

Block G, 10th Floor,  
 No.2, Jalan PJU 1A/7A,  
 Ara Damansara, PJU 1A,  
 47301 Petaling Jaya,  
 Selangor Darul Ehsan,  
 Malaysia.

## QUARTERLY REPORT

On the consolidated results for the second quarter ended 30 June 2021

The Directors hereby announce the following:

### Unaudited Condensed Consolidated Statement of Profit or Loss Amounts in RM thousand unless otherwise stated

	Note	Quarter ended 30 June		%	Six (6) months ended 30 June		%
		2021	2020 Restated		2021	2020 Restated	
Revenue	A8	<b>502,825</b>	288,225	74.5	<b>1,092,312</b>	764,962	42.8
Cost of sales		<b>(383,841)</b>	(318,198)		<b>(815,163)</b>	(715,417)	
Gross profit/(loss)		<b>118,984</b>	(29,973)	497.0	<b>277,149</b>	49,545	459.4
Other income		<b>3,728</b>	2,416		<b>7,356</b>	6,412	
Selling and marketing expenses		<b>(18,232)</b>	(13,801)		<b>(38,940)</b>	(29,393)	
Administrative expenses		<b>(48,082)</b>	(57,396)		<b>(86,080)</b>	(110,904)	
Operating profit/(loss)		<b>56,398</b>	(98,754)		<b>159,485</b>	(84,340)	
Share of results of joint ventures		<b>(5,631)</b>	(10,347)		<b>(9,904)</b>	(21,881)	
Share of results of associates		<b>557</b>	811		<b>405</b>	1,030	
Other gains/(losses)		<b>1,324</b>	851		<b>572</b>	(4,507)	
<b>Profit/(Loss) before interest and tax</b>	A7	<b>52,648</b>	(107,439)	149.0	<b>150,558</b>	(109,698)	237.2
Finance income		<b>26,753</b>	28,910		<b>52,763</b>	57,765	
Finance costs		<b>(22,133)</b>	(35,310)		<b>(51,050)</b>	(67,568)	
<b>Profit/(Loss) before tax</b>		<b>57,268</b>	(113,839)	150.3	<b>152,271</b>	(119,501)	227.4
Tax (expense)/credit	B6	<b>(30,723)</b>	2,577		<b>(59,673)</b>	(2,296)	
<b>Profit/(Loss) for the period</b>		<b>26,545</b>	(111,262)	123.9	<b>92,598</b>	(121,797)	176.0
<b>Attributable to:</b>							
- owners of the Company		<b>19,905</b>	(92,995)	121.4	<b>80,512</b>	(90,276)	189.2
- non-controlling interests		<b>6,640</b>	(18,267)		<b>12,086</b>	(31,521)	
<b>Profit/(Loss) for the period</b>		<b>26,545</b>	(111,262)	123.9	<b>92,598</b>	(121,797)	176.0
<b>Basic earnings/(loss) per share attributable to owners of the Company (sen)</b>	B11	<b>0.3</b>	(1.4)	121.4	<b>1.2</b>	(1.3)	189.2

The unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2020.

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**  
**Unaudited Condensed Consolidated Statement of Comprehensive Income**  
**Amounts in RM thousand unless otherwise stated**

	Quarter ended 30 June		% +/(-)	Six (6) months ended 30 June		% +/(-)
	2021	2020 Restated		2021	2020 Restated	
<b>Profit/(Loss) for the period</b>	<b>26,545</b>	<b>(111,262)</b>	123.9	<b>92,598</b>	<b>(121,797)</b>	176.0
<b>Other comprehensive income/(loss)</b>						
<b>Items which will subsequently be reclassified to profit or loss (net of tax):</b>						
Currency translation differences	15,788	(38,559)		111,687	(61,786)	
<b>Items which will not subsequently be reclassified to profit or loss (net of tax):</b>						
Net changes in fair value of investments	–	(109)		–	(109)	
Other comprehensive income/(loss) for the period	15,788	(38,668)	140.8	111,687	(61,895)	280.4
<b>Total comprehensive income/(loss) for the period</b>	<b>42,333</b>	<b>(149,930)</b>	128.2	<b>204,285</b>	<b>(183,692)</b>	211.2
<b>Attributable to:</b>						
- owners of the Company	35,702	(134,496)	126.5	191,909	(149,986)	228.0
- non-controlling interest	6,631	(15,434)		12,376	(33,706)	
<b>Total comprehensive income/(loss) for the period</b>	<b>42,333</b>	<b>(149,930)</b>	128.2	<b>204,285</b>	<b>(183,692)</b>	211.2

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2020.

