthy competition.
Preserving a healthy work-life balance.	• Introduced flexible work arrangements for all eligible employees.
Better understanding of safety & sustainability issues and how employees may contribute to organisational efficiencies	• Educate employees on sustainability through internal communication channels and e-learning platforms. • Engage employees in sustainability initiatives like HSSE and Sustainability Day programmes. • Enhance work processes and digitalisation through Project "WOW" (War on Waste). • Develop Green Belt Lean Six Sigma practitioners, with the pilot batch successfully completed. • Promote energy-saving practices by installing sensor lighting and reducing appliance usage at the workplace. • Rolled-out e-learning on sustainability topics for all employees to learn on-the-go.

EMPLOYEES (continued)

Risks

- Without the right work culture and competencies, we may hamper our efforts to attain our SHIFT25 goals.
- Inability to attract and retain high-quality talent.
- Increased employee dissatisfaction rate.
- Increased turnover rate.
- Employee morale and productivity will be impacted.
- Disengaged employees may tarnish the company's reputation by sharing their negative experiences.

Opportunities

- Ongoing engagement with employees fosters alignment with our Purpose, Vision, Mission and Values ("PVMV"), driving performance excellence in support of our business and sustainability goals.
- Effective employee engagement and management strategies help us attract and retain top industry talent.
- Digitalising HR processes enhances productivity and operational efficiency.

Value Created for Stakeholders

- Competitive remuneration and benefits.
- Providing purposeful work that contribute to the greater good of communities.
- Professional development opportunities.
- Safe and conducive working environment with effective welfare management.
- Equal opportunities within an inclusive work culture.
- Opportunity to contribute towards a more sustainable environment.

Value Created for Sime Darby Property

- Enhanced and sustainable pipeline of talent to drive a high-performance culture in alignment with our Purpose, Vision, Mission, TEAM Values & Behaviours.
- Competent and engaged workforce equipped to deliver on our aspirations.
- Attraction of top talent through effective employee management and engagement strategies.

Business Initiatives

- Employee engagement survey.
- Management Associate Programme.
- Employee engagement and wellness programmes.
- Flexible work arrangements and policy.
- TEAM badges for recognition.
- TEAM Values workshops.
- Mental Health awareness and support.
- Channels for employees to share feedback, such as our Speak Up Forum and Skip Level meetings.
- Onboarding programme for new hires.
- Scholarship for employees and their children.
- Flexible workspaces for collaboration.
- Employee recognition initiatives.
- Tailored talent and successors development programmes.
- Field trips (site visit) for Talents.
- Minimum living wage initiatives.

Value Creation Indicators, Highlights and Achievements

- Employee retention rate.
- Employee engagement scores.
- Promotion and mobility rates.
- In 2024, we were honored with multiple awards related to workplace excellence, including:
- Life At Work Award ("LAWA"):
  - CEO Champion, Dato' Seri Azmir Merican – Champion
  - Promising Young HR (Public Listed Company), Adelaide Angela Gom – Champion
  - Best Public Listed Company – 1st Runner-Up,
  - CHRO Champion (Public Listed Company), Chua Eng Imm – 2nd Runner-Up
- HR Excellence Awards:
  - Most People-Focused CEO, Dato' Seri Azmir Merican (Champion)
  - Total Rewards Strategy (Bronze)
  - Young HR Talent, Vincent Lee Ko Meng (Bronze)
- SEEK People and Purpose Awards – Top Voted Employer in Real Estate & Construction (Platinum).
- LinkedIn Talent Awards 2024:
  - LinkedIn Learning Champion (Winner)
  - AI Pioneer (Between 1,000 and 10,000 Employees) (Winner)
- GRADUAN Brand Awards – Malaysia's Most Preferred Employers 2024 (Construction & Property – 1st Runner-Up).
- TalentBank Graduates' Choice Award – Real Estate & Construction category (3rd Place).
- Malaysia's 100 Leading Graduate Employers Awards by gradmalaysia – Construction, Property & Development category (2nd Runner-Up).

MATERIAL MATTERS

CAPITALS

VENDORS

Our vendors—consist of contractors, consultants, and suppliers for construction projects, as well as non-construction vendors—play a vital role in supporting our operational activities.

Purpose for Engagement (Why We Engage)

Open two-way communication with vendors ensures mutual understanding, enabling timely delivery of high-quality products, improving efficiency and strengthening collaborative partnerships towards achieving shared goals while meeting Sime Darby Property's expectations on compliance to governance, safety, and sustainability.

Channel and Frequency of Engagement (How We Engage)

- **A** Annual dialogue
- **O** Relationship-building and networking sessions
- **A** Safety and sustainability trainings
- **O** Data collection process
- **M** Tender clarification process
- **O** Meetings
- **P** Vendor Performance Evaluation
- **O** Office and Site Visits

Key Concerns Raised	Responses
High cost of construction.	• Foster early collaboration with all stakeholders to drive design simplification and standardisation which enables the adoption of modular designs, standardised materials, and efficient construction methods. • Leverage on combined award and bigger volume for economies of scale. • Institute innovative contracting model of cost-led procurement and buy-forward option. • Adopt strategic sourcing and bundling of major materials for respective townships.
Insufficiency of capable contractors.	• Grant additional capacity to qualified high performing contractors. • Adopt contractors based on geographical location. • Implement vendor development programme and workshops to improve and boost their capabilities and performance. • Continue to source for capable contractors via industry contacts and consultants.
Lack of knowledge and implementation on sustainability practices.	• Conduct training and development programmes with vendors on ESG requirements. • Implementation of pilot study focusing on Phase 1 of the Supply Chain Management Framework.

VENDORS (continued)

Risks

- Dependence on preferred vendors may lead to supply disruptions during unforeseen circumstances.
- ESG issues within our supply chain could result in non-compliance and affect progress towards the Sime Darby Property Net Zero carbon emissions by 2050 target.
- Outdated vendor information in our Vendor Management System could result in inappropriate vendor selection or appointments.

Opportunities

- Strong partnerships create opportunities for innovation and the adoption of advanced construction methods and technologies.
- Collaborative vendor relationships contribute to cost optimisation and more competitive pricing.

Value Created for Stakeholders

- Ensuring governance and compliance in business processes and operations.
- Enhanced business continuity for vendors.
- Competitive terms of contract supported by safe work standards.
- More business opportunities.
- Generate economic value for society and the environment.

Value Created for Sime Darby Property

- Trusted and capable pool of contractors.
- More competitive pricing from contractors.
- Reliable fulfilment of contractual obligations.
- Quality project delivery.
- Timely delivery of project targets.
- Meeting safety and sustainability criteria and objectives.

Business Initiatives

- Regular engagement with vendors.
- Vendor Development Programme.
- Annual Partners Dialogue with vendors.
- Sime Darby Property's Vendor Code of Business Conduct.

Value Creation Indicators, Highlights and Achievements

- Cost saving and avoidance compared to the projects budget.
- QLASSIC Score and Customer Experience Indicator (Net Promoter Score) for each project.
- Quality, safety and timely completion of projects.
- ESG readiness in meeting the target objectives.
- Number of vendors participated in the Vendor Development Programme ("VDP").
- Number of new technology, innovation and sustainable products and services introduced by vendors.

MATERIAL MATTERS

CAPITALS

INVESTORS & ANALYSTS

Investors provide crucial financial capital for the Group's business activities, while analysts assess and share insights on our performance and future prospects.

Purpose for Engagement (Why We Engage)

By keeping our investors and analysts well-informed about our financial and operational performance, business developments, strategies and direction, we enable them to make sound investment decisions and recommendations. Our engagements allow us to address their queries and concerns effectively while clarifying the Group's position on key issues and announcements.

Channel and Frequency of Engagement (How We Engage)

- **P** Investor conferences
- **A** Annual General Meetings and integrated annual reports
- **P** Extraordinary General Meetings
- **Q** Investor & Media briefings
- **R** One-on-one/group meetings
- **P** Non-deal roadshows
- **R** Email or phone communication
- **R** Investor Relations webpage and news updates
- **P** Site visits

Key Concerns Raised	Responses
Delivery of sustainable financial and operational performance, with results announced on a quarterly basis.	• Organise quarterly Analysts & Media briefings to present financial and operational results, along with updates on key developments and strategies.
Implementation of growth strategies with a clear aim to deliver long-term shareholder returns.	• Communicate the Group's strategic direction clearly, with details such as the expected goals and outcomes, broad risk exposure and mitigation controls, and performance targets through: – One-on-one/group meetings. – Investor conference calls. – Non-deal roadshows. – Informative, accurate, timely and transparent quarterly results announcements and annual reports.
Prospects for the property sector and the Group's response to macroenvironmental factors that affect its operating landscape.	• Provide direct access to Board members and Executive Leaders at Annual General Meetings. • Offer prompt and informative responses to queries from investors and analysts.

INVESTORS & ANALYSTS (continued)

Risks

- Inaccurate financial analysis or forecasts reported by analysts may affect our stock ratings and share price performance.

Opportunities

- Transparent and timely disclosures strengthen investor confidence and provides support for informed decision-making.

Value Created for Stakeholders

- Attractive short and long-term returns on investments.
- Sustainable results through good corporate governance, effective risk management, a robust growth strategy and transparent disclosures of financial and non-financial performance.

Value Created for Sime Darby Property

- Transparent financial reporting and strategic disclosures to stakeholders that will improve trust, mitigate risks and reflect our values, to enhance our reputation and deliver long-term value.

Business Initiatives

- Frequent engagement with shareholders and investors.
- Timely and transparent corporate, financial and non-financial disclosures.
- Communication of our ESG practices through our Sustainability Report and corporate website.

Value Creation Indicators, Highlights and Achievements

- In FY2024, we declared dividends of RM204.0 million (3.0 sen per share) with a payout ratio of 40.6%, demonstrating our commitment to deliver value to shareholders.
- The Group's market capitalisation increased by RM7.3 billion, closing at RM11.5 billion as of 31 December 2024. This represents approximately 173% increase compared to RM4.2 billion at the start of the year. A testament to the increased investor confidence.
- The analysts' consensus average target price is RM1.87, representing a 110% increase compared to RM0.89 from the previous year.
- Our Discount to Revalued Net Asset Value ("RNAV") improved to 34%, compared to 57% in the previous year.
- Our dedication to ESG principles has been recognised by analysts, who have attributed an ESG premium to our share price valuation.

MATERIAL MATTERS

CAPITALS

MEDIA

Members of the media collectively serve as a vital conduit through which the Group communicates and engages with external stakeholders and the broader community.

Purpose for Engagement (Why We Engage)

Our close engagement with the media allows us to leverage their wide reach in disseminating accurate and timely information about the Group's performance, outlook, and business developments to the general public. By fostering mutually beneficial partnerships with the media, we can effectively manage and enhance the Group's credibility, reputation, visibility and positioning with the public sphere.

Channel and Frequency of Engagement (How We Engage)

- **O** Press releases & statements and notes to editors
- **P** Festive gatherings & media events
- **A** Integrated annual reports
- **P** Participation in feature/news articles
- **P** Product launches and corporate events
- **OR** Joint campaigns and advertising
- **OR** Media Interviews

Key Concerns Raised	Responses
Regular, accurate and transparent updates on performance, developments, financial statements and crisis management.	• Work closely with Executive Leadership to provide timely and comprehensive financial and non-financial updates to the media. • Share information accurately and transparently via holding statements and/or media responses during crisis. • Provide regular Group updates on product launches, sales campaigns, corporate social responsibility ("CSR") activities, sustainability initiatives and key appointments, among others.
Market and industry insights.	• Provide media members with access to our leadership team's perspective on the market and industry.
Updates on business strategies and tactics.	• Disseminate news and updates on our business strategies, market insights and future outlook.
Prompt responses to issues raised by media members.	• Respond promptly to media enquiries and requests through the Group Corporate Communications.

How We Measure Value

- Amount of media mileage gained and calculated through media monitoring tools.
- Tracking of brand sentiment encompassing earned and social media.
- Share of Voice measurement through social listening.

MEDIA (continued)

Risks

- Negative, incorrect or insufficient media coverage may tarnish our brand reputation.
- Discrepancies highlighted by the media may influence investor sentiments and reputation.

Opportunities

- Nurturing strong media relationships can contribute to enhancing our brand positioning and reputation.
- A reliable media network improves our ability to swiftly disseminate critical business updates.
- Clear and transparent communication builds public trust in our brand.

Value Created for Stakeholders

- Convenient access to reliable and timely information and updates on our performance.
- Regular updates and insights into industry developments and trends.

Value Created for Sime Darby Property

- Improved ability to address public concerns about Group initiatives, campaigns or crises.
- Enhanced transparency in our reporting.
- Promotion of Sime Darby Property as a leading voice for the industry.
- Improved status and standing as a reputable lifestyle master developer.
- RM448.4 million in PR value gained during FY2024.

Business Initiatives

- Consistent and transparent news and information sharing through media interviews, press releases, Q&As, media briefings and our website.
- Frequent utilisation of social media platforms for dissemination of news and driving media engagement.

Value Creation Indicators, Highlights and Achievements

- PR value calculated via reputable media monitoring tools.
- Likes, comments and sharing of social media postings.

MATERIAL MATTERS

CAPITALS

DEBT PROVIDERS

Debt providers and lenders play a pivotal role in granting the Group access to capital, ensuring the successful execution of our strategies and initiatives.

Purpose for Engagement (Why We Engage)

Maintaining close relationships with debt providers and lenders is essential to securing their ongoing support for our financing needs. By keeping them informed of our financial, operational, and strategic performance, as well as our governance and risk management frameworks, we can foster robust relationship based on trust and transparency.

Channel and Frequency of Engagement (How We Engage)

- **R** Email communication
- **Q** Meetings
- **Q** Events hosted by debt providers
- **P** Site visits
- **A** Annual General Meetings and integrated annual reports

Key Concerns Raised	Responses
1. Ability to meet debt obligations and covenant compliance.	• Provision of transparent disclosures on financial, operational, and strategic performance.
2. Governance and risk management practices.	• Offer detailed insights into our corporate governance and risk management frameworks.

Risks

- Inability to secure timely financing, potentially impacting business growth.

Opportunities

- Leveraging our financial strength, we can gain access to a diverse range of debt providers suited to evolving business needs.
- Potential opportunities for debt upsizing, including green financing.

Value Created for Stakeholders

- Steady returns supported by strong governance, risk management, and adherence to borrowing terms.
- Enhanced financing opportunities and long-term mutually beneficial partnerships.

Value Created for Sime Darby Property

- Strengthened access to debt markets for business expansion.
- Access to available market updates and key developments in monetary policy regulations.
- Green financing opportunities that support our sustainability efforts.

Business Initiatives

- Maintain frequent and transparent communication with financiers to ensure a clear understanding of our business.
- Provide comprehensive and transparent financial reporting through quarterly briefings and integrated annual reports.
- Align debt providers with our growth strategy and long-term strategic focus.

Value Creation Indicators, Highlights and Achievements

- Improved credit score rating.
- Competitive interest rates and loan terms.
- Enhanced approval timelines for additional financing.

MATERIAL MATTERS

CAPITALS

REGULATORS

Regulators set the standards and practices that govern our industries, and our ongoing compliance is essential to maintaining business stability and long-term sustainability.

Purpose for Engagement (Why We Engage)

Regular engagement with regulators enables us to stay updated on policy changes, ensuring we maintain ongoing compliance with evolving regulations and foster best practices across our operations.

Channel and Frequency of Engagement (How We Engage)

- P Meetings
- Q Industry forums
- O Email communication
- Q Goverment consultations
- P Seminars/webinars
- Q Advisory groups

Key Concerns Raised	Responses
1. Compliance with regulations, including new updates. 2. Industry best practices and policy development. 3. Support for national development.	• Active participation in industry forums and national-level discussions to stay updated on regulatory developments. • Leveraging the Group's compliance function to ensure adherence to all relevant regulatory requirements. • Contribute industry insights and expertise to shape new policies and regulations. • Share knowledge and best practices through industry forums. • Support national development through products and initiatives, including affordable housing, biodiversity inventories, and wetland construction and maintenance guidelines.

REGULATORS (continued)

Risks

- Non-compliance could lead to financial penalties and reputational risks.
- Regulatory violations could disrupt operations and project timelines.

Opportunities

- Close engagement with regulators and industry bodies helps strengthen relationships and foster strategic collaborations that contribute to policy development.

Value Created for Stakeholders

- Consistently meeting or exceeding their compliance expectations.
- Support and contributions towards national and industry development initiatives.

Value Created for Sime Darby Property

- Clearer regulatory guidance to support our compliance.
- Improved access to industry support and authoritative bodies to improve strategic alignment.

Business Initiatives

- Continuously reinforcing compliance with the Group's Anti-Corruption and integrity-related management frameworks.
- Actively participating in government and regulatory discussions to address policies and compliance requirements.

Value Creation Indicators, Highlights and Achievements

- Compliance with regulatory requirements.
- Tax contributions to the government.
- Engagement feedback from regulatory bodies.
- Ratings on industry indices.

MATERIAL MATTERS

CAPITALS

How We Distribute **Value Created**

In ensuring that we continue to deliver positive results to our stakeholders, Sime Darby Property distributes value created through numerous channels, some of which go beyond financial means, ranging from training and learning programmes for our employees to diverse community initiatives, in our efforts to create a more sustainable future for all our stakeholders.

Value created in FY2024 was distributed as follows:

RM1.3 BILLION

Employees

RM306.8 MILLION

23%

We invested RM5.9 million* in employees' learning and training programmes.

Providers of Capital

RM360.0 MILLION

27%

We rewarded our shareholders with a total dividend payout of RM204.0 million (3.0 sen per share, 40.6% payout ratio).

Government & Society

RM283.3 MILLION

22%

Approximately RM19 million worth of charitable donations made, with a total of RM262.4 million in taxes to the Government.

Reinvestment and Future Growth

RM363.0 MILLION

28%

Retained profit is used to support the Group's transformation journey towards becoming a real estate company.

** Note: Includes HRDF contribution*

Stakeholders
Scorecard

Stakeholder Group	Indicator	Value Drivers How it links to value creation
EMPLOYEES	Salaries & Benefits (RM mil)	Remuneration and benefits to employees
	Training Spend (RM mil)	Investment in employee development
	Diversity: Women in Senior Management (%)	Progress of women in leadership positions
	Diversity: Women in Overall Workforce (%)*	Gender diversity in the organisation
CUSTOMERS & COMMUNITIES	Net Promoter Score (%)	Overall satisfaction with our products and services
	Total Socioeconomic Spend (RM mil)	Contribution to society
INVESTORS & SHAREHOLDERS	Revenue (RM mil)	Business performance
	Return on Shareholders' funds (%)	Business performance
	Dividend Payout (%)	Business performance and efficiency
	Total Shareholder Return (%)	Wealth creation for shareholders
	Share Price Performance (%)	Share price appreciation
	Full-year Dividend Per Share (cents)	Dividends for shareholders
REGULATORS	Corporate Taxes (RM mil)	Contribution to government funds
VENDORS	Local Procurement Spend (RM bil)	Supporting local vendors

Assurance indicators

MO Management/board oversight through rigorous internal reporting.

IN Externally sourced information, i.e., independent surveys.

* *Note: Updated diversity measurement*
** *Note: Includes HRDF contribution*

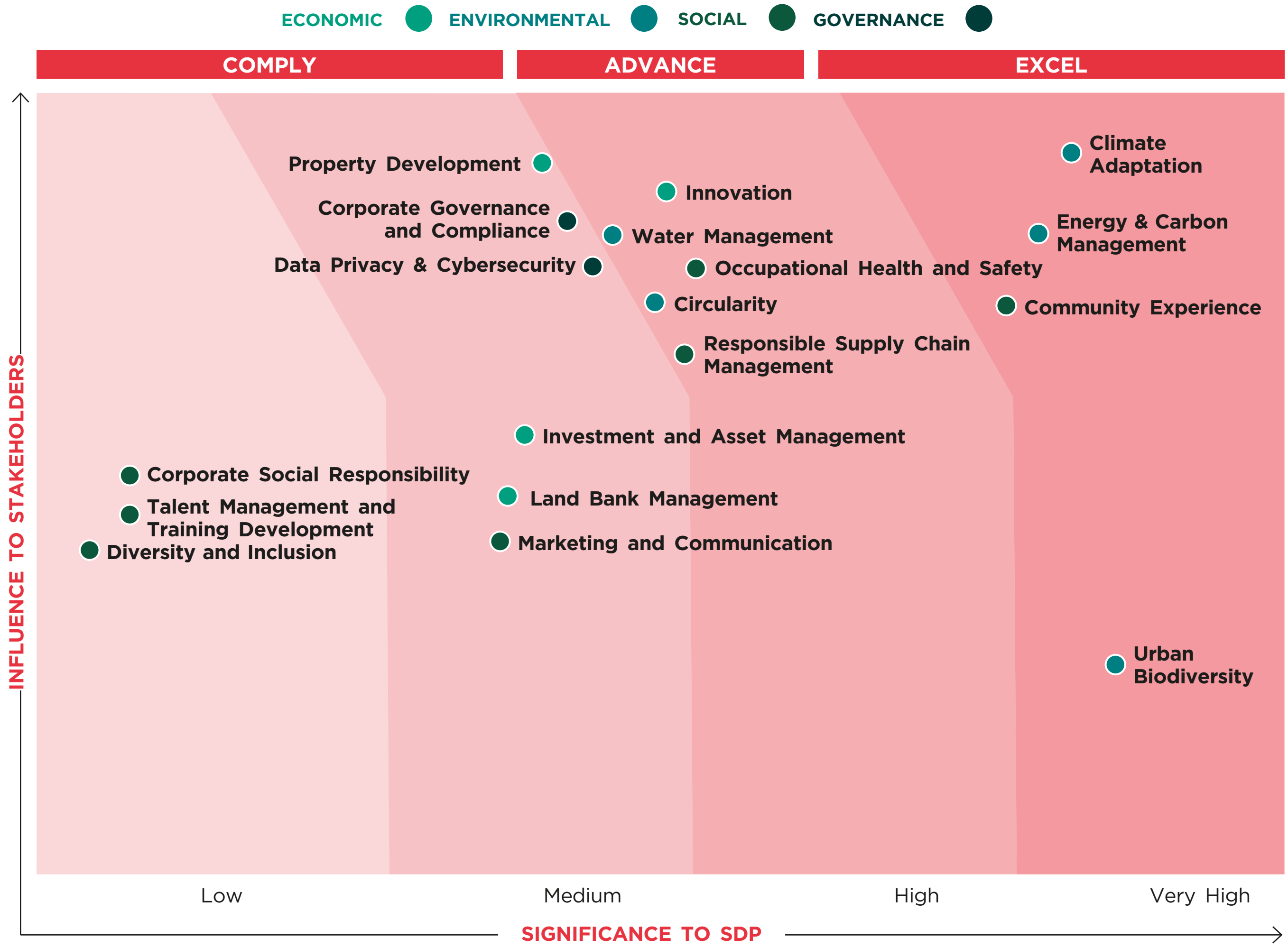
2024	2023	2022	Outlook	Assurance
306.8	267.7	236.4	Maintain competitive remuneration	MO FS
5.9**	3.5	2.8	Continue to invest in employees	MO
38	36	34	Continue driving inclusivity & diversity	MO
44	44	44	Continue driving inclusivity & diversity	MO
74	70	69	Continue strong performance in customer satisfaction	IN
20.8	15.6	31.1	Continue to enhance investment in community initiatives	MO FS
4,250.8	3,436.9	2,742.1	Continue to execute on its strategy to deliver sustainable growth	MO FS
4.9	4.2	3.3		MO
40.6	41.7	43.1		MO
180.0	45.4	-27.0		MO
172.6	40.0	-26.2		MO
3.0	2.5	2.0		MO FS
262.4	192.8	147.2	Continue to be a responsible taxpayer	MO FS
2.9	2.2	1.6	Steady growth	MO

FS Financial information extracted from the 2024 Sime Darby Property Audited Annual Financial Statements.

Leadership Insights
Overview of Sime Darby Property
Value Creation
Management Discussion and Analysis
Sustainability Statement
Leadership
Governance
Financial Statements
Additional Information

Material Matters

We are committed to effectively identifying and managing our material matters, focusing on generating value through our six capitals, gaining clear insights into risks and opportunities, and closely monitoring performance against defined metrics.



IDENTIFY

We assess and identify material matters that could affect the implementation of our strategy through a collaborative effort involving all business and support units, while also incorporating feedback from stakeholders.

PRIORITISE

We prioritise material matters that have the greatest impact on our ability to effectively implement our strategy and provide lasting value to our stakeholders.

INTEGRATE

Material matters that significantly impact value creation are included in our corporate scorecard, guiding objective-setting, behaviour and performance measurement. Significant matters are integrated into our business and operational procedures.

For more information on our material matters, please refer to our SR2024 pg 22 to 25.

ENERGY AND CARBON EMISSIONS

Why It Is Important

Managing energy and carbon emissions is critical, as energy consumption is a major driver of greenhouse gas emissions and the broader climate crisis. Reducing, tracking, and managing our emissions aligns with our Net Zero carbon targets.

Our Response

1. Monitoring and reporting of emissions performance with tracking of emissions reduction initiatives.
2. Keeping abreast of the latest development on carbon tax imposition and monitoring its impact to the Group, where applicable.
3. Incorporate carbon intensity targets as KPIs into Corporate Scorecards to drive a low carbon culture across business operations.

What Are The Risks

- Failure to meet emissions reduction targets.
- Implementation of carbon tax may impact our profitability.

What Are The Opportunities

- Gaining operational savings from energy and carbon management solutions (e.g. smart metering, real time monitoring and energy efficiency audit).
- Preserving a reputation of compliance with energy and carbon regulations set by the government and relevant authorities.

Capitals Impacted | Stakeholders Affected | Link to Strategy | Link to UN SDG

URBAN BIODIVERSITY

Why It Is Important

We recognise the impact of property development on ecosystems and are committed to conserving and restoring biodiversity within our development areas, where practical, to enhance our reputation for sustainable urban redevelopment.

Our Response

1. Implementing the Urban Biodiversity Framework and Guideline, along with the ARC (Avoid, Regenerate, Conserve) approach, to address biodiversity risks.
2. Conducting nature and biodiversity risk assessments for townships to evaluate biodiversity impact.
3. Documenting and monitoring flora and fauna to guide the implementation of urban biodiversity initiatives.
4. Forming strategic partnerships and engaging with non-governmental organisations ("NGOs") and educational institutions to enhance urban biodiversity research and awareness.
5. Developing an urban biodiversity index, adapted from the Singapore Index on Cities' Biodiversity.

What Are The Risks

- Inability to execute urban biodiversity strategy and initiatives.

What Are The Opportunities

- Enhancing township value through the regeneration and conservation of urban biodiversity post-development.
- Strengthening community engagement and collaboration by leveraging opportunities to work closely with authorities and NGOs.

Capitals Impacted | Stakeholders Affected | Link to Strategy | Link to UN SDG

CLIMATE ADAPTATION

Why It Is Important

Climate change threats, such as floods and rising sea levels, poses a risk to our assets. As such, we are cognisant of the need to manage associated risks, including through climate adaptation or mitigation measures, to protect the value and integrity of our assets.

Our Response

1. Conducting physical and transition risk assessments on the Group's assets (currently ongoing).
2. Embedding physical risk considerations as part of future investment decisions.
3. Implementing flood mitigation plans, where applicable.
4. Communicating flood mitigation plans and progress updates to impacted communities.
5. Deploying flood monitoring programmes and related infrastructure, where required.
6. Engaging with local and federal authorities on their flood mitigation strategies.
7. Monitoring market demand for sustainability-related initiatives and products.
8. Collaborating with tenants or buyers of industrial products to determine sustainability needs and recommend tailored solutions.
9. Complying with sustainability-related regulatory requirements.

What Are The Risks	What Are The Opportunities
• Exposure to physical and transition risks across the Group's asset portfolio. • Flood risks potentially impacting product value and demand in affected areas. • High risk of not meeting expectations from international or large investors, particularly in the industrial segment, where low GHG emission products are increasingly required.	• Raising awareness and collaborating with authorities, industry bodies, and other stakeholders to strengthen flood adaptation and mitigation efforts. • Enhancing organisational resilience and reputation through proactive climate risk management.

Capitals Impacted **Stakeholders Affected** **Link to Strategy** **Link to UN SDG**

z

COMMUNITY EXPERIENCE

Why It Is Important

A well-integrated community helps ensure that our townships remain vibrant, resilient, and self-sustaining over time. Engaged and satisfied communities foster social cohesion and economic growth, attract businesses, and enhance property value and market appeal. A strong customer-centric approach builds lasting loyalty, trust, and advocacy, forming the foundation for long-term success.

Our Response

1. Engaging with communities and relevant stakeholders during launches in areas with high environmental sensitivity.
2. Conducting environmental and biodiversity impact assessments to mitigate development impacts and ensure regulatory compliance.
3. Engaging complainants and resolving concerns promptly to reduce litigation risks.
4. Conducting customer service surveys to stay informed of community feedback.
5. Monitoring public sentiment in real time, escalating issues promptly, and tracking weekly resolution progress.
6. Tracking Net Promoter Score ("NPS") on community engagement (Moment 5) to assess and improve engagement effectiveness.

What Are The Risks

- Community resistance and legal challenges to new development phases (e.g., concerns over congestion and environmental impact).
- Reputation risks due to negative community sentiment, potentially deterring future buyers and investors.
- Potential legal action from communities or customers due to service dissatisfaction or contract breaches.
- Lack of proactive engagement leading to trust erosion and misinformation within the community.

What Are The Opportunities

- Strengthening brand positioning and market differentiation.
- Increasing customer advocacy and organic promotion by satisfied homeowners.
- Enhancing public perception as a sustainable community developer.
- Unlocking new revenue streams through community-driven business growth.
- Improving the Group's social license to operate.

Capitals Impacted 

Stakeholders Affected 

Link to Strategy 

Link to UN SDG 

INNOVATION

Why It Is Important	Our Response
Innovation is essential to help us differentiate from competitors, stay ahead of industry trends, drive business growth, enhance operational efficiency, and respond effectively to evolving customer preferences.	1. Establishing a targeted approach for operational process improvements. 2. Introducing a command and contact centre to improve service tracking and product quality. 3. Continuously exploring new building materials, services, and technologies for adoption. 4. Working with consultants to adopt innovative construction approaches. 5. Continuously reviewing project management systems for improvement. 6. Establishing an Innovation Park to drive R&D in product typology, construction methods, and advanced building technologies.

What Are The Risks	What Are The Opportunities
• Failure to adopt new methods can result in loss of competitive edge, higher operating costs, longer lead times, and lower quality outputs.	• Improving product design and construction methods to meet customer needs, enhance sustainability, and achieve market differentiation. • Enhancing operational efficiency, improving customer satisfaction, and strengthening market position.

Capitals Impacted | Stakeholders Affected | Link to Strategy | Link to UN SDG

CIRCULARITY

Why It Is Important

Maximising resource efficiency is essential to reduce waste across the value chain while promoting sustainability and economic effectiveness. This involves implementing waste reduction techniques, exploring recycling alternatives, utilising existing technologies, and assessing waste generation early in the project design phase.

Our Response

1. Composting organic waste and mulching green waste within operations.
2. Segregating waste at source, including diversion efforts at construction sites.
3. Engaging and building capacity among contractors to boost waste diversion rates.
4. Driving 3R initiatives through partnerships and campaigns, such as zero single-use plastic.
5. Providing an Integrated Waste Management Guideline to support consistent waste management practices.

What Are The Risks

- Potential non-compliance with waste management regulations.
- Higher disposal costs and inability to execute effective waste initiatives.

What Are The Opportunities

- Collaborating across the supply chain to reduce waste and associated costs.
- Potential of turning waste into value and creating new revenue streams.
- Reducing carbon footprint through effective carbon avoidance strategies.

Capitals Impacted | **Stakeholders Affected** | **Link to Strategy** | **Link to UN SDG** 11 12 13

WATER MANAGEMENT

Why It Is Important

We recognise the significance of water as a valuable yet finite resource. With climate change intensifying risks such as drought and water scarcity, we are committed to reducing water consumption and optimising usage across our developments. Where possible, we adapt our design and construction practices to address increased heat stress and water-related challenges brought on by climate change.

Our Response

1. Engaging with authorities and utility providers at various stages of development.
2. Complying with all requirements set by utility providers.
3. Assessing projected utility demand to ensure timely commissioning of infrastructure.
4. Using non-potable water at construction sites to reduce reliance on potable water.

What Are The Risks

- Water scarcity within operational or township areas.
- Potential non-compliance with regulatory requirements.

What Are The Opportunities

- Improving operational efficiency and reducing costs.
- Strengthening supply chain resilience by working with vendors on sustainable practices.
- Minimising our environmental footprint.

Capitals Impacted | **Stakeholders Affected** | **Link to Strategy** | **Link to UN SDG** 6 11 13

OCCUPATIONAL HEALTH AND SAFETY

Why It Is Important

We are aware of the health and safety risks our employees and external stakeholders may face in our operations and workplaces. Safeguarding their well-being is a top priority, and we are committed to full compliance with all health and safety requirements, at a minimum. A proactive, safety-first culture is essential to ensuring a secure and productive environment.

Our Response

1. Organising top management and Board site visits to engage staff, contractors, and workers on HSSE matters.
2. Embedding HSSE KPIs into the Corporate Scorecard to drive a culture of safety at project sites.
3. Updating construction contracts to align with the Group's latest HSSE manuals and requirements.
4. Executing annual HSSE plans as outlined in the HSSE playbook and monitoring performance.
5. Training frontline and project management staff on the Hazard and Effect Management Process, while inculcating Barrier Thinking to manage risks holistically
6. Training C-Suite personnel and senior management on HSSE leadership.
7. Implementing OSHCIM in design reviews, with published guidelines offering guidance on HSSE risks during the design phase.
8. Rolling out the 'Boots on the Ground' initiative for regular site visits with a HSSE focus.
9. Assessing contractor worker quarters against Sime Darby Property's hygiene standards.
10. Offering mental, physical and financial health and well-being support through Jalinan Nurani, with access to certified coaches and resources.
11. Delivering mental health first-aid training for employees to support colleagues in need of mental health resources.

What Are The Risks	What Are The Opportunities
• Safety incidents or fatalities at operational and construction sites. • Non-compliance with health and safety regulations.	• Strengthening industry positioning as a leader in OSHA-compliant practices. • Reducing costs by minimising risks related to accidents, legal claims, compensation payouts, and medical expenses. • Attracting top talent by being recognised as a company that prioritises health and safety. • Meeting and exceeding global safety standards, enabling entry into new markets and partnerships with safety-conscious customers.

Capitals Impacted **Stakeholders Affected** **Link to Strategy** **Link to UN SDG**

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

Why It Is Important

We are cognisant that risks within our value and supply chain can directly and indirectly impact business performance. By identifying and mitigating material risks, we help ensure uninterrupted operations and delivery while advancing our sustainability goals. In parallel, we are committed to supporting suppliers and contractors on their own Net Zero journey to foster a more responsible and resilient supply chain.

Our Response

1. Requiring vendors to sign an Integrity Pledge aligned with our Vendor COBC, covering ethical conduct and employment practices.
2. Including labour, health and safety compliance clauses in construction contracts.
3. Collaborating with regulators to ensure adherence to labour and safety standards at construction sites.
4. Implementing a Human Rights Policy to provide guidance and ensure compliance on employment matters.
5. Rolling out the High Performance Contractors programme.
6. Monitoring and testing new materials and technologies that support Net Zero targets.
7. Raising awareness and engagement on Scope 3 GHG emissions within our supply chain.

What Are The Risks

- Non-compliance with human rights due to industry labour practices.
- High ESG-related compliance costs (e.g. human rights, health and safety).
- Limited or slow adoption of technology for improving the sustainability of construction materials, impacting ambitions for reducing Scope 3 emissions.
- Lack of affordable, certified green materials to meet market demand within cost expectations.

What Are The Opportunities

- Strengthening supply chain resilience.
- Unlocking access to markets or customers that prioritise ethical sourcing.
- Enhancing supplier relationships through responsible sourcing practices.

Capitals Impacted **Stakeholders Affected** **Link to Strategy** **Link to UN SDG**

Legend:
BI **Bursa Common Sustainability Matters**

BI DIVERSITY AND INCLUSION

Why It Is Important

Embracing diversity and inclusion, alongside a zero-tolerance stance towards workplace discrimination, fosters innovation, connectivity and a broader mindset. A diverse workforce brings varied perspectives and experiences, strengthening collaboration and creating a more dynamic, forward-thinking organisation.

Our Response

1. Monitoring and reporting periodically to ensure adequate female representation at the Board and Senior Management levels.
2. Providing equal access to skills development, mentorship, and career progression opportunities.
3. Ensuring fair and merit-based practices in acquiring and promoting talent.

What Are The Risks	What Are The Opportunities
• Lack of attention on enhancing diversity and promoting inclusive practices, which may impact organisational performance.	• Enhancing employee engagement and trust by cultivating an inclusive work culture. • Expanding the talent pool by attracting and retaining diverse talent.

Capitals Impacted **Stakeholders Affected** **Link to Strategy** **Link to UN SDG**

BI LABOUR STANDARDS AND PRACTICES

Why It Is Important

Complying with labour standards and practices is vital to safeguarding the rights and safety of all workers. By promoting ethical treatment and ensuring legal compliance, we reinforce a positive workplace culture that contributes to sustainable value creation.

Our Response

1. Implementing a Human Rights Policy to guide fair and ethical labour practices.
2. Embedding employment standards in our Code of Business Conduct and Vendor Code of Business Conduct, with clear provisions for compliance with labour-related regulatory requirements.

What Are The Risks	What Are The Opportunities
• Reputational damage from perceived violations of labour rights and unethical work practices. • Non-compliance with labour regulations resulting in financial, operational or reputation impacts.	• Enhancing productivity and employee retention through fair and supportive work practices. • Strengthening brand reputation and gaining a competitive edge in talent acquisition.

Capitals Impacted **Stakeholders Affected** **Link to Strategy** **Link to UN SDG**

Legend:
BI Bursa Common Sustainability Matters

BI DATA PRIVACY AND SECURITY

Why It Is Important

Safeguarding information and data privacy is essential to protect stakeholder trust, mitigate regulatory risk, and avoid financial or reputational losses arising from information leaks or cyber-attacks.

Our Response

1. Deploying multi-layer infrastructure protection (e.g. XDR, firewalls, anti-virus, web filtering, app security) to block malicious threats across networks, data centres and devices.
2. Conducting annual Vulnerability Assessment Penetration Tests ("VAPT") to detect and address system vulnerabilities.
3. Classifying and encrypting sensitive, confidential and private data.
4. Encrypting personal PCs to prevent data loss and leaks.
5. Implementing Multi-Factor Authentication ("MFA") for system and VPN access.
6. Applying virtual patching across all servers to defend against zero-day and unpatched vulnerabilities.
7. Monitoring admin activity across servers and applications via privileged access management.
8. Using SIEM tools for real-time monitoring, incident response and cybersecurity management.
9. Running 24/7 threat surveillance through a dedicated Security Operations Centre ("SOC").
10. Restricting lateral movement between servers and PCs through segmentation and port control.
11. Promoting cybersecurity awareness to reduce employee-related risks and mitigate potential vulnerabilities.
12. Conducting cyber e-learning, phishing simulations and assessments to specify guidelines on recognising and responding to threats, enhancing incident readiness.
13. Hardening cloud security based on ISO 27001, NIST and other benchmarked standards.
14. Enforcing zero-trust network access, ensuring access for secured devices and authorised personnel only.

What Are The Risks

- Information leaks and cyber-attacks causing reputational harm and business disruption.
- System failures from malicious threats or unauthorised access.

What Are The Opportunities

- Engaging with stakeholders to build awareness on data protection and accountability.
- Strengthening organisational cybersecurity resilience with greater awareness of emerging AI-driven risks.
- Creating a culture of cyber awareness across the workforce.
- Enhancing brand trust through strong data protection practices.