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

**Unaudited Condensed Consolidated Statement of Financial Position**  
**Amounts in RM thousand unless otherwise stated**

	Note	Unaudited As at 30 June 2021	Restated As at 31 December 2020	Restated As at 1 January 2020
<b><u>Non-current assets</u></b>				
Property, plant and equipment		617,027	626,178	636,284
Investment properties		737,059	709,030	745,785
Inventories (note 1)		4,272,269	4,474,282	4,542,929
Joint ventures		2,800,359	2,476,101	2,800,416
Associates		140,322	139,142	139,137
Investments		56,459	56,276	58,788
Intangible assets		5,239	5,721	4,143
Deferred tax assets		621,263	623,961	599,982
Receivables		74,790	80,790	50,790
Contract assets		1,273,302	1,255,602	1,318,352
		<b>10,598,089</b>	<b>10,447,083</b>	<b>10,896,606</b>
<b><u>Current assets</u></b>				
Inventories (note 1)		1,756,399	1,744,688	1,903,791
Receivables		590,247	622,660	628,711
Contract assets		1,183,170	1,123,772	1,198,933
Prepayment		19,933	7,794	17,549
Tax recoverable		32,601	32,203	23,334
Cash held under Housing Development Accounts		267,569	345,486	456,706
Bank balances, deposits and cash		430,704	456,351	286,632
		<b>4,280,623</b>	<b>4,332,954</b>	<b>4,515,656</b>
<b>Total assets</b>	A7	<b>14,878,712</b>	<b>14,780,037</b>	<b>15,412,262</b>
<b><u>Equity</u></b>				
Share capital		6,800,839	6,800,839	6,800,839
Fair value reserve		35,151	35,151	36,375
Exchange reserve		153,443	42,046	(11,679)
Retained profits		2,207,435	2,126,923	2,832,452
<b>Attributable to owners of the Company</b>		<b>9,196,868</b>	<b>9,004,959</b>	<b>9,657,987</b>
Non-controlling interests		189,661	179,485	221,988
<b>Total equity</b>		<b>9,386,529</b>	<b>9,184,444</b>	<b>9,879,975</b>
<b><u>Non-current liabilities</u></b>				
Payables		78,494	79,184	81,375
Borrowings	B8	3,108,905	3,033,927	2,408,140
Lease liabilities		56,505	66,057	74,042
Provisions		134,749	131,188	99,332
Contract liabilities		243,718	244,937	251,623
Deferred tax liabilities		179,157	172,562	163,713
		<b>3,801,528</b>	<b>3,727,855</b>	<b>3,078,225</b>
<b><u>Current liabilities</u></b>				
Payables		1,010,360	1,248,094	1,304,027
Borrowings	B8	322,205	292,542	796,147
Lease liabilities		18,923	16,880	17,670
Provisions		112,446	116,681	76,569
Contract liabilities		183,955	134,241	100,902
Tax provision		42,766	59,300	158,747
		<b>1,690,655</b>	<b>1,867,738</b>	<b>2,454,062</b>
<b>Total liabilities</b>		<b>5,492,183</b>	<b>5,595,593</b>	<b>5,532,287</b>
<b>Total equity and liabilities</b>		<b>14,878,712</b>	<b>14,780,037</b>	<b>15,412,262</b>

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

**Unaudited Condensed Consolidated Statement of Financial Position (continued)**  
**Amounts in RM thousand unless otherwise stated**

	<b>Unaudited As at 30 June 2021</b>	<b>Restated As at 31 December 2020</b>	<b>Restated As at 1 January 2020</b>
Net assets per share attributable to owners of the Company (RM)	<u>1.35</u>	<u>1.32</u>	<u>1.42</u>