Capitals Impacted | Stakeholders Affected | Link to Strategy | Link to UN SDG 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Legend:
BI Bursa Common Sustainability Matters

BI ANTI-BRIBERY AND CORRUPTION

Why It Is Important

We recognise the potential harm that corruption can cause to our operations, reputation, and stakeholder trust. To mitigate these risks, we maintain a zero-tolerance policy towards bribery and corruption across all business dealings and remain committed to upholding the highest standards of integrity and compliance.

Our Response

1. Implementing the Anti-Bribery and Corruption Policy to guide ethical conduct.
2. Establishing a Whistleblowing Policy and reporting channels for accountability.
3. Enforcing policies on Conflict of Interest, Gift Entertainment & Travel, and Sponsorship & Donations.
4. Providing mandatory Anti-Bribery and Corruption Training for all directors and employees.
5. Conducting annual employee integrity pledges.
6. Rolling out annual COBC e-learning and assessments inclusive of anti-bribery elements.
7. Requiring vendors to sign an Integrity Pledge.
8. Including anti-bribery clauses in our Vendor Code of Business Conduct.
9. Ensuring contracts with vendors include anti-bribery provisions and compliance obligations.

What Are The Risks	What Are The Opportunities
• Exposure to corruption risks within the Group and across our supply chain. • Legal, regulatory and reputational risks from incidents of bribery or corruption.	• Accessing global markets through the appeal to ESG-focused investors, partners and customers. • Strengthening brand equity through demonstrated ethical practices. • Becoming a preferred business partner among reputable suppliers, clients and collaborators.

Capitals Impacted **Stakeholders Affected** **Link to Strategy** **Link to UN SDG**

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

STRATEGIC REVIEW

Operating Landscape

Market Review and Outlook

THE MALAYSIAN ECONOMY AND GENERAL OPERATING LANDSCAPE

According to Bank Negara Malaysia ("BNM"), the Malaysian economy grew by 5.1% in 2024 (2023: 3.6%), supported by strong domestic demand and a rebound in exports. Growth was driven by higher household spending, steady labour market conditions and investment in multi-year projects under national master plans, including the New Industrial Master Plan, National Energy Transition Roadmap and National Semiconductor Strategy. For 2025, BNM projects GDP growth between 4.5% and 5.5%, supported by robust investment activity, resilient household spending and continued export expansion. The global tech upcycle, non-electrical and electronics ("E&E") exports and higher tourist spending are expected to contribute to growth. However, risks remain from slower growth in major trading partners, trade restrictions and commodity production constraints, while faster investment execution and stronger tourism activity could provide potential upside.

Headline inflation, as measured by the Consumer Price Index ("CPI"), and core inflation both declined in 2024, averaging 1.8% (2023: 2.5% and 3.0%, respectively). Lower inflation was observed for mobile communication services and RON97 petrol, partially offset by higher food and beverage inflation. In 2025, inflation is expected to remain manageable amid easing global cost conditions and stable domestic demand. With global commodity prices trending lower, the impact of recent policy measures is expected to be contained. The Ministry of Finance Economic Report 2025 projects headline inflation to range between 2.0% and 3.5% in 2025.

Malaysia's labour market conditions continued to improve in 2024, with the unemployment rate declining to its pre-pandemic level of 3.2% y-o-y (2023: 3.4%). Employment rose by 2.5% y-o-y to 16.6 million in 2024 (2023: 16.2 million), indicating sustained labour demand. At the same time, labour supply remained healthy, with the labour force participation rate edging up by 0.7% y-o-y to 70.5% in 2024 (2023: 70.0%).

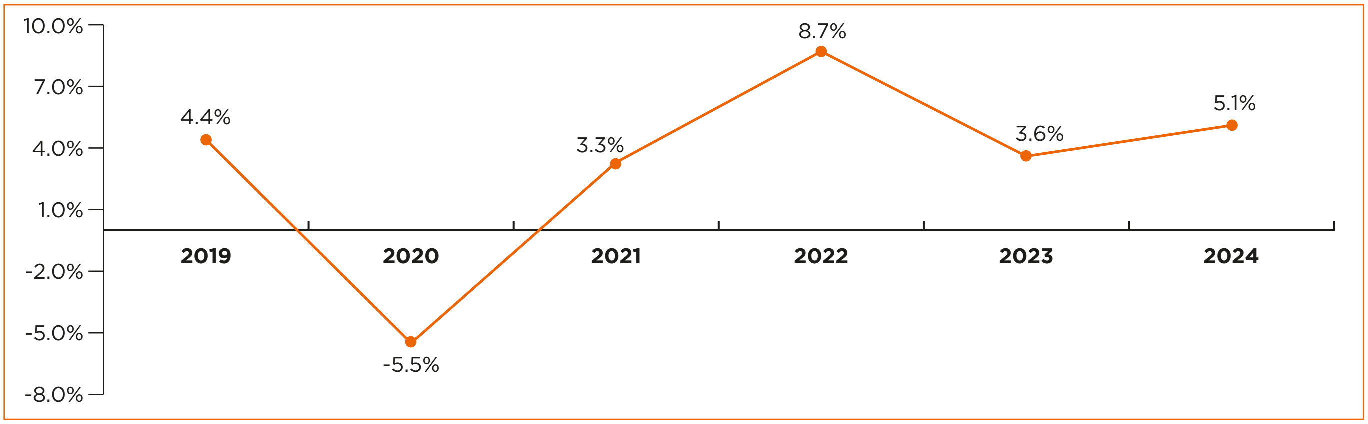
The Malaysian Institute of Economic Research ("MIER") reported that the Business Conditions Index ("BCI") for 3Q2024 showed a strong upward trend, rising to 104.9 points (2Q2024: 86.2 points). This increase highlights positive trends in employment and sales, indicating resilience and strong recovery potential. The key drivers for 4Q2024 include stable production and sales, improved employment levels, rising wage costs, increased investments and enhanced efficiency in capacity utilisation.

On the lending front, the Monetary Policy Committee ("MPC") maintained the Overnight Policy Rate ("OPR") at 3.00% during its latest review in March 2025. This marks the 11th consecutive meeting where BNM has kept the rate unchanged. The MPC views this stance as supportive of economic growth and aligned with the current assessment of inflation and growth prospects. Both the base lending rate ("BLR") and the average base rate ("BR") increased slightly to 6.7% (2023: 6.6%) and 3.7% (2023: 3.6%) respectively, in 2024.

Despite the positive economic outlook, risks remain, including weaker external demand, geopolitical uncertainties and tighter trade restrictions as well as lower-than-expected commodity production. However, greater spillovers from the tech upcycle, faster execution of investment projects, and stronger tourism activity could provide additional upside to growth in 2025.

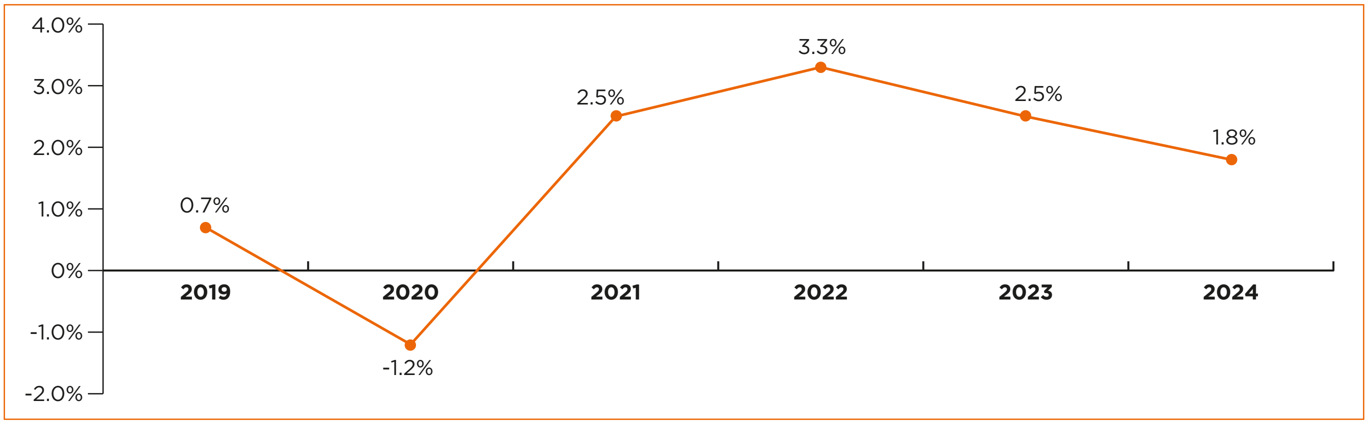
Market Review and Outlook

Chart: Gross Domestic Product ("GDP") Growth



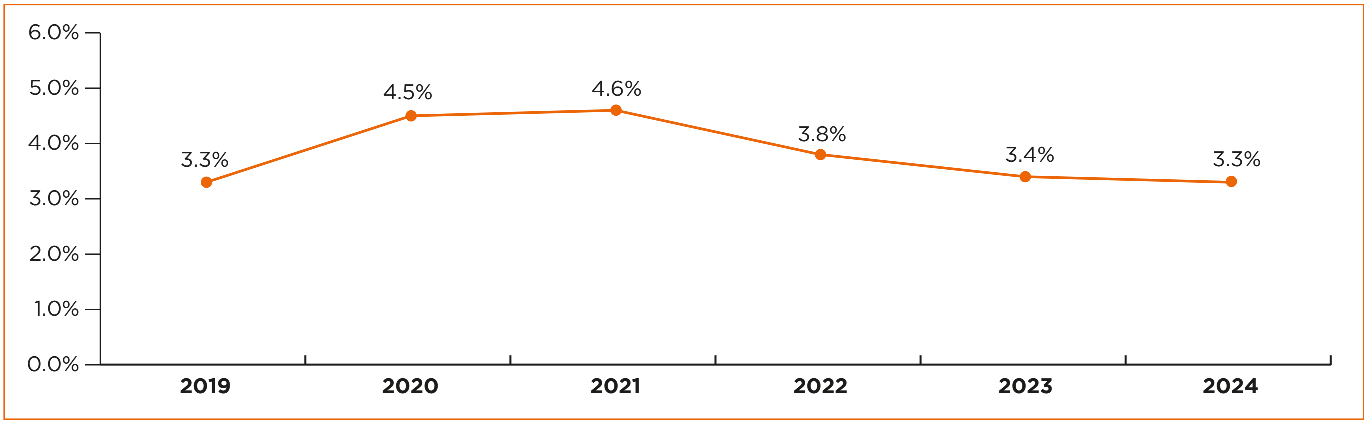
Source: *Bank Negara Malaysia ("BNM")*
Note: *The GDP growth figure for 2023 was revised from 3.7% to 3.6% in the latest BNM reporting in 4Q2024 economic report.*

Chart: Consumer Price Index (Y-o-Y changes)



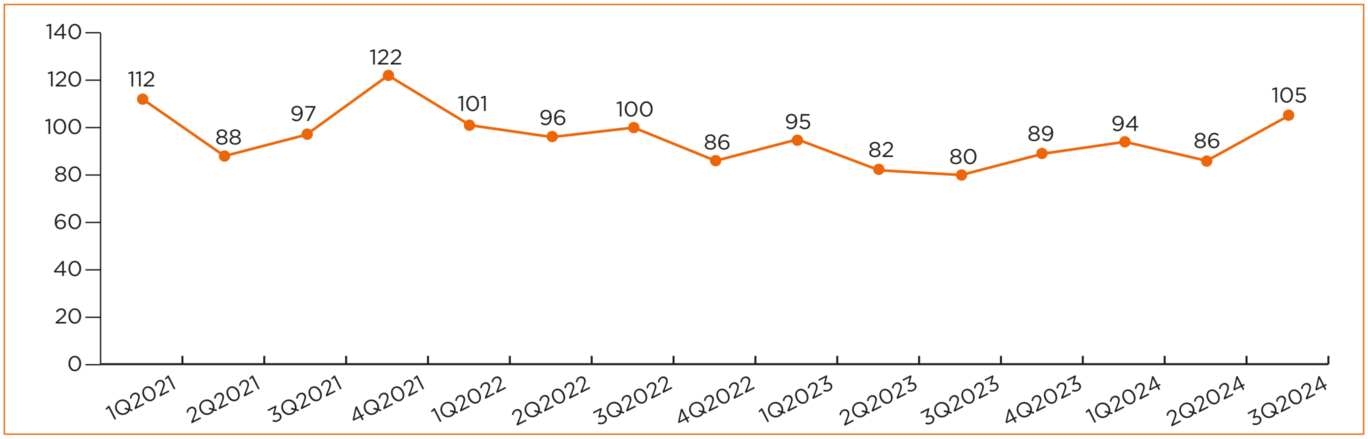
Source: *Bank Negara Malaysia ("BNM")*

Chart: Unemployment Rate



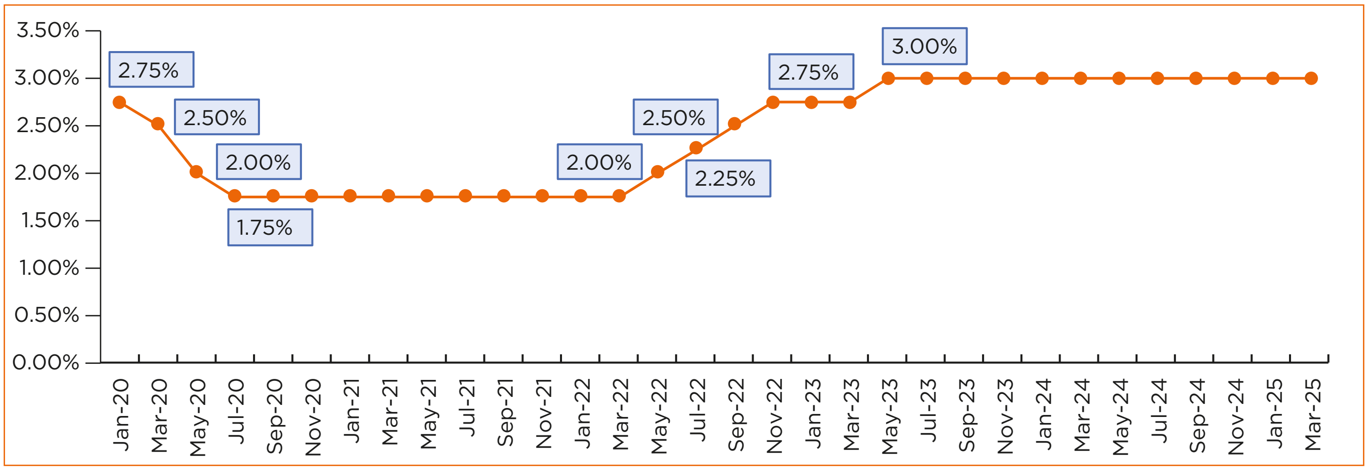
Source: *Bank Negara Malaysia ("BNM")*

Chart: Business Conditions Index ("BCI") (Points)



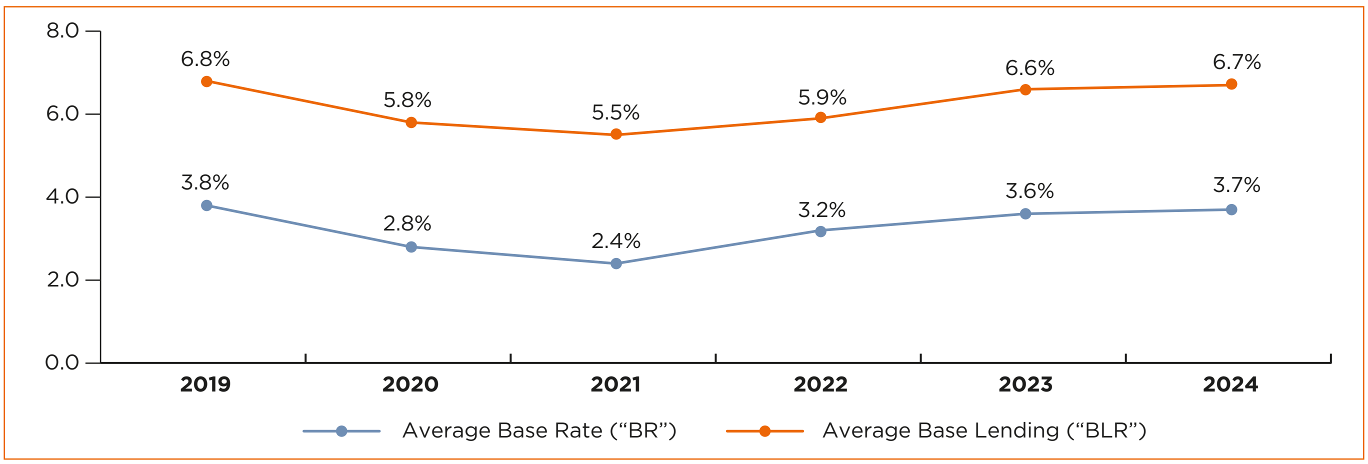
Source: *Malaysian Institute of Economic Research ("MIER")*

Chart: Overnight Policy Rate ("OPR")



Source: *Bank Negara Malaysia ("BNM")*

Chart: Average Base Lending Rate ("BLR") & Average Base Rate ("BR") (%)



Source: *Bank Negara Malaysia ("BNM")*

Market Review and Outlook

According to the JUBM & Arcadis Construction Cost Handbook Malaysia 2023 and 2024, construction costs exhibited an upward trend from 2022 to 2023, with increases across selected development components (residential, retail, office industrial, and car parks) in the selected states/key cities of Kuala Lumpur and Johor Bahru. The growth ranged between 3.8% and 15.0%, as shown in the tables below.

In Kuala Lumpur, construction costs for residential developments, including standard and luxury apartments, high-rise offices and terraced houses, recorded some of the highest increases. Meanwhile, in Johor, the luxury apartments, shopping centres and terraced houses were among the development components that experienced a notable rise in construction costs.

Additionally, data from the Department of Statistics Malaysia ("DOSM") indicates that the unit price index for selected construction materials, including cement, bricks & wall materials, sand and aggregates, recorded a year-on-year (y-o-y) increase in 2024, ranging from 1.5% to 13.6% across most areas of Peninsular Malaysia. In contrast, the unit price index for steel and timber declined in 2024, with decreases ranging from -2.2% to -0.1% y-o-y.

With rising construction material costs, a survey conducted by the Real Estate and Housing Developers' Association ("REHDA") in 2024 highlighted that developers are facing mounting cost pressures, leaving them with limited options to manage expenses. To navigate this challenge, developers are increasingly lowering profit margins, adjusting property prices upward and adopting more cost-effective materials in a prudent and strategic manner.

Table: Total Construction Costs for Selected Components in Kuala Lumpur, 2022-2023

	Estimated Total Construction Costs (RM per sq ft) Kuala Lumpur						
	2022			2023			
Property Development	min	max	average	min	max	average	% Growth
Residential							
Detached houses (mass housing)	236	331	284	255	351	303	6.9%
Terraced houses	89	146	118	96	156	126	7.1%
Average standard apartments, high-rise	124	248	186	134	265	200	7.2%
Luxury apartments, high-rise	283	592	438	305	633	469	7.2%
Retail							
Shopping centres	275	423	349	295	450	372	6.7%
Office							
Average standard offices, high-rise	236	317	277	255	337	296	7.1%
Industrial							
Single storey conventional factory of structural steelwork	128	183	156	138	194	166	6.9%
Owner operated factories, low-rise	170	219	195	182	232	207	6.5%
Car Parks							
Basement car parks (<3 levels)	124	222	173	132	236	184	6.6%
Elevated car parks (<4 levels)	86	145	116	87	153	120	3.8%

Source: *JUBM & Arcadis Construction Cost Handbook 2023 & 2024*
Note: *Construction costs include building costs, service costs and preliminaries, excluding site formation works, external works, land costs, professional fees, financing, legal expenses and contingencies.*

Table: Total Construction Costs for Selected Components in Johor Bahru, 2022-2023

	Estimated Total Construction Costs (RM per sq ft)						
	Johor Bahru						
	2022			2023			
Property Development	**min**	**max**	**average**	**min**	**max**	**average**	**% Growth**
High-Rise Residential							
Detached houses (mass housing)	239	320	279	256	325	291	4.0%
Terraced houses	89	146	118	99	158	128	9.1%
Average standard apartments, high-rise	128	246	187	137	247	192	2.9%
Luxury apartments, high-rise	298	427	363	304	530	417	15.0%
Retail							
Shopping centres	277	390	334	291	440	366	9.5%
Office							
Average standard offices, high-rise	239	302	270	241	334	287	6.3%
Industrial							
Single storey conventional factory of structural steelwork	128	183	156	135	192	164	5.1%
Owner operated factories, low-rise	175	218	196	183	230	207	5.3%
Car Parks							
Basement car parks (<3 levels)	130	206	168	137	222	180	7.1%
Elevated car parks (<4 levels)	84	131	107	90	143	117	8.7%

Source: *JUBM & Arcadis Construction Cost Handbook 2023 & 2024*
Note: *Construction costs include building costs, service costs and preliminaries, excluding site formation works, external works, land costs, professional fees, financing, legal expenses and contingencies for the selected development components.*

RESIDENTIAL PROPERTY SECTOR

MARKET OVERVIEW

Malaysia: Urbanisation Rate

According to the Population and Housing Census of Malaysia 2020: Urban and Rural publication by the Department of Statistics Malaysia ("DOSM"), Malaysia's urbanisation rate has tripled, increasing from 28.4% (3.0 million people) in 1970 to 75.1% (24.4 million people) in 2020. This rapid urban transition reflects Malaysia's strong economic growth, with cities evolving into key economic hubs, contributing to more than two-thirds of the nation's GDP. However, this success also highlights the need to create urban environments that are not only efficient but also livable and sustainable.

Kuala Lumpur and Putrajaya have achieved full urbanisation (100%), followed by Selangor (95.8%), Penang (92.5%), and Melaka (90.9%). In contrast, Kelantan (44.1%), Pahang (52.8%), and Perlis (53.8%) recorded the lowest urbanisation rates in 2020. Among the states, Selangor has the largest urban population, increasing from 4.9 million in 2010 to 6.7 million in 2020, with a compounded annual growth rate ("CAGR") of 3.2%. Johor follows, with its urban population rising from 2.3 million to 3.1 million (CAGR: 3.0%), while Kuala Lumpur's urban population grew from 1.6 million to 2.0 million (CAGR: 2.3%) over the same period. Meanwhile, Sabah maintains the highest rural population, reflecting a slower pace of urbanisation compared to other states.

As Malaysia's urban centres continue to expand, infrastructure development plays a crucial role in ensuring sustainable urban growth and connectivity. One of the most significant upcoming projects is the MRT3 Circle Line, a 50.8 km rail network designed to enhance connectivity within the Klang Valley. With 32 stations, it will seamlessly integrate with existing transit networks such as the MRT, LRT, KTM, and Monorail, improving mobility and reducing congestion. By linking key urban centres like Sri Hartamas, Mont Kiara, Setapak and Cheras, MRT3 is expected to stimulate economic growth, increase property values and drive urban expansion. Construction is expected to begin in 2027, with Phase 1 operational by 2028 and full completion targeted for 2030.

Urbanisation in Negeri Sembilan has also grown significantly, reaching 69.0% in 2020, driven by infrastructure projects, economic expansion and improved connectivity. Its strategic location between Kuala Lumpur and Malacca has attracted businesses and residents seeking affordable housing options while remaining well-connected to major economic hubs. The expansion of key urban centres such as Seremban, Nilai, Senawang and Bandar Sri Sendayan has further supported this growth. Major infrastructure developments, including the North-South Expressway ("NSE"), KTM Komuter services and the expansion of industrial zones, have significantly enhanced urbanisation in the state.

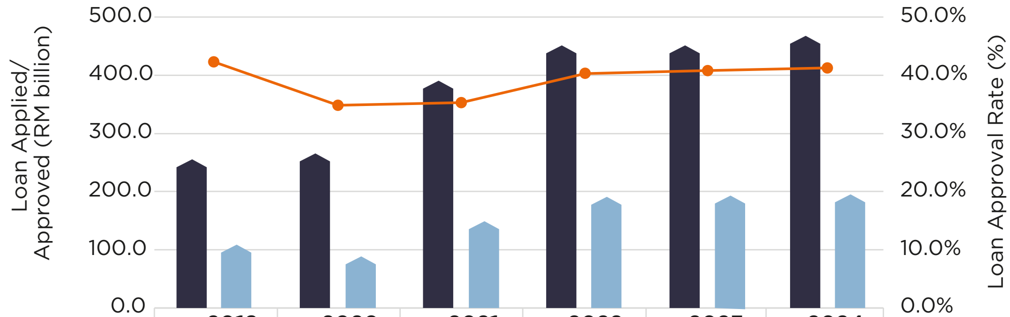
Negeri Sembilan's urban expansion has been further accelerated by large-scale projects, including the Seremban-KLIA Corridor, Nilai and Malaysia Vision Valley 2.0 ("MVV 2.0"). These initiatives have played a crucial role in driving economic activity, industrial growth and population migration into urban areas. The state's urbanisation trajectory is expected to gain further momentum with upcoming industrial and digital infrastructure projects, including the RM3 billion SPD Tech Valley in Senawang, positioning Negeri Sembilan as a key industrial hub. Additionally, Gamuda's RM424.4 million data centre project in Port Dickson is set to bolster the state's digital economy, while developments such as the Bandar Springhill Medical Hub and Techpark Phase 3 @ Enstek will further support economic growth and urban expansion.

Looking ahead, urban migration trends in Malaysia are expected to further increase the urban population, with projections reaching 81.2% by 2030, 85.0% by 2040, and 88.8% by 2050. As urbanisation accelerates, infrastructure development, commercial expansion, industrial diversification and digital transformation will be crucial in ensuring balanced and sustainable urban growth across the country.

Malaysia: Residential Loan Approval Rates

In 2024, approved housing loans increased by 2.8% y-o-y to RM192.5 billion, while housing loan applications rose by 2.4% to RM457.5 billion. As a result, the loan approval rate improved slightly to 42.1%, up from 41.9% in 2023. The increase in approved loans indicates sustained financing accessibility, despite economic uncertainties and evolving lending conditions.

Chart: Residential Loan Approval Rates, 2019-2024



	2019	2020	2021	2022	2023	2024
Loan Applied (RM Billion)	260.8	266.4	390.0	450.1	446.8	457.5
Loan Approved (RM Billion)	112.6	93.1	142.1	181.4	187.2	192.5
Loan Approval Rate	43.2%	35.0%	36.4%	40.3%	41.9%	42.1%

Sources: *Bank Negara Malaysia (BNM), Knight Frank Malaysia Research*

Malaysia: House Price Index

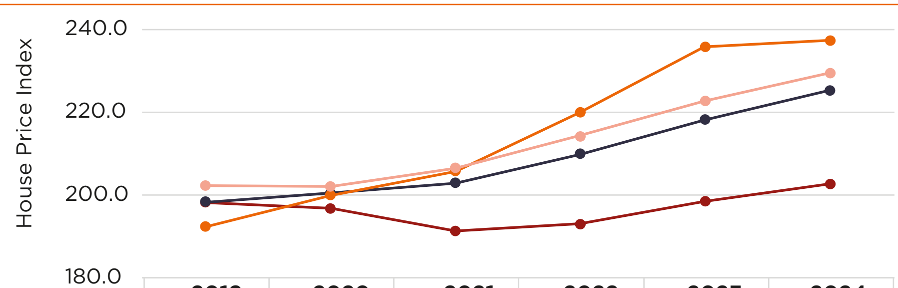
Malaysia's All House Price Index ("HPI") has shown a steady upward trend from 2019 to 2024, reflecting continued growth in property values despite economic fluctuations. The CAGR for Malaysia during this period stands at 2.6%, underscoring a moderate but consistent appreciation in house prices nationwide.

At the national level, Malaysia's HPI increased from 198.0 in 2019 to 225.6 in 2024, indicating a stable upward trajectory. Negeri Sembilan recorded the highest growth, with its HPI rising from 192.0 in 2019 to 238.0 in 2024, translating to a CAGR of 4.4%, the highest among the selected states. This surge suggests heightened demand, infrastructure developments and increased investor interests in Negeri Sembilan's real estate market.

Selangor also experienced notable growth, with its HPI climbing from 202.1 in 2019 to 229.9 in 2024, reflecting a CAGR of 2.6%. This indicates sustained demand for housing in the state due to its strategic location, economic opportunities and strong population growth.

In Kuala Lumpur, however, the HPI growth has been more subdued, rising from 197.9 in 2019 to 202.5 in 2024, resulting in a CAGR of just 0.5%. The capital city's slower price appreciation may be attributed to a higher base price, affordability concerns and an evolving property market where demand is shifting towards suburban areas.

Chart: All House Price Index ("HPI") by State, 2019-2024



	2019	2020	2021	2022	2023	2024
Malaysia	198.0	200.3	202.7	209.8	218.3	225.6
Kuala Lumpur	197.9	196.5	190.9	192.7	198.2	202.5
Selangor	202.1	201.9	206.4	214.5	223.0	229.9
Negeri Sembilan	192.0	199.7	205.6	220.2	236.4	238.0

Sources: *NAPIC, Knight Frank Malaysia Research*

Market Review and Outlook

EXISTING & FUTURE SUPPLY

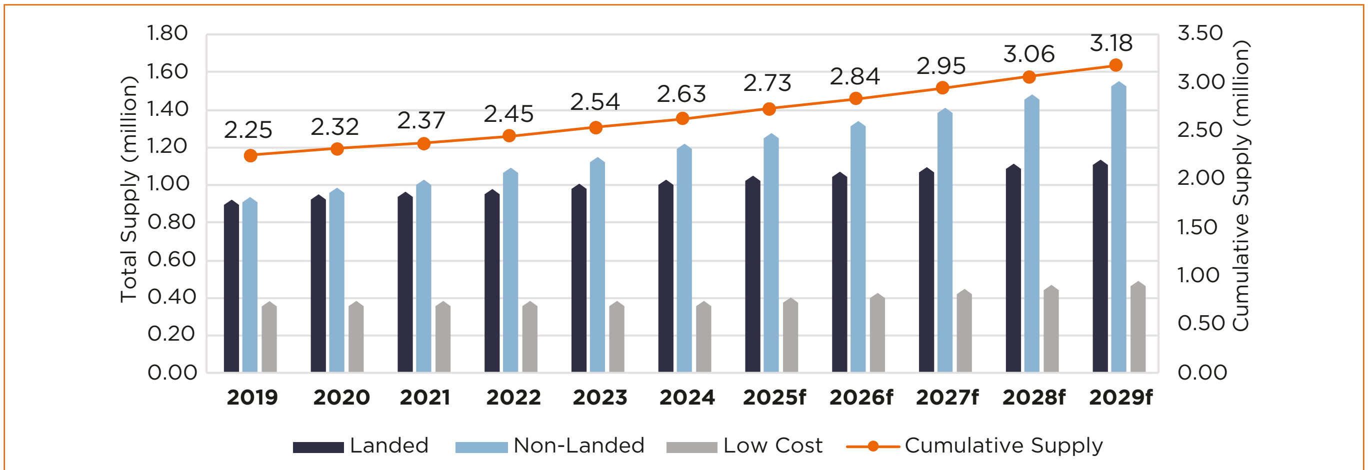
Klang Valley

In 2024, the total residential supply in Klang Valley was recorded at 2.63 million housing units, reflecting a 3.6% increase y-o-y. These properties are classified into 3 distinct categories: 46.2% as Non-landed properties, 39.1% by landed properties and 14.7% by low-cost housing.

Over the six-year period from 2019 to 2024, the CAGR stood at 2.7%, highlighting steady expansion in the region's housing supply.

Looking ahead, preliminary forecasts indicate that Klang Valley's total residential supply will reach 3.18 million units over the next five years, with non-landed properties expected to contribute 48.8% of this growth. This trend reflects the increasing demand for high-density urban living and also land availability constraints in strategic locations, driving a shift towards vertical residential developments in the region.

Chart: Cumulative Residential Supply in Klang Valley, 2019-2029f



Sources: *NAPIC, Knight Frank Malaysia Research*

Notes:

1. *Landed: Terrace, Semi-Detached, Detached, Townhouse, Cluster*
2. *Non-Landed: Flat, Condominium/Apartment, Serviced Apartment, Soho*
3. *Low Cost: Low-Cost House, Low-Cost Flat*

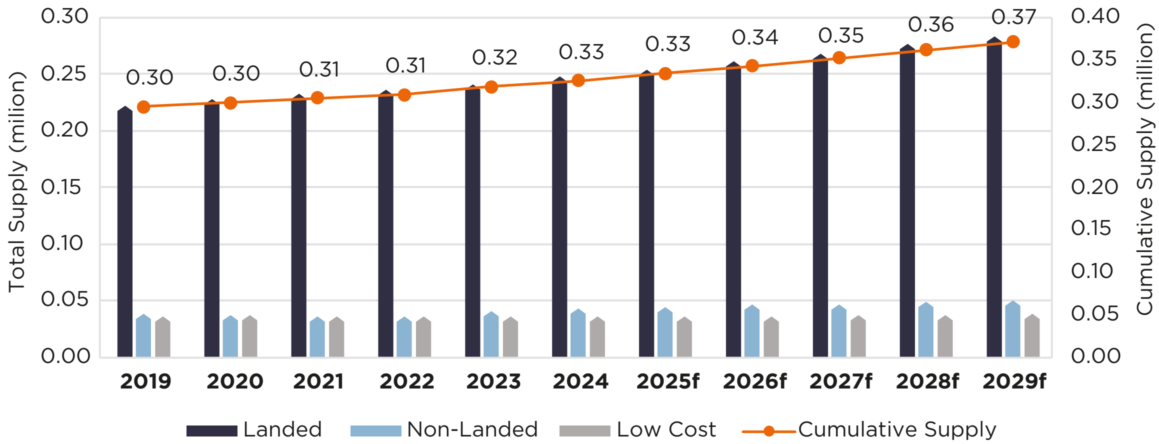
Negeri Sembilan

In 2024, the total residential supply in Negeri Sembilan was recorded at 325,811 housing units, reflecting a 2.2% increase y-o-y, with 7,007 new units added to the market. These properties are classified into 3 distinct categories: 76.0% as landed properties, 12.8% by non-landed properties and 11.2% by low-cost housing.

Over the six-year period from 2019 to 2024, the CAGR stood at 2.0%, highlighting steady expansion in the region's housing supply.

Looking ahead, preliminary forecasts project that the total residential supply in Negeri Sembilan will reach 371,169 units over the next five years, with landed properties contributing 76.4% to this growth. This trend reflects the persistent demand for landed residential developments in the region, contrasting with the urbanisation-driven shift towards high-density, vertical living seen in more urbanised markets like Klang Valley.

Chart: Cumulative Residential Supply in Negeri Sembilan, 2019-2029f



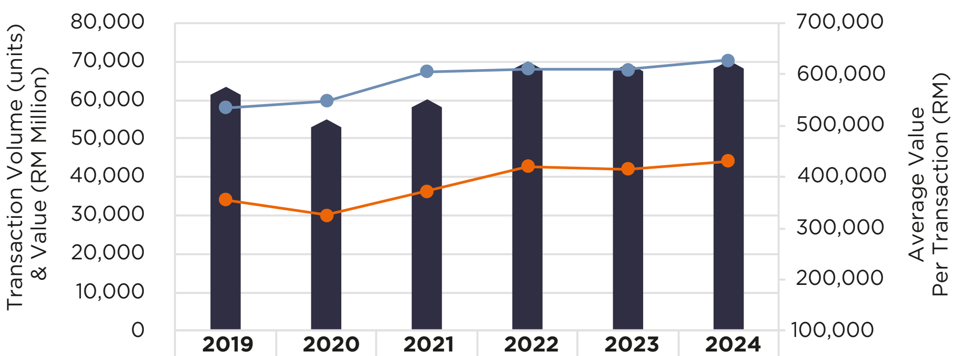
Sources: *NAPIC, Knight Frank Malaysia Research*
Notes:
1. *Landed: Terrace, Semi-Detached, Detached, Townhouse, Cluster*
2. *Non-Landed: Flat, Condominium/Apartment, Serviced Apartment, Soho*
3. *Low Cost: Low-Cost House, Low-Cost Flat*

TRANSACTION VOLUME AND VALUES

Klang Valley

In 2024, Klang Valley's residential transaction market recorded steady performance, with transaction volume rising slightly by 1.7% y-o-y to 70,310 units. Transaction value increased by 4.8% y-o-y to RM44.15 billion, reflecting improved market activity. The average value per transaction also grew by 3.1% y-o-y to RM627,997, marking continued demand for higher-value residential properties. This growth signals a stable market, supported by resilient demand despite ongoing economic challenges.

Chart: Residential Transaction Volume and Value in Klang Valley, 2019-2024



	2019	2020	2021	2022	2023	2024
Transaction Volume (units)	63,633	54,912	60,140	70,035	69,117	70,310
Transaction Value (RM million)	34,019	30,126	36,388	42,816	42,118	44,154
Average Value Per Transaction (RM)	534,613	548,616	605,047	611,357	609,366	627,997

Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data excludes Serviced Apartment and SOHO*

Market Review and Outlook

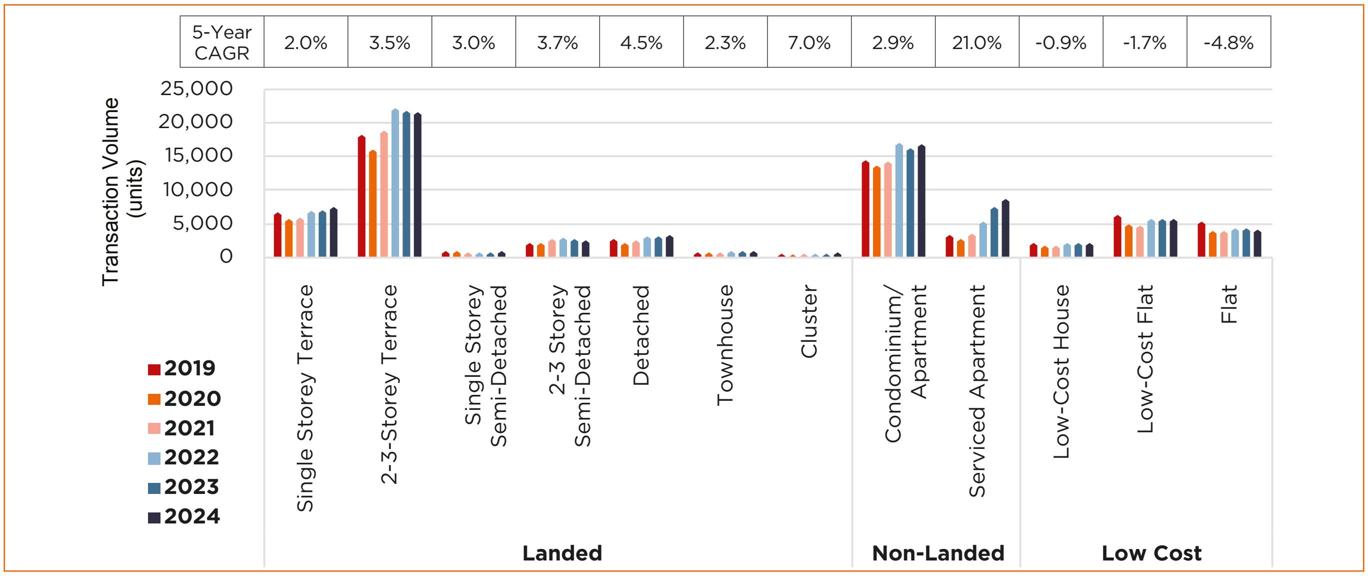
In 2024, landed houses continued to dominate property transactions in Klang Valley, accounting for 50.2% of total transactions. This trend reflects homebuyers' preference for larger living spaces and long-term value appreciation, particularly in suburban areas where land remains relatively more available.

Non-landed properties comprised 33.8% of transactions, appealing to urban dwellers prioritising accessibility, modern facilities and proximity to workplaces, especially in high-density locations. Low-cost housing made up the remaining 16.0%, supported by government initiatives aimed at increasing homeownership among lower-income groups.

In terms of growth, serviced apartments experienced the highest CAGR at 21.0% during the review period, with transaction volumes in 2024 more than doubling from those in 2019. This is followed by cluster houses at 7.0% and detached houses at 4.5%.

Majority of the residential types experienced modest growth in 2024, except for single storey terraced and cluster houses, which saw a remarkable increase in transaction volume by 56.4% and 38.0% y-o-y respectively.

Chart: Transaction Volume by Property Type in Klang Valley, 2019-2024



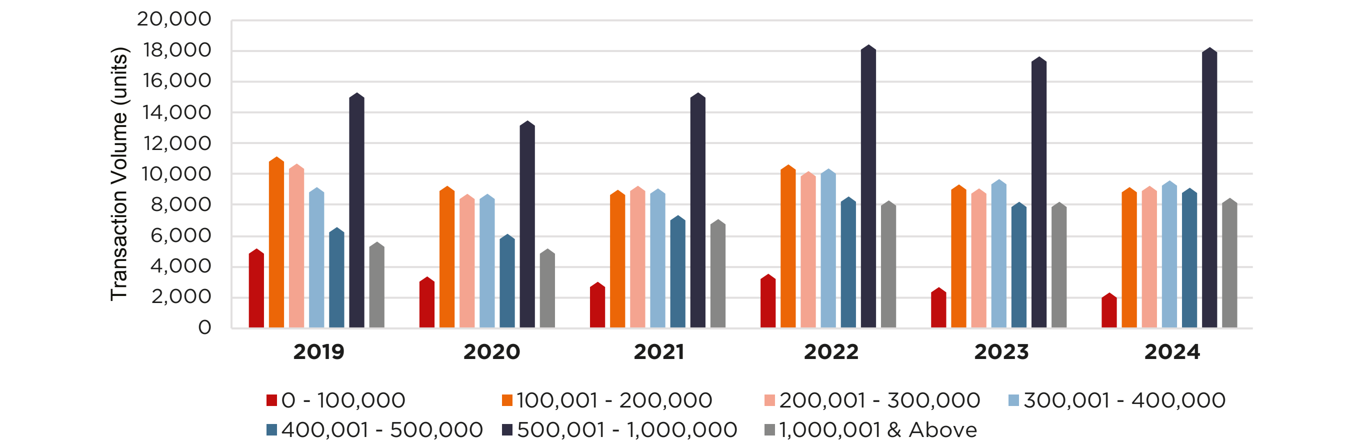
Sources: *NAPIC, Knight Frank Malaysia Research*

In Klang Valley, a total of 66,193 residential property transactions were recorded. Of these, 59.6% (39,441 units) were priced below RM500,000, while 40.4% (26,752 units) were for residential units priced above RM500,000. The RM500,001–RM1,000,000 price segment was the most active, contributing the highest percentage of total transactions at 27.6%.

In contrast, residential properties priced at RM1,000,000 and above accounted for 12.8% of total transactions. Within this segment, 2-3 storey terrace houses made up the largest share at 37.4%, followed by 2-3 storey semi-detached homes at 20.6%, condominiums and apartments at 19.6%, and detached houses at 17.5%. This price segment also recorded the highest compounded annual growth rate of 8.6% among all residential segments.

Notably, the RM400,000 – RM600,000 and RM800,000 – RM900,000 price segments saw significant growth in transaction volume between 2023 and 2024, increasing by 17.1% and 10.3% respectively.

Chart: Transaction Volume by Price Range (RM) in Klang Valley, 2019-2024

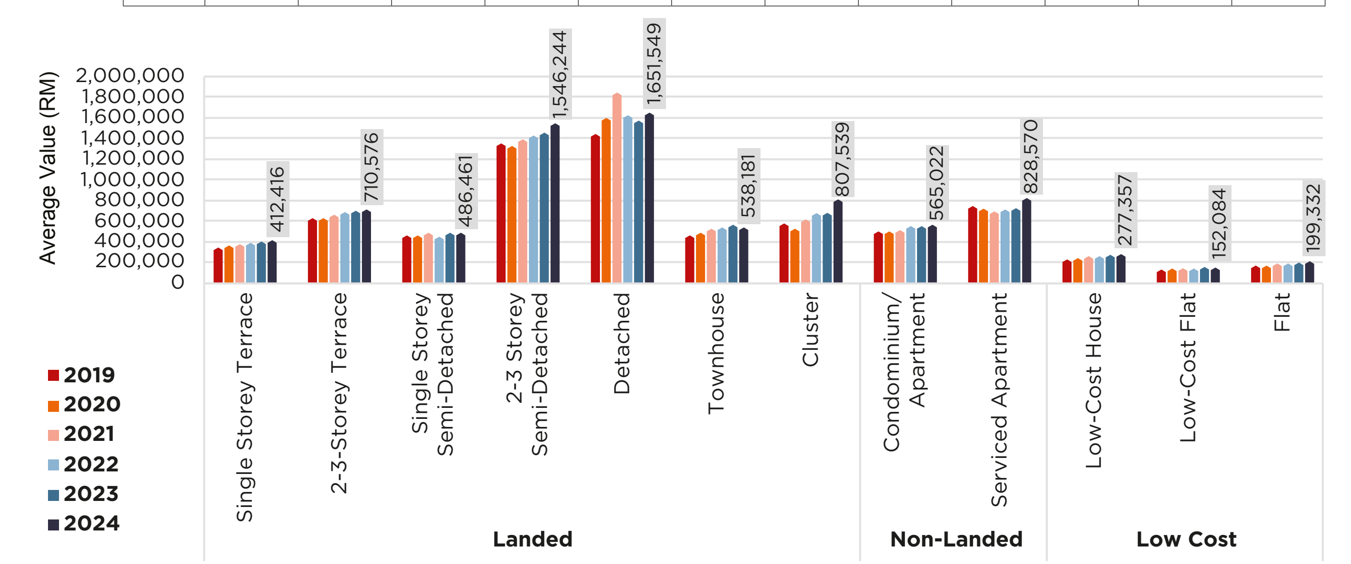


Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data excludes Serviced Apartment and SOHO*

The average value of residential transactions for cluster houses recorded the highest CAGR at 6.9%, primarily due to the limited supply in the Klang Valley over the review period. Conversely, traditionally high-demand residential properties such as 2- to 3-storey terraces and condominiums/apartments have shown more modest price appreciation, with CAGRs of 2.3% and 2.4%, respectively, over a five-year span. This trend is likely due to a well-supplied market which tempers price escalation, in conjunction with a competitive environment.

Chart: Average Value Per Residential Transaction ("AVPT") by Property Type in Klang Valley, 2019-2024

5-Year CAGR	3.6%	2.3%	1.4%	2.8%	2.8%	3.2%	6.9%	2.4%	2.3%	3.9%	3.3%	1.8%



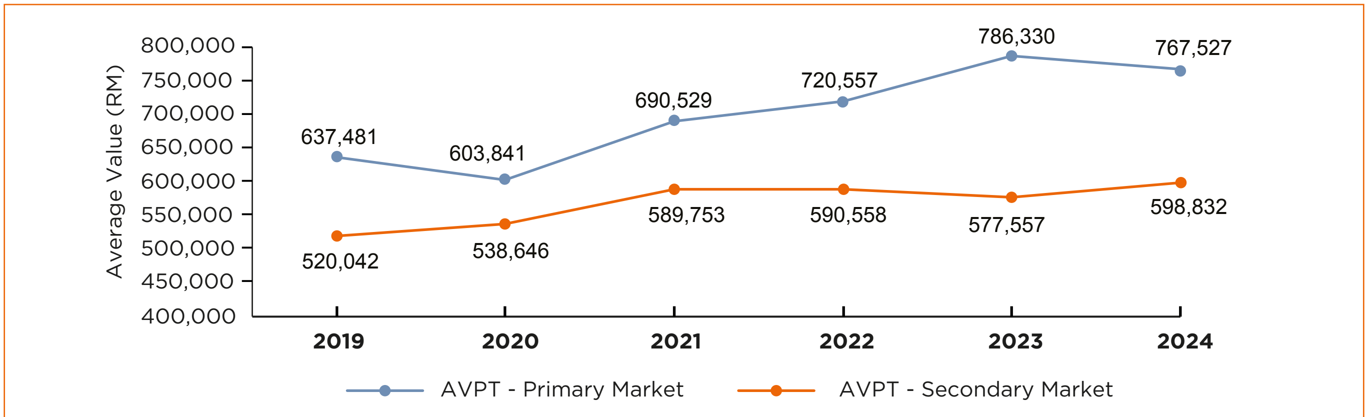
Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data excludes Others and Vacant Lots*

When comparing the primary and secondary markets, the average value per residential transaction in 2024 for the primary market was recorded at RM767,527, whereas for the secondary market, it stood at RM598,832. This indicates that the average value per residential transaction in the primary market was 1.28 times higher than that in the secondary market.

In terms of growth, the average value per residential transaction in the primary market exhibited a higher CAGR of 3.8% over the review period, compared to 2.9% in the secondary market. However, in 2024, the primary market saw a slight decline of 2.4%, while the secondary market experienced a 3.7% increase compared to 2023.

The primary market remains resilient, driven by demand for modern amenities and strategic locations, though transaction values dipped due to developer incentives. Meanwhile, rising secondary market values reflect growing interest in pre-owned homes, despite challenges like aging properties and renovation costs. While the primary market retains its price premium, the secondary market is gaining traction among value-conscious buyers.

Chart: Average Value Per Residential Transaction ("AVPT") in the Primary and Secondary Markets in Klang Valley, 2019-2024



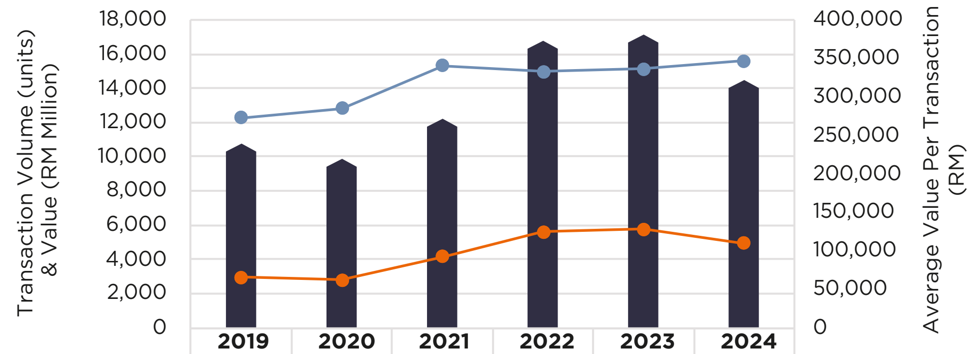
Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data excludes Serviced Apartment and SOHO*

Negeri Sembilan

In 2024, the residential market in Negeri Sembilan recorded a double-digit decline in both transaction volume and value. Transaction volume dropped by 16.4% to 14,297 units (2023: 17,109 units), while transaction value decreased by 13.9% to RM4.95 billion (2023: RM5.75 billion).

Despite the overall slowdown, the average value per transaction continued to increase, rising by 3.0% to RM346,244 per unit (2023: RM336,122 per unit). This suggests that while fewer transactions took place, demand for higher-value properties remained resilient, supporting overall price stability in the market.

Chart: Residential Transaction Volume and Value in Negeri Sembilan, 2019-2024



	2019	2020	2021	2022	2023	2024
Transaction Volume (units)	10,783	9,855	12,230	16,786	17,109	14,297
Transaction Value (RM million)	2,945.0	2,806.3	4,166.0	5,589.7	5,750.7	4,950.2
Average Value Per Transaction (RM)	273,112	284,760	340,641	332,996	336,122	346,244

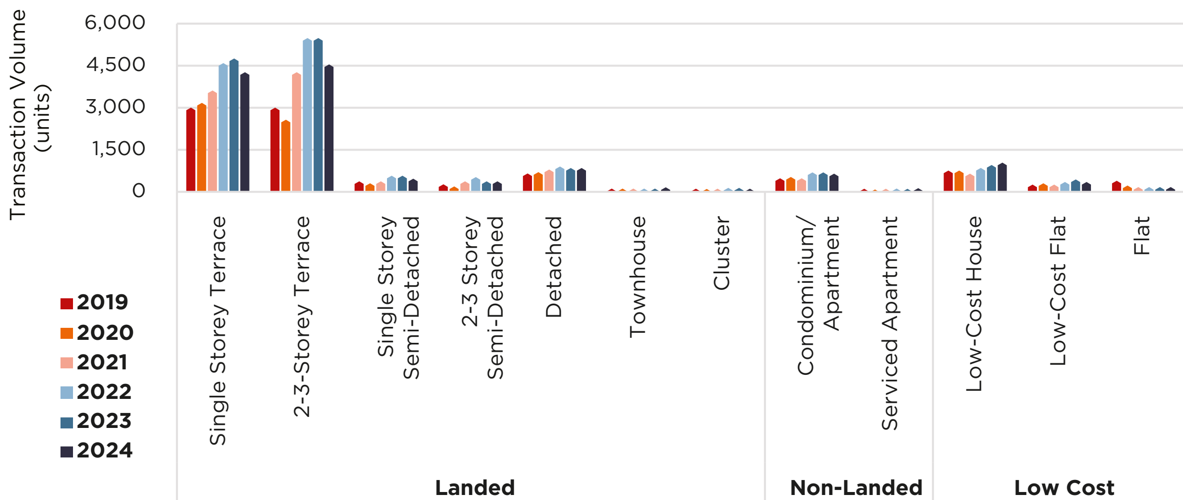
Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data excludes Serviced Apartment and SOHO*

In Negeri Sembilan, the majority of residential transactions are landed houses, which account for approximately 83.1% of the total residential activity. Within this category, single-storey terraces and 2- to 3-storey terraces are the predominant contributors, with 35.8% and 34.0% of the transactions respectively. This predominance is primarily due to the concentration of supply in these two segments.

In terms of growth, serviced apartment and townhouses have registered the highest CAGRs at 36.6% and 29.5%, respectively. Notably, transaction volumes for cluster houses and serviced apartments have increased, despite these property types contributing the least to overall transactions.

Chart: Transaction Volume by Property Type in Negeri Sembilan, 2019-2024

5-Year CAGR	Single Storey Terrace	2-3-Storey Terrace	Single Storey Semi-Detached	2-3 Storey Semi-Detached	Detached	Townhouse	Cluster	Condominium/ Apartment	Serviced Apartment	Low-Cost House	Low-Cost Flat	Flat
	9.9%	8.5%	3.7%	8.7%	7.2%	29.5%	4.9%	6.1%	36.6%	6.7%	4.3%	-18.5%



Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data excludes Others and Vacant Lots*

Market Review and Outlook

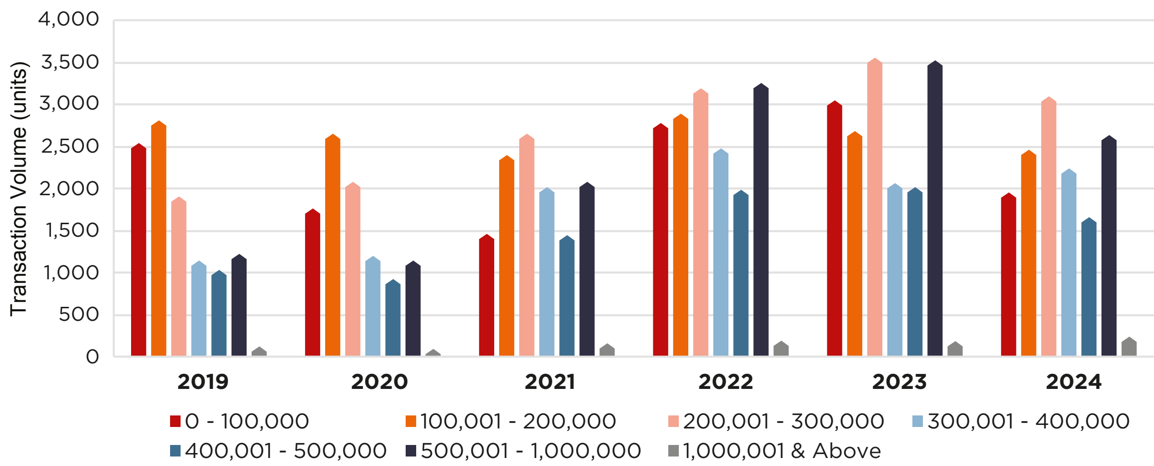
In Negeri Sembilan, 14,297 residential property transactions were recorded, with 79.9% (11,420 units) priced below RM500,000 and 20.1% (2,877 units) above RM500,000, indicating strong demand for affordable housing.

The RM200,001 to RM300,000 price segment saw the highest transaction volume in 2024 at 21.6%, followed closely by the RM500,001 to RM1,000,000 segment at 18.4%. Notably, transactions in the RM300,001 to RM400,000 and RM1,000,001 and above segments increased y-o-y, while other price segments declined.

In terms of CAGR, most price segments experienced double-digit growth, with RM300,001 to RM400,000 at 14.5%, RM500,001 to RM1,000,000 at 16.4% and RM1,000,001 and above at 14.8%, reflecting growing interest and perceived value in these ranges.

This breakdown highlights Negeri Sembilan's affordability-driven market, where lower-priced properties dominate, while higher-end segments, though smaller, remain active, supported by buyers upgrading to larger or premium homes and investors seeking high-value properties. Notably, 64.6% of transactions for properties priced below RM500,000 were concentrated in Seremban.

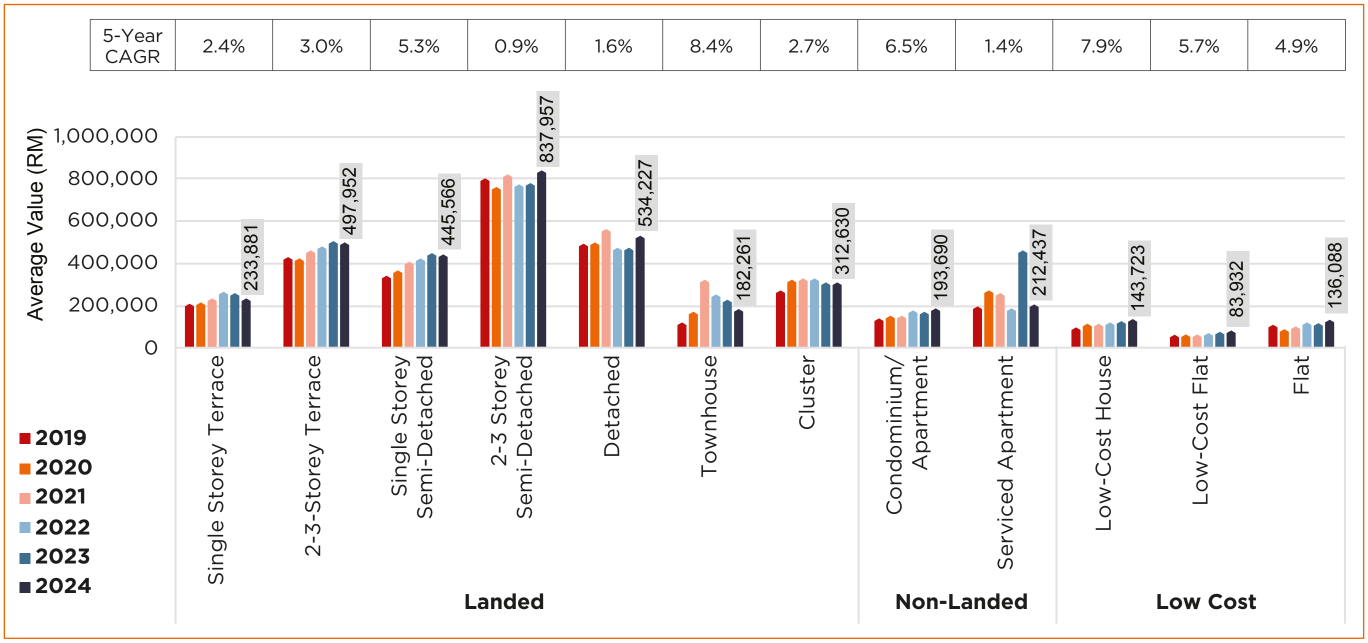
Chart: Transaction Volume by Price Range (RM) in Negeri Sembilan, 2019-2024



Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data excludes Serviced Apartment and SOHO*

Over the review period in Negeri Sembilan, townhouses recorded the highest CAGR in average transaction value at 8.4%, primarily due to their limited supply. In comparison, properties traditionally in high demand, such as 2- to 3-storey terrace houses and single-storey terraces, saw more modest price appreciation, with CAGRs of 3.0% and 2.4%, respectively, over five years. This trend is likely driven by a well-supplied market that moderates price growth amid a competitive landscape. Condominiums/apartments recorded a higher CAGR of 6.5%.

Chart: Average Value Per Residential Transaction ("AVPT") by Property Type in Negeri Sembilan, 2019-2024



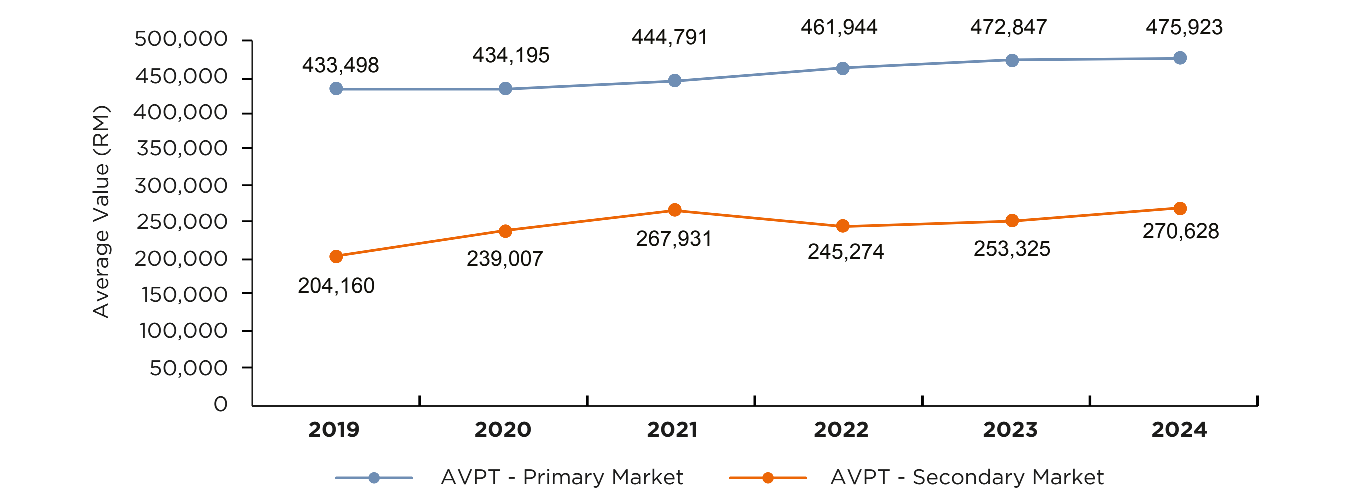
Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data excludes Others and Vacant Lots*

In 2024, the average value per residential transaction in Negeri Sembilan was recorded at RM475,923 for the primary market and RM270,628 for the secondary market, making the primary market 1.76 times higher in value compared to the secondary market.

In terms of growth, the average value per residential transaction in the secondary market exhibited a higher CAGR of 5.8% over the review period, compared to 1.9% in the primary market. This trend continued in 2024, where the secondary market recorded a stronger annual growth of 6.8%, while the primary market increased by just 0.7%.

This suggests that buyers continue to value new constructions, reflected in the higher average transaction value in the primary market. Meanwhile, the secondary market's stronger growth indicates steady demand for existing properties, likely driven by affordability and location preferences. These trends highlight a balanced market where both sectors cater to different buyer needs.

Chart: Average Value Per Residential Transaction ("AVPT") in the Primary and Secondary Markets in Negeri Sembilan, 2019-2024



Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data excludes Serviced Apartment and SOHO*

RESIDENTIAL PROPERTY OVERHANG

Klang Valley

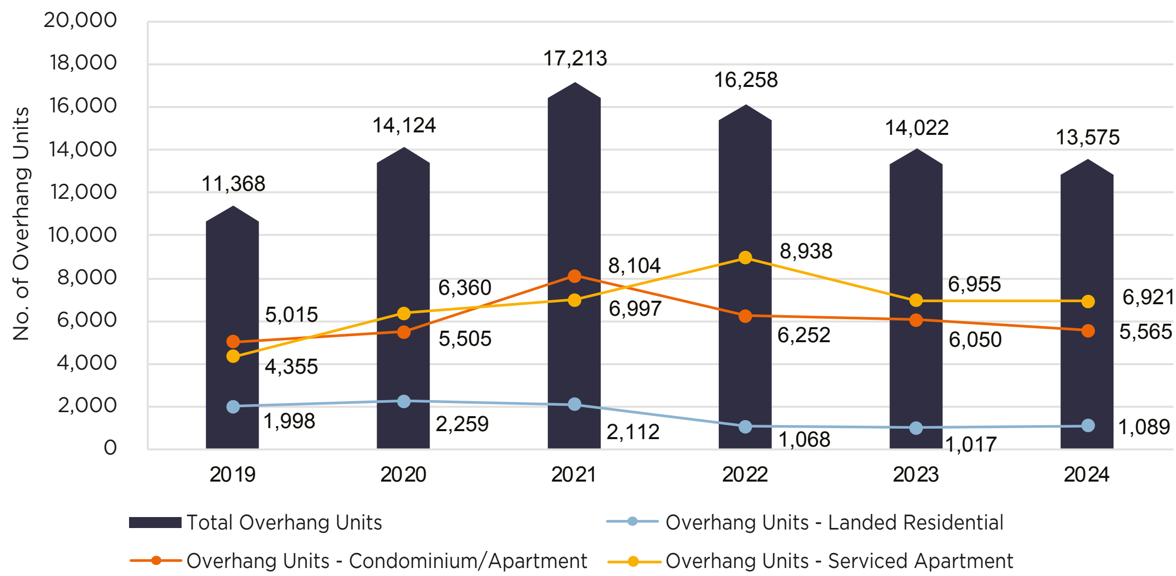
The year 2024 marked continued improvement in the housing market overhang in Klang Valley, with total overhang units declining by 3.2% y-o-y to 13,575 units, marking the third consecutive year of reduction.

By property type, the largest contribution to the decline came from condominium/apartment units, which fell by 8.0% to 5,565 units. Serviced apartments recorded a slight decrease of 0.5% to 6,921 units, while landed residential properties saw an increase of 7.1% to 1,089 units, indicating a slower pace of absorption in this segment.

In 2024, the percentage of overhang units compared to total units launched in the market rose slightly by 0.7% y-o-y to 15.9%, up from 15.2% in 2023. This increase was mainly due to the rise in landed residential overhang, which grew from 24.1% in 2023 to 26.7% in 2024. Despite fewer new launches in 2024, the landed segment's overhang rose, suggesting softer demand. However, the overall overhang rate remained stable, supported by improved absorption in the condominium/apartment segment.

A large portion of overhang units remained concentrated in specific districts. In Kuala Lumpur, 32.2% of the total overhang units were located in the City Centre, and 20.4% in Petaling. In Selangor, 27.3% were in Petaling, followed by 19.0% in Gombak. Most of these overhang units consisted of serviced apartments and condominiums/apartments.

Chart: Residential Properties and Serviced Apartment Overhang in Klang Valley, 2019-2024

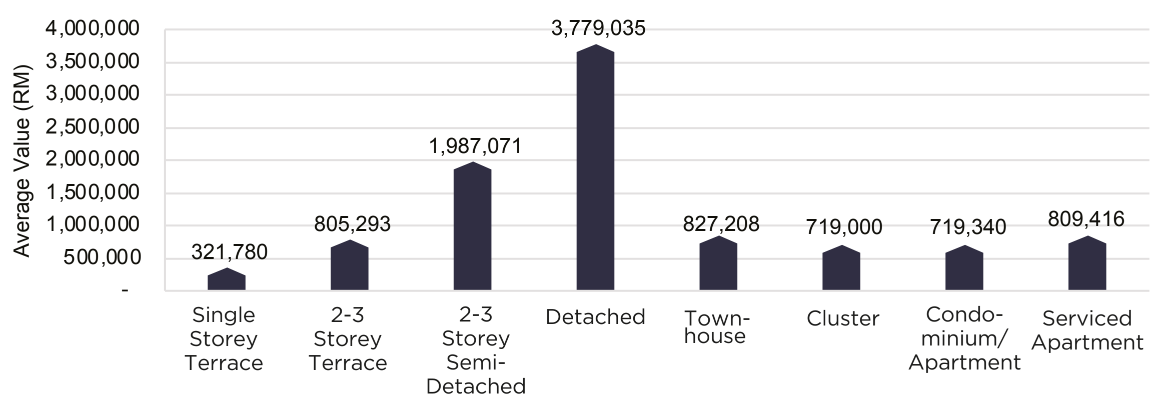


Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Exclude low-cost housing*

In 2024, within the Klang Valley, condominium/apartment and serviced apartment overhang units had average values of RM719,340 and RM809,416, respectively. Additionally, 2- to 3-storey terrace homes, the most common residential supply in the region, recorded an average overhang value of RM805,293.

These figures indicate that overhang units are generally priced at the higher end of the market, compared to the average transaction prices of condominiums/apartments at RM565,022 and 2- to 3-storey terraces at RM710,576. However, the average transacted price for serviced apartments was slightly higher than the overhang price, at RM828,570. This suggests that transacted serviced apartments are likely located in more desirable areas or developments where buyers perceive greater value, thus driving prices above the overhang average.

Chart: Average Value Per Unit for Overhang Residential Properties in Klang Valley, 2024



Sources: *NAPIC, Knight Frank Malaysia Research*

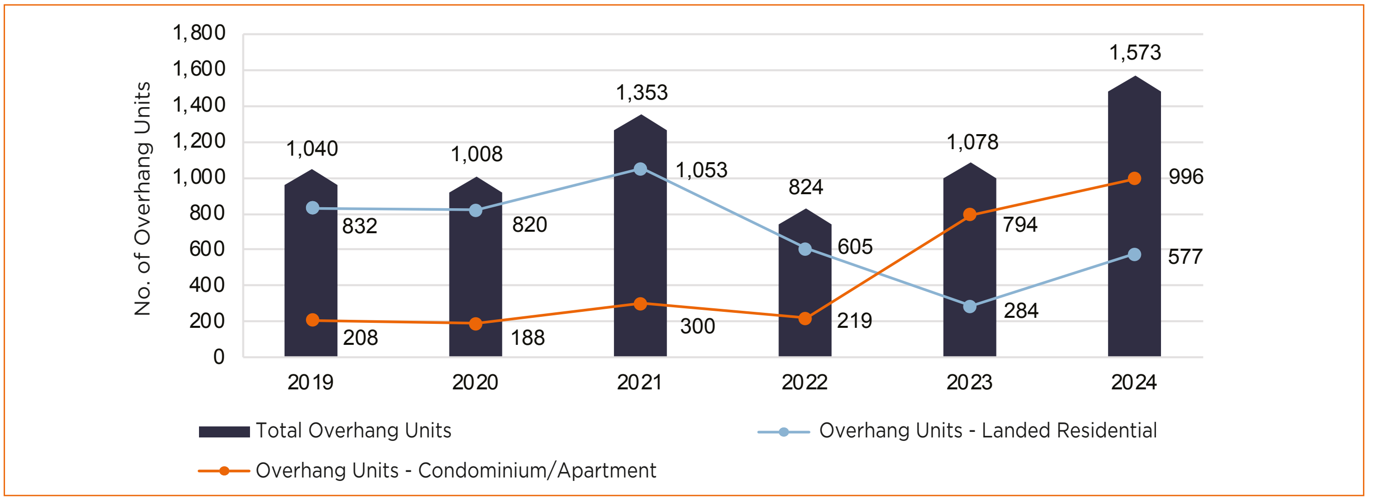
Negeri Sembilan

In 2024, Negeri Sembilan's residential overhang rose sharply to 1,573 units, reflecting a 45.9% year-on-year increase. The overhang was primarily driven by condominiums/apartments, which increased by 25.4% to 996 units. Meanwhile, landed residential overhang more than doubled, rising by 103.2% to 577 units. Although smaller in scale compared to high-rise properties, this growth suggests sustained demand for landed homes.

During the review period, the proportion of overhang units relative to total launched units also increased. For landed properties, the overhang percentage rose from 18.7% in 2023 to 23.9% in 2024, while for condominiums/apartments, it increased from 23.8% to 31.4%. These changes led to an overall increase in residential overhang from 30.8% to 45.9% across the market.

Notably, 87.1% of the total residential overhang in Negeri Sembilan is concentrated in Seremban, where ongoing new developments continue to shape the market and expand the housing supply. Within this, condominiums/apartments account for 70.4%, landed houses make up 27.3%, and the remaining share consists of low-cost housing.

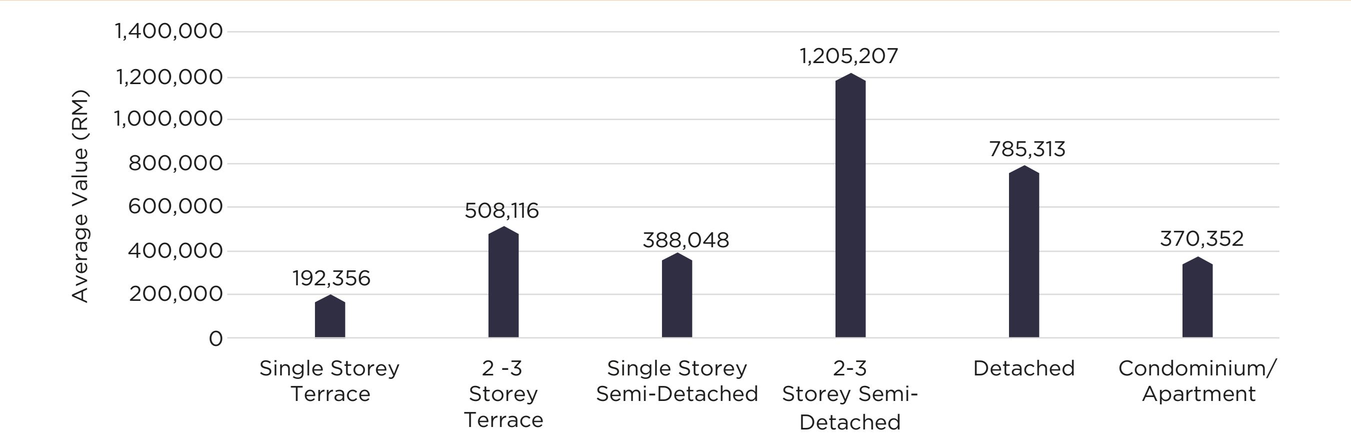
Chart: Residential Properties Overhang in Negeri Sembilan, 2019-2024



Sources: *NAPIC, Knight Frank Malaysia Research*

In 2024, Negeri Sembilan's property overhang data revealed that 2-3 Storey semi-detached, having the highest number of overhang units, were valued at an average of RM1,205,207. Meanwhile, the most sought-after residential properties, the single-storey and 2- to 3-storey terrace houses, had average values of RM192,356 and RM508,116, respectively.

Chart: Average Value Per Unit of Residential Properties Overhang in Negeri Sembilan, 2024



Sources: *NAPIC, Knight Frank Malaysia Research*

RESIDENTIAL MARKET OUTLOOK

Looking ahead, Malaysia's residential property market is expected to remain on a gradual recovery path, supported by stable economic growth, ongoing urbanisation and sustained demand for affordable housing. Urban migration, particularly into key regions such as Klang Valley and Negeri Sembilan, will continue to drive demand for well-located, affordably priced homes, although buyers are likely to remain cautious amid rising living costs and global economic uncertainties.

In Klang Valley, market activity is anticipated to be driven by demand for mid-range and affordable properties, especially landed homes in suburban areas, as homebuyers prioritise larger living spaces and better value for money. However, the high-rise segment, particularly serviced apartments and condominiums, is expected to continue facing absorption challenges due to oversupply and affordability constraints. This is further reflected in the persistent overhang of high-rise properties, despite overall improvements in the overhang situation.

Similarly, in Negeri Sembilan, the market is expected to remain focused on affordable landed homes, supported by the state's demographic profile and rising urbanisation. Demand will primarily come from first-time buyers and upscalers seeking practical, family-friendly housing. However, the sharp increase in overhang units, particularly in high-rise developments concentrated in Seremban, signals the need for developers to carefully assess actual demand and avoid oversupplying less marketable product types.

Looking ahead, developers in both Klang Valley and Negeri Sembilan are expected to adopt a more cautious, demand-driven approach, prioritising affordability, strategic locations and functional design to align with evolving buyer preferences. Infrastructure projects such as the MRT3 Circle Line in Klang Valley and Malaysia Vision Valley 2.0 ("MVV 2.0") in Negeri Sembilan will further enhance market growth by improving connectivity and supporting the development of transit-oriented, sustainable, and community-focused townships.

While overall residential price growth is expected to remain moderate, supported by steady demand in well-performing segments, challenges in the premium and high-rise markets will continue to weigh on the pace of recovery. Affordability concerns, increasing living costs and supply-demand imbalances will remain key factors shaping buyer decisions, reinforcing the importance of value-driven, market-relevant products to sustain long-term growth and stability in the residential sector.

Government support under Budget 2025 is expected to help bolster homeownership, particularly among the middle- and lower-income groups. The Housing Credit Guarantee Scheme ("SJKP") offers tax relief of up to RM5,000 for first-time homebuyers purchasing properties priced between RM500,000 and RM750,000. Meanwhile, the Residensi Madani initiative, under the MADANI Economy framework, aims to deliver 8,000 affordable housing units in the Federal Territories by 2027, priced between RM150,000 and RM200,000, specifically targeting the B40 income group to address housing affordability in Kuala Lumpur.

Market Review and Outlook

In addition to government support, the private sector is complementing these efforts through innovative homeownership campaigns. Maybank's Green Home Financing offers 95% + 5% financing for certified green properties, covering upfront costs such as insurance, legal fees and stamp duty, while also providing preferential rates for eco-friendly homes. Developers are also introducing attractive incentives, including Sime Darby Property's 'The Perfect 10' campaign, which offers early bird privileges, cash rewards, free MOT, stamp duty, and 12 months of free maintenance fees across selected developments in prime locations.

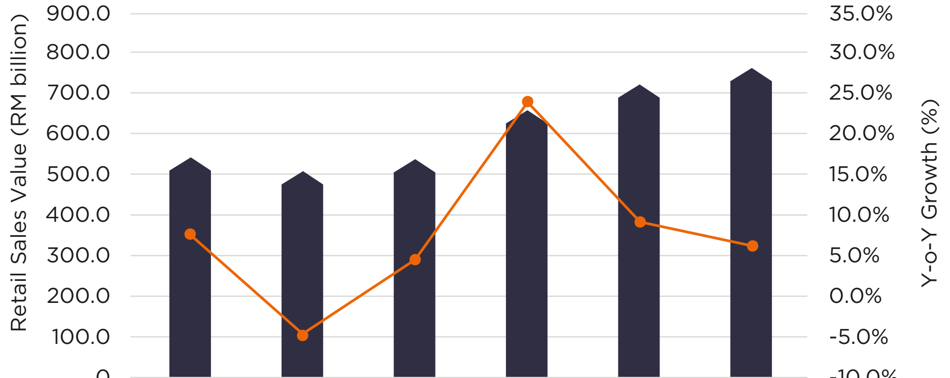
At the same time, ongoing progress in road and rail infrastructure is supporting the growth of suburban townships and transit-oriented developments along key transit corridors, aligning with shifting buyer preferences for greater connectivity, convenience and lifestyle-focused living.