**Note:**

**1. Inventories**

Completed development units	<b>465,575</b>	570,448	532,604
Ongoing development	<b>1,289,733</b>	1,172,773	1,369,465
Others	<b>1,091</b>	1,467	1,722
	<u><b>1,756,399</b></u>	<u>1,744,688</u>	<u>1,903,791</u>
Not within normal operating cycle	<u><b>4,272,269</b></u>	<u>4,474,282</u>	<u>4,542,929</u>
	<u><b>6,028,668</b></u>	<u>6,218,970</u>	<u>6,446,720</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2020.

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

**Unaudited Condensed Consolidated Statement of Changes in Equity**  
**Amounts in RM thousand unless otherwise stated**

	Note	Share capital	Fair value reserve	Exchange reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
<b>Quarter ended 30 June 2021</b>								
<b>At 1 January 2021</b>								
- as previously stated		6,800,839	35,151	42,046	2,225,657	9,103,693	185,763	9,289,456
- effect of the adoption of Agenda Decision	A1(d)	–	–	–	(98,734)	(98,734)	(6,278)	(105,012)
- as restated		6,800,839	35,151	42,046	2,126,923	9,004,959	179,485	9,184,444
Total comprehensive income for the period		–	–	111,397	80,512	191,909	12,376	204,285
Transaction with owners:								
- dividend paid		–	–	–	–	–	(2,200)	(2,200)
<b>At 30 June 2021</b>		<b>6,800,839</b>	<b>35,151</b>	<b>153,443</b>	<b>2,207,435</b>	<b>9,196,868</b>	<b>189,661</b>	<b>9,386,529</b>
<b>Quarter ended 30 June 2020</b>								
<b>At 1 January 2020</b>								
- as previously stated		6,800,839	36,375	(11,679)	2,896,175	9,721,710	228,296	9,950,006
- effect of the adoption of Agenda Decision	A1(d)	–	–	–	(63,723)	(63,723)	(6,308)	(70,031)
- as restated		6,800,839	36,375	(11,679)	2,832,452	9,657,987	221,988	9,879,975
Total comprehensive loss for the period		–	(109)	(59,601)	(90,276)	(149,986)	(33,706)	(183,692)
Transaction with owners:								
- dividends paid		–	–	–	(136,017)	(136,017)	(2,200)	(138,217)
- reversal of tax provision on waiver on intercompany loan		–	–	–	15,411	15,411	–	15,411
<b>At 30 June 2020</b>		<b>6,800,839</b>	<b>36,266</b>	<b>(71,280)</b>	<b>2,621,570</b>	<b>9,387,395</b>	<b>186,082</b>	<b>9,573,477</b>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2020.