RETAIL PROPERTY SECTOR

MARKET OVERVIEW

Retail sales in Malaysia, as recorded by the Department of Statistics Malaysia ("DOSM"), grew 6.1% y-o-y in 2024, reaching RM764.9 billion, up from RM720.8 billion in 2023. This strong growth was primarily driven by an increase in retail sales in specialised stores for other goods[1] (8.3%), food, beverages and tobacco (7.5%), non-specialised stores[2] (6.9%) and retail trade outside stores, stalls, or markets (6.4%). Among these categories, retail sales in non-specialised stores contributed the most to total retail trade in 2024, accounting for 38.4%.

Chart: Malaysia Retail Sales Growth, 2019-2024, Y-o-Y change (%)



	2019	2020	2021	2022	2023	2024
Retail Sales Value (RM billion)	537.6	511.0	533.6	661.1	720.8	764.9
Y-o-Y Change (%)	7.5%	-4.9%	4.4%	23.9%	9.0%	6.1%

Sources: *Department of Statistics Malaysia ("DOSM"), Knight Frank Malaysia Research*

The Klang Valley retail market experienced significant growth in 2024, driven by the introduction of well-conceptualised developments that redefined the region's retail landscape. The cumulative retail space supply in Klang Valley reached 70.89 million sq ft, following the completion of Bloomsvale Shopping Gallery (NLA: 230,000 sq ft) in Kuala Lumpur, Elmina Lakeside Mall (NLA: 206,733 sq ft) and 168 Park Mall (NLA: 235,500 sq ft) in Selangor. These new developments reflect a strategic shift towards integrating modern amenities with community-centric and nature-inspired features to enhance consumer appeal.

Notes:

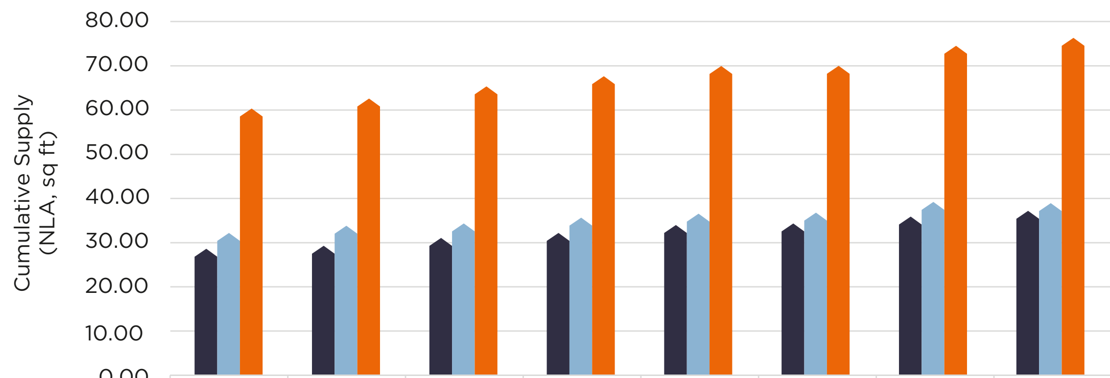
1 *Retail sale of other goods in specialised stores includes categories such as apparel and accessories, health and beauty, timepieces and jewellery, books and antiques, optical and precision equipment, household fuel, plants and pet supplies, souvenirs and religious items, second-hand goods, miscellaneous new goods, and auction activities.*

2 *Retail sale in non-specialised stores includes provision stores, supermarkets, mini markets, convenience stores, department stores, hypermarkets, department store-supermarket hybrids, news agents.*

Elmina Lakeside Mall is a nature-inspired retail destination in Shah Alam's City of Elmina, designed to seamlessly blend modern amenities with natural surroundings. The mall features over 100 retail outlets, offering a diverse mix of dining options, lifestyle stores, health and wellness outlets and fashion boutiques. Anchor tenants include Jaya Grocer and Harvey Norman. With a biophilic design, the mall incorporates al fresco dining areas, landscaped boulevards, water features and urban parks, enhancing the shopping experience. It is easily accessible via major highways and offers ample parking facilities, with over 700 car and motorcycle bays. The mall's committed occupancy rate of 100% reflects strong tenant demand, driven by its curated mix of offerings.

Meanwhile, 168 Park Mall in Selayang, which commenced operations in December 2024, is anchored by Village Grocer, Harvey Norman and The One Sports Centre. This two-level retail and entertainment hub reflects the growing emphasis on neighbourhood-centric developments, designed to foster community engagement and convenience.

Chart: Cumulative Supply of Retail Space in Klang Valley, 2019-2026(f)



	2019	2020	2021	2022	2023	2024	2025f	2026f
Kuala Lumpur	28.53	29.15	30.99	31.98	33.81	34.04	35.80	36.96
Selangor	31.95	33.66	34.11	35.75	36.40	36.85	38.80	38.80
Klang Valley	60.48	62.81	65.10	67.72	70.21	70.89	74.60	75.77

Source: *Knight Frank Malaysia Research*
(f) = Forecast

Looking ahead, 2025 is set to bring notable growth to the Klang Valley retail market, with an additional 3.72 million sq ft of retail space anticipated. This expansion includes major projects such as 118 Mall, Hextar World @ Empire City Damansara, a megamall-sized development, Phase 2 of Pavilion Damansara Heights, KLGCC Mall and Phase 2 of Sunsuria Forum @ 7th Avenue.

KLGCC Mall is a retail destination located within Kuala Lumpur Golf & Country Club ("KLGCC") Resort, marking Sime Darby Property's third wholly-owned mall after KL East Mall and Elmina Lakeside Mall. Strategically located near Bangsar, Bukit Damansara, Sri Hartamas, Mont Kiara, Bukit Tunku, and Taman Tun Dr Ismail, the mall offers seamless connectivity via major highways and is adjacent to Sime Darby Convention Centre, providing scenic golf course views and ample parking. Spanning 222,076 sq. ft. of net lettable area ("NLA") and set to open in 2H2025, KLGCC Mall will house over 80 tenants, with nearly 70% of space already taken up. Anchor tenants include Jaya Grocer, Serai Group, HarborLand Malaysia, ACE Hardware and Asia Ballet Academy, bringing a mix of retail, dining and entertainment experiences. The mall will also feature diverse F&B offerings such as El Ocho, Fat Tea, Maruki Ramen, Kay's Steak & Lobster, Pepper Lunch and ParaThai Signature.

Market Review and Outlook

Table: New and Expected Completions of Retail Malls in 2024 and 2025

New Completions in 2024	Net Lettable Area ("NLA")
Kuala Lumpur	
Bloomsvale Shopping Gallery	0.23 million sq ft
Selangor	
Elmina Lakeside Mall	0.21 million sq ft
168 Park Mall	0.23 million sq ft
Expected Completions in 2025	**Net Lettable Area ("NLA")**
Kuala Lumpur	
Pavilion Damansara Heights (Phase 2)	1.8 million sq ft
118 Mall	
KLGCC Mall	
Selangor	
Hextar World @ Empire City Damansara Mall	1.9 million sq ft
Sunsuria Forum @ 7th Avenue (Phase 2)	

Source: *Knight Frank Malaysia Research*

The average occupancy rates of shopping complexes (including shopping centres, hypermarkets, and arcades) in Kuala Lumpur and Selangor increased by 3.6% and 1.13%, respectively, in 2024, reaching 86.8% and 80.6%. This contributed to an overall occupancy increase of 2.34% in the Klang Valley.

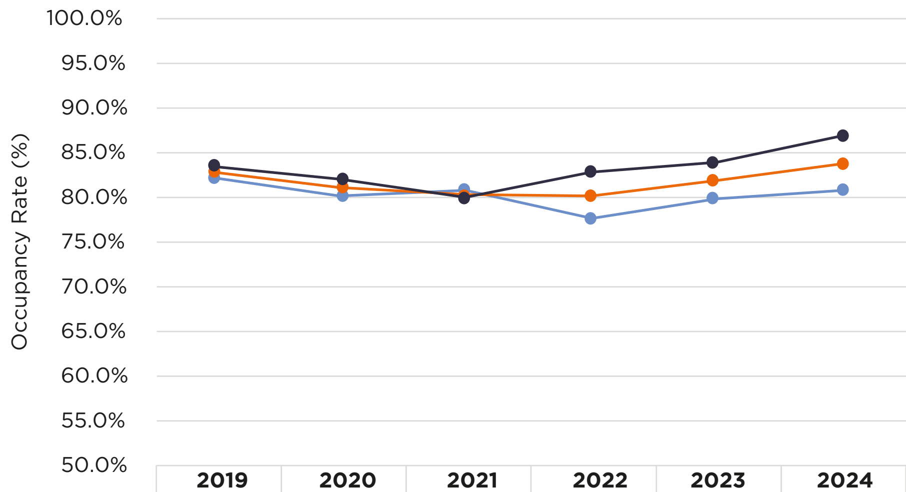
The Klang Valley retail sector is evolving with a strong focus on lifestyle-driven retail concepts and experiential shopping to attract both local and regional consumers. Key trends include flagship store enhancements, international brand expansions and hybrid retail models.

Sunway Pyramid's 300,000 sq. ft. Oasis extension exemplifies this shift, featuring Malaysia's largest MUJI, H&M Home, and the region's first Caudalie Spa. Similarly, Coach Play APW in Bangsar and ZUS Coffee's flagship "Coffee Meets Pastry" at 1 Utama blend retail with hospitality. Toys"R"Us Malaysia's revamped Mid Valley outlet, integrating a 5,500 sq. ft. Kiztopia Club, highlights the shift toward interactive retail spaces.

Entertainment-driven retail is also expanding, with GSC's new IMAX and Playpark at KL East Mall and Atria Shopping Gallery's upcoming 60,000 sq. ft. theme park reinforcing experience-led formats. International brands such as Tim Hortons, KKV, and OH!SOME are expanding their networks, while HWC Coffee, ZUS Coffee and Paris Baguette continue to aggressively expand in the F&B sector. Meanwhile, Lotus's Malaysia has introduced its first hybrid store in Puchong, catering to both individual consumers and businesses.

Despite strong momentum, challenges remain. Malakat Mall in Cyberjaya has ceased operations, and GSC's strategic closures reflect the need for adaptation in a shifting retail landscape. With new retail spaces entering the market in 2025, Klang Valley's retail sector remains dynamic and resilient, shaping the future of Malaysia's retail growth.

Chart: Average Occupancy Rate of Shopping Complexes, 2019-2024



	2019	2020	2021	2022	2023	2024
Kuala Lumpur	83.4%	82.0%	79.8%	82.7%	83.8%	86.8%
Selangor	82.1%	80.0%	80.7%	77.5%	79.7%	80.6%
Klang Valley	82.8%	81.0%	80.3%	80.1%	81.8%	83.7%

Sources: *NAPIC, Knight Frank Malaysia Research*

The Klang Valley retail sector saw three major acquisitions in 2024, reflecting sustained investor confidence in well-located retail assets.

In July 2024, IOI Properties Bhd acquired Tropicana Gardens Mall in Petaling Jaya for RM680 million, leveraging its prime location, MRT connectivity and strong growth potential. In October 2024, KIP REIT purchased DPulze Shopping Centre in Cyberjaya for RM320 million, marking its largest acquisition since 2017 and reinforcing its focus on community-centric malls. That same month, Sunway REIT completed its acquisition of 163 Retail Park in Mont' Kiara for RM215 million, rebranding it as Sunway 163 Mall and planning enhancements to tenant mix, accessibility and traffic circulation.

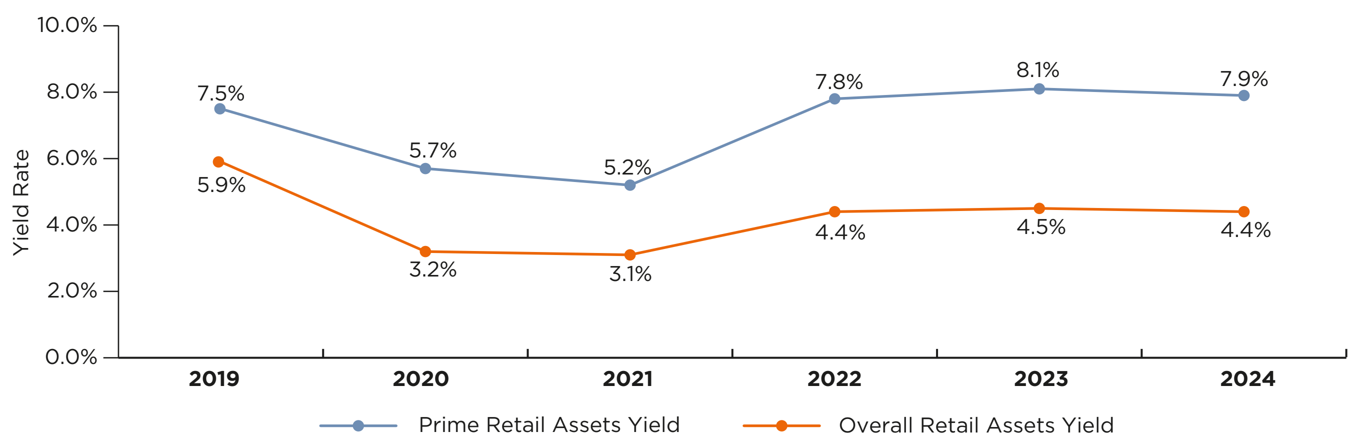
These transactions underscore confidence in the Klang Valley's retail market, with investors targeting assets that align with urban growth, evolving consumer trends and enhanced connectivity.

HISTORICAL YIELD TRENDS

The prime retail assets yield showed a gradual recovery after a dip in 2020, rebounding from 5.7% in 2020 to 8.1% in 2023, before slightly easing to 7.9% in 2024. The decline in 2020 was largely attributed to the pandemic-driven disruptions, which impacted foot traffic, rental collections, and overall tenant performance. However, the subsequent recovery was driven by a resurgence in consumer spending, higher tenant occupancy rates, and stronger leasing activity, particularly in top-tier malls with strong brand positioning. The yield increase in 2023 suggests renewed investor confidence in high-quality retail assets, particularly in well-located and well-managed malls, while the slight softening in 2024 may reflect a more stabilised post-recovery environment.

The overall retail assets yield experienced greater volatility, dropping to 3.1% in 2021 before recovering to 4.4% in 2022 and stabilising at 4.5% in 2023 and 4.4% in 2024. The prolonged weakness in secondary malls, particularly those facing structural challenges such as competition from e-commerce and weaker tenant mix, contributed to this uneven recovery. While prime malls saw robust rental rebounds, neighbourhood and struggling retail assets continued to experience higher vacancy risks and pressure on rental rates. Although the stabilisation trend indicates a broader market recovery, it highlights the continued performance disparity between prime and non-prime retail assets.

Chart: Historical Yield Trends for Retail Properties, 2019-2024



Sources: *Respective REITS Annual Report, Knight Frank Malaysia Research*

RETAIL MARKET OUTLOOK

The Klang Valley retail sector is expected to remain cautiously optimistic in 2025, supported by government initiatives, resilient private consumption and evolving retail strategies. Key measures such as the increase in cash handouts to RM13 billion, EPF Account 3 withdrawals, and the 13% wage adjustment for civil servants in December 2024 are set to boost disposable income and sustain demand for essential goods. Additionally, the minimum wage increases to RM1,700 in February 2025 is expected to further support household spending.

Despite these positive drivers, inflationary pressures and rising operational costs remain key challenges. The expansion of the Sales and Service Tax ("SST") in May 2025 to include non-essential goods, alongside higher excise duties on sugar-sweetened beverages and the rationalisation of RON95 fuel subsidies, will impact pricing strategies and consumer spending patterns. Retailers will need to adapt by optimising supply chains, focusing on value-driven offerings and enhancing cost efficiency to mitigate these effects.

The sector is also experiencing substantial supply growth, with neighbourhood-centric retail developments gaining traction. These community-focused retail spaces are attracting strong tenant demand, reflecting a shift towards curated, experience-driven retail formats. Retail space is projected to grow from 70.9 million sq. ft. in 2024 to 74.6 million sq. ft. by 2025, which may increase competition for occupancy and rental values. This trend could shift leasing dynamics, giving tenants greater negotiation leverage. Meanwhile, investment activity remains robust, with major acquisitions reinforcing confidence in high-quality, strategically located assets.

According to Retail Group Malaysia ("RGM"), retail sales grew by 3.8% in 2024 (2023: 2.2%), slightly below the 3.9% estimate due to weaker-than-expected 4Q2024 retail sales (3.5% vs. 4.4% projected earlier), partly impacted by rising costs of living and shortened school holidays. However, Malaysia's retail sales are expected to accelerate in 1Q2025, driven by festive seasons and school holidays. Looking ahead, RGM projects retail sales growth of 4.3% in 2025, supported by steady domestic demand and increased tourist spending, despite rising costs and selective consumer boycotts.

Technological advancements will continue to shape the retail landscape, offering opportunities for greater transparency, enhanced consumer engagement, and operational efficiency. However, shifting consumer behaviours, inflationary concerns, and policy changes will require retailers to remain agile. A focus on experiential, community-driven, and technology-integrated retail models will be essential in sustaining growth and adapting to the evolving market landscape. By aligning strategies with changing consumer priorities and leveraging new growth opportunities, the Klang Valley retail sector is well-positioned to navigate challenges and reinforce its role as a key driver of Malaysia's retail industry.

OFFICE PROPERTY SECTOR

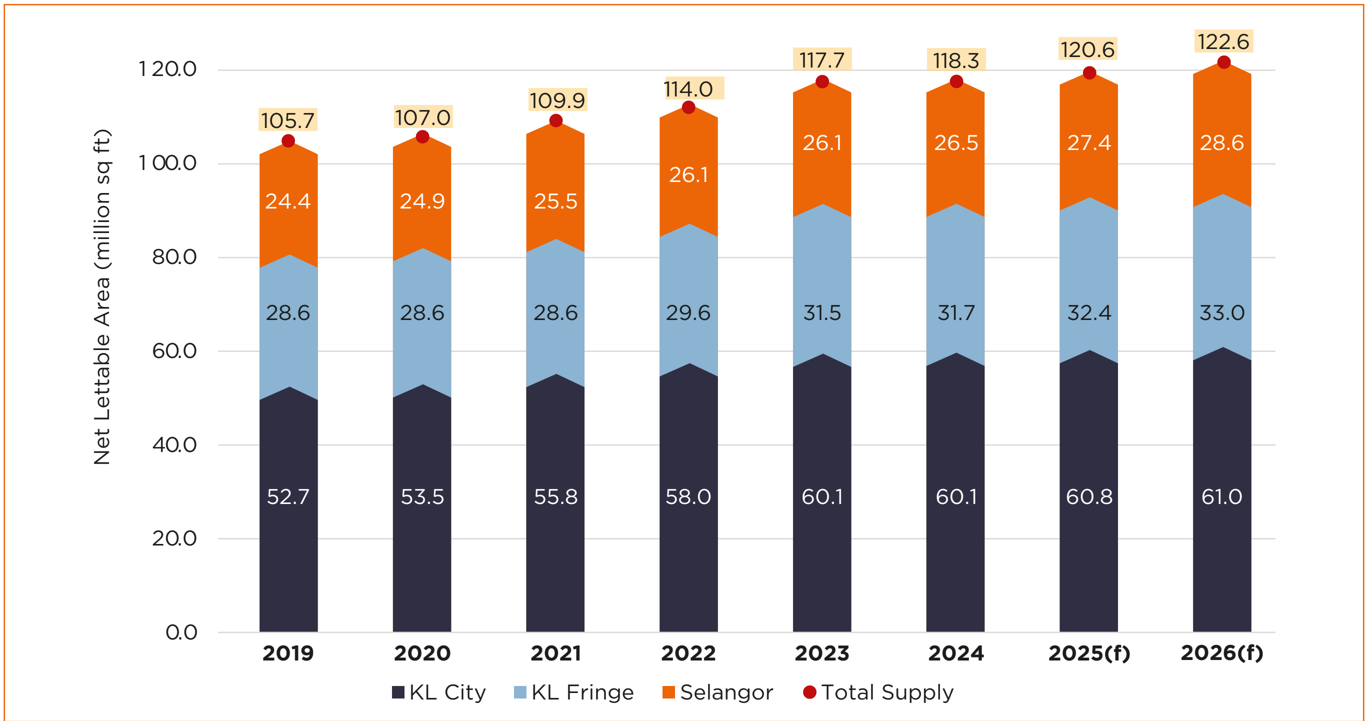
MARKET OVERVIEW

From 2019 to 2024, the cumulative supply of purpose-built office space in Klang Valley grew at a CAGR of 2.3%, from 105.7 million sq ft to 118.3 million sq ft. Following the completion of three office buildings in 2024, a total of 0.8 million sq ft of office space was added to the market in Klang Valley.

These include Menara Felcra @ Semarak20 (NLA: 213,000 sq ft) in KL City, part of the freehold integrated development Semarak20, which also features residential and commercial components. In the KL Fringe, the International Commerce Centre Kuala Lumpur ("iCC.KL"), also known as Pavilion Damansara Heights Corporate Tower 1 (NLA: 230,000 sq ft), serves as the penultimate tower of the development. Upon completion of the final tower, the integrated project will contribute over 1 million sq ft of office space to the Damansara Heights commercial district.

Meanwhile, Atwater Corporate Towers (NLA: 367,000 sq ft) in Petaling Jaya marks the first addition to the Selangor office submarket since 2022. The two office towers at Atwater are part of an integrated development comprising residential and commercial components. Designed to meet modern business needs, these green-certified towers hold a GreenRE Bronze certification and comply with Malaysia Digital ("MD") status requirements, reinforcing their commitment to sustainability and digital readiness.

Chart: Cumulative Supply of Purpose-Built Office Space in Klang Valley, 2019-2026(f)



Source: *Knight Frank Malaysia Research*

Notes:

1. *KL City: New Central Business District (formerly Golden Triangle), Old Central Business District (formerly Central Business District), KL City Centre Peripheral*
2. *KL Fringe: Decentralised localities of Damansara Heights, KL Sentral, Taman Tun Dr Ismail ("TTDI"), Mont' Kiara, Dutamas, Mid Valley City, KL Eco City, KL Gateway, Bangsar South, Kerinchi, Pantai and Bangsar*
3. *Selangor: Refers to all zones in Selangor*

In 2025, the Klang Valley office market is expected to expand with the completion of seven additional office buildings, contributing approximately 2.3 million sq ft of new office space.

These upcoming developments include Oxley Tower, The Exchange TRX Office by Lendlease, and Multibay Office Tower in Kuala Lumpur ("KL") City, TNB Gold Bangsar and Pavilion Damansara Heights Corporate Tower 10 in the KL Fringe, as well as Sunway South Square Corporate Tower 1 & 2 in Selangor.

Market Review and Outlook

This influx of new supply is set to enhance the office landscape across key business districts, catering to evolving corporate needs and reinforcing Klang Valley's position as a prime commercial hub.

Table: New and Expected Completions of Purpose-built Office Space in 2024 and 2025

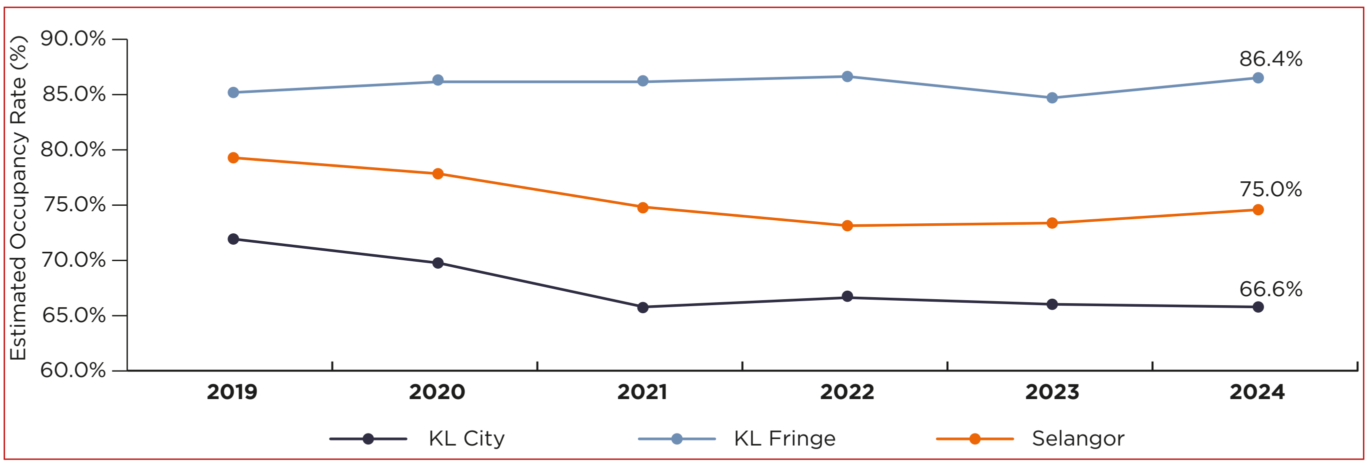
New Completions in 2024	Net Lettable Area ("NLA")
KL City	
Menara Felcra @ Semarak20	0.21 million sq ft
KL Fringe	
Pavilion Damansara Heights Corporate Tower 1	0.23 million sq ft
Selangor	
Atwater Corporate Towers	0.36 million sq ft
Expected Completions in 2025	**Net Lettable Area ("NLA")**
KL City	
Oxley Tower	
The Exchange TRX Office by Lendlease	0.66 million sq ft
Multibay – Office Tower	
KL Fringe	
TNB Gold Bangsar	0.68 million sq ft
Pavilion Damansara Heights Corporate Tower 10	
Selangor	
Sunway South Quay Corporate Tower 1	0.97 million sq ft
Sunway South Quay Corporate Tower 2	

Source: *Knight Frank Malaysia Research*

Occupancy rates in the Klang Valley showed mixed performance in 2024. KL Fringe and Selangor recorded incremental improvements, with occupancy rates rising to 86.4% and 75.0%, respectively. This increase was likely driven by tenant relocations to prime office spaces, renewed leasing activity and business expansion, spurred by improving business sentiment and demand for high-specification office buildings.

Conversely, KL City experienced a slight decline in occupancy in 2024, moderating to 66.6% from 66.8% in 2023. This decrease can be attributed to the addition of new supply, temporarily increasing vacancy levels as the market absorbed the new inventory.

Chart: Purpose-built Office Space and Average Occupancy Trend in Klang Valley, 2019-2024



Source: *Knight Frank Malaysia Research*
Note: *(p) = preliminary*

In 2024, all Klang Valley office submarkets recorded positive rental growth, with varying rates across locations due to differing market dynamics.

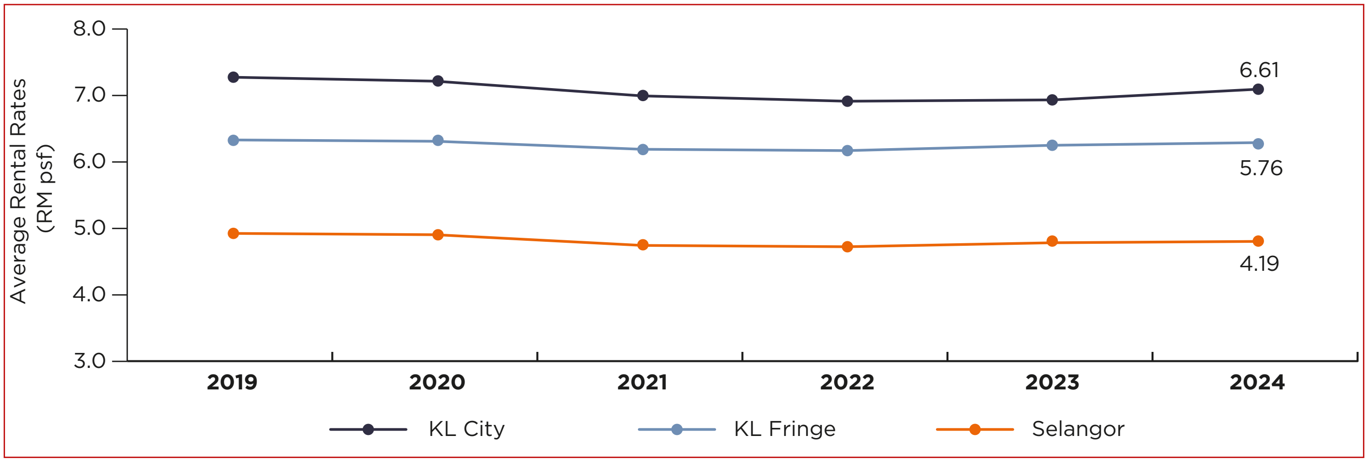
In KL City, average rental rates increased to RM6.61 per sq ft per month, supported by sustained demand for newer, well-located Grade A offices and a gradual recovery in leasing activity among multinational tenants. The KL Fringe submarket saw a modest increase, with average rental rates rising to RM5.76 per sq ft per month, driven by stable demand in established commercial hubs offering competitive rents and excellent accessibility.

In Selangor, average office rents climbed to RM4.19 per sq ft per month, primarily due to new supply additions, including the recently completed Atwater Corporate Towers in Petaling Jaya.

Asking rental rates for Prime A+ and Grade A office spaces in 2024 varied by location. In KL City, the New Central Business District ("CBD") commanded higher rental rates, ranging from RM6.50 to RM15.00 per sq ft, with Prime A+ buildings priced between RM8.50 and RM15.00 per sq ft, while Grade A offices ranged from RM6.50 to RM7.80 per sq ft. In contrast, the Old CBD remained more competitive, with rates between RM5.00 and RM7.00 per sq ft.

In the KL Fringe, monthly rentals for similar-grade offices ranged from RM6.20 to RM9.00 per sq ft, while Selangor offered competitive rates between RM5.50 and RM7.50 per sq ft per month.

Chart: Average Rental Rate of Office Space, 2019-2024



Source: *Knight Frank Malaysia Research*
Note: *(p) = preliminary*

In 2024, three notable office transactions took place, reflecting ongoing investment activity in the Klang Valley office market. These included the acquisition of Solarvest Tower in Bangsar South for RM38.3 million, the Contraves Building in Cyberjaya for RM42.5 million and the sale of two office floors in Menara Southpoint for RM62.4 million.

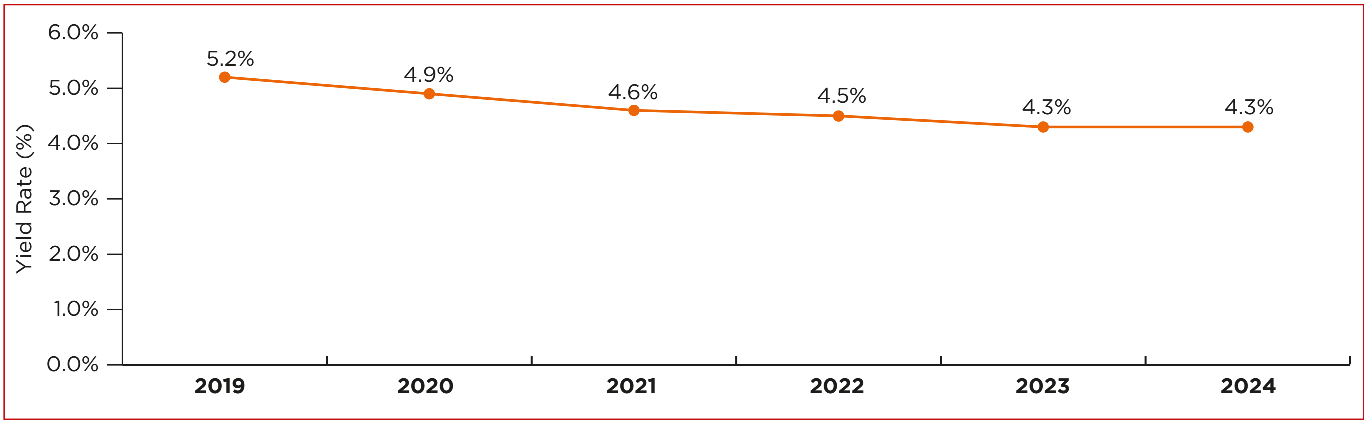
HISTORICAL YIELD TRENDS

Based on the overall office yield trends from 2019 to 2024, the office sector has experienced a gradual decline, reflecting evolving market dynamics and challenges within the sector. The overall yield softened from 5.2% in 2019 to 4.3% in 2024, with yields stabilising in 2024 after several consecutive years of decline. This trend is indicative of increased competition, higher vacancies and rental pressures across key office locations in Kuala Lumpur and Selangor.

The decline in yields can be attributed to several factors, including subdued demand for office spaces post-pandemic, occupiers' preference for prime, ESG-compliant and flexible workspaces, and a flight-to-quality trend that has left older office stock struggling to retain tenants. Despite this, rental rates in prime locations have remained relatively stable, supported by sustained demand for high-quality office buildings with modern facilities and sustainability features.

Moving forward, the office sector is expected to remain competitive as new supply enters the market, potentially exerting downward pressure on yields. However, well-located, premium-grade office assets with strong occupancy levels and ESG-aligned features are likely to continue attracting institutional investors seeking stable long-term returns.

Chart: Historical Yield Trends for Office Properties, 2019-2024



Sources: *Respective REITS Annual Report, Knight Frank Malaysia Research*

OFFICE MARKET OUTLOOK

The Klang Valley office market continues its gradual recovery, supported by improving rental rates and occupancy levels. Although these indicators remain below pre-pandemic levels, the market is seeing steady demand from both local and international occupiers.

Klang Valley's appeal to global businesses is evident, particularly as companies establish or expand shared services operations in the region. This demand is driven by a strong business ecosystem, high-quality office spaces, access to a skilled workforce, and cost efficiency, reinforcing its position as a strategic commercial hub.

On the supply front, 2024 saw the addition of 0.8 million sq ft of office space, with a significant 2.3 million sq ft set to be completed in 2025. The upcoming supply includes The Exchange TRX Office by Lendlease, Sunway Square Corporate Tower 2, and Pavilion Damansara Heights Corporate Tower 10, among others. This expansion is expected to introduce more high-specification office spaces, catering to evolving corporate requirements.

With shifting tenant preferences, older and lower-grade office buildings may need upgrading and repositioning to remain competitive. Modernisation efforts, such as enhanced amenities and sustainability-driven refurbishments, present opportunities to attract tenants looking for contemporary workspaces.

Larger floor plates of 20,000 sq ft or more continue to be in demand, particularly in the KL Fringe and Petaling Jaya, where well-connected office developments with strong amenities offer greater appeal. Upcoming projects featuring expansive office layouts are expected to generate strong interest from corporate tenants seeking efficient, well-located workspaces.

The Tun Razak Exchange ("TRX") is further strengthening its role as Malaysia's leading financial hub, supported by seamless MRT connectivity and an integrated retail component. Meanwhile, Sunway Square is shaping up as a vibrant commercial destination, integrating office spaces, retail, entertainment, and education, enhancing its attractiveness as a business and lifestyle hub.

Investment sentiment is expected to remain measured, as economic uncertainties and shifting tenant priorities influence decision-making. However, well-located prime office assets with strong tenancy profiles are likely to continue attracting investors seeking long-term stability and growth potential in the Klang Valley office market.

The co-working sector in Klang Valley saw significant expansion in 2024, with major operators actively growing their footprint to meet evolving workplace demands. WORQ (5 new openings), IWG (2 new openings), and INFINITY8 (1 new opening) led the market in expansion. Meanwhile, Common Ground added 100,000 sq. ft., and Colony and Co-labs Coworking continued their growth, focusing on premium locations and larger managed spaces. This reflects sustained demand for flexible workspaces, driven by businesses seeking cost-effective, agile solutions.

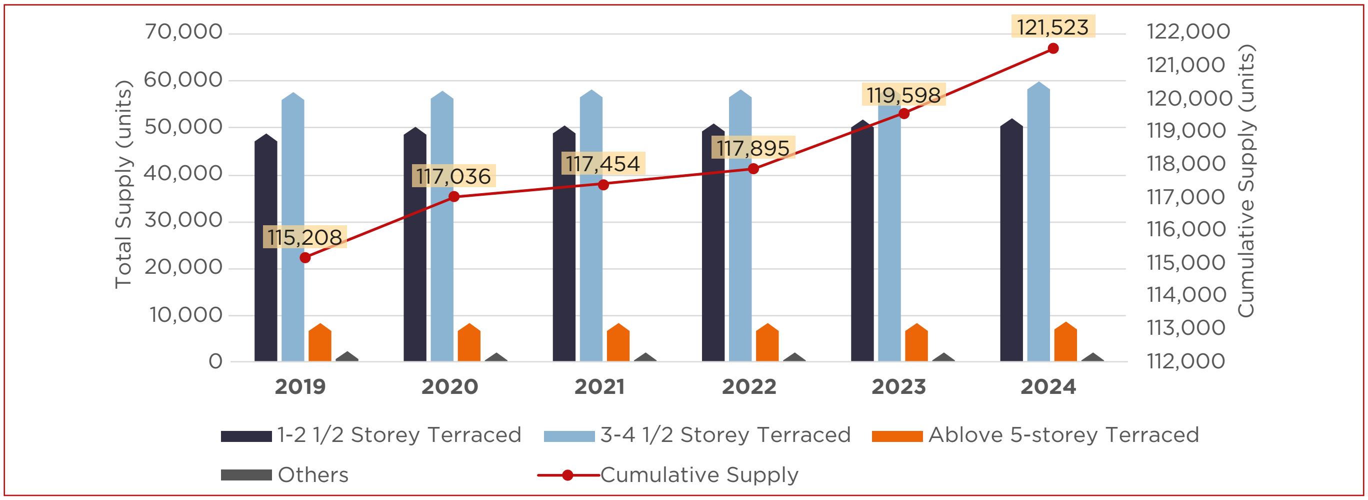
COMMERCIAL SHOP PROPERTY SECTOR

EXISTING & FUTURE SUPPLY

Klang Valley

As of 2024, the cumulative supply of commercial shops in Klang Valley reached approximately 121,523 units, reflecting a 1.6% y-o-y growth with the addition of 1,925 new units. Over the review period, the sector recorded a CAGR of 1.1%, indicating steady but moderate growth. These properties are classified into four categories: 49.3% are 3- to 4½-storey terraced shops, followed by 42.8% comprising 1- to 2½-storey terraced shops. Meanwhile, 5.7% fall under the "others" category, which includes semi-detached and detached shops, while 0.8% consists of above 5-storey terraced shops.

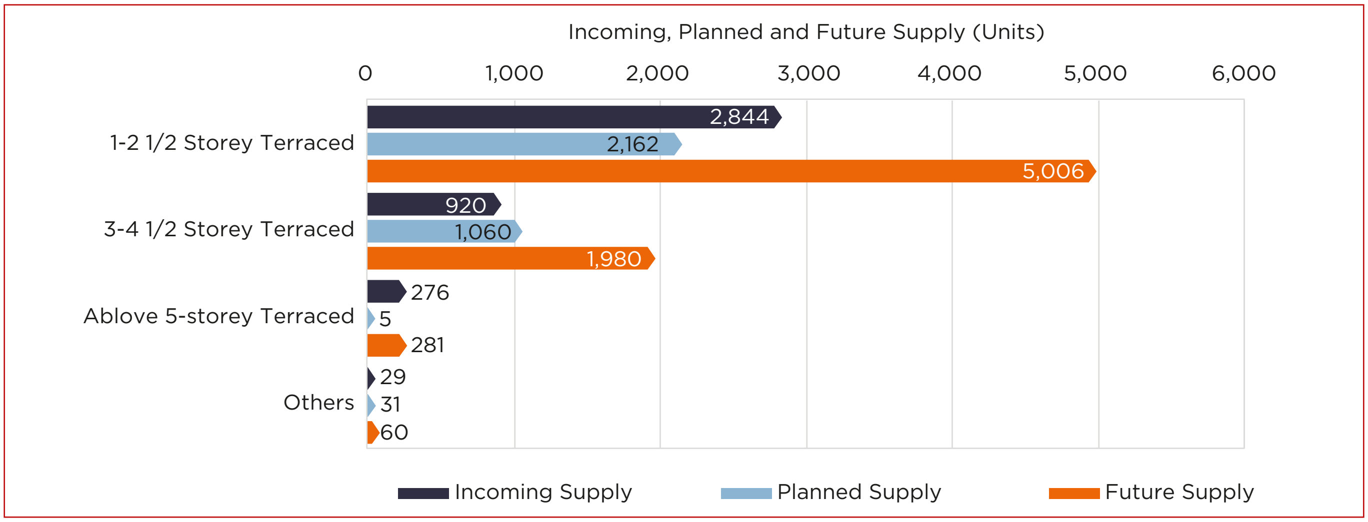
Chart: Cumulative Supply of Commercial Shops in Klang Valley, 2019-2024



Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Others consist of Detached and Semi-Detached shops*

As of 2024, Klang Valley's future commercial shop supply stands at 7,327 units, consisting of 4,069 incoming units and 3,258 planned units. The market is largely dominated by 1- to 2½-storey terraced shops, which make up 68.3% (5,006 units) of the total pipeline. 3- to 4½-storey terraced shops account for 27.0% (1,980 units), while above 5-storey terraced shops and "others" represent 3.9% (281 units) and 0.8% (60 units), respectively. This distribution highlights a continued market preference for low- to mid-rise shop formats, particularly in growth areas where affordability, accessibility and functionality remain key considerations.

Chart: Incoming, Planned and Future Supply of Commercial Shops in Klang Valley, 2024

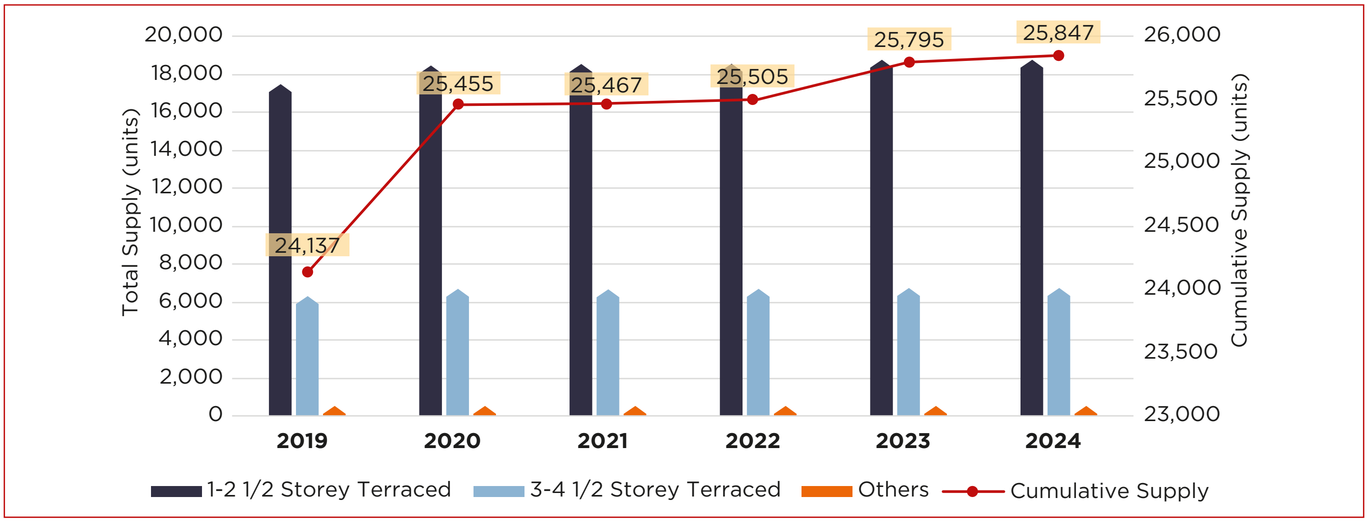


Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Others consist of Detached and Semi-Detached shops*

Negeri Sembilan

As of 2024, the total cumulative supply of commercial shops in Negeri Sembilan stands at 25,847 units, with a CAGR of 1.4% recorded from 2019 to 2024. The market is mainly made up of 1- to 2½-storey terraced shops, which account for 72.6% of the total supply. This is followed by 3- to 4½-storey terraced shops at 26.2%. "Other" shop types, including above 5-storey, detached, and semi-detached shops, make up only 1.2% of the total.

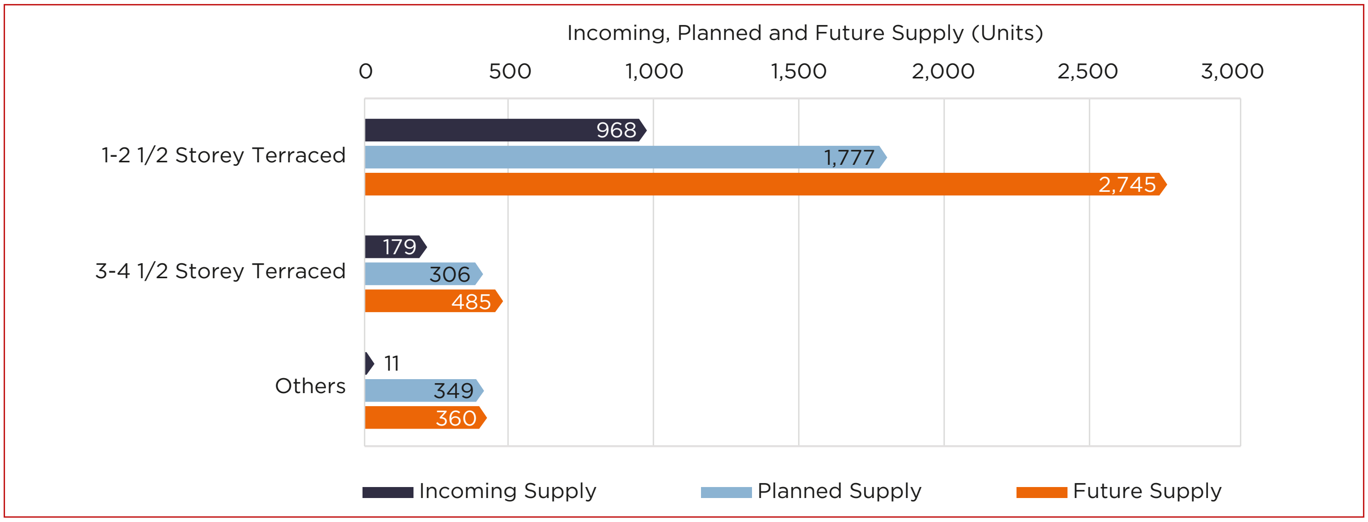
Chart: Cumulative Supply of Commercial Shops in Negeri Sembilan, 2019-2024



Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Others consist of Above 5-storey shops, Detached and Semi-Detached shops*

As of 2024, Negeri Sembilan's future supply of commercial shops totals 3,590 units, comprising 1,158 incoming units and 2,432 planned units. The pipeline is largely dominated by 1- to 2½-storey terraced shops, which make up 76.5% (2,745 units) of the total, reflecting continued demand for traditional low-rise formats, especially in growing areas like Seremban and Nilai. 3- to 4½-storey terraced shops account for 13.5% (485 units), while "others", which include above 5-storey, detached and semi-detached shops make up the remaining 10.0% (360 units). This supply breakdown suggests that Negeri Sembilan's commercial market is expected to remain focused on smaller-scale, low-rise shop formats that cater to local businesses and neighbourhood needs, with an emphasis on affordability, practicality, and accessibility.

Chart: Incoming, Planned and Future Supply of Commercial Shops in Negeri Sembilan, 2024



Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Others consist of Above 5-storey shops, Detached and Semi-Detached shops*

TRANSACTION VOLUME AND VALUES

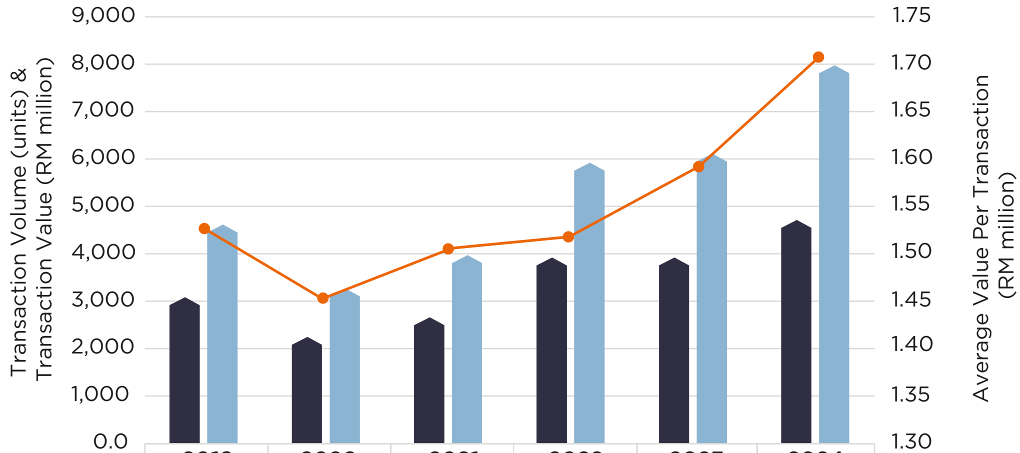
Klang Valley

In 2024, the commercial shop market in Klang Valley recorded strong growth, with transaction volume rising by 21.9% y-o-y to 4,686 units and transaction value increasing by 31.2% y-o-y to RM7.98 billion. This marks the highest performance in the past six years, reflecting renewed market activity and investment interest.

The average value per transaction also climbed to RM1.70 million, up 7.6% from 2023 (RM1.58 million), indicating sustained demand for higher-value commercial properties, particularly in strategic locations and mature townships.

Market Review and Outlook

Chart: Commercial Shops Transaction Volume and Value in Klang Valley, 2019-2024



	2019	2020	2021	2022	2023	2024
Transaction Volume (units)	3,018	2,236	2,615	3,870	3,843	4,686
Transaction Value (RM million)	4,607.4	3,248.0	3,933.0	5,868.4	6,081.1	7,979.6
Average Value Per Transaction (RM million)	1.53	1.45	1.50	1.52	1.58	1.70

Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data includes 1- to 1½-storey shop, 2- to 2½-storey shop, 3- to 3½-storey shop, 4- to 4½-storey shop, 5- to 5½-storey shop, 6- to 6½-storey shop*

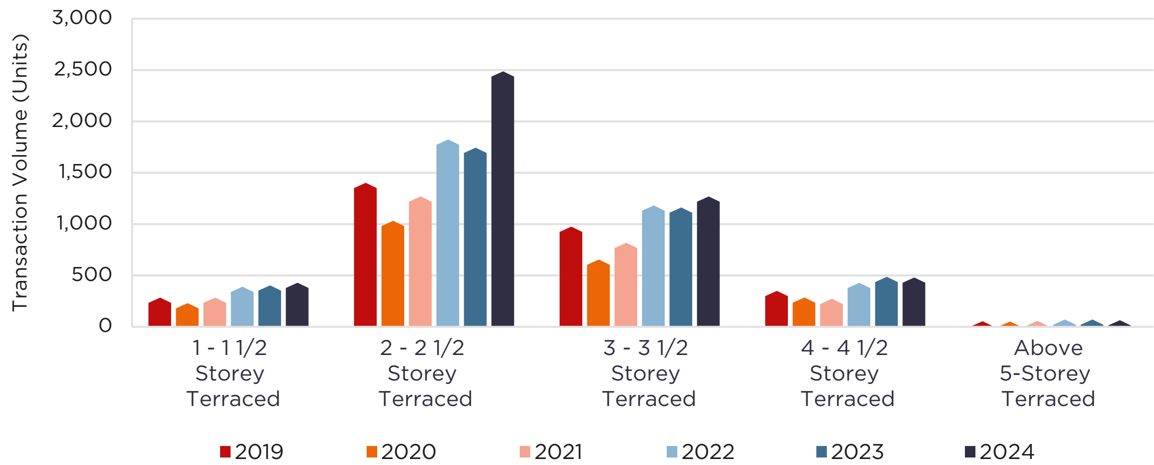
From 2019 to 2024, the transaction volume of commercial shops in Klang Valley reflects sustained demand, particularly for 2- to 2½-storey shops, which led the market with an average of 1,633 transactions per year. This reflects their strong appeal due to practical sizing, affordability and suitability for various business operations in both established and growing areas.

3- to 3½-storey shops followed with an annual average of 1,006 transactions, showing steady interest, especially in higher-density locations. Meanwhile, 4- to 4½-storey shops and 1- to 1½-storey shops also recorded healthy activity, averaging 372 and 325 transactions per year, respectively driven by demand for compact, cost-efficient spaces.

In contrast, above 5-storey shops recorded a much lower annual average of 43 transactions, reflecting their niche market appeal, higher price points and limited demand.

Chart: Commercial Shop Transaction Volume by Property Type in Klang Valley, 2019-2024

Average Transaction Volume Per Annum (units)				
325	1,633	1,006	372	43



Sources: *NAPIC, Knight Frank Malaysia Research*

The average value per transaction for commercial shops in Klang Valley continued to rise across most shop types in 2024.

The 1- to 1½-storey shop segment recorded the highest growth, with a CAGR of 14.6%, reaching RM945,622 in 2024. This reflects strong demand for smaller, more affordable commercial spaces in high-traffic areas. The 2- to 2½-storey shop segment, which is the most actively transacted type, saw moderate growth with a CAGR of 4.8%, achieving an average transaction value of RM1.39 million in 2024.

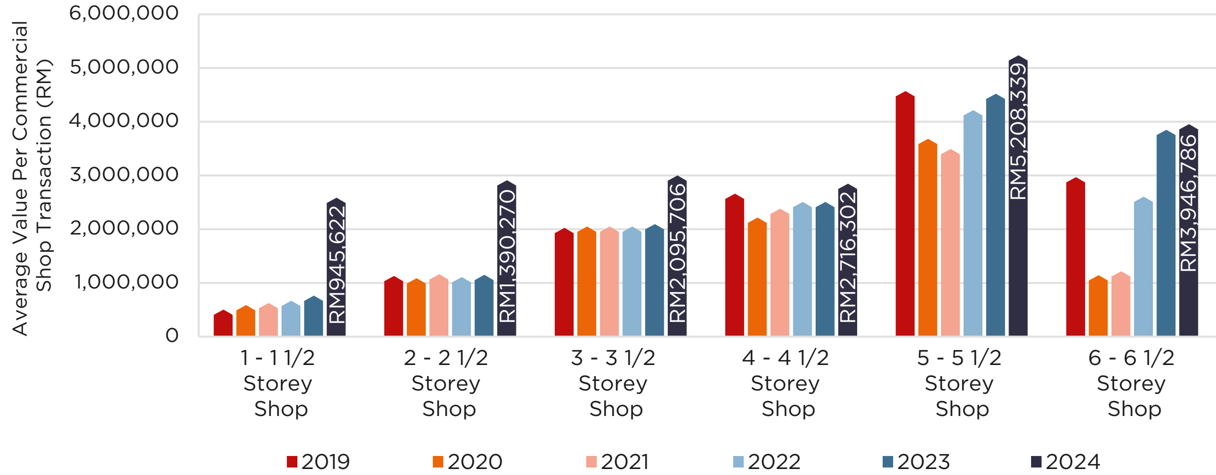
Meanwhile, higher-rise shops such as 5- to 5½-storey and 6- to 6½-storey shops experienced steady value appreciation. The 5- to 5½-storey category recorded a CAGR of 2.8%, reaching RM5.20 million, while the 6- to 6½-storey category grew at a CAGR of 6.0%, reaching RM3.95 million in 2024.

In contrast, 3- to 3½-storey and 4- to 4½-storey shops recorded only marginal growth, with CAGRs of 0.9% and 0.6% respectively, suggesting more stable values, possibly due to market saturation or slower demand in certain areas.

Market Review and Outlook

Chart: Average Value Per Commercial Shop Transaction ("AVPT") by Property Type in Klang Valley, 2019-2024

5-Year CAGR	14.6%	4.8%	0.9%	0.6%	2.8%	6.0%



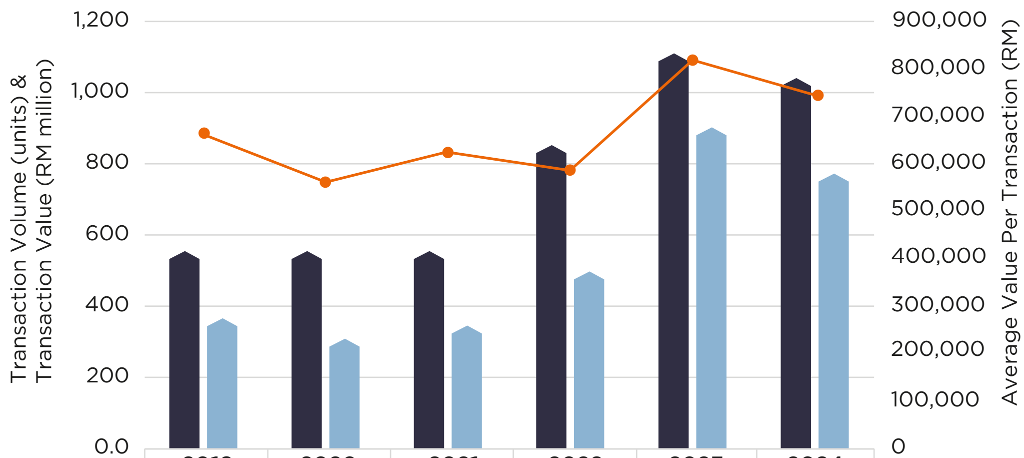
Sources: *NAPIC, Knight Frank Malaysia Research*

Negeri Sembilan

Negeri Sembilan's commercial shop market showed a fluctuating performance from 2019 to 2024. Transaction volume peaked at 1,108 units in 2023 before easing to 1,041 units in 2024, marking a 6.0% y-o-y decline. Similarly, the total transaction value decreased by 14.3% to RM774.8 million in 2024, following strong activity in the previous year.

The average value per transaction also softened, falling by 8.7% to RM744,274 in 2024 from RM815,622 in 2023. This suggests a shift towards lower-priced shop units or a cautious market sentiment after the surge in activity during 2023.

Chart: Commercial Shops Transaction Volume and Value in Negeri Sembilan, 2019-2024



	2019	2020	2021	2022	2023	2024
Transaction Volume (units)	556	551	551	851	1,108	1,041
Transaction Value (RM million)	367.7	309.7	344.2	498.5	903.7	774.8
Average Value Per Transaction (RM)	661,373	562,090	624,694	585,787	815,622	744,274

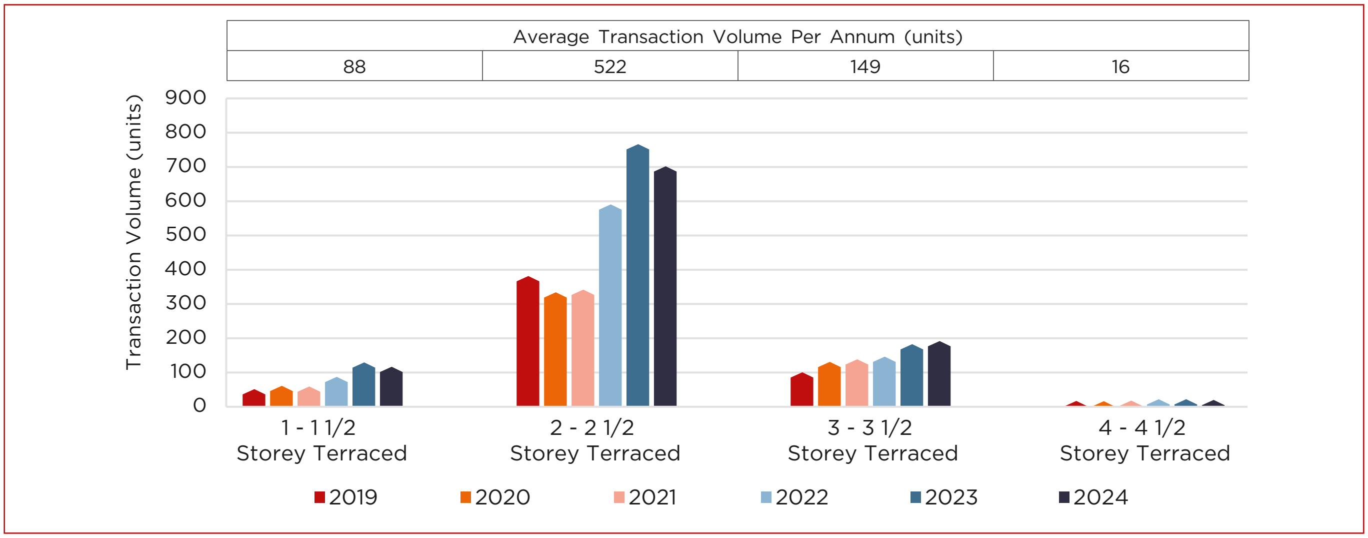
Sources: *NAPIC, Knight Frank Malaysia Research*
Note: *Data includes 1- to 1½-storey shop, 2- to 2½-storey shop, 3- to 3½-storey shop, 4- to 4½-storey shop, 5- to 5½-storey shop, 6- to 6½-storey shop*

Commercial shop transactions in Negeri Sembilan from 2019 to 2024 were predominantly driven by 2- to 2½-storey shop units, which recorded the highest average annual transaction volume of 522 units, making them the most actively traded shop type in the state. This was followed by 3- to 3½-storey shops with an average of 149 units per year, while 1- to 1½-storey shops recorded 88 units annually.

In contrast, higher-rise and larger-format shops, such as 4- to 4½-storey, remained niche, with minimal transactions averaging 16 units annually, reflecting limited demand and supply in these segments.

Overall, low- to mid-rise shop lots remain the preferred choice in Negeri Sembilan, particularly in established commercial areas catering to local businesses, while larger-format and high-rise shop types continue to record limited market activity.

Chart: Commercial Shop Transaction Volume by Property Type in Negeri Sembilan, 2019-2024



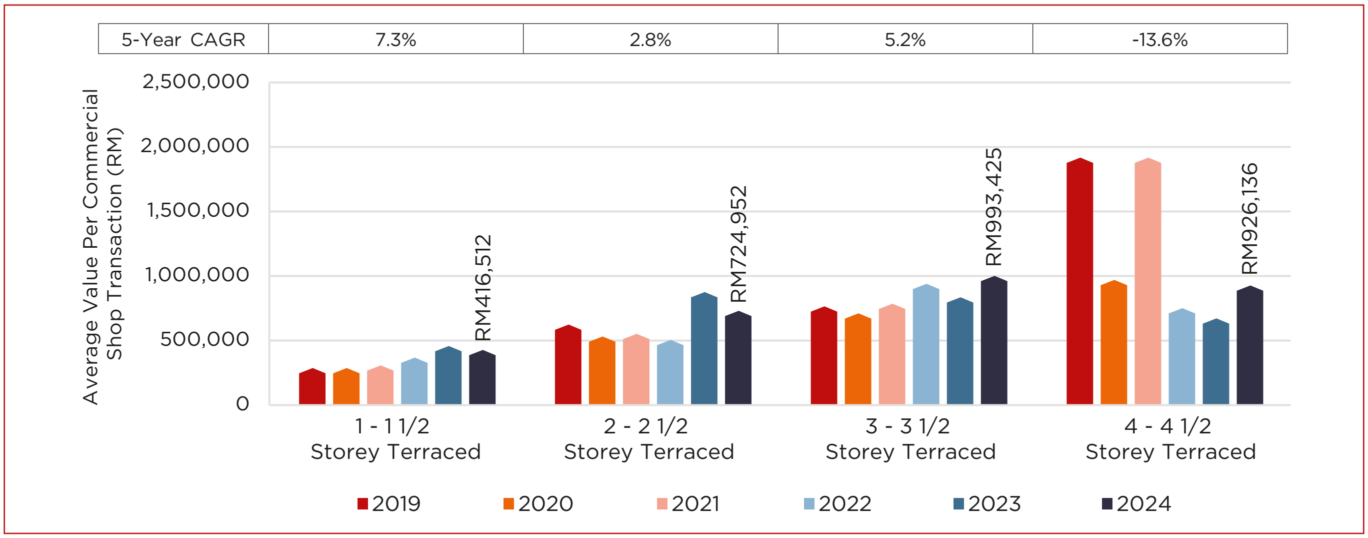
Sources: *NAPIC, Knight Frank Malaysia Research*

Between 2019 and 2024, the average value per transaction for commercial shops in Negeri Sembilan showed mixed performance across different shop types.

The 1- to 1½-storey shop category recorded the highest growth with a CAGR of 7.3%, reaching RM416,512 in 2024, reflecting strong demand for smaller, more affordable shop units. Similarly, 3- to 3½-storey shops posted a CAGR of 5.2%, ending at RM933,425, indicating steady interest in mid-sized shop lots. Meanwhile, 2- to 2½-storey shops grew modestly by 2.8% CAGR, averaging RM724,952 in 2024.

In contrast, 4- to 4½-storey shops saw a notable decline of -13.6% CAGR, dropping to RM926,136, highlighting weaker demand for larger shop formats, likely due to higher costs and limited market absorption.

Chart: Average Value Per Commercial Shop Transaction ("AVPT") by Type in Negeri Sembilan, 2019-2024



Sources: *NAPIC, Knight Frank Malaysia Research*

MARKET OUTLOOK

The Klang Valley and Negeri Sembilan commercial shop markets are expected to remain resilient, supported by sustained demand for smaller and mid-sized shop units in strategic locations. While overall supply growth has been modest, ongoing and planned developments indicate a continued market expansion, particularly in high-demand areas with strong population growth and business activity.

In Klang Valley, the gradual increase in supply, with 4,069 incoming units and 3,258 units under planning, reflects developer confidence in well-located commercial shop segments. The strong performance of 2- to 2½-storey shops, which dominate both transaction volume and new supply, suggests that these units will remain the preferred choice among investors and business owners. Additionally, the rising transaction values, despite a decline in volume, indicate a shift towards higher-value commercial properties, driven by factors such as prime locations, accessibility and evolving business needs.

Similarly, in Negeri Sembilan, the commercial shop market continues to see steady growth, with 1,158 incoming units and 2,432 units under planning. The preference for smaller shop formats, particularly 1- to 1½-storey and 2- to 2½-storey shops, highlights the importance of affordability and flexibility in emerging business districts. Smaller and mid-sized shop units in strategic retail and business locations are expected to drive transactions, especially as new commercial hubs and integrated developments take shape.

From a pricing perspective, both Klang Valley and Negeri Sembilan are experiencing differentiated growth patterns. Smaller commercial shop types, particularly 1- to 1½-storey and 3- to 3½-storey shops, are seeing higher capital appreciation, indicating sustained demand. In contrast, larger shop formats such as 4- to 4½-storey shops are facing price corrections, reflecting shifting market preferences towards more accessible, high-footfall commercial areas.

Looking ahead, investment activity in the commercial shop sector is likely to remain stable, with buyers focusing on strategic locations, accessibility and tenant demand. Well-positioned properties, particularly those in high-growth corridors, transit-oriented developments and mixed-use projects, are expected to perform well. Meanwhile, older and underutilised commercial properties may require repositioning and refurbishment efforts to stay competitive in a rapidly evolving retail landscape.

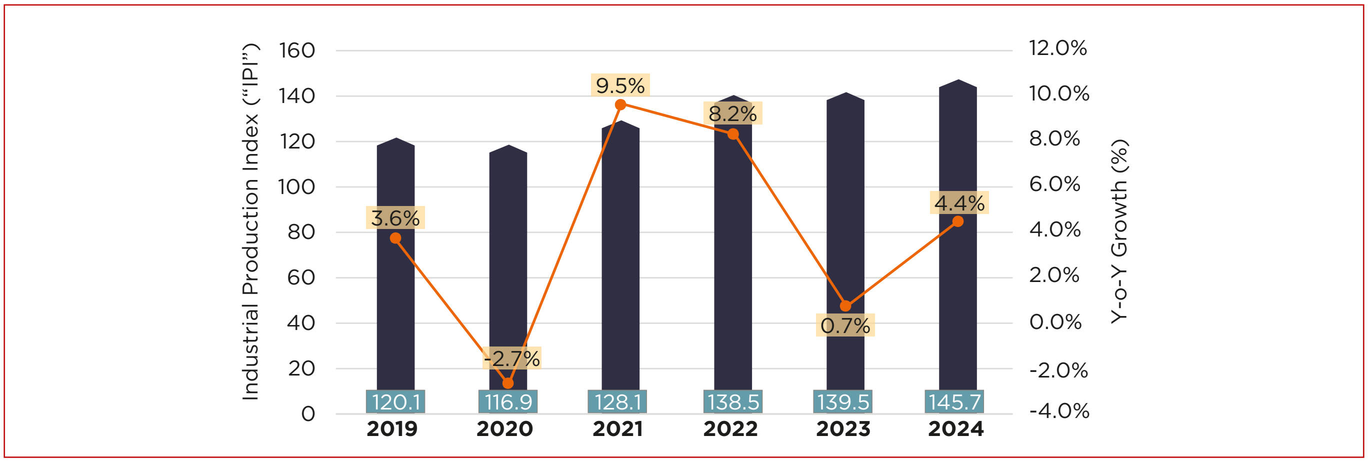
Overall, the commercial shop market is poised for gradual expansion, with sustained demand for well-located properties, evolving tenant needs and ongoing supply adjustments shaping future trends. While economic uncertainties and changing retail dynamics may introduce some market adjustments, the focus on smaller, high-visibility commercial units will continue to support transaction activity and capital growth in the coming years.

INDUSTRIAL AND LOGISTICS SECTOR

MARKET OVERVIEW

Malaysia's manufacturing sector continued its upward trajectory in 2024, with the Industrial Production Index ("IPI") increasing by 4.4% y-o-y. This growth was driven by expansion across multiple sectors, primarily in non-metallic mineral products, basic metal and fabricated metal products, as well as food, beverages, tobacco and wood-related industries, including furniture, paper products and printing. The sustained momentum in these key industries underscores Malaysia's strong industrial performance and resilience amid evolving market conditions.

Chart: Industrial Production Index ("IPI") For Manufacturing Sector, Malaysia, 2019-2024



Sources: *Department of Statistics Malaysia ("DOSM"), Knight Frank Malaysia Research*

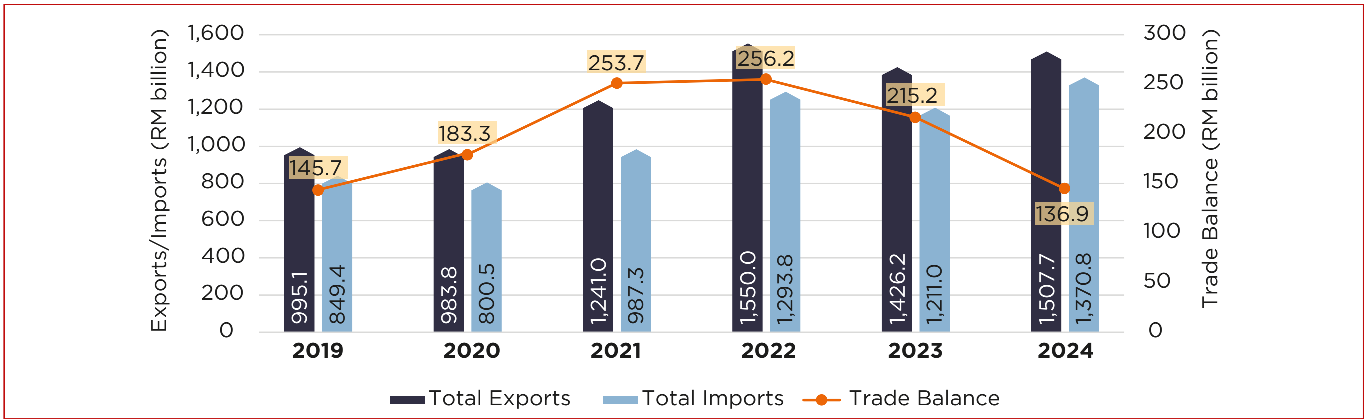
Exports continued their upward trajectory, growing 5.7% y-o-y to RM1,507.7 billion, exceeding RM1.0 trillion for the fourth consecutive year. This achievement accounted for 87.2% of the 2025 export target set under the Mid-Term Review of the Twelfth Malaysia Plan ("RMKe-12"). Meanwhile, imports surged by 13.2% y-o-y to RM1,370.8 billion, crossing the RM1.0 trillion mark for the third successive year. As a result, Malaysia recorded a trade surplus of RM136.9 billion, reflecting a positive trade balance despite rising imports.

Key trading partners, including ASEAN, the United States ("US"), the European Union ("EU"), and Taiwan, saw an increase in exports. Notably, exports to the US and Taiwan reached record highs, with Taiwan officially becoming Malaysia's fourth-largest trading partner, highlighting strengthening bilateral trade ties and expanding trade opportunities.

Free Trade Agreements ("FTAs") played a crucial role in driving export growth, reversing the contraction seen in 2023. Exports to FTA markets rebounded, with Canada experiencing increased demand for Electrical and Electronic ("E&E") products. Additionally, exports to Turkiye and Mexico reached record highs, driven by higher shipments of iron and steel products as well as chemicals and chemical products, respectively.

Overall, Malaysia's 2024 trade performance reflects its robust global trade position, supported by strong partnerships, strategic trade policies, and growing international demand.

Chart: External Trade in Malaysia, 2019 to 2024



Sources: *Department of Statistics Malaysia ("DOSM"), Knight Frank Malaysia Research*

APPROVED MANUFACTURING INVESTMENT

Malaysia recorded a commendable milestone with RM378.5 billion in total approved investments in 2024, the highest in the nation's history and marking a 14.9% y-o-y growth. Spanning 6,700 projects across key sectors, these investments reinforce Malaysia's position as a premier investment decision.

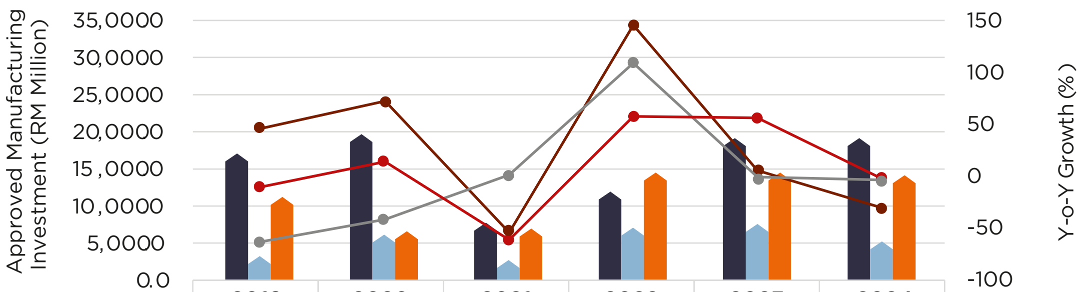
Despite ongoing global economic challenges, Malaysia continues to attract sizable investments. Of the total approved investments, domestic investments accounted for RM208.1 billion, representing 55.0%, while foreign investments contributed RM170.4 billion, or 45.0%. This strong performance underscores the nation's economic resilience and its ability to build investor confidence.

Malaysia's manufacturing sector also demonstrated continued strength, securing RM120.5 billion in approved investments, which made up 31.8% of total approved investments in 2024. These investments were distributed across 1,108 projects and are expected to contribute significantly to job creation. Within this, foreign investments led with RM88.9 billion, representing 73.8% of total manufacturing investments, while domestic investments remained significant at RM31.6 billion, or 26.2%. This strong inflow of foreign capital highlights Malaysia's appeal as a premier global manufacturing hub.

Nevertheless, among the three key states observed, approved manufacturing investments in Klang Valley declined by 1.2% to RM19.15 billion, while Johor saw a decrease of 2.8% to RM14.21 billion on a y-o-y basis. Meanwhile, Negeri Sembilan recorded a more significant drop, with manufacturing investments falling by 29.5% y-o-y to RM5.35 billion.

Klang Valley continues to lead in manufacturing investments, reinforcing its position as Malaysia's primary industrial hub, driven by high-value industries, technological advancements, and strong infrastructure support. Negeri Sembilan remains a key emerging industrial destination, benefiting from ongoing developments in MVV 2.0 and strategic industrial zones, which continue to attract investors. Meanwhile, Johor is poised for further industrial investment growth, supported by initiatives such as the Johor-Singapore Special Economic Zone ("JS-SEZ"), which aims to enhance cross-border trade, industrial collaboration and economic expansion.

Chart: Approved Manufacturing Investments in Klang Valley, Negeri Sembilan and Johor, 2019-2024



	2019	2020	2021	2022	2023	2024
Klang Valley	17,214.4	19,731.7	7,789.4	12,347.1	19,379.0	19,150.7
Negeri Sembilan	3,565.7	6,178.6	2,901.2	7,132.0	7,601.7	5,356.2
Johor	11,455.2	6,784.3	6,953.2	14,582.5	14,617.3	14,211.4
Y-o-Y Growth (Klang Valley)	-9.9%	14.6%	-60.5%	58.5%	57.0%	-1.2%
Y-o-Y Growth (Negeri Sembilan)	46.7%	73.3%	-53.0%	145.8%	6.6%	-29.5%
Y-o-Y Growth (Johor)	-62.5%	-40.8%	2.5%	109.7%	0.2%	-2.8%

Sources: *MIDA, Knight Frank Malaysia Research*

Market Review and Outlook

CUMULATIVE SUPPLY OF READY-BUILT FACTORY IN KLANG VALLEY, NEGERI SEMBILAN & JOHOR

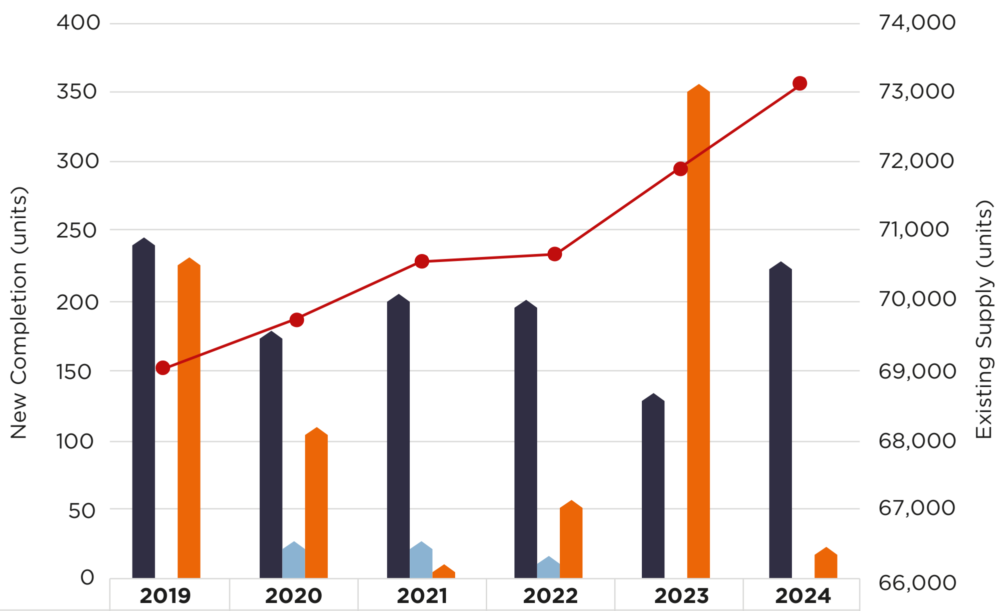
As of 2024, the total number of ready-built factory units across Klang Valley, Negeri Sembilan and Johor reached 73,135 units, reflecting a 1.7% y-o-y growth, in line with the ongoing expansion of Malaysia's industrial property market. Selangor accounted for the largest share, with 59.0% (43,133 units), followed by Johor at 26.4% (19,290 units), Negeri Sembilan at 7.6% (5,574 units) and Kuala Lumpur at 7.0% (5,138 units).