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

**Unaudited Condensed Consolidated Statement of Cash Flows**  
**Amounts in RM thousand unless otherwise stated**

	Six (6) months ended 30 June	
Note	2021	2020 Restated
<b>Cash flow from operating activities</b>		
Profit/(Loss) for the period	92,598	(121,797)
Adjustments for:		
Share of results of joint ventures and associates	9,499	20,851
Depreciation and amortisation	32,265	29,891
Write-down of inventories	-	28,890
Write-off of property development expenditure	2,145	56,297
Impairment	303	13,603
Investment income	(192)	-
Gain on disposals	(948)	(15)
Provisions	(2,296)	21,781
Finance income	(52,763)	(57,765)
Finance costs	51,050	67,568
Tax expense	59,673	2,296
Others	(183)	602
	<u>191,151</u>	<u>62,202</u>
<b>Changes in working capital:</b>		
- inventories, receivables and other assets	163,169	358,195
- payables, provisions and other liabilities	(192,213)	(118,562)
<b>Cash from operations</b>	<u>162,107</u>	<u>301,835</u>
Tax paid	(67,311)	(74,630)
Dividends received from investments and a joint venture	192	1,795
<b>Net cash from operating activities</b>	<u>94,988</u>	<u>229,000</u>
<b>Cash flow from investing activities</b>		
Finance income received	4,542	6,550
Proceeds from sale of:		
- investment properties	1,020	-
- property, plant and equipment	-	17
Purchase/addition of:		
- investment properties	(3,161)	(292)
- property, plant and equipment	(2,869)	(8,242)
- intangible assets	(437)	-
Subscription of shares in joint ventures	(217,121)	(12,450)
Advances to joint ventures and associates	(775)	(32,031)
Others	-	(1,008)
<b>Net cash used in investing activities</b>	<u>(218,801)</u>	<u>(47,456)</u>
<b>Cash flow from financing activities</b>		
Finance costs paid	(66,831)	(79,765)
Net proceeds from borrowings	97,474	123,278
Repayments of lease liabilities	(8,462)	(9,266)
Dividend paid on ordinary shares	-	(136,017)
Dividend paid to non-controlling interests	(2,200)	(2,200)
Changes in restricted cash	(6,707)	137
<b>Net cash from/(used in) financing activities</b>	<u>13,274</u>	<u>(103,833)</u>
<b>Net changes in cash and cash equivalents</b>	<u>(110,539)</u>	<u>77,711</u>
Foreign exchange differences	268	2,330
Cash and cash equivalents at beginning of the period	<u>779,217</u>	<u>719,760</u>
<b>Cash and cash equivalents at end of the period</b>	<u>668,946</u>	<u>799,801</u>

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

**Unaudited Condensed Consolidated Statement of Cash Flows (continued)**  
**Amounts in RM thousand unless otherwise stated**

	<b>Six (6) months ended</b>	
	<b>30 June</b>	
<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>Restated</b>
For the purpose of the Condensed Consolidated Statement of Cash Flows, cash and cash equivalents comprised the following:		
Cash held under Housing Development Accounts	<b>267,569</b>	402,763
Bank balances, deposits and cash	<b>430,704</b>	420,479
Restricted cash	<b>(29,327)</b>	(23,441)
	<b>668,946</b>	799,801

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2020.

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**EXPLANATORY NOTES**

This interim financial report is prepared in accordance with the requirements of Paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and complied with the requirements of the Malaysian Financial Reporting Standard (“MFRS”) 134 – Interim Financial Reporting and other MFRS issued by the Malaysian Accounting Standards Board (“MASB”).

The interim financial report is unaudited and should be read in conjunction with the Group’s audited consolidated financial statements for the financial year ended 31 December 2020.

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134**

**A1. Basis of Preparation**

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited consolidated financial statements for the financial year ended 31 December 2020 except as described below.

- a. Accounting pronouncements that have been newly adopted for this interim financial period:

Amendments to MFRS 4, MFRS 7, MFRS 9, Interest Rate Benchmark Reform – Phase 2  
MFRS 16 and MFRS 139  
Agenda Decision on IAS 23 Borrowing Costs relating to over time transfer of constructed goods

The adoption of the above did not result in any significant changes to the Group’s results and financial position except for the adoption of Agenda Decision. The impact on adoption of Agenda Decision is shown in Note A1(d).

- b. Accounting pronouncements that are not yet effective are set out below:

MFRS 17	Insurance Contracts
Amendments to MFRS 9	Fees in the ‘10 percent’ Test for Derecognition of Financial Liabilities
Amendments to MFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101	Disclosure of Accounting Policies
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract

- c. Accounting pronouncement where the effective date has been deferred to a date to be determined by the MASB is set out below:

- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)

- d. Adoption of Agenda Decision on IAS 23 Borrowing Costs relating to over time transfer of constructed goods (“Agenda Decision”)

Prior to the adoption of the Agenda Decision, borrowing costs incurred on property development were capitalised to the carrying value of the inventories until the completion of the construction of the asset. The borrowing costs capitalised in the inventories were recognised as cost of sales in profit or loss by reference to the progress towards complete satisfaction of that performance obligation.

With the adoption of the Agenda Decision, the capitalisation of borrowing costs into a development project ceases when is ready for sale. The Group has applied the Agenda Decision retrospectively with the restatement of statement of financial position as at 1 January 2020 and throughout all periods presented in the financial statements.