Looking ahead, Selangor remains the key driver of industrial expansion in Klang Valley, with 2,549 incoming units, of which 64.8% (1,651 units) are under construction, while 35.2% (898 units) remain in the planning stage. Notably, Klang District accounts for the highest concentration, representing 33.4% (851 units) of the total pipeline. Kuala Lumpur, on the other hand, has a more limited pipeline, with only 37 incoming units.

In Negeri Sembilan, 292 ready-built factory units are expected to be completed, with an additional 766 units in the planning stage, primarily concentrated in Seremban District, reinforcing its position as an emerging industrial hub. Meanwhile, Johor's future industrial supply is projected at 894 units, with 591 units under construction and 393 units in the planning stage. The bulk of this incoming supply is concentrated in Johor Bahru, accounting for 38.7% (346 units) and Batu Pahat which makes up 30.8% (275 units), highlighting their importance as key industrial zones in the state.

Several major industrial projects are set to further strengthen Malaysia's industrial real estate landscape, including Sime Darby Property's Elmina Business Park, Bandar Bukit Raja IV ("BBRX"), Vision Business Park at Nilai South, IOI Industrial Park @ Banting, Green Industrial Park @ Kota Puteri, A-Park @ Bangi, Novva Integrated Park in Sungai Buaya, and Banting Industrial City. These developments reflect the growing demand for high-quality industrial spaces, driven by logistics, e-commerce and advanced manufacturing sectors.

Chart: Cumulative Supply of Ready-Built Factories in Klang Valley, Negeri Sembilan & Johor, 2019-2024



	2019	2020	2021	2022	2023	2024
New Completion - Klang Valley	245	179	205	201	134	230
New Completion - Negeri Sembilan	0	0	28	16	0	0
New Completion - Johor	232	109	10	58	356	22
Cumulative Supply	69,036	69,729	70,558	70,682	71,925	73,135

Sources: *NAPIC, Knight Frank Malaysia Research*

TRANSACTION VOLUME & VALUE

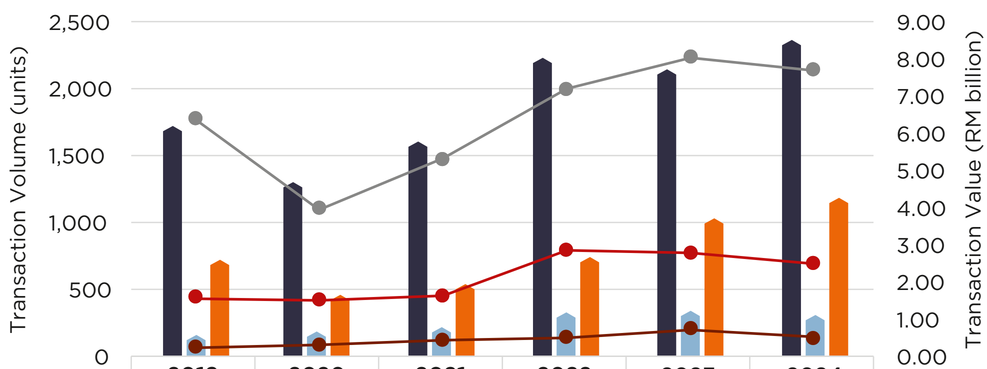
In 2024, Klang Valley recorded 2,368 transactions of ready-built factories, with a total transaction value of RM10.25 billion. This reflects a 10.4% y-o-y increase in volume and a notable 27.7% y-o-y surge in transaction value, indicating a growing trend towards larger-scale industrial deals. Terraced factories/warehouses remained the dominant segment, accounting for 60.1% of total transactions, followed by semi-detached at 23.7% and detached factories/warehouses at 13.2%, while industrial complexes/units contributed 3.1%. Industrial activity remained concentrated in the districts of Petaling with 30.0% of total transactions in Klang Valley and Klang with 27.2%, highlighting their continued prominence as key industrial hubs in the region.

In Negeri Sembilan, transaction volume declined by 11.7% y-o-y to 301 transactions in 2024, down from 341 in the previous year. Total transaction value also edged down by 1.2% y-o-y to RM0.70 billion. Terraced factories/warehouses continued to dominate the market, accounting for 60.3% of transactions, with most activity centred in Seremban. The decline in both volume and value suggests a temporary slowdown in industrial property demand, despite the state's ongoing development efforts.

Johor, on the other hand, recorded a 15.3% y-o-y increase in industrial property transactions, reaching 1,186 deals in 2024. Transaction value also grew by 19.5% y-o-y, reflecting sustained investor confidence. Semi-detached factories/warehouses led the market with a 42.4% share of transactions, followed closely by terraced factories/warehouses at 39.0%, with Johor Bahru remaining the state's key industrial hub.

Overall, Malaysia's industrial sector continues to demonstrate growth, supported by strong global demand for manufacturing, government-backed industrial initiatives, and ongoing investment activities. While Negeri Sembilan experienced a temporary slowdown, Klang Valley and Johor remained resilient, with rising transaction values highlighting a shift toward higher-value industrial property investments. Looking ahead, technological advancements, sustainability initiatives, and the development of new industrial zones are expected to be key drivers of Malaysia's evolving industrial landscape.

Chart: Transaction Volume & Value of Ready-Built Factories in Klang Valley, Negeri Sembilan & Johor, 2019-2024



	2019	2020	2021	2022	2023	2024
Volume-Klang Valley	1,722	1,270	1,604	2,233	2,144	2,368
Volume-Negeri Sembilan	155	183	217	331	341	301
Volume-Johor	724	458	534	744	1,029	1,186
Value-Klang Valley	6.37	3.94	5.33	7.20	8.03	10.25
Value-Negeri Sembilan	0.23	0.31	0.43	0.50	0.71	0.70
Value-Johor	1.55	1.50	1.63	2.85	2.78	3.32

Sources: *NAPIC, Knight Frank Malaysia Research*

Market Review and Outlook

OVERVIEW OF READY-BUILT, BUILT-TO-SUIT FACTORY DEVELOPMENT AND THE LOGISTIC SUB-SECTOR

Malaysia's industrial sector continues to experience strong growth, driven by rising global demand for manufacturing and logistics solutions, strategic government policies and the development of key industrial parks. The Klang Valley, Negeri Sembilan and Johor remain pivotal regions for industrial expansion, attracting significant investments in ready-built factories, built-to-suit developments and logistics infrastructure.

Klang Valley remains the epicentre of Malaysia's industrial and logistics market, benefiting from its strategic location, advanced infrastructure and strong connectivity. The region continues to attract high-value industrial developments, particularly in logistics, warehousing and manufacturing, catering to both local and international investors.

One of the most significant projects in the region is the Shah Alam International Logistics Hub ("SAILH"), developed by Global Vision Logistics ("GVL"). This RM2 billion green-certified logistics hub will span 71 acres, with Phase 1 featuring 2.8 million sq ft of net lettable area ("NLA"). The four-storey warehouse complex is set to become one of Malaysia's largest logistics hubs, further strengthening Shah Alam's reputation as a premier industrial corridor.

In addition, the Sime Darby Property Bhd and LOGOS SE Asia ("SDPLOG") Industrial Development Fund, closed above RM1 billion in May 2024, will catalyse new developments in logistics, e-commerce and cold-chain sectors. The increasing demand for built-to-suit facilities is also evident, with new customised industrial and logistics spaces being developed to cater to third-party logistics ("3PL"), e-commerce players and advanced manufacturing industries.

Furthermore, DHL Express has significantly expanded its operations in the Klang Valley with a €60 million (RM300 million) fully automated sorting facility at KLIA, which is three times larger than its predecessor. This facility is expected to handle four times the shipping volume, serving as a key cross-border trade hub for Southeast Asia while integrating sustainable solutions such as solar panels and energy-efficient systems.

Negeri Sembilan has emerged as a strategic extension of the Klang Valley, benefiting from proximity to key transport networks and ongoing industrial expansion projects. The state is attracting new investments in logistics, advanced manufacturing and green industrial parks, reinforcing its position as an alternative industrial hub.

One of the state's most prominent developments is the SPD Tech Valley in Senawang, a 523-acre managed industrial park with a gross development value ("GDV") of RM3 billion. It is set to become the first LEED for Cities and Communities Gold-certified industrial park in Southeast Asia, emphasising Environmental, Social and Governance ("ESG") compliance. The project's first phase will span 285.25 acres, offering industrial lots and ready-built detached factories, with full completion expected within ten years.

Another significant investment in Negeri Sembilan is Dutch Lady Milk Industries Bhd's RM540 million halal manufacturing hub at Bandar Enstek. This 13.2-hectare facility is designed to triple production capacity, doubling the number of production lines from eight to sixteen, while incorporating a distribution centre and R&D facility. This project strengthens Negeri Sembilan's role as a manufacturing hub for the food and beverage ("F&B") sector.

To further support industrial expansion, Negeri Sembilan has also introduced favorable policies for industrial developments, with incentives under the Integrated Development Region in South Selangor ("IDRISS"), which will drive additional built-to-suit factory developments and logistics infrastructure to cater to diverse industries.

Johor has solidified its position as a key industrial and logistics hub in Southeast Asia, attracting major investments in renewable energy ("RE"), high-tech manufacturing and green industrial parks. The state continues to witness strong growth in ready-built and built-to-suit factory developments, particularly within the Iskandar Malaysia and Pengerang industrial zones.

UEM Group Bhd, in collaboration with Itramas Corp Sdn Bhd and Hexa Renewables, is spearheading a 1GW hybrid solar photovoltaic power plant integrated with a Renewable Energy Industrial Park. The first phase includes a 500MW hybrid solar plant, while UEM Sunrise Bhd and China Machinery Engineering Corp are developing a 40-acre RE industrial park in Gerbang Nusajaya, designed to attract Chinese manufacturers and suppliers in the renewable energy ("RE") and electric vehicle ("EV") sectors.

Other key industrial developments in Johor include Paragon Globe Bhd's collaboration with Solarvest Holdings Bhd to establish a solar-ready factory and green industrial township in Johor Bahru. This 141-acre project is expected to generate 12.5MWp of renewable energy, positioning it as one of Johor's most energy-efficient industrial townships. Additionally, Iskandar Waterfront Holdings ("IWH") and PLS Plantations Bhd have partnered with Shenzhen Shenyue Joint Investment Co Ltd ("SSJI") to develop a 1,000-acre Johor-Shenzhen Industrial Park in Ulu Sedili, creating a fully integrated industrial and innovation hub.

The manufacturing sector in Johor is also experiencing significant expansion, with Masimo Medical Technologies Malaysia investing RM100 million to establish a medical device production facility in Pasir Gudang, capable of producing 100 million devices annually. Similarly, JLand Group Sdn Bhd and ALPS Global Holding Bhd are developing BioValley in Sedenak, a 500,000 sq ft biotechnology hub within Ibrahim Technopolis ("IBTEC"), further enhancing Johor's high-value industrial ecosystem.

In the logistics sector, Senai Airport City Sdn Bhd ("SACSB") has signed an agreement with Chenbro Malaysia Sdn Bhd, a subsidiary of Taiwan-based Chenbro Micom, to develop 15.1 acres of industrial land within Senai Airport City Free Industrial Zone. Additionally, Johor Corporation ("JCorp"), through JLand Group, has expanded container operations at Tanjung Langsat Port, further strengthening Johor's logistics infrastructure and its role within the Johor-Singapore Special Economic Zone ("JS-SEZ").

The industrial property market in Malaysia continues to demonstrate resilient and robust demand, with transaction volumes recording a CAGR of 7.0% over the past six years since 2019, averaging approximately 7,075 transactions annually. This sustained growth is underpinned by factors such as technological advancements, supply chain realignments, and the increasing focus on sustainability initiatives.

As shown in the table below, industrial property transaction volume have been on an upward trajectory, rising from 6,261 units in 2019 to 8,783 units in 2024. In tandem, the total value of transactions has grown significantly, from RM14.85 billion in 2019 to RM27.86 billion in 2024, reflecting strong investor confidence and heightened activity within the sector.

Table: Transaction Volume and Value for Industrial Properties in Malaysia, 2019-2024

Year	2019	2020	2021	2022	2023	2024
Volume (units)	6,261	4,758	5,595	8,082	8,157	8,783
Value (RM mil)	14,845.67	12,763.30	16,964.38	21,164.22	23,937.70	27,863.45

Sources: *NAPIC, Knight Frank Malaysia Research*

As global supply chains continue to evolve, Malaysia remains well-positioned to attract high-value manufacturing and logistics investments. The country's strategic location, supportive policies and investment-friendly ecosystem make it a preferred destination for multinational corporations ("MNCs") and logistics players. Looking ahead, the continued development of green industrial parks, smart logistics hubs and high-tech manufacturing facilities will further strengthen Malaysia's industrial sector, ensuring long-term economic sustainability and global competitiveness.

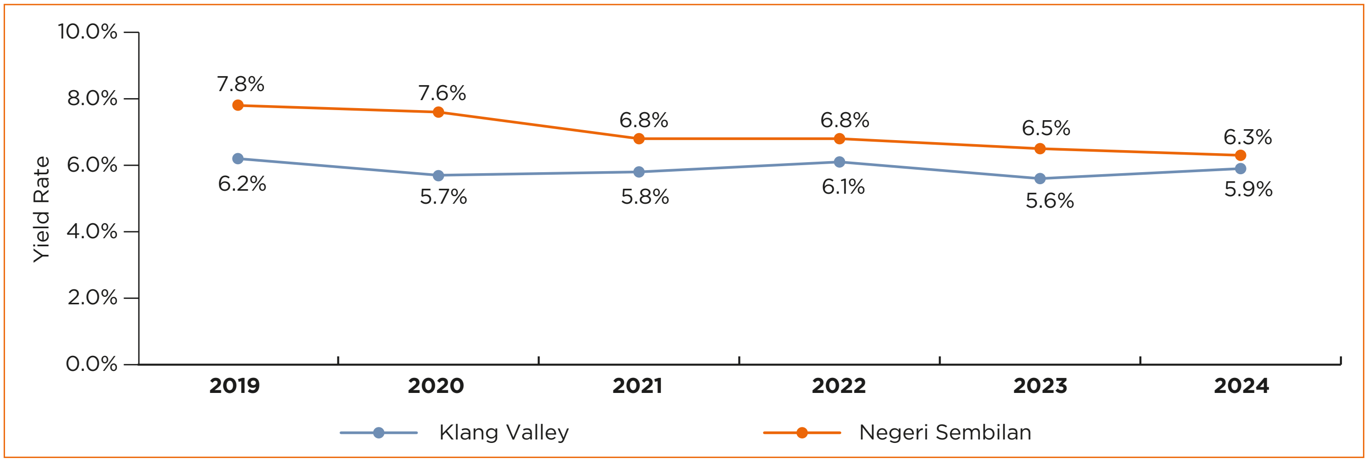
HISTORICAL YIELD TRENDS

The industrial property sector in Malaysia has remained resilient, with yields demonstrating relative stability over the past six years. In Klang Valley, industrial yields have ranged between 5.6% and 6.2%, reflecting steady investor interest in logistics and manufacturing assets. Yields edged up slightly to 6.1% in 2022, likely driven by growing demand for well-located warehousing and logistics facilities amid the growth of e-commerce and supply chain diversification, before easing to 5.6% in 2023 and recovering marginally to 5.9% in 2024.

In Negeri Sembilan, industrial yields have consistently been higher, averaging between 6.3% and 7.8%. The region has attracted increasing investments, particularly in large-scale logistics and industrial parks, benefiting from its proximity to Klang Valley and its strategic location within the regional supply chain network. Yields held steady at 6.8% in both 2021 and 2022, before tapering slightly to 6.5% in 2023 and 6.3% in 2024. Despite some fluctuations, industrial assets in Negeri Sembilan continue to offer relatively higher yields compared to Klang Valley, underpinned by a growing number of manufacturing and logistics developments.

Overall, the industrial property sector remains one of the most attractive asset classes, supported by strong demand from logistics operators, manufacturers and third-party logistics ("3PL") providers. While yields in both Klang Valley and Negeri Sembilan have shown stability, rental growth potential remains positive, particularly for high-specification warehouses, cold storage and sustainable industrial developments. Moving forward, yield compression may occur in prime locations due to heightened competition for quality assets, but secondary markets and built-to-suit facilities are expected to maintain strong investor appeal.

Chart: Historical Yield Trends for Industrial Properties, 2019-2024



Sources: *Respective REITS Annual Report, Knight Frank Malaysia Research*

MARKET OUTLOOK

Malaysia's industrial sector continues on a strong growth trajectory, supported by robust foreign and domestic investments, the expansion of key sectors such as manufacturing, logistics, and renewable energy, as well as strategic government initiatives that strengthen the country's position as a leading industrial and logistics hub in Southeast Asia. The increasing demand for ESG-compliant industrial parks, advanced manufacturing facilities and AI-powered logistics hubs is reshaping the landscape, while government-backed policies such as the New Industrial Master Plan ("NIMP") 2030, the National Energy Transition Roadmap ("NETR"), and the Johor-Singapore Special Economic Zone ("JS-SEZ") are expected to further drive growth in high-value industries.

The Klang Valley remains Malaysia's industrial epicentre, benefiting from world-class infrastructure, strong connectivity and a well-established logistics network. The region continues to attract high-value industrial developments, particularly in logistics, warehousing and advanced manufacturing, as e-commerce, third-party logistics ("3PL") providers and technology-driven industries expand their presence. Investor appetite for prime industrial spaces remains strong, with steady demand pushing up transaction volumes and values. The influx of new large-scale industrial parks and built-to-suit logistics hubs is expected to increase market competition, which may lead to short-term price adjustments.

Real Estate Investment Trusts ("REITs") are also playing an increasingly important role in the industrial sector. With institutional-grade industrial assets becoming scarcer, REITs such as Axis REIT are shifting their focus to redevelopment opportunities and repurposing underutilised industrial sites to unlock value. As the market continues to evolve, yield-accretive industrial properties and logistics-focused REITs are expected to remain attractive investment options. Looking ahead, Klang Valley's industrial property sector is well-positioned to capitalise on strong demand for high-quality logistics and manufacturing spaces, driven by sustainability initiatives, technological advancements and growing regional trade activity.

Johor is undergoing a major transformation as a high-growth industrial hub, attracting FDI in logistics, green technology, high-tech manufacturing and smart industrial parks. The state has solidified its role as a key gateway for cross-border trade, with the establishment of the Johor-Singapore Special Economic Zone ("JS-SEZ") set to further boost industrial activity. The JS-SEZ is expected to enhance bilateral trade, industrial collaboration and economic integration with Singapore, creating a seamless ecosystem for advanced industries, logistics and investment opportunities. Key industrial zones such as Iskandar Malaysia, Senai Airport City and Pengerang Integrated Complex are benefiting from large-scale infrastructure enhancements, reinforcing Johor's position as a regional industrial powerhouse. The demand for ready-built and built-to-suit industrial facilities continues to rise, particularly in sectors such as renewable energy, electric vehicles ("EV"), biotechnology and artificial intelligence ("AI")-powered logistics.

Despite its rapid industrial expansion, Johor faces challenges related to high water and energy consumption, which could impact long-term sustainability. Strategic collaborations between the government and private sector will be necessary to promote renewable energy adoption, implement water conservation measures, and optimise industrial land use. With its focus on green energy projects, AI-powered industrial ecosystems, and cross-border trade collaborations, Johor is well-positioned to attract global investors and reinforce its status as a leading industrial hub in Southeast Asia.

Negeri Sembilan is emerging as an alternative industrial destination, benefiting from cost-competitive industrial land, proximity to Klang Valley and improving infrastructure. The state continues to attract logistics, food manufacturing and high-value industries, supported by government-backed incentives under MVV 2.0 and the Integrated Development Region in South Selangor ("IDRISS"). Looking ahead, Negeri Sembilan is expected to see increased investment in built-to-suit factory developments and smart logistics hubs, further enhancing its long-term industrial growth potential.

The Malaysian industrial market is witnessing several key trends, including the rise of ESG-driven industrial developments, increasing demand for AI-powered logistics hubs and supply chain realignments driving trade diversification. Green-certified logistics hubs, integrating solar energy, energy-efficient technologies and sustainable supply chain solutions, are becoming top investment priorities, attracting global tenants seeking sustainability-driven real estate solutions. The emergence of AI-powered supply chains, smart warehouses and digital logistics hubs in Klang Valley and Johor is further positioning Malaysia as a key player in the evolving global supply chain.

Looking ahead, Malaysia's industrial market is expected to remain on a strong growth trajectory, with key states leading the way in logistics expansion, high-tech manufacturing growth and sustainable industrial development. While challenges such as global economic uncertainty, rising energy costs and land price inflation remain, Malaysia's pro-business policies, strategic infrastructure investments and ESG-driven initiatives will continue to attract high-value industrial investments. The growing emphasis on green industrial parks, AI-integrated logistics hubs and high-tech manufacturing ecosystems will further reinforce Malaysia's position as a regional leader in industrial real estate, ensuring long-term economic resilience and competitiveness.

DATA CENTRE PROPERTY SECTOR

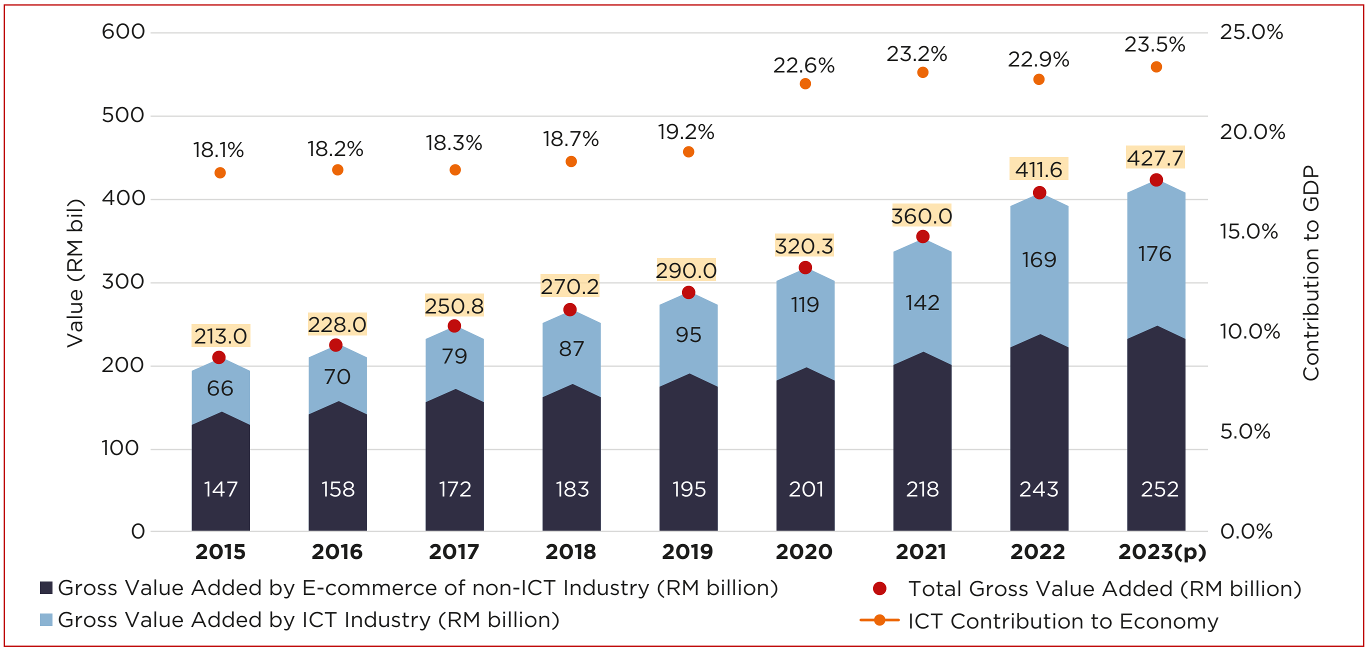
MARKET OVERVIEW

Malaysia has attracted RM163.6 billion in digital investments for the entirety of 2024, which is approximately 3.5 times the approved digital investments for the entirety of 2023, which is RM46.8 billion. The digital investments encompass investments from data centres, cloud companies, information technology ("infotech") and global business services companies.

The Digital Services industry is one of the fastest growing industries in Malaysia. According to the Department of Statistics Malaysia ("DOSM"), the Information and Communication Technology ("ICT") contribution to the economy increased from 22.9% in 2022 to 23.5% in 2023 with the value increased by 3.9%, from RM411.6 billion to RM427.7 billion. ICT industry refers to the industries which produce ICT products as primary activities, including ICT manufacturing, trade, services as well as content and media.

The expansion of the digital services industry has driven job creation, as reflected in the 1.6% increase in employment within the ICT sector to 1.24 million persons in 2023, representing 7.8% of total employment in the country.

Chart: Malaysia – ICT and E-commerce Contribution to Economy, 2015-2023(p)



Source: *ICT Satellite Account, Department of Statistics Malaysia ("DOSM"), Knight Frank Malaysia Research*
Note: *(p) = preliminary*

OVERVIEW OF DATA CENTRE SECTOR IN MALAYSIA

In the recent released Knight Frank SEA-5 Data Centre Opportunity Index, Malaysia continues to secure the top position, solidifying its status as a leading data centre hub in Southeast Asia. Malaysia outperformed other countries in the region, recorded significant take-up of 429MW, which was 4.6 times more than the next highest market of Indonesia of 93MW take-up.

Malaysia's strong market demand is largely driven by robust take-up in Johor, which contributed 368.0MW, followed by the Klang Valley with 29.5MW and the remaining 31.1MW coming from Negeri Sembilan and Sarawak. Furthermore, the government's ongoing efforts in strengthening digital infrastructure, swift action in rolling out the development and sustainability guidelines as well as formulating investor friendly policies are amongst the key factors that drive the market demand.

Table: Knight Frank SEA-5 Data Centre Opportunity Index

Rank 2024	Market	Take Up per annum (MW)	2025 GDP Growth Forecast
1	Malaysia	429	5.5%
2	Indonesia	93	5.2%
3	Thailand	31	3.5%
4	Philippines	1	7.5%
5	Vietnam	3	7.0%

Source: *Data Centre Research Report Malaysia, Knight Frank Malaysia Research, December 2024*

As of 2024, Malaysia has a total of 54 operational data centres with a combined estimated IT capacity of 504.9MW. Johor and Klang Valley remain the key locations for data centre investments. In terms of the number of facilities, Klang Valley leads with 37 operational data centres, followed by Johor with 12 facilities. The remaining data centres are located in Penang (3 data centres) and Sarawak (2 data centres).

In terms of IT capacity, Johor leads with 396.9MW in operation as of the end of 2024, followed by Klang Valley at 107.0MW. In contrast, Sarawak and Penang have significantly lower deployed capacities at 0.6MW and 0.4MW, respectively.

There are 61 new data centres in the pipeline, with a total estimated IT capacity of 1,313.0MW. This includes both under-construction and committed data centres, where the latter refers to facilities that have secured approvals from relevant authorities. Once these data centres are fully operational, the nation's total IT capacity is expected to expand by 2.5 times, reaching approximately 1.8GW.

In terms of geographical distribution, Johor dominates future developments, with 28 new data centres contributing to an estimated IT capacity of 898.7MW, accounting for 68.4% of the total future supply. Klang Valley follows, with 28 new data centres expected to add 378.5MW to the market, accounting for 28.8% of the total future supply.

Additionally, interest in data centre development is expanding into Negeri Sembilan, Kedah, and Sarawak. Collectively, these regions will see the addition of five new data centres, offering a combined IT capacity of 35.8MW.

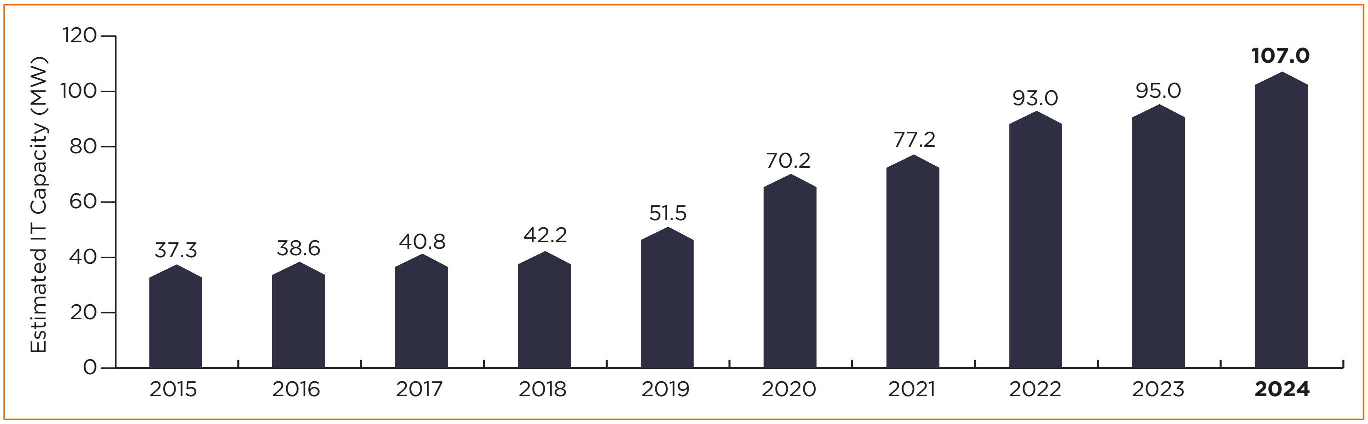
DATA CENTRE IN KLANG VALLEY

The following chart shows the cumulative supply of operational data centre by IT capacity in Klang Valley, from 2015 to 2024.

As of 2024, the operational supply of data centre capacity in Klang Valley is 107.0 MW IT power, contributed by 37 data centres. This represents 21% of the total operational IT capacity in Malaysia. In Klang Valley, the growth of data centre supply is generally segregated into two phases, of which slower growth recorded between 2015 and 2019, at a CAGR of 8.4%, averaging at 3.5 MW per annum.

The onset of the COVID-19 pandemic in 2020 has accelerated digital adoption, driven by the increased demand for secured data storage beyond onsite facilities. This surge acted as a catalyst for the data centre industry, alongside the increasing demand for Artificial Intelligence ("AI")-driven workloads from 2023 onwards. This led to exponential growth between 2019 to 2024, with the operational IT capacity of data centre growing at a CAGR of 15.8%, averaging at 11.1MW per annum.

Chart: Cumulative Supply of Live IT Power in Klang Valley



Sources: *DC Byte, Knight Frank Malaysia Research*

As of 2024, the identified future supply of data centre capacity in Klang Valley is 378.5 MW IT power, contributed by 28 data centres that are currently in various stages of construction and 8 existing data centres.

It is to note that data centre players typically follow a built-to-demand strategy, where new IT power within existing developments is deployed only after strong uptake in earlier phases. As a result, future data centre supply consists solely of under-construction and committed IT capacity, which may be implemented within existing facilities or newly developed ones.

Table: Klang Valley - Distribution of Future Supply by Stage of Development

Stage of Development	No. of Data Centres	Est. Future IT Capacity (MW)
Existing Data Centre	8	48.9
Under construction Data Centre	28	329.6
Total		**378.5**

Sources: *DC Byte, Knight Frank Malaysia Research*

NOTABLE COMMITTED INVESTMENTS

Over the past year, Malaysia has emerged as a preferred investment destination for tech giants, including Microsoft, Google, Amazon Web Services ("AWS") and Oracle. Collectively, these companies have announced a total investment of USD23.3 billion in cloud and artificial intelligence ("AI") cloud infrastructure developments across the country. The country also remained as a favourable location for data centre establishment for international data centre operators, either via direct investments or joint venture with the local players.

In May 2024, Microsoft announced USD2.2 billion over the next four years as part of the company's effort in supporting Malaysia's digital transformation. The investment encompasses building cloud and AI infrastructure, creating AI skilling opportunities and supporting the growth of Malaysia's developer community. It was also worth noting that the US-based tech giant reported to acquire lands in Johor for data centre developments.

In the same month, Sime Darby Property entered into an agreement with Pearl Computing Malaysia Sdn Bhd for the construction and lease of the first data centre development at Elmina Business Park, scheduled for completion in 2026. In November 2024, both parties signed a second collaboration agreement for another data centre in Elmina Business Park Phase 2, set for completion in 2027. Collectively, the rental income from these agreements is expected to be RM7.6 billion.

Another tech giant, Amazon Web Services (AWS) announced the launch of AWS Asia Pacific (Malaysia) Region, and long-term investment plan worth USD6.2 billion through 2038. The construction and operation of the new AWS data centre is estimated to generate about USD12.1 billion to the country's gross domestic product. In October 2024, Oracle announced plan to open a cloud region in Malaysia via investment of more than USD6.5 billion in the country.

Notable data centre investments remained concentrated in Klang Valley and Johor, with Kedah and Sarawak as emerging locations. In Klang Valley, Mah Sing Group Bhd is making its maiden entry into the data centre sector by launching Mah Sing DC Hub @ Southville City in partnership with Bridge Data Centres ("BDC") in May and October 2024. For these two partnerships, Mah Sing will contribute and reserve approximately 52.2 acres of land for a data centre with a planned capacity of up to 300MW. Jakel Group is partnering with PiDC Holding Bhd to build a 51MW data centre in Cyberjaya worth RM1.2 billion. The data centre will be a Tier III facility spanning a 7.3-acre site in Cyberjaya.

In February 2025, Eco World Development Group Bhd entered into two agreements with Pearl Computing Malaysia Sdn Bhd. The first agreement relates to the disposal of 58 acres of leasehold land for RM266.1 million, while the second agreement is for the construction and lease of the shell and core of data centres and associated structures on a separate 92.4-acre site at Eco Business Park 5. The lease agreement has an initial term of 20 years, with an option to renew for up to 10 additional years.

THE ENVIRONMENTAL, SOCIAL & GOVERNANCE ("ESG") ASPECTS OF DATA CENTRES

Balancing investment growth and sustainability has become a critical focus for data centres worldwide, not only Malaysia. In the developed countries with mature data centre market, the increasing demand for AI-powered data centres has raised concerns about their environmental impact.

The Malaysian government recognises this challenge and is taking steps to promote sustainable data centre practices. This includes sustainable developing guidelines released in December 2024 that incorporate key performance metrics such as Power Usage Effectiveness ("PUE"), Water Usage Effectiveness ("WUE"), and Carbon Usage Effectiveness ("CUE"). These guidelines aim to encourage energy-efficient operations, reduce water consumption, and lower carbon emissions. In addition, the requirements outlined in the guidelines also act as the key conditions for eligibility of tax incentives under the Digital Ecosystem Acceleration ("DESAC") scheme.

In addition, the guidelines of Corporate Green Energy Support Scheme ("CRESS") which were announced in September 2024 is an initiative that enables companies to purchase renewable energy from energy producers. The CRESS aims to encourage the adoption of renewable energy among corporate entities in Peninsular Malaysia. This initiative allows participants to supply or procure electricity via open access to the grid network, with charges for system access set in advance.

CRESS represents the Malaysian Government's latest step towards achieving a 70% renewable energy share in the national capacity mix by 2050. Previous programmes contributing to this goal include the Corporate Green Power Programme ("CGPP"), Large Scale Solar ("LSS") initiative, and the Net Energy Metering Scheme.

The private sectors have been actively pursuing sustainability initiatives, utilising technology, integrating renewable energy, and employing other methods to reduce their carbon footprint and improve operational efficiency.

MARKET OUTLOOK

The digital economy's rapid expansion, projected to account for 25% of the country's gross domestic product ("GDP") by 2025, fuels the demand for data centres. Initiatives like the Digital Ecosystem Acceleration ("DESAC") announced in Budget 2023 and the National IoT Strategic Roadmap highlight the government's focus on fostering a thriving digital environment. This focus translates into increased data generation and processing needs, further driving the demand for robust data centre infrastructure.

Government policies play a crucial role in shaping the data centre market. The National Cloud Policy, along with budget initiatives focused on data protection, digital infrastructure, and SME digitalisation, create a supportive regulatory landscape. These policies encourage investments, enhance data security, and promote the growth of the digital economy, all of which contribute to the expansion of the data centre market.

Malaysia has emerged as a key destination for data centre investments, with several major projects in the pipeline. Notable developments include Pearl Computing Malaysia Sdn Bhd's data centres at Sime Darby Property's Elmina Business Park Phase 1 and Phase 2, Amazon's facilities in Bukit Jalil and Negeri Sembilan, and Microsoft's data centres in Johor, along with other large-scale projects by international data centre operators. These investments are set to greatly expand capacity, strengthen connectivity, and meet the increasing demands of AI and cloud computing.

The projected addition of four submarine cables by 2027, coupled with the reinstated cabotage exemption and investments from tech giants on artificial intelligence infrastructure in the country, signal robust growth in connectivity and capacity. These developments are crucial for supporting the increasing data consumption and computational needs of businesses and individuals.

Despite strong growth projections, the uncertain landscape of global trade, including export controls on AI chips, may impact the data centre industry. Regulatory changes from key markets, such as the United States, could affect supply chains and the availability of high-performance processors. While the full impact remains unclear, Malaysia's strong semiconductor sector and efforts to enhance its role in the global supply chain may help navigate these uncertainties. Industry stakeholders are closely monitoring developments to assess their long-term effects on data centre growth.

Overall, the data centre market outlook is expected to be stable, underpinned by strong digital economy growth, supportive government policies, and increasing investments in digital infrastructure and renewable energy. Malaysia's focus on sustainability in data centres aligns with global trends, fostering investor confidence and positioning the country as a responsible digital hub. Moving forward, it is anticipated that the government will take an adaptive approach in its approach to the industry, fostering an investor-friendly environment through regulations, guidelines, and policies that balance sustainability and technological growth.

KEY REGULATORY DEVELOPMENTS IN 2024

The table below include a range of initiatives and regulations announced by the Malaysia government, with the aim to stimulate the property market and support low- and middle-income groups.

Initiatives/Regulations	Description
Residential	
Housing Credit Guarantee Scheme ("HCGC")	RM10 billion has been allocated under the HCGC. Under the scheme, eligible first-time home buyers can get government-guaranteed loans of up to RM500,000 to purchase homes. It is expected to benefit over 20,000 Malaysians. The scheme involves the purchase of low- and medium-cost houses whether under construction or completed, as well as existing houses from sellers or auction houses. Over 57,000 home buyers have already benefited from government guarantees under the HCGC, as RM12.8 billion has already been disbursed. Previously, the maximum financing was set at RM300,000.
Tax Relief for Home Buyers	Tax reliefs have been introduced for the purchase of residential properties that can be claimed for three consecutive assessment years for sale and purchase agreements completed between 1 January 2025 and 31 December 2027. The tax relief will be based on the price of the property: • For properties priced up to RM500,000, a tax relief of up to RM7,000 is offered. • For properties priced between RM500,000 and RM750,000, a tax relief of up to RM5,000 is offered.
Affordable Housing	RM900 million has been allocated to implement 48 People's Residency Programmes ("PRR") and 14 Rumah Mesra Rakyat ("RMR") projects. This includes new PRR developments in Port Dickson and Seberang Perai Tengah. 30 PRRs are expected to be completed by the end of 2025, benefiting almost 17,500 new residents.
Maintenance and Upgrades	RM200 million has been allocated for the maintenance of low and medium-cost public strata homes, including the replacement of outdated elevators in People's Housing Projects ("PPRs"). RM84 million has been allocated to upgrade basic and social facilities in Chinese New Villages. Almost RM100 million have been allocated to upgrade 48 Madani Public Parks to include recreational areas with serene and comfortable landscapes for the use of urban and small-town communities.

Initiatives/Regulations	Description
Retail	
Expansion of Sales Tax Scope	Sales tax exemption will be maintained on essential food items. Sales tax will be levied on non-essential items such as imported premium goods, from 1 May 2025. Examples provided in the Budget speech were avocados and salmon.
Excise duty on sugar-sweetened beverages ("SSB")	The excise duty for SSB will be increased in phases from 1 January 2025. The sugar tax is applicable at the rate of RM0.40 per litre on SSB, where the total sugar content of the beverage exceeds 5 grams/100 ml.
Cash Assistance	Recipients of the *Sumbangan Tunai Rahmah* ("STR") under the Household category will receive RM100 per month starting from April 2025. Recipients under the Single category will receive STR of RM600 per month.
Minimum Wage Rate	The minimum wage rate will be increased from RM1,500 per month to RM1,700 per month with effect from 1 February 2025. For employers with fewer than five employees, the new minimum wage rate will take effect from 1 August 2025.
Industrial	
Investment Incentive Framework ("IIF2025")	A strategic initiative to revolutionise Malaysia's investment climate by offering incentives for modern services sectors such as AI, robotics, IoT, and FinTech. Includes RM1 billion strategic investment fund, tax incentives for MNCs, and initiatives to enhance domestic supply chains.
Johor-Singapore Special Economic Zone ("JS-SEZ")	In January 2024, Malaysia and Singapore signed a Memorandum of Understanding to establish the JS-SEZ in Johor. This initiative aims to attract global investments by offering streamlined administrative procedures and favourable business incentives, focusing on sectors such as manufacturing, aerospace, tourism, energy and healthcare. The zone is projected to create 20,000 skilled jobs and attract 50 projects within five years. Aims to enhance industrial trade, cross-border logistics, and economic collaboration between Johor and Singapore. Attracts high-value manufacturing investments, particularly in electronics, AI, and renewable energy industries. To spur the growth of JS-SEZ, the Government will provide special incentives to attract quality investments and offer high-value jobs. These special incentives will be announced by the end of this year.
Forest City Special Financial Zone ("FCSFZ")	Incentives announced previously and reiterated in the Budget Speech: • Forest City has been approved as a duty-free island to encourage tourism activities and support the local economy. • A tax incentive package for the Forest City Special Financial Zone ("FCSFZ") was announced to stimulate financial services such as financial global business services and fintech. • The Single-Family Office ("SFO") was launched for FCSFZ to attract regional and Malaysian families to manage their family wealth from Malaysia. • The Securities Commission Malaysia ("SC") will act as the approving authority for the granting of Residence and Employment Passes for the Family Offices' Founding Family Investors and investment professionals. New announcements: • Invest Malaysia Facilitation Centre-Johor ("IMFC-J") is currently being established to facilitate investments in FCSFZ and reduce bureaucracy in order to expedite approvals.

Initiatives/Regulations	Description
Energy Exchange Malaysia ("Enegam")	Launched in April 2024, Enegem is a platform designed to facilitate the cross-border trade of green electricity within the ASEAN region. This aligns with global sustainability efforts and aims to integrate regional power systems, enhancing Malaysia's role in renewable energy distribution.
New Investment Incentive Framework ("NIIF")	The government allocated RM1 billion (approximately USD228 million) for the NIIF, aiming to attract foreign investment in high-value activities. This framework is set to be implemented in the third quarter of 2025.
Data Centre	
Malaysia Digital Economy Blueprint ("MyDigital")	Launched in 2021, MyDIGITAL is an initiative to transform Malaysia into a digitally enabled and technology-driven high-income nation, as well as a regional leader in the digital economy. Key initiatives include the National Fourth Industrial Revolution ("4IR") Policy and Industry4WRD, which aim to accelerate digital transformation, industry transition, and supply chain optimisation.
National IoT Strategic Roadmap	The objective of the National IoT Strategic Roadmap, launched in 2015, is to create an ecosystem that promotes the application of IoT, catalysing economic growth, with a target to contribute RM42.54 billion to the gross national income of Malaysia by 2025.
Digital Ecosystem Acceleration ("DESAC") scheme	DESAC is a Malaysian initiative led by MIDA to attract digital investments and enhance the country's digital ecosystem. It supports Digital Technology Providers ("DTPs") and Digital Infrastructure Providers ("DIPs") with incentives like tax allowances, aiming to position Malaysia as a regional data hub while aligning with its net-zero goals.
Data Centre Planning Guidelines	PLANMalaysia released a comprehensive data centre planning guidelines in October 2024. The guidelines outlined the criteria for site selection, zoning and development procedures for the development of data centre in new areas as well as in existing buildings. The standardise processes and criterion will be able to lay a clear and solid ground on the requirements as well as streamline the development process.
Green Lane Pathway by Tenaga Nasional Bhd	Tenaga Nasional Berhad ("TNB") launched the Green Lane Pathway in August 2023 to expedite electricity supply for data centres, reducing implementation timelines from 36–48 months to just 12 months, a significant boost to operational readiness.
Data Centre Sustainable Development Guidelines	The Ministry of Trade and Investment ("MITI") released the data centre sustainable development guidelines in December 2024, provides a framework for development and operation of sustainable data centres in Malaysia. The guideline outlined the key measurement of power usage efficiency ("PUE"), water usage efficiency ("WUE") and carbon usage efficiency ("CUE") for a sustainable data centre. In additions, the requirements outlined in the guidelines also act as the key conditions for eligibility of tax incentives under the Digital Ecosystem Acceleration ("DESAC") scheme.
Reinstatement of cabotage exemption for undersea cable repair	Effective June 2024, the Malaysian government reinstates cabotage exemption allowing foreign vessels to conduct laying, maintenance and repairs of submarine telecommunication cables in Malaysian waters. Following its revocation in November 2020. This move is to ensure faster and more efficient connective repairs which is seen as a critical move to facilitate digital investment to the country.
Corporate Renewable Energy Supply Scheme ("CRESS")	CRESS was introduced in 2024 as efforts to support renewable energy adoption by corporations. This scheme is an initiative that allows participants to supply or procure electricity via open access to the grid network with charges for system access set in advance. This is expected to enable data centres to meet sustainability goals while aligning with global environmental standard.

Market Review and Outlook

BRIEF MARKET OVERVIEW OF LONDON, UK

ECONOMIC OVERVIEW

In the fourth quarter of 2024, the United Kingdom's GDP grew by 0.1%, following zero growth in the previous quarter. GDP expanded by 0.9% y-o-y compared to 2023.

The Consumer Prices Index ("CPI") rose by 2.5% in the 12 months to December 2024, slightly down from 2.6% in November. The largest upward contributions came from housing and household services, particularly owner occupiers' housing costs, which increased by 8.0% over the same period.

On 6 February 2025, the Bank of England's Monetary Policy Committee reduced the base interest rate by 0.25 percentage points to 4.5%, aiming to stimulate the economy amid revised growth forecasts. The committee noted that the pace of future rate cuts will depend on evolving economic conditions, including changes in tariffs, fiscal policy changes, and labour market trends.

As the UK approaches the fifth anniversary of its departure from the European Union, analyses indicate that the economy has faced challenges. The National Institute of Economic and Social Research estimates that real GDP is approximately 2.0% to 3.0% lower than it would have been had the UK remained in the EU, primarily due to reduced trade and productivity.

In the housing market, major banks such as Nationwide and Barclays have introduced mortgages with rates below 4%, sparking a new competitive phase in the mortgage market. Nationwide launched a 3.99% five-year fixed rate for existing and remortgaging customers, while Barclays offers a 3.96% five-year fixed rate for Green Home mortgages.

PROPERTY MARKET OVERVIEW

Residential: The UK housing market demonstrated resilience in late 2024, with the average house price rising by 4.6% year-on-year to £268,087 in December, according to the Office for National Statistics. Regionally, the Northeast recorded the highest growth at 6.7%, while London saw a modest 0.2% increase, bringing its average to £542,000. This upward trend was partly driven by buyers accelerating purchases ahead of anticipated stamp duty changes in April 2025. While the February 2025 interest rate cut to 4.5% supported demand, the March decision to hold rates introduced some uncertainty. Despite this, buyer activity remained steady, particularly for newly built homes, and the market is expected to gain further momentum if additional rate cuts or supportive policies are introduced later in the year.

Office: The London office market remained resilient in 4Q2024, with take-up rising to 3.3 million sq ft 9.0% higher than 3Q2024 and 16.5% above the long-term quarterly average of 2.8 million sq ft, driven largely by demand for new and refurbished space. In the West End, take-up reached 1.1 million sq ft, with prime rents increasing to £160 per sq ft and investment volumes rising to £1.23 billion. The City & Southbank saw strong leasing momentum with 2.1 million sq ft of take-up and prime rents growing to £95 per sq ft, though overall investment remained below average at £730 million. Docklands & Stratford lagged, with just 77,000 sq ft of take-up and no recorded investment activity. While availability edged up to 23.9 million sq ft, the supply of high-quality space remains tight and with development peaking in 2025, a shortfall of best-in-class offices is anticipated by 2028. Stable yields and growing interest from private and overseas investors point to a gradually improving investment outlook.

Retail: The UK retail sector showed signs of stabilisation in 4Q2024, despite a mixed performance. Knight Frank's report highlighted a notable shift in rental growth, with all retail rents achieving year-on-year growth above 1.0% for the first time since 2016, marking a key recovery milestone. While weak consumer sentiment, volatile sales, and rising costs remained challenges, strong Christmas trading, rising disposable income, improving vacancy rates, and increased investment provided support. Although early 2025 optimism has softened, the sector remains resilient. Looking ahead, economic pressures and shifting consumer trends pose challenges, but strategic investments and demand for prime retail space are expected to sustain market stability.Retail warehousing led with a robust 1.9% increase, while shopping centres returned to positive territory with a 1.2% growth—growth, their first since 2017. High streets also held their ground with a 1.6% rise. These trends suggest growing consumer confidence and a cautiously optimistic outlook for the retail market.

STRATEGIC REVIEW
Operating Landscape
Global Megatrends & Opportunities

In an ever-evolving operational and market landscape, staying adaptive to megatrends and emerging opportunities is a strategic necessity. By maintaining a keen awareness of shifting market dynamics, we can anticipate challenges before they arise, harness opportunities at the right moment, and refine our approach to remain ahead of the curve. This vigilance enables us to adapt with agility, align our offerings with evolving societal needs, and future-proof our value creation prospects.

SHIFTING DEMOGRAPHICS

MARKET TREND (DESCRIPTIONS)

Population Trends Influencing the Real Estate Sector

While the world population is still growing, its composition is evolving. Having reached nearly 8.2 billion in mid-2024, the global population is expected to grow by another two billion over the next 60 years, peaking at approximately 10.3 billion in the mid-2080s. However, by the late 2070s, the number of people aged 65 and older is projected to surpass the number of individuals under 18 due to rising life expectancy and declining mortality rates.

Global trends also indicate populations are peaking in many countries and regions. Currently, two-thirds of the global population live in countries with fertility rates below the replacement level of 2.1 children per family. It is estimated that by 2100, populations in some major economies could shrink by 20 to 50 percent.

POTENTIAL IMPACT

As the world trends toward an aging society, the real estate sector must adapt to evolving housing preferences shaped by shifting demographics. The demand for smaller housing units is expected to rise, reflecting the trend toward smaller household sizes, which in turn will spur the development of high-rise residential properties.

Sustainable living for older communities is no longer just a concept but a necessity for modern housing. Future developments will need to prioritise elements such as safe and accessible walkways, proximity to healthcare facilities, commercial shop lots for essential shopping, and small garden balconies to encourage relaxation and light exercise.

Admist these demographic changes and evolving preferences, developers must diversify their offerings to cater to different segments of the market.

OUTLOOK

Shifting demographics, such as aging populations or changing household sizes, are impacting the real estate sector by influencing demand for different types of housing. As the population ages, there is a growing need for accessible, low-maintenance housing like apartments or single-story homes, while younger generations may prioritise urban, walkable locations with amenities. This demographic shift is driving the development of more diverse housing options and altering the demand in both urban and suburban markets

OUR RESPONSE

- Implementing placemaking initiatives across all townships, placing careful consideration on local community demographics, socioeconomic needs and environmental sustainability.
- Integrating multi-generational features into our product offerings, such as incorporating designs that accommodate wheelchair access. These features are showcased in developments such as TriARA, Elmina Ridge 1 and ADIRA (see below).
- Providing configurable layouts that enable seamless adaptation of living spaces to meet diverse lifestyle needs.
- Several key Sime Darby Property developments that cater to the emerging multi-generation market and older purchasers include:
  - Triara Residences in Ara Damansara, a collection of modern, flexible condominiums designed to accommodate diverse lifestyles and age groups. Blending vibrant living with thoughtfully curated amenities, Triara offers a secure and well-integrated environment that fosters multi-generational harmony.
  - Elmina Ridge 1 in the City of Elmina, a finely crafted freehold modern biophilic home that seamlessly connects residents with nature. Designed with sustainability in mind, these homes incorporate elements that promote well-being and environmental harmony, making them ideal for those seeking a tranquil yet contemporary living experience.
  - ADIRA in Bandar Bukit Raja, the first chapter of The Legacy Collection, is a residential masterpiece that balances spacious, ventilated design with the serenity of nature across 4.7 acres of lush greenery. With expansive 8-foot backyards and adaptable layouts, ADIRA is designed for multi-generational living, featuring elderly-friendly features that ensure comfort and accessibility for all.
- We also aim to capture other market segments by introducing innovative and community-centric developments. One such initiative is the First Stray Cat Park in Bandar Bukit Raja, designed to cater to the growing number of young professionals and animal-loving residents in urban areas. As demographics shift, there is increasing demand for community-based solutions to manage stray animal populations while fostering a more pet-friendly environment.

Source:
1. *Growing or shrinking? What the latest trends tell us about the world's population | UN News*

URBANISATION

MARKET TREND (DESCRIPTIONS)

The Growing Importance of Sustainable Urbanisation

Rapid urbanisation across Asia and the world remains a key trend shaping economic and social landscapes. Today, 56% of the world's population—4.4 billion people—reside in cities, and this figure is set to rise significantly. By 2050, the urban population is projected to more than double, with nearly seven out of ten people living in cities.

Asia has been at the forefront of this transformation, with urbanisation accelerating at an unprecedented pace. According to McKinsey, the share of Asia's urban population increased from 40% in 1990 to 48% in 2022, underscoring the dramatic shifts over the past three decades. This growth has been fuelled by economic expansion, industrialisation, and migration from rural areas in pursuit of better opportunities and improved living standards. As cities continue to expand, their role in driving economic development across the region will only intensify, necessitating sustainable urban planning.

POTENTIAL IMPACT

The rapid expansion of urban areas is driving increased demand for retail outlets, office buildings, and entertainment hubs, as city dwellers seek integrated developments that seamlessly combine work, living, and leisure in a single location. Proximity to public transport hubs has become a key consideration for developers, reflecting the growing preference for connectivity and convenience.

Governments are also expanding infrastructure to accommodate urban growth, creating opportunities for developers to collaborate on transit-oriented projects, utility networks, and green spaces. To meet the evolving expectations of tech-savvy urban residents, developers must also increasingly incorporate smart technology, IoT solutions, and sustainable practices into their projects. As competition intensifies in urban centres, the ability to differentiate through innovation, thoughtful placemaking, and enhanced amenities such as gyms, co-working spaces, and green areas will be crucial in shaping the future of sustainable urban living.

OUTLOOK

As urbanisation accelerates, the increasing movement of people into cities continues to drive demand for residential, commercial, and mixed-use developments. This trend fuels the need for modern housing solutions, well-planned office spaces, and essential infrastructure such as roads, schools, and healthcare facilities. In response, real estate development must evolve to meet these demands.

OUR RESPONSE

- Continued focus on launching developments and expanding initiatives that position Sime Darby Property as a leader in sustainable urban living, with the following highlights in 2024:
  - The launch of Kanopi Residences, the first high-rise development in the City of Elmina, offers modern urban living just 300 metres from Elmina Lakeside Mall. This caters to the growing preference among millennials and Gen Z for convenience, accessibility, and vibrant, integrated townships.
  - The introduction of Corak, XME Boulevards, and JUMPA underscores the Group's ability to create community-centric commercial spaces that evolve alongside increasing urbanisation. As more people move into our maturing townships, these developments provide essential retail, business, and lifestyle services, enhancing the overall liveability of our integrated townships.
  - Designed with an open-concept layout that seamlessly blends indoor and outdoor spaces, Elmina Lakeside Mall has been activated as a lifestyle hub, fulfilling the rising demand for retail, entertainment, and essential services within the township.
  - The Reya at KL East offers a harmonious blend of city living and natural surroundings, situated next to the 53-acre KL East Park and a serene Micro Forest. Featuring spacious layouts and resort-style facilities, it caters to large families, upgraders, and those seeking a distinctive home environment with expansive dual-view keystone units designed to foster social and leisure activity.
  - Through a partnership with Technogym Malaysia, Sime Darby Property is enhancing health and wellness offerings across its townships and developments, reflecting the increasing emphasis urban dwellers place on active, balanced lifestyles.
  - The Group continues to extend its reach into high-potential regions such as Negeri Sembilan, introducing landed residential offerings like Serenia Anisa in Serenia City and Emilia in Nilai Impian, catering to homebuyers looking for well-connected and sustainable living options beyond Kuala Lumpur.

Source:

1. 68% of the world population projected to live in urban areas by 2050, says UN | United Nations

ECONOMIC GROWTH

MARKET TREND (DESCRIPTIONS)

Navigating Regional Economic Trends

The regional economic outlook plays a significant role in shaping real estate market dynamics. ASEAN currently stands as the world's fourth-largest economic bloc, boasting an estimated GDP of USD4.13 trillion. According to the World Economic Forum, ASEAN's economy expanded by 4.5% in 2024, contributing 9% to global GDP growth. The region has recorded a notable 10-year CAGR of 5.0% from 2014 to 2024, with a projected growth rate of 4.7% in 2025, as forecasted by the International Monetary Fund.

ASEAN's economic growth in 2024 was underpinned by resilient domestic and external demand, spurring robust consumption, sustained investment activity, and strong exports. Looking forward into 2025, the region is poised for another solid performance driven by continued private consumption, particularly from a resurgence in retail spending on durable goods.

It is also worth noting that, according to the Asian Development Bank, ASEAN economies will require significant infrastructure investments—estimated at US$2.8 trillion from 2023 to 2030—to sustain economic growth, alleviate poverty, and effectively respond to climate change challenges. This substantial need for infrastructure resents ample opportunities for real estate players to participate in shaping urban economic development.

POTENTIAL IMPACT

In terms of the national economy, Malaysia is expected to maintain steady growth in 2025, albeit at a more moderate pace compared to 2024, as external uncertainties and slower investment momentum temper expansion. Domestic consumption will remain a key economic driver, supported by favourable labour market conditions and fiscal policies. The country's GDP is projected to grow between 4.5% and 5.5%, underpinned by ongoing project rollouts and stable export performance. Inflation, which eased to 1.8% in 2024 from 2.5% in 2023, is expected to remain manageable within the 2.0% – 3.5% range in 2025, ensuring price stability amid stable domestic conditions.

Zooming into the real estate sector, we expect the momentum from record-high foreign direct investment inflows during 2024 to carry into 2025. Infrastructure projects like MRT3 Circle Line, a 50.8 km rail network, are poised to enhance connectivity within the Klang Valley, further stimulating property demand in surrounding areas. On this note, the Klang Valley residential market demonstrated resilience in 2024, with transaction volumes rising 1.7% year-on-year to 70,310 units, while transaction values increased 4.8% to RM44.15 billion, indicating improved market activity. The steady growth provides optimism that Malaysia's real estate market will remain stable with sustained buyer demand.

OUTLOOK

The real estate sector is expected to grow in tandem with the nation's economic expansion, supported by rising domestic consumption, infrastructure development, and increased foreign direct investment. The spillover effects from rising local and foreign large-scale technology investments, particularly in the data centre and high-tech manufacturing industries, will drive further demand for industrial properties. As these investments translate into job creation, they will fuel demand for residential and commercial properties, particularly in well-connected urban centres and integrated townships.

OUR RESPONSE

- Achieved record-breaking sales of RM4.1 billion, surpassing the revised 2024 target of RM3.5 billion by 17%, reflecting strong market demand and the Group's ability to deliver products that align with evolving buyer preferences.
- Increasing gross development value ("GDV") launches to RM4.2 billion in 2024, up from RM4.0 billion in the previous year, with a well-diversified product mix catering to residential, industrial, and commercial segments.
- Strengthening our industrial portfolio, which remained a key pillar of growth, contributing RM1.2 billion (30%) of total sales. This segment saw RM1.6 billion in new launches, representing 38% of total product launches, driven by strong demand across Bandar Bukit Raja, Serenia Industrial Park, Elmina Business Park, and Nilai Impian's XME Business Park. Key developments such as BBR 3 i14 and XME Business Park 2 showcased continued investor appetite for high-value industrial assets.
- Expanding our commercial segment, with launches making up 7% of total GDV, while sales accounted for 12% of total transactions. Take-up rates for commercial products remained strong at 94% in 2024, reflecting the segment's ability to leverage economic growth and increasing consumer demand.
- Doubling planned commercial launches to 13% of total GDV (~RM500 million) in 2025, compared to 7% (RM290 million) launched in 2024, positioning the Group for further expansion in the segment.
- Operationalising Metrohub 1 and 2 within the state-of-the-art E-Metro Logistics Park, covering 1.8 million sq. ft. of net lettable area ("NLA"). With occupancy rates of 68% and 73%, the logistics park has solidified its position as a preferred hub for multinational corporations and logistics players, thanks to its modern design, strategic location, and strong connectivity.
- Entering the data centre sector with a landmark achievement, securing agreements to develop two hyperscale Data Centres ("DCs") in Elmina Business Park. This bold expansion into a high-growth asset class highlights our ability to develop, lease, and deliver world-class data centre facilities for global technology players. The 20-year leases for Data Centre 1 and 2, valued at RM7.6 billion, will contribute to recurring income growth and further diversify the Group's portfolio.

DIGITALISATION, TECHNOLOGY & INNOVATION

MARKET TREND (DESCRIPTIONS)

The Modern Advancements Shaping the Business Landscape

To stay competitive, businesses must continuously adapt to rapid technological advancements that are transforming the way companies operate. Artificial intelligence and automation are revolutionising productivity and business workflows, with autonomous systems, generative AI, and agentic AI streamlining operations and optimising decision-making. In the real estate sector, these technologies are driving smarter design, predictive analytics, and seamless customer interactions.

Advanced connectivity, powered by 5G and the Industrial Internet of Things, is enabling more integrated and efficient operations across real estate businesses. These technologies enhance property management, automate maintenance processes, and facilitate seamless connectivity between smart buildings and urban infrastructure.

Energy-efficient computing is also gaining traction, with an increasing emphasis on reducing the environmental footprint of digital operations. As businesses become more reliant on data-driven decision-making and cloud-based technologies, the need for sustainable computing solutions is growing.

POTENTIAL IMPACT

The rapid advancement of digitalisation, innovation, and technology is reshaping the real estate sector, creating opportunities for enhanced efficiency and sustainability. By embracing advanced connectivity and AI technologies, developers can provide smarter living and working environments, attracting modern tenants who prioritise convenience, automation, and sustainability.

The push for sustainability and green technology is also driving demand for eco-friendly and energy-efficient buildings. Investors and tenants increasingly seek properties that incorporate sustainable materials, smart energy solutions, and environmentally responsible designs, making sustainability a key factor in property development.

Additionally, AI, automation, and energy-efficient computing are enabling cost reductions and efficiency gains. These advancements help developers streamline construction processes, optimise resource usage, and improve energy efficiency in both residential and commercial spaces, reducing operational costs while enhancing overall property value.

OUTLOOK

Digitalisation is expected to continue evolving, profoundly shaping the real estate sector by optimising construction methods, accelerating the adoption of artificial intelligence, and streamlining processes to enhance both productivity and sustainability across the industry. To stay competitive, real estate players must embrace emerging technologies, integrate smart solutions, and continuously innovate to deliver efficient, sustainable, and future-ready developments that align with evolving expectations and advancements.

OUR RESPONSE

- Integrating Building Information Modeling ("BIM") and Procore, a leading digital construction management platform, has significantly enhanced collaboration between architects, engineers, and contractors. Implemented in 2024, this synergy strengthens project oversight, minimises errors and rework, and contributes to cost efficiency and faster project completion.
- Deploying other key digitalisation initiatives during the year, including eInvoicing and a new Customer Relationship Management ("CRM") system, has improved sales lead management and enhanced operational efficiency.
- Launching the SDP Mobile App in June 2024 has provided customers with greater convenience, allowing them to view construction stages, track progress payments, manage HOVP appointments, and submit defect reports.
- Enhancing cybersecurity measures has strengthened system security, providing employees with a more secure and seamless connection experience from any location.
- Digitalising key processes such as quality inspections and carbon emissions tracking has improved efficiency, transparency, and alignment with Net Zero ambitions. Using the Pantas system for carbon accounting, we have streamlined the digitalisation of emissions data and sustainability reporting, ensuring more effective monitoring and management of sustainability targets.
- Launched Command & Contact Centre to serve our customers by providing real-time updates, managing defect inquiries and delivering improved experience.

GROWING EMPHASIS ON ESG ACTION

MARKET TREND (DESCRIPTIONS)

Increased Stakeholder Scrutiny Surrounding ESG Performance

Amidst escalating concern for climate change impacts, there is a growing recognition of the need for companies to address not only environmental issues but also social and governance responsibilities.

As governments steadily introduce ESG-related policies and regulations, investors are likewise increasingly drawn to businesses that demonstrate strong ESG principles and a clear commitment to workplace safety and sustainability. Such companies are perceived to be better equipped to manage risks related to environmental and social challenges, including climate change, human rights concerns, and labour issues.

ESG considerations have become so influential in today's society that they are shaping the career preferences of younger generations and guiding consumer behaviour, with people more inclined to support and work with brands that reflect their values.

POTENTIAL IMPACT

Stakeholders across the property sector are increasingly raising their expectations for developments to demonstrate both environmental and social responsibility, with developers also expected to uphold high standards of corporate governance. There is now greater pressure for property players to minimise their carbon footprint by adopting energy-efficient technologies, using sustainable materials, and incorporating green design principles.

Beyond environmental impact, developments are also expected to promote social cohesion and inclusivity, reflecting a more holistic approach to sustainable urban living.

OUTLOOK

The emphasis on ESG is expected to intensify across Malaysia's property sector, driven by shifting stakeholder expectations and regulatory developments. As investors, regulators, and customers continue to place value on social responsibility, climate resilience, and ethical governance, industry players that proactively align with ESG standards will be better positioned to access green financing, attract sustainability-conscious buyers, and maintain long-term competitiveness in a rapidly evolving market landscape.

OUR RESPONSE

- Securing sustainability certifications through environmentally responsible practices, exemplified by energy-efficient developments like the Elmina Operations Office and BBRX Business Park, both achieving Provisional GreenRE Platinum certification.
- Advancing our Net Zero carbon emissions goal by 2050 through solar energy implementation, energy audits, efficiency initiatives, and green energy procurement to boost renewable energy adoption.
- Partnering with GSPARX to install rooftop solar panels across operational assets while integrating solar-powered streetlights and solar-ready homes in developments such as Bandar Bukit Raja and the City of Elmina.
- Embedding biodiversity considerations throughout all development stages guided by our Urban Biodiversity Framework and Guideline.
- Implementing biodiversity initiatives such as the Tree-to-Tree Tracker, Planting Selection Matrix, Elmina Urban Biodiversity Corridor, wetland conservation, and habitat restoration projects.
- Cultivating environmental stewardship through citizen science programmes in collaboration with NGOs and social enterprises, offering immersive educational experiences.
- Enhancing community health and well-being through accessible healthcare, fitness programmes, and preventive care, including initiatives such as affordable medical services, mobile clinics, and health screenings.
- Strengthening industry collaboration by participating in dialogues, partnerships, and forums to reinforce governance and advance sustainable development, including the 2024 National Climate Governance Summit, which featured discussions on climate risks, financial impacts, and biodiversity within the property and construction sectors.
- Evaluating climate risks across selected assets and integrating risk considerations into our business strategies, guided by TCFD and IFRS S2 climate-related disclosure frameworks.
- Strengthening supply chain resilience by developing a Responsible Supply Chain Management Framework that embeds ESG principles in procurement strategies.

Key Risks and Mitigation

In FY2024, the Group continued to operate in a complex and evolving business environment, shaped by geopolitical and trade tensions, subdued labour markets, the lifting of subsidies and rising costs across the supply chain. These factors exerted pressure on commodity prices and led to elevated construction and operating costs, impacting the operating margins for the Group.

Despite these external challenges, the Group demonstrated resilience and agility, delivering strong results over the past twelve months. This success was underpinned by the Group's adoption of a risk-aware culture and mindset, which enabled the Board and Management teams to closely monitor macroeconomic trends and local operating conditions. The Group proactively adjusted its execution strategy as needed to stay on track with its financial and non-financial targets. Further details on the key elements of the Enterprise Risk Management Framework can be found in the Statement on Risk Management and Internal Control on page 275.

While the Group's risk management framework and practices provide a structured approach to mitigating risks, it is acknowledged that certain global and industry risks are inherent, unpredictable and unavoidable. Nevertheless, the Group remains committed to continuously monitoring and minimising their potential impact in alignment with its risk appetite.

For the year under review, eleven (11) broad key risks have been identified, each with the potential to affect the Group's operations or performance. The following section provides an overview of these risks, their impact on value creation, and the mitigation strategies undertaken by the Group.

Market	Development And Product Strategy	Project Development & Execution	Safety & Health	Cybersecurity	Joint Ventures, Collaborations and Strategic Partnerships
▲	◀▶	◀▶	◀▶	◀▶	◀▶

Talent and Resource Management	Legal/Regulatory And Contractual Compliance	Competition	Climate Risk	Supply Chain and Its Related Human Rights Risk
◀▶	◀▶	▲	◀▶	◀▶

Risk trend: ▲ increased, ◀▶ no change

MARKET RISK

RISK TREND

RISK & DESCRIPTION

Macroeconomic factors may impact key aspects of our property development, investment and asset management operations, including property sales, construction, investments, divestments and leasing activities. These include factors such as geopolitical instability, a continually subdued property market due to tightening loan conditions, increased cost of borrowing, rising construction and labour costs, a shortage of skilled labour, and other supply chain disruptions that may result in higher construction materials costs. These may strain our profitability and liquidity position, impeding the achievement of our growth strategy and financial targets.

Capitals

Material Matters

Strategy

Stakeholders

IMPACT ON VALUE

Diminishing financial capital due to:

- Poor Group performance and returns on investment;
- Unsold stocks;
- Potential delay in delivery of products to customers which may result in liquidated ascertained damages ("LAD") payable to customers;
- Poor product quality;
- Prolonged deferment or delayed launches leading to weak product pipeline;
- High vacancies in investment properties;
- Tenancy defaults;
- Insufficient operational cash flow to fund projects;
- Tight capital market conditions for customers to obtain financing and for the Group to raise funds;
- Rising construction costs and prolonged sales cycles, including for landed properties, may strain working capital;
- Foreign exchange volatility could impact costs and the profitability of cross-border projects; and
- Potential double taxation due to tax law mismatches and treaty uncertainty on cross-border projects.

MITIGATION STRATEGIES

- Continued assessment and initiative realignment to manage and address changing market conditions and requirements;
- Closely monitored performance across core business units, including active profit & loss and cashflow management to ensure sufficient funding facilities;
- Launched products that are compelling and relevant to target markets, featuring the right price points and a strong value proposition;
- Detailed scrutiny, evaluation and monitoring of contractors' delivery capabilities and labour availability during the tender and delivery stage;
- Sized the market potential and leveraged market intelligence on product and service offerings for similar or comparable developments to support product viability assessments prior to launch;
- Introduced sales offers and innovative packages for new products, leveraging our strong brand name and track record;
- Continued to leverage technology and digital platforms to provide customers with a seamless end-to-end purchasing journey;
- Constructed a defensive and diversified portfolio of investment properties via strategic asset allocation principles across sectors and geographies with strong tenancy covenants and security in place;
- Implemented value engineering principles to optimise project costs without compromising quality, functionality or aesthetics;
- Deployed the "preferred contractor" scheme to enhance efficiency and reliability;
- Reduced expensive facade design to optimise cost management;
- Continued to provide affordable housing design and packages;
- Redefined our segmented approach and undertook a pricing review for unsold stocks, where required;
- Borrowed in local currencies aligned with the location of our developments or investments as a natural hedge to mitigate forex risk; and
- Continuously obtained advice from local tax consultants and utilised efficient holding structures, managed thin capitalisation compliance, and optimised capital gain tax ("CGT") strategies to prevent double taxation.

DEVELOPMENT AND PRODUCT STRATEGY

RISK TREND

RISK & DESCRIPTION

Ineffective portfolio development and project implementation in terms of product/asset type, sector, pricing, costs and market timing may result in the delivery of low-demand products to the market. This has the potential to impact our revenue, profitability and financial capital.

Capitals

Material Matters

Strategy

Stakeholders

IMPACT ON VALUE

Diminishing financial capital due to:

- Poor take-up rate of products resulting in higher holding costs;
- Poorly tenanted investment properties;
- Low profit margin or losses incurred on products;
- Loss of market share; and
- Low returns on capital due to diminished demand.

MITIGATION STRATEGIES

- Conducted rigorous review and market research to develop a business case for each new product;
- Comprehended market cycles and carefully timed product launches to ensure proper timing;
- Monitored the implementation of a 'check and balance' approach when aligning and embedding strategies along the product supply chain;
- Implemented design-to-cost principles for products to ensure target margins are protected;
- Extended strategic sourcing initiatives to reduce product cost;
- Continued to integrate the Variation of Price ("VOP") clause in tender requirements to manage price fluctuations of key construction materials. The VOP was designed to assist contractors in protecting their operational viability against price fluctuations;
- Performed Value Engineering to ensure cost optimisation for newly launched products;
- Reviewed and revised the Annual Operating Plan ("AOP"), where required, to address market changes;
- Monitored sales and leasing performance, and altered project and product parameters to suit market conditions where required (e.g. shrinking built up areas to reduce the absolute price or minimising speculative builds);
- Focused on building a diversified portfolio of both residential and industrial products that is able to weather economic and property downcycles;
- Strategically sourced construction materials to manage escalation of raw material prices, where possible;
- Bundled multiple phases into singular contracts to lower down tender prices via economies of scale;
- Conducted customer surveys at 'point of sales' to streamline provision for trending finishes, design, spatial and amenities requirements at the planning and design stage;
- Conducted 'Design Pitching' to gather the most cost-effective and demand-driven ideas for developing business cases for high profile projects;
- Begun leveraging on data insights from Command & Contact Centre ("CCC") to improve design, construction standards and plans to better meet customers' needs, enhance product quality and optimise cost efficiency;
- Performed market studies to understand market demand for sustainability elements in new products;
- Incorporated sustainable product elements in design considerations, including options such as hybrid construction; and
- Continued to monitor product mix to ensure balanced product diversification for both residential and industrial products.

PROJECT DEVELOPMENT & EXECUTION

RISK TREND

RISK & DESCRIPTION

Development projects that are not delivered on time or which fail to achieve projected returns or product quality expectations risk impacting our financial position and reputation.

Capitals

Material Matters

Strategy

Stakeholders

IMPACT ON VALUE

Diminishing financial capital and compromised intellectual capital due to:

- Additional cost for rectification/replacement, compensation, settlement, overruns and/or liquidated ascertained damages ("LAD");
- Poor product quality and late delivery of products;
- Potential expenses from claims, disputes or legal action from purchasers; and
- Potential reputational damage.

MITIGATION STRATEGIES

- Continued to enlarge our pool of competent and experienced consultants and contractors, who are backed by good track records, to support project requirements, based on a pre-qualified and pre-approved set of criteria;
- Continued to appoint preferred contractors with existing skilled workers, recycling their expertise into projects within the same geographical location;
- Implemented buy-forward initiatives to lock in contractor pricing and leverage on economies of scale;
- Assigned dedicated and experienced project teams to monitor project performance and coordinate with key stakeholders;
- Undertook continuous engagement with contractors to ensure appropriate actions are taken to mitigate any delay in the delivery of projects;
- Identified key materials facing supply disruptions and worked with vendors and contractors on supply chain alternatives, if required, to minimise disruption to projects;
- Monitored on-site labour supply closely and worked with contractors and industry associations to resolve labour supply and shortage issues;
- Increased the frequency and timeliness of quality audits and inspections at various stages of construction;
- Improved project management, cost control and procurement processes;
- Enhanced coordination between procurement processes and resources to ensure tenders, appointments and payments to contractors are made in a timely manner;
- Monitored and tracked the status of defect claims by purchasers to ensure timely closure; and
- Implementation of a "We Fix Team" to expedite the defect rectification process for all newly handed over projects.

SAFETY & HEALTH

RISK & DESCRIPTION

Major incidences of safety, health and/ or environmental breaches at our workplaces or project sites may impact our operations, financial performance, reputation and the well-being of our people.

IMPACT ON VALUE

Diminishing financial capital, compromised intellectual capital and loss of human capital due to:

- Decline in productivity and performance due to accidents, injuries and casualties;
- Significant penalties or disruptive stop-work orders imposed by authorities;
- Potential environmental harm and additional costs arising from possible claims and litigation; and
- Potential reputational damage.

RISK TREND

Capitals

Material Matters

Strategy

Stakeholders

MITIGATION STRATEGIES

- Continued organising top management and Board of Directors site visits to engage staff, contractors and workers on Health, Safety, Security and Environment ("HSSE") matters;
- Incorporated HSSE KPIs into the Corporate Scorecard to drive a safety culture at project sites;
- Updated construction contracts to incorporate new HSSE requirements and ensure alignment with Sime Darby Property's new HSSE manuals;
- Implemented HSSE plans outlined in the annual HSSE playbook, ensuring that plans are executed and performance is monitored;
- Provided key frontline operations and project management employees with Hazard and Effect Management Process training, adopting 'Barrier Thinking' to manage risks in a holistic manner;
- Trained all C-Suite personnel and key senior management on HSSE leadership;
- Implemented OSHCIM during all design reviews and published an OSHCIM guideline, providing designers with guidance on assessing HSSE risks during the design stage;
- Implemented the 'Boots on the Ground' initiative, through which HSSE-focused project site visits are conducted regularly;
- Contractors continued to assess their worker quarters against Sime Darby Property Hygiene standards;
- Provided employees with mental health and well-being support through digital service platform Jalinan Nurani, through which employees can access certified health coaches and various resources to better manage their mental, physical and financial well-being; and
- Provided training to SDP employees on mental health first-aid, forming part of our efforts to support employees that may need access to mental health resources.

CYBERSECURITY

RISK TREND

RISK & DESCRIPTION

Information leakages and system disruptions arising from cyber-attacks may lead to reputational damage and business disruption.

Capitals

Material Matters

Strategy

Stakeholders

IMPACT ON VALUE

Compromised manufactured and intellectual capitals and diminishing financial capital due to:

- Leakages of valuable business data and stakeholder trust;
- Business disruption;
- Penalties or fines by authorities and/or legal action; and
- Potential reputational damage.