**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**A. EXPLANATORY NOTES PURSUANT TO MFRS 134 (continued)**

**A1. Basis of Preparation (continued)**

d. Adoption of Agenda Decision on IAS 23 Borrowing Costs relating to over time transfer of constructed goods (“Agenda Decision”) (continued)

The effects of adoption of the Agenda Decision on the results for the second quarter ended 30 June 2020 and the financial positions as at 1 January 2020 and 31 December 2020 are as follows:

(i) Reconciliation of statement of profit or loss for second quarter ended 30 June 2020

	Quarter ended 30 June 2020			Six (6) months ended 30 June 2020		
	Pre-adoption of Agenda Decision	Effects of adoption of Agenda Decision	Post-adoption of Agenda Decision	Pre-adoption of Agenda Decision	Effects of adoption of Agenda Decision	Post-adoption of Agenda Decision
Revenue	288,225	–	288,225	764,962	–	764,962
Cost of sales	(319,637)	1,439	(318,198)	(720,013)	4,596	(715,417)
Gross (loss)/profit	(31,412)	1,439	(29,973)	44,949	4,596	49,545
Other income	2,416	–	2,416	6,412	–	6,412
Selling and marketing expenses	(13,801)	–	(13,801)	(29,393)	–	(29,393)
Administrative expenses	(57,396)	–	(57,396)	(110,904)	–	(110,904)
Operating loss	(100,193)	1,439	(98,754)	(88,936)	4,596	(84,340)
Share of results of joint ventures	(10,347)	–	(10,347)	(21,881)	–	(21,881)
Share of results of associates	811	–	811	1,030	–	1,030
Other gains/(losses)	851	–	851	(4,507)	–	(4,507)
Loss before interest and tax	(108,878)	1,439	(107,439)	(114,294)	4,596	(109,698)
Finance income	28,910	–	28,910	57,765	–	57,765
Finance costs	(18,284)	(17,026)	(35,310)	(30,799)	(36,769)	(67,568)
Loss before tax	(98,252)	(15,587)	(113,839)	(87,328)	(32,173)	(119,501)
Tax expense	(1,164)	3,741	2,577	(10,028)	7,732	(2,296)
Loss for the period	(99,416)	(11,846)	(111,262)	(97,356)	(24,441)	(121,797)
Attributable to:						
- owners of the Company	(81,766)	(11,229)	(92,995)	(67,613)	(22,663)	(90,276)
- non-controlling interests	(17,650)	(617)	(18,267)	(29,743)	(1,778)	(31,521)
Loss for the period	(99,416)	(11,846)	(111,262)	(97,356)	(24,441)	(121,797)
Basic loss per share attributable to owners of the Company (sen)	(1.2)	(0.2)	(1.4)	(1.0)	(0.3)	(1.3)

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**A1. Basis of Preparation (continued)**

- d. Adoption of Agenda Decision on IAS 23 Borrowing Costs relating to over time transfer of constructed goods (“Agenda Decision”) (continued)

The effects of adoption of the Agenda Decision on the results for the second quarter ended 30 June 2020 and the financial positions as at 1 January 2020 and 31 December 2020 are as follows:  
(continued)

	Pre-adoption of Agenda Decision	Effects of adoption of Agenda Decision	Post- adoption of Agenda Decision
(ii) Reconciliation of statement of financial position as at 1 January 2020			
<u>Non-current assets</u>			
Joint ventures	2,805,001	(4,585)	2,800,416
Deferred tax assets	579,376	20,606	599,982
Other non-current assets	7,496,208	–	7,496,208
	<u>10,880,585</u>	<u>16,021</u>	<u>10,896,606</u>
<u>Current assets</u>			
Inventories	1,989,843	(86,052)	1,903,791
Other current assets	2,611,865	–	2,611,865
	<u>4,601,708</u>	<u>(86,052)</u>	<u>4,515,656</u>
Total assets	<u>15,482,293</u>	<u>(70,031)</u>	<u>15,412,262</u>
<u>Equity</u>			
Attributable to owners of the Company	9,721,710	(63,723)	9,657,987
Non-controlling interests	228,296	(6,308)	221,988
	<u>9,950,006</u>	<u>(70,031)</u>	<u>9,879,975</u>
Total liabilities	<u>5,532,287</u>	<u>–</u>	<u>5,532,287</u>
Total equity and liabilities	<u>15,482,293</u>	<u>(70,031)</u>	<u>15,412,262</u>
(iii) Reconciliation of statement of financial position as at 31 December 2020			
<u>Non-current assets</u>			
Joint ventures	2,480,258	(4,157)	2,476,101
Deferred tax assets	592,235	31,726	623,961
Other non-current assets	7,347,021	–	7,347,021
	<u>10,419,514</u>	<u>27,569</u>	<u>10,447,083</u>
<u>Current assets</u>			
Inventories	1,877,269	(132,581)	1,744,688
Other current assets	2,588,266	–	2,588,266
	<u>4,465,535</u>	<u>(132,581)</u>	<u>4,332,954</u>
Total assets	<u>14,885,049</u>	<u>(105,012)</u>	<u>14,780,037</u>
<u>Equity</u>			
Attributable to owners of the Company	9,103,693	(98,734)	9,004,959
Non-controlling interests	185,763	(6,278)	179,485
	<u>9,289,456</u>	<u>(105,012)</u>	<u>9,184,444</u>
Total liabilities	<u>5,595,593</u>	<u>–</u>	<u>5,595,593</u>
Total equity and liabilities	<u>14,885,049</u>	<u>(105,012)</u>	<u>14,780,037</u>

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**A2. Seasonal or Cyclical Factors**

The Group's operations are not affected by seasonal or cyclical factors.

**A3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

Other than the ongoing challenges and uncertainties due to Covid-19 pandemic, there were no material unusual items affecting the Group's assets, liabilities, equity, net income, or cash flows during the financial period under review.

**A4. Material Changes in Estimates**

There were no material changes in the estimates of amounts reported in the prior interim period of the current financial year or the previous financial period that have a material effect on the results for the current period under review.

**A5. Debt and Equity Securities**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial period under review.

The Company has 6,800,839,377 ordinary shares in issue as at 30 June 2021.

**A6. Dividend Paid**

No dividend was paid during the financial period under review.

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**A7. Segment Information**

The Group has three (3) reportable business segments - property development, investment and asset management and leisure. The Senior Management of the Group reviews the operations and performance of the respective business segments on a regular basis and their respective performances are as follows:

**a. Segment results**

	Property Development	Investment and Asset Management	Leisure	Elimination	Total
<b>Six (6) months ended 30 June 2021</b>					
<b>Revenue:</b>					
External	1,020,817	44,750	26,745	–	1,092,312
Inter-segment	69,952	3,997	2,138	(76,087)	–
	<u>1,090,769</u>	<u>48,747</u>	<u>28,883</u>	<u>(76,087)</u>	<u>1,092,312</u>
Cost of sales	(800,416)	(36,861)	(16,449)	38,563	(815,163)
Gross profit	290,353	11,886	12,434	(37,524)	277,149
Other income	6,417	841	193	(95)	7,356
Selling and marketing expenses	(36,583)	(2,221)	(136)	–	(38,940)
Administrative expenses	(63,381)	(10,434)	(18,733)	6,468	(86,080)
Operating profit/(loss)	196,806	72	(6,242)	(31,151)	159,485
Share of results of joint ventures and associates	(6,220)	(3,279)	–	–	(9,499)
Segment results	190,586	(3,207)	(6,242)	(31,151)	149,986
Other (losses)/gains	(365)	948	(11)	–	572
Profit/(Loss) before interest and tax	<u>190,221</u>	<u>(2,259)</u>	<u>(6,253)</u>	<u>(31,151)</u>	<u>150,558</u>
Included in other (losses)/gains are:					
Gain on disposal of investment properties	–	948	–	–	948
Changes in fair value of quoted investments	183	–	–	–	183

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**A7. Segment Information (continued)**