MITIGATION STRATEGIES

- Utilised multi-layer infrastructure security protection solutions (such as XDR, web application firewall, multi-tiered firewall, email anti-spam, anti-virus, cloud app security, internet filtering and APT) to prevent malicious threats to our corporate network, data centres and personal computers;
- Conducted annual Vulnerability Assessment Penetration Test ("VAPT") to identify and remediate vulnerabilities in IT systems, networks and applications;
- Deployed data classification and encryption tools to classify and protect sensitive, confidential and private data;
- Encrypted all data on personal PCs to protect from data loss and leakages;
- Implemented Multi-Factor Authentication ("MFA") for core systems and VPN to prevent unauthorised access to our corporate applications;
- Implemented Virtual Patching for all servers to provide protection against zero day and unpatched vulnerabilities;
- Implemented privilege access management to monitor admin sessions across servers and application;
- Utilised Security Information Event Management ("SIEM") tools to monitor, prevent and resolve cybersecurity incidents;
- Continued our monitoring of new and potential threats that emerge in the cybersphere through our round-the-clock Security Operations Centre ("SOC");
- Restricted lateral movement between all servers and PCs through network segmentation and network port restriction;
- Continued to promote cybersecurity awareness across the organisation to prevent employee-related security breaches and potential vulnerabilities;
- Conducted cybersecurity e-learning, e-assessment and phishing simulation exercises to provide cybersecurity awareness to employees across the organisation, equipping them with cybersecurity knowledge and insights into potential vulnerabilities, while specifying guidelines on how to recognise and respond to cyber threats;
- Hardened cloud security as per industry standards (ISO 27001, NIST and azure benchmarks); and
- Implemented zero trust network access by ensuring only secured devices and authorised persons can access our private network.

JOINT VENTURES, COLLABORATIONS AND STRATEGIC PARTNERSHIPS

RISK TREND

Capitals

Material Matters

Strategy

Stakeholders

RISK & DESCRIPTION

Our financial position and reputation may be impacted by misaligned investment objectives or interests, lower than expected returns from collaborative investments, disagreements with our joint venture ("JV") partners or a weak JV management team.

IMPACT ON VALUE

Diminishing financial capital, compromised intellectual capital, and deteriorating human capital due to:

- Lower than expected returns on investment;
- Additional capital requirements to sustain JV operations/businesses;
- Potential litigation arising from claims/disputes; and
- Potential reputational damage.

MITIGATION STRATEGIES

- Conducted robust assessments and due diligence on potential partners prior to entering into JV partnerships;
- Obtained sufficient external expert advice in structuring the terms of JV partnerships to safeguard the Group's rights and interest;
- Active engagement in the set-up of the JV, including when devising Board/shareholders' reserved matters, aligning roles and responsibilities of JV partners, and preparing business plans, human resources requirements, governance structures, key operating guiding policies, procedures, and delegated authority limits;
- Tracked and closely monitored the performance of JVs through periodic reporting/audits and ensuring the Group's representation on the Board/development committee/management of the JV Company; and
- Continued robust engagement with JV partners, ensuring that the objectives of the JVs are being achieved while mitigating and minimising potential disagreements.

TALENT AND RESOURCE MANAGEMENT

RISK TREND

RISK & DESCRIPTION

Scarcity of talent in the market leading to challenges in attracting and retaining proficient industry talents to effectively execute business strategies that has the potential to impact our ability to meet sustainable growth objectives.

Capitals

Material Matters

Strategy

Stakeholders

IMPACT ON VALUE

Deteriorating human capital due to:

- Lack of internal skills and competencies needed to implement the Group's strategies and deliver expected levels of performance;
- Misaligned performance outcomes, measurements and targets; and
- Loss of key talents.

MITIGATION STRATEGIES

- Implemented the Total Rewards Framework to attract and retain competent talents;
- Periodically reviewed the competitiveness of our remuneration packages against industry benchmarks;
- Reviewed succession plans to strengthen our leadership bench, fast tracking high-potential talents and creating stretched development opportunities for competent performers;
- Adopted a clear strategy cascade, setting targets and putting a performance management system in place to drive progress;
- Built stronger employer branding in the market to attract talent, especially within new business areas such as investment and fund management;
- Reviewed competency and training gaps, providing continuous training and support to build key expertise within major growth areas;
- Established individual development plans ("IDPs") to build up and enhance the skills and competencies of identified successors or talents;
- Implemented an Employee Mobility Framework to encourage cross pollination and provide visible career enhancement opportunities for employees;
- Implemented strategies for the recruitment and retention of young talents;
- Leverage on technology to improve efficiency in managing HR-related matters through our HR On Cloud ("HROC") digital platform;
- Implemented initiatives to instil a highly engaged culture across the organisation; and
- Continued to communicate with employees, ensuring they remain engaged and aligned with the company's direction.

LEGAL/REGULATORY AND CONTRACTUAL COMPLIANCE

RISK TREND

RISK & DESCRIPTION

Our performance may be impacted by non-compliance with local or international laws, industry regulations or contractual obligations. Risk factors include:

- Complex and voluminous laws/regulations; and
- Continuous legal developments, including shifts in judicial trends and regulatory frameworks, new case laws and new/amended laws & regulations, can affect the way contractual provisions are interpreted and applied, which in turn may impact our business decisions and risk exposure.

IMPACT ON VALUE

Compromised financial and intellectual capitals due to:

- Non-compliance costs arising from penalties, fines, payment of damages and compensation;
- Failure to meet legal or contractual obligations resulting in potential claims or litigation;
- Additional compliance costs; and
- Potential reputational damage.

Capitals

Material Matters

Strategy

Stakeholders

MITIGATION STRATEGIES

- Continued to inculcate a compliance culture within the organisation, complemented by stringent internal processes, and provided internal and external legal support to operational teams when required;
- Maintained close collaboration and conducted effective dialogues with trade associations and regulatory bodies on emerging legal or regulatory requirements as well as industry trends and standards;
- Assigned dedicated project teams to monitor compliance with specific laws, regulations or contractual provisions;
- Defined an escalation matrix and a stringent monitoring, resolution and reporting mechanism to manage material breaches;
- Enhanced our employees' (both legal department employees and other employees of the Group) skills and knowledge of regulatory requirements, case law updates and statutory amendments via regular talks, training, and seminars by internal and external speakers, supplemented by continuous internal legal research and write-ups;
- Maintained close monitoring of appellate courts' decisions and case law developments affecting the Group's businesses, along with the emergence of any new bills, laws or amendments that could affect the Group's business or industry; and
- Appointed reputable consultants and experts, including experienced architects, engineers, and contractors, to provide specialised technical guidance and ensure compliance with legal and regulatory requirements. These experts also support the Group's interests in legal proceedings by offering credible expert testimony, technical evaluations, and professional opinions to strengthen the Group's position in the event of disputes.

COMPETITION

RISK TREND

RISK & DESCRIPTION

Heightened competition with other real estate companies as they increase product launches and diversify their product series geographically and demographically (affordable developments, data centres, industrial products, etc.).

Additionally, the saturation of retail malls in the market requires more strategic positioning for future mall openings.

This intensifying competition can lead to pricing pressures, leasing challenges, lower profit margins, and potential oversupply in certain market segments, making it harder for the company to secure market share and meet sales targets.

Capitals

Material Matters

Strategy

Stakeholders

IMPACT ON VALUE

Diminishing financial capital due to:

- Low profit margin on products;
- Loss of market share;
- Low occupancy rates in investment properties; and
- Lower than expected sales performance and returns on investment.

MITIGATION STRATEGIES

- Conducted market research/analysis of trends to look into new, niche areas of investment or development products;
- Monitored market dynamics and conditions to ensure products launches meet and match the market requirements;
- Leveraged the Group's prime locations and seamless accessibility as a competitive advantage;
- Strategically scheduled product launches to align with market demand and optimal timing;
- Designed products that align with market demand and needs;
- Monitored sales and leasing performance, revising project and product parameters to suit market conditions where applicable;
- Implemented the Group's innovation roadmap and initiatives to source for and pilot new products and services that will complement the Group's business segments, namely in home designs and placemaking; and
- Developed and implemented effective sales strategies where required (e.g. fit-out packages and enhanced post-sales services, etc.) to enhance sales performance and drive revenue growth.

CLIMATE RISK

RISK TREND

RISK & DESCRIPTION

The risk of floods, not meeting our Net Zero targets and the inability to secure adequate water supply or electricity connection for future projects in growing and/or new townships.

Capitals

Material Matters

Strategy

Stakeholders

IMPACT ON VALUE

Compromised manufactured capital, diminishing financial capital and reduced natural capital due to:

- Impact on value and demand for products (long-term) located in flood risk areas;
- Inability to meet Net Zero targets;
- Inability to meet strategic development and growth targets;
- Inability to meet financial targets;
- Loss of market share;
- Loss of investors' confidence; and
- Potential reputational damage.

MITIGATION STRATEGIES

Flood Risk

- Continued engagement with local authorities on short-term and long-term flood mitigation plans;
- Identified additional and/or temporary retention ponds to alleviate flood risk, where required;
- Initiated cleaning works to prevent clogging of drains and waterways;
- Voluntarily increased our development assessment platform (above regulatory requirements) for new launches in townships that have been identified as high flood risk;
- Implemented flood monitoring and emergency response protocols in high-risk townships;
- Continued to engage with residence committees in high-risk townships to ensure timely assistance can be deployed in the event of floods;
- Developed a Flood Mitigation Toolkit to address prospective purchasers' queries and to inform them of strategies adopted by Sime Darby Property to address flood risk exposure;
- Constructed a 180-acre Town Park wetland as a sustainable stormwater management solution;
- Completed desilting of drainage and road resurfacing work at townships with a high flood risk; and
- Conducted physical risk assessment on potential land bank and assets prior to acquisition.

Carbon Emissions:

- Established baseline for Net Zero emissions (Scope 1 and 2) and Carbon Reduction Strategy;
- Measured and disclosed 2 indicators of Scope 3 emissions (employee commuting and business travels);
- Tracked the Group's yearly emission against targets;
- Instilled awareness to all staff regarding climate change and the Group's sustainability targets to ensure consistent adoption and collective implementation of sustainability initiatives;
- Established a digital platform for data tracking and monitoring carbon emissions performance across the Group;
- Provided consideration to the implementation of sustainability elements during the product planning and design stage; and
- Continued to explore new technologies or alternate materials which can help reduce greenhouse gas ("GHG") emissions within the supply chain.

Utilities:

- Continued to engage and follow up with relevant authorities and utility providers to ensure relevant approvals were obtained and utility works progressed as planned at various stages of development;
- Kept abreast of and complied with the requirements of utility providers; and
- Assessed and tracked projected future demand for utilities to ensure the relevant infrastructure is commissioned in a timely manner.

SUPPLY CHAIN AND ITS RELATED HUMAN RIGHTS RISK

RISK TREND

RISK & DESCRIPTION

Heightened demand for proficient and reliable contractors and suppliers within the market may cause increased competition and attrition within our supply chain. Our supply chains may also be disrupted if we are exposed to impacts caused by irresponsible supplier environmental or social practices, including human rights violations.

IMPACT ON VALUE

Diminishing manufactured capital, financial capital, and social capital due to:

- Loss of sales arising from deferrals in product launches due to delays in tender exercises arising from a lack of qualified tenderers;
- Higher cost of construction due to competition for capable contractors;
- Poor product quality or late delivery of products arising from overstretched contractors;
- Additional costs incurred for rectifications, replacements, compensation, settlement, overruns and/or liquidated ascertained damages ("LAD");
- Expenses incurred due to potential claims/disputes/legal action from purchasers; and
- Potential reputation damage.

Capitals

Material Matters

Strategy

Stakeholders

MITIGATION STRATEGIES

Competition Risk for Proficient and Reliable Contractors:

- Conducted a market intelligence exercise to explore new contractors as part of our efforts to increase our pool of competent and experienced consultants and contractors with good track records;
- Continued engagement with vendors that failed to win tenders to explain their shortfall, enabling improvements and encouraging them to participate in the future tenders;
- Continued to appoint preferred contractors with existing skilled workers, recycling them into projects within the same geographical location;
- Established a high-performance contractor framework as part of our contractor retention initiatives; and
- Enhanced the vendor registration system with more user-friendly features.

Exposure to ESG and Human Rights Risk:

- Implemented the Group's Vendor COBC, which sets the standards of behaviour required of Vendors, including human rights requirements and expectations;
- Required a Vendor Integrity Pledge ("VIP") as a formal affirmation from vendors that they will comply with, respect and uphold the principles of the Vendor COBC;
- Included a human right clause as part of tender and contract documents with vendor;
- Conducted knowledge sharing and educational sessions with vendors on Human Rights requirements, best practices and laws and regulations to ensure alignment with International Labour Organisation ("ILO")'s indicators;
- Undertook periodic inspections of Worker Quarters, led by the HSSE team;
- Commenced engagements with key vendors to establish their current position in respect of ILO practices;
- Maintained a list of back up vendors for key materials; and
- Maintained an approved vendor list ("AVL"), which serves as a resource from which alternate contractors may be sourced.

Our **Strategy**

At Sime Darby Property, our strategic direction remains anchored in the SHIFT25 strategy introduced in 2021, which continues to drive our transformation from a pure-play developer into a leading diversified real estate company in Malaysia by 2025.

Over the past year, we have made steady progress across our four Corporate Priorities, placing continued emphasis on our seven Focus Areas and directing resources through our Engines of Growth framework to support focused expansion aligned with our strategic ambitions.

The refreshed Purpose, Vision, Mission and Values introduced in 2022 continue to align and energise our workforce, fostering unified action across the organisation in pursuit of common goals.

In an ever-changing industry landscape, we remain agile and responsive to evolving economic and market conditions. As we near the conclusion of our current roadmap in 2025, preparations are underway for the next phase of our growth journey, ensuring we remain on track to achieve our long-term objectives.

SHIFT25

TRANSFORMATION JOURNEY

TRANSFORMATION JOURNEY

Pure-Play Property Developer

Malaysia's Leading and Most Admired
Real Estate Company

Real Estate Company
Master Developer • Community Builder • Investment & Asset Manager

Sustainable & Future-driven
Fit-for-purpose 21st Century Designed Company

Strong & Resilient
International Presence to Maximise Shareholder Value

ENGINES OF GROWTH

ENGINE 1: 70%	ENGINE 2: 25%	ENGINE 3: 5%
Maximising the Core's Potential	Business Model Expansion & Growth Adjacencies	Disruptive Opportunities

OUR 4 CORPORATE PRIORITIES

- Broaden Income Streams
- Deepening Competencies
- Develop New Capabilities
- Digital Transformation

7 FOCUS AREAS

- Operational Excellence
- Customer First
- Tech & Innovation
- New Revenue Streams
- Organisational Excellence
- Safety & Sustainability
- Branding & Communication

BROADEN INCOME STREAMS

Sustaining our position as a master developer by capitalising on strategically located land banks to develop economic corridors, integrate robust commercial activities and grow our recurring income portfolio.

Key Priorities

- Sustain growth in core Property Development business and our position as a master developer.
- Enhance Investment & Asset Management portfolio to broaden our recurring income base and increase our Assets Under Management.
- Amplify industrial and logistics developments.

Performance by Capital

Financial Capital will be channelled into strategic developments and recurring income assets, while our emphasis on a high-quality and sustainable Manufactured Capital pipeline strengthens our market position. Human Capital will drive innovation, efficiency, and execution across teams, supported by Intellectual Capital to inform market insights and effective portfolio diversification.

Initiatives

- Maximise growth, profitability, and asset efficiency for Property Development.
- Ensure sustainable Property Development launch pipeline of residential landed and high–rise products for greater earnings visibility.
- Diversify launch product mix across residential, industrial and commercial sectors.
- Expanded into a new growth asset class of data centres, further enhancing our recurring income base.

Priorities for 2025

- Continue launching products that align with market needs to maintain robust sales growth.
- Maintain a healthy and balanced product composition for both sales and GDV launches amid accelerated efforts to diversify income streams beyond Property Development.
- Strategic activation of Property Development recurring income projects.
- Optimise Net Property Income for recurring income portfolio to continue achieving investment grade yields.

Achievements

- All time high revenue, operating profit and profit before tax of RM4,250.8 million, RM899.8 million, and RM780.0 million, respectively.
- Recorded highest operational performance of RM4.1 billion in sales, exceeding our RM3.5 billion target by 17%. Residential high-rise products led sales contributions for the first time at 31%, followed by industrial at 30%, residential landed at 24%, and commercial at 12%.
- Unbilled sales of RM3.7 billion provides earnings visibility for the next 2-3 years.
- Launched diversified products with a GDV of RM4.2 billion in 2024 (39% residential high rise, 38% industrial, 15% residential landed and 7% of commercial).
- Secured leases worth a combined RM7.6 billion from two hyperscale data centres at Elmina Business Park.
- Achieved successful re-inclusion in FTSE Bursa Malaysia Mid 70 Index, FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index.

Short to Medium Priorities/Focus Area

Strengthening our property development business by diversifying product mix, ensuring healthy earnings visibility, and growing recurring income streams, all while embedding placemaking and sustainability in every township.

LINKS

Capitals	Risks	Material Matters	Stakeholders
	R1 R2 R3 R6 R9 R11		

DEEPENING COMPETENCIES

Enhancing our capabilities as a sustainable lifestyle and community developer by cultivating a performance-oriented culture and embedding safety and sustainability into our daily operations.

Key Priorities

- Embody our Purpose, Vision, Mission and TEAM Values for a high-performance organisation.
- Elevate skills, competencies and workforce capabilities.
- Embed a robust culture of safety practices and achieve our Goal Zero target of no fatalities.
- Enhance customer-centricity across all touchpoints.

Performance by Capital

As Financial Capital supports our investments in safety, talent development, and sustainability, Human Capital will be key to embedding stronger competencies across the Group. Manufactured Capital is enhanced through modern, low-carbon solutions, while Intellectual Capital supports compliance and sustainable practices that advance our Net Zero goals and responsible management of Natural Capital.

Initiatives

- Enhance safety culture and HSSE management systems to drive achievement of our Zero Fatalities target.
- Continue elevating customer experiences and embed a Customer First culture across the organisation.
- Advance our carbon reduction roadmap towards Net Zero (Scope 1 & 2) and enrich our waste management practices.
- Adopt greater use of Industrialised Building System ("IBS") to enhance environmental sustainability, product quality, productivity, and workplace safety.

Priorities for 2025

- Continue strengthening HSSE practices to ensure a safer working culture towards zero fatalities.
- Prioritise talent development and competency building for a future-ready workforce.
- Consistent reinforcement of Purpose, Vision, Mission and TEAM values to drive high-performance.
- Decarbonise operations in line with our Net Zero Pathway while championing Urban Biodiversity.

Achievements

- Achieved a 100% completion & pass rate for the Barrier Thinking e-learning assessment and submission designed to improve understanding of HSSE across the organisation.
- Established our Guidelines for Urban Biodiversity
- Continued undertaking initiatives to reduce our carbon emissions and manage waste.
- Average IBS scores: 64 for Township Development (landed-residential); 50 for Integrated Development (high-rise residential); and 62 for Industrial.

Short to Medium Priorities/Focus Area

Introducing new initiatives to enhance safety, sustainability and customer-centricity practices, further deepening our culture of responsibility and accountability across the organisation.

LINKS

Capitals

Risks

R3 R4 R7 R9 R10

Material Matters

Stakeholders

DEVELOP NEW CAPABILITIES

Progressively transforming our business operations by capitalising on emerging opportunities while harnessing partnerships and strategic alliances to further expand our capabilities.

Key Priorities

- Cultivate strategic collaborations with best-in-class partners.
- Enhance land bank management and monetisation.
- Maximise placemaking at our developments.

Performance by Capital

Financial Capital is deployed for strategic land activation and placemaking efforts, while also being strengthened as we maximise GDV per acreage. Manufactured Capital is continually bolstered through the development and operationalisation of diverse assets across existing and new market segments. The impact of our Social and Relationship Capital is nurtured through strategic partnerships to drive innovation and sustainability, which simultaneously supports the expansion of Natural Capital initiatives, such as in renewable energy.

Initiatives

- Collaborate and cooperate with best-in-class partners to drive progress towards our business and sustainability ambitions.
- Ensure optimal land bank management and monetisation.
- Strategically expand and enhance placemaking across townships in alignment with evolving customer expectations.

Priorities for 2025

- Leverage partnerships to grow our presence in new markets including but not limited to Affordable Homes, Solar Projects and Microgrids.
- Execute land bank strategy across identified growth corridors and pocket lands.
- Operationalise our new retail offering, KLGCC Mall, located within the Kuala Lumpur Golf & Country Cub township.

Achievements

- Commenced Joint Venture with GSPARX (a subsidiary of TNB) to promote sustainable renewable energy initiatives in Malaysia.
- Activated ~310 acres of land in 2024, with approximately 182 acres for industrial, ~80 acres for residential landed, and ~19 acres for residential high-rise products, with an overall GDV/acre of ~RM13.5m – the highest since 2019.
- Successfully launched Sime Darby Property's second wholly-owned Elmina Lakeside Mall with a committed occupancy rate of 100%.
- Operationalised Metrohub 1 and 2, our first development under the IDF, spanning across a NLA of 1.8 million sq. ft., and achieved strong occupancy rates of 68% and 73%, respectively.

Short to Medium Priorities/Focus Area

Optimising our landbank strategy, gathering insights from JV partners to grow our expertise, and enhancing placemaking across townships to drive sustainable growth and community development.

LINKS

Capitals	Risks	Material Matters	Stakeholders
	R1 R2 R3 R7 R9 R11		

DIGITAL TRANSFORMATION

Ensuring the resilience of our business model amidst evolving global trends by embracing digital transformation, streamlining core processes, and exploring new developments in technology, innovation, and R&D.

Key Priorities

- Rationalising our Core IT process.
- Expanding the adoption of cloud computing and our enterprise data warehouse.
- Enhancing our data security framework and enabling enriched data-driven decision-making.

Performance by Capital

Financial Capital is invested in digital systems, cybersecurity infrastructure, and enterprise technology upgrades, with digital tools such as BIM and Procore also serving to enhance our Manufactured Capital with optimised project management and delivery. As we enhance our Intellectual Capital with new technology and security systems, we also leverage it to facilitate data-driven decision-making to spur our transformation. Our collaborative and integrated digital platforms harnesses, and concurrently expands, our Social and Relationship Capital, driving enhanced efficiencies and improving engagement.

Initiatives

- Continue onboarding consultants and contractors to our digital collaborative platform to enhance project management.
- Develop Sime Darby Property's digital tools and applications.
- Adopt top-tier cybersecurity protocols to bolster our security posture.

Priorities for 2025

- Make continuous enhancements to our cybersecurity framework and awareness initiatives to mitigate data breaches.
- Implement Data Strategy Roadmap to integrate systems and enable strategic digital transformation.
- Launch Command & Contact Centre to better facilitate customer queries and concerns.
- Drive continuous enhancements within the new SDP App.

Achievements

- Integrated Building Information Modelling ("BIM") and Procore systems for enhanced digital monitoring and collaboration.
- Digitalised tracking of carbon emissions across our portfolio.
- Adopted a new Customer Relationship Management ("CRM") system for improved sales lead management.
- Launched Command & Contact Centre to serve our customers by providing real-time updates, managing defect inquiries and delivering improved experience.
- Launched Phase 1 of the SDP Mobile App which is now live and operational. Customers can view construction milestones, payment progress, manage HOVP appointments and provide defect submissions.
- Implemented and deployed e-Invoice processes with seamless direct system integration with LHDN.
- Enhanced cybersecurity efforts delivered stronger protection and improved convenience for employees accessing systems remotely.

Short to Medium Priorities/Focus Area

Adopt and integrate digital tools to boost operational efficiency, optimise costs, strengthen cybersecurity, enhance collaboration and improve service delivery.

LINKS

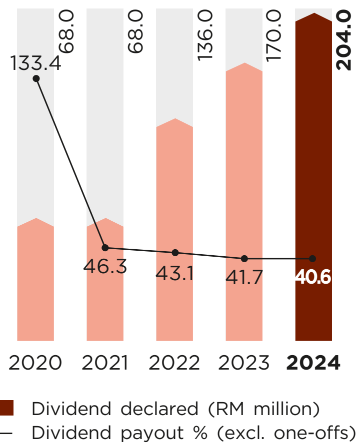
Capitals	Risks	Material Matters	Stakeholders
	R2 R3 R5 R7 R8 R9		

STRATEGIC REVIEW

Key Performance Indicators

FINANCIAL METRICS

DIVIDEND PAYOUT



Objective: Deliver consistent, healthy, and sustainable returns to shareholders.

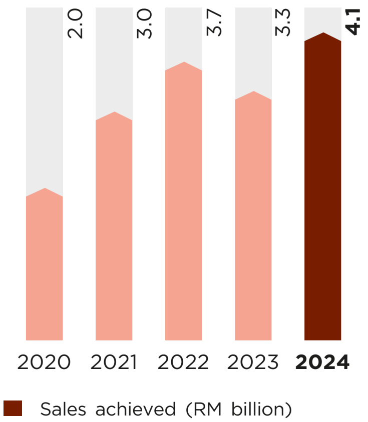
ACTUAL ACHIEVEMENT FY2024

Supported by strong financial results, the Group has declared a dividend of 3.0 sen per share, amounting to RM204.0 million. This distribution accounts for 40.6% of the Group's net earnings for the financial year ended 31 December 2024.

2024 TARGETS

To deliver sustainable shareholder value, the Group is committed towards maximising returns while ensuring adequate funding for growth and transformation.

SALES ACHIEVED



Objective: Monitor sales performance, market demand, and progress toward business goals, leveraging analysis to refine sales strategies and optimise revenue.

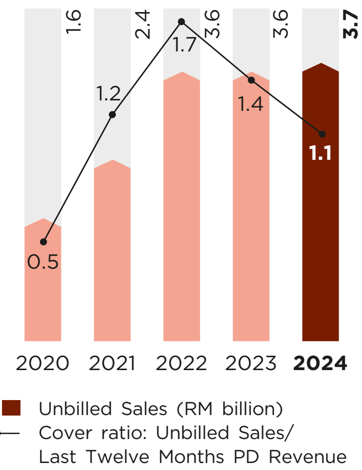
ACTUAL ACHIEVEMENT FY2024

We wrapped up the year with RM4.1 billion in sales, surpassing our revised 2024 target by 17%.

2024 TARGETS

The Group initially set a RM3.0 billion sales target in FY2024. As the year progressed, we revised our sales target upwards to RM3.5 billion on the back of stronger than expected take-up rates and launches.

UNBILLED SALES



Objective: Maintain a high level of unbilled sales that strengthens future earnings visibility and sales recognition.

ACTUAL ACHIEVEMENT FY2024

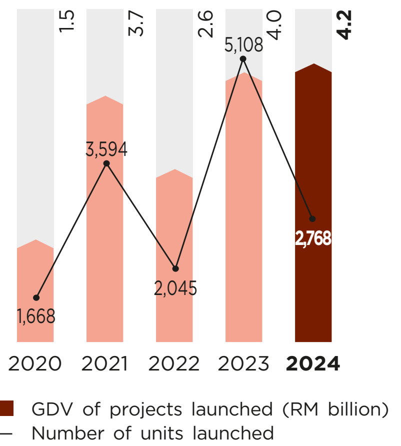
As of 31 December 2024, total unbilled sales stood at RM3.7 billion, with the cover ratio at 1.1. This was driven by contributions from the residential high-rise segment and strong sales momentum throughout FY2024.

2024 TARGETS

To strengthen our future earnings visibility and future sales recognition, we set the target of achieving a cover ratio of at least 1.0x.

FINANCIAL METRICS

VALUE OF PROJECTS LAUNCHED



Objective: To measure the total GDV of new projects, ensuring strategic growth, market competitiveness, and sustainable business expansion.

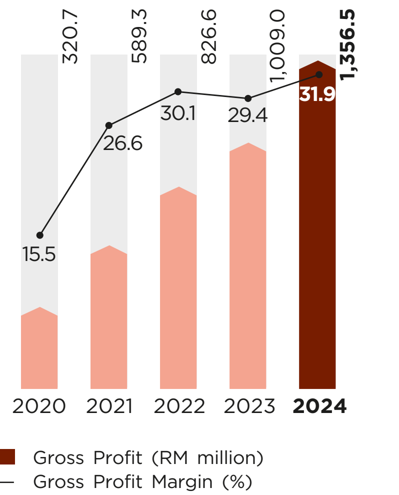
ACTUAL ACHIEVEMENT FY2024

Our total GDV of new launches reached RM4.2 billion, with residential high-rise making the largest contribution at 39%, industrial at 38%, residential landed at 15% and commercial products at 7%.

2024 TARGETS

We aim to sustain a steady pipeline of product launches to preserve our market position, enhance our earnings visibility, and extract more value from our land bank. For FY2024, we set the target of achieving RM4.0 billion in GDV.

GROSS PROFIT



Objective: Maximise profitability through cost efficiency, strategic pricing, and a diversified product portfolio.

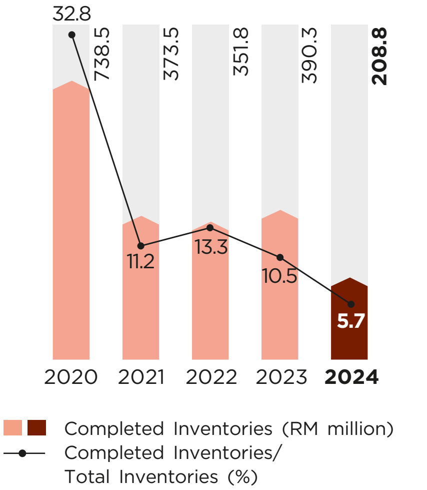
ACTUAL ACHIEVEMENT FY2024

Our gross profit margin improved to 31.9% for FY2024, supported by a healthy contribution from a diversified product mix.

2024 TARGETS

We set out to achieve a gross profit margin of between 20% to 25% in FY2024.

COMPLETED INVENTORIES



Objective: To efficiently manage completed inventories through enhanced sales strategies, reduced holding costs, and a healthy balance between supply and demand.

ACTUAL ACHIEVEMENT FY2024

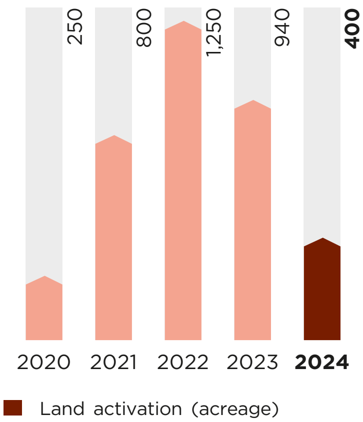
Our Completed Inventories stood at RM208.8 million, or 5.7% of total inventories, at the year end, which is a significant improvement over the previous year.

2024 TARGETS

We set the target of achieving Completed Inventories of less than or equal to 10% of total inventories.

NON-FINANCIAL METRICS

LAND ACTIVATION



Objective: Drive the development of strategically identified land parcels, transforming underutilised or vacant land into profitable projects, to maximise land value and support the Group's growth.

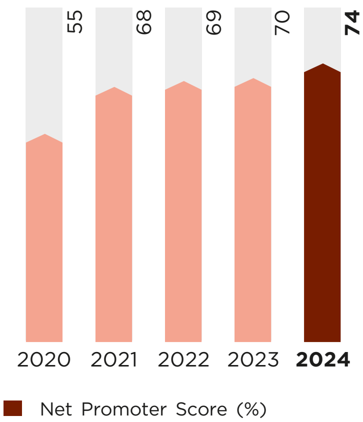
ACTUAL ACHIEVEMENT FY2024

During the year, we activated approximately 400 acres of land.

2024 TARGETS

We aim to develop our land bank to unlock the value of our assets and contribute to the Group's growth.

NET PROMOTER SCORE



Objective: Drive enhanced customer satisfaction and loyalty by continuously improving products, services, and experiences through proactive engagement, quality excellence, and customer-centric innovations.

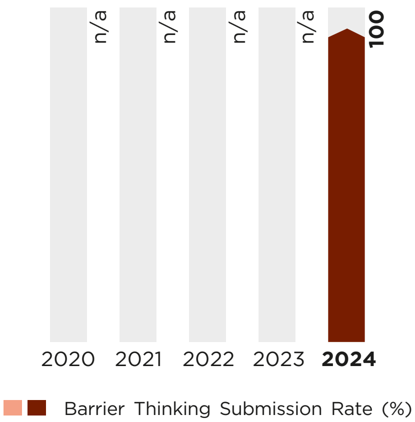
ACTUAL ACHIEVEMENT FY2024

Several initiatives have enabled us to improve our Net Promoter Score ("NPS") to 74% at our "My Home Key Collection" customer touchpoint. These include pre-HOVP engagement on product quality and customer expectations with project teams, main contractors, and consultants before the actual handover, as well as the successful implementation of the 'High 5+' initiative for selected premium phases, Aqila in Serenia and The Residences in Putra Heights.

2024 TARGETS

To ensure the consistent delivery of high value and service to our customers, we set a target NPS of 65% for FY2024.

BARRIER THINKING SUBMISSION



Objective: Encourage a proactive safety culture through Barrier Thinking initiatives that empower employees to manage risks associated with our business activities while continuously improving Occupational Safety and Health performance.

ACTUAL ACHIEVEMENT FY2024

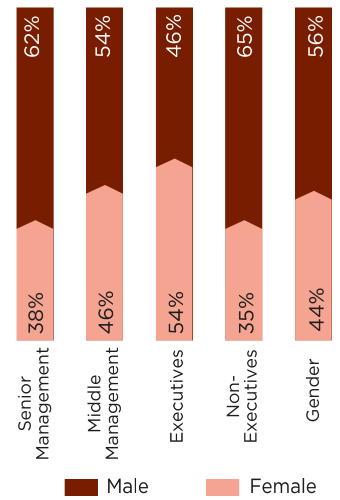
In its first year of implementation, we achieved a 100% submission rate from all employees for Barrier Thinking initiatives.

2024 TARGETS

Operationalising the Barrier Thinking concept from paper to people by the Operations team. At large, to expand familiarity of Barrier Thinking to all employees through individual assessments.

NON-FINANCIAL METRICS

GENDER DIVERSITY



Objective: Foster diversity and equal opportunities by ensuring talent selection is based on skills and capabilities at every level.

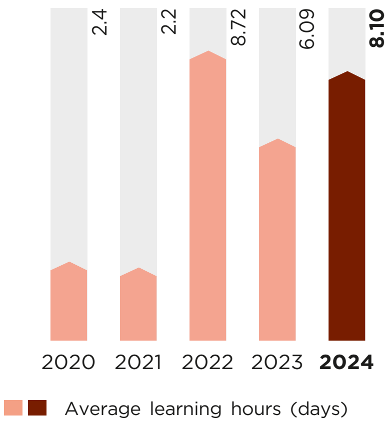
ACTUAL ACHIEVEMENT FY2024

Women continue to be robustly represented across the Group, with 721 female employees making up 44% of our total workforce.

2024 TARGETS

We strive to be an employer that upholds equal employment opportunities, ensuring talent selection is based on skills and capabilities while fully embracing gender diversity in the workforce.

LEARNING HOURS



Objective: To foster continuous employee development and growth in alignment with our Purpose, Vision, Mission and Values.

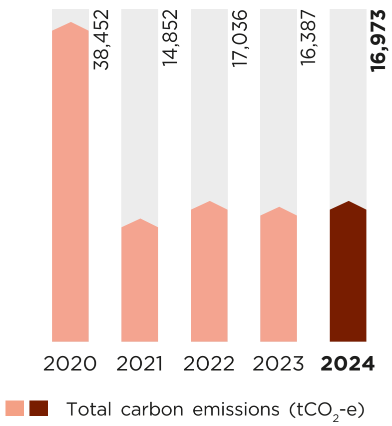
ACTUAL ACHIEVEMENT FY2024

We allocated RM5.9 million, including HRDF, towards training initiatives, resulting in a total of 106,130 learning hours for the year—equivalent to an average of 8.10 learning days per employee.

2024 TARGETS

We seek to continuously expand our provision of structured professional development opportunities, ensuring our employees remain equipped to support our overall corporate objectives.

TOTAL CARBON EMISSIONS*



Objective: Measure and monitor Scope 1 and Scope 2 carbon emissions to support Sime Darby Property's goal of a 40% reduction by 2030 and alignment with net-zero commitments by 2050. This enables the identification of emission sources, reduction strategies, and ensures transparency, compliance, and long-term sustainability.

ACTUAL ACHIEVEMENT FY2024

Total Group emissions increased by 4% in operational carbon (Scope 1 & 2) from 16,387 tCO_2-e in 2023 to 16,973 tCO_2e, with Green Energy Tariff, in 2024 (without Green Energy Tariff: 17,879 tCO_2e).

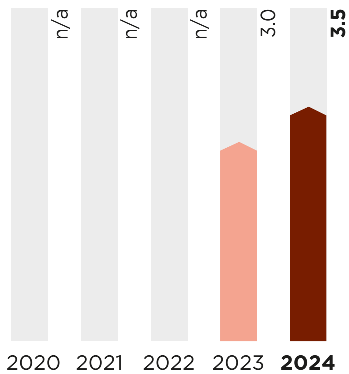
2024 TARGETS

We are committed to reducing carbon emissions as we advance towards becoming a net-zero carbon organisation.

***Note:** 2021 and 2022 data were restated in 2023. 2020 data was not restated and may not be directly comparable.*

NON-FINANCIAL METRICS

ENHANCED CYBERSECURITY



Maturity Level Score

Objective: Establish a robust, resilient, and adaptive cybersecurity framework to safeguard digital assets, ensure business continuity, and mitigate the risks of cyber threats. Strengthening cybersecurity measures to protect critical systems, data, and operations from evolving threats supports Sime Darby Property's digital transformation while fostering stakeholder and customer trust.

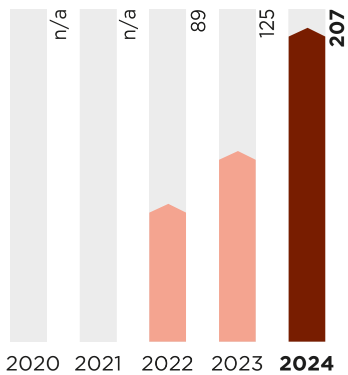
ACTUAL ACHIEVEMENT FY2024

We implemented 23 domain enhancements to strengthen existing security controls and conducted four training sessions, complemented by monthly online updates, with an average attendance of 120 staff per session. In 2024, we introduced our cybersecurity maturity score, achieving 3.5 out of 5.0.

2024 TARGETS

To protect our digital systems and also the data of both the Group and our stakeholders,we strive for greater maturity in our cybersecurity posture through ongoing training, well-designed policies and strategic frameworks.

PROCORE PLATFORM IMPLEMENTATION



Number of projects

Objective: Enhance construction project management by implementing the Procore platform to drive collaboration, efficiency, and data-driven decision-making among all project stakeholders. This enables centralised project management, enhanced collaboration, improved project visibility, increased operational efficiency, standardised processes, optimised cost management, mitigated risks, assured compliance, streamlined document management, integration of data analytics, greater scalability and systems integration.

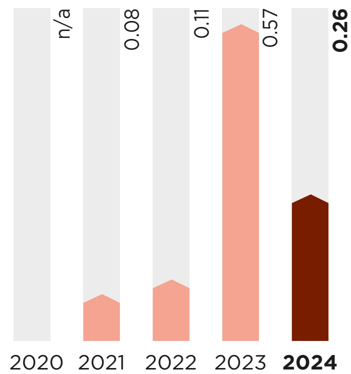
ACTUAL ACHIEVEMENT FY2024

We significantly expanded Procore deployment to enhance end-to-end visibility across the property development process, covering project management, inspections, and quality management. By the end of 2024, 207 projects were onboarded, engaging 1,500 consultants, 700 contractors, and 269 companies, achieving a 92% utilisation rate and integrating more than 100 BIMs.

2024 TARGETS

To facilitate data sharing and enhance collaboration between the various stakeholders in all our development projects, we set a target of onboarding 200 projects to the Procore platform in 2024.

LOST TIME INJURY FREQUENCY RATE



Lost Time Injury Frequency Rate (%)

Objective: To identify risks, strengthen safety protocols, and implement preventive measures that reduce workplace accidents, enhance operational efficiency, and foster a culture of safety and well-being.

ACTUAL ACHIEVEMENT FY2024

We are committed to continuously improve our LTIFR achieved in FY2024 of 0.26% through holistic safety and health programmes and commitment from all relevant stakeholders.

2024 TARGETS

To maintain a consistently safe working environment, we continue to monitor the LTIFR as part of our commitment to workplace safety.