**a. Segment results (continued)**

	Property Development	Investment and Asset Management	Leisure	Elimination	Total
<b>Six (6) months ended</b>					
<b>30 June 2020</b>					
<b>Restated</b>					
Revenue:					
External	703,358	31,423	30,181	–	764,962
Inter-segment	177	4,808	585	(5,570)	–
	<u>703,535</u>	<u>36,231</u>	<u>30,766</u>	<u>(5,570)</u>	<u>764,962</u>
Cost of sales	(665,303)	(29,223)	(20,960)	69	(715,417)
Gross profit	38,232	7,008	9,806	(5,501)	49,545
Other income	5,944	319	149	–	6,412
Selling and marketing expenses	(28,076)	(978)	(339)	–	(29,393)
Administrative expenses	(82,092)	(8,927)	(25,386)	5,501	(110,904)
Operating loss	(65,992)	(2,578)	(15,770)	–	(84,340)
Share of results of joint ventures and associates	(18,960)	(1,891)	–	–	(20,851)
Segment results	(84,952)	(4,469)	(15,770)	–	(105,191)
Other gains/(losses)	707	(4,998)	(216)	–	(4,507)
Loss before interest and tax	(84,245)	(9,467)	(15,986)	–	(109,698)
Included in other gains/(losses) are:					
Gain on disposal of property, plant and equipment	5	–	10	–	15
Surplus from liquidation of an associate	950	–	–	–	950
Reversal of impairment of amount due from a joint venture	1,296	–	–	–	1,296
Provision on obligation for an investment property disposed	–	(5,003)	–	–	(5,003)
Changes in fair value of quoted investments	(1,501)	–	–	–	(1,501)

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**A7. Segment Information (continued)**

**b. Segment assets**

	Property Development	Investment and Asset Management	Leisure	Elimination	Total
<b>As at 30 June 2021</b>					
Operating assets	8,971,463	2,381,698	532,290	(601,284)	11,284,167
Joint ventures and associates	2,755,804	231,491	–	(46,614)	2,940,681
	<u>11,727,267</u>	<u>2,613,189</u>	<u>532,290</u>	<u>(647,898)</u>	<u>14,224,848</u>
Tax assets					653,864
Total assets					<u>14,878,712</u>
<b>As at 31 December 2020</b>					
<b>Restated</b>					
Operating assets	9,065,161	2,408,814	550,092	(515,437)	11,508,630
Joint ventures and associates	2,428,595	233,262	–	(46,614)	2,615,243
	<u>11,493,756</u>	<u>2,642,076</u>	<u>550,092</u>	<u>(562,051)</u>	<u>14,123,873</u>
Tax assets					656,164
Total assets					<u>14,780,037</u>

**A8. Revenue**

	<b>Six (6) months ended</b>	
	<b>30 June</b>	
	<b>2021</b>	<b>2020</b>
Revenue comprise the following:		
Revenue from contracts with customers	<b>1,059,039</b>	742,370
Revenue from rental income	<b>33,273</b>	22,592
	<u><b>1,092,312</b></u>	<u>764,962</u>
Disaggregation of the Group's revenue from contracts with customers:		
<b>Geographical market</b>		
- Malaysia	<b>1,058,827</b>	621,589
- Vietnam	<b>212</b>	289
- Australia	<b>–</b>	120,492
	<u><b>1,059,039</b></u>	<u>742,370</u>
<b>Timing of revenue recognition</b>		
- over time	<b>811,354</b>	548,233
- at point in time	<b>247,685</b>	194,137
	<u><b>1,059,039</b></u>	<u>742,370</u>

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**A9. Capital Commitments**

	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
Contracted capital commitments:		
- property, plant and equipment	<b>6,712</b>	4,404
- investment properties	<b>5,562</b>	631
- intangible assets	<b>275</b>	456
	<b><u>12,549</u></b>	<u>5,491</u>

In addition, pursuant to the Subscription and Shareholders' Agreement, which is reiterated through Letters of Undertaking issued by the shareholders of Battersea Project Holding Company Limited ("Battersea") to Battersea, the shareholders are committed to subscribe for shares in Battersea in proportion to their respective shareholdings when a capital call is made for the purpose of ensuring Battersea and its subsidiaries are able to meet their respective funding obligations. The Group's portion of the commitment as at 30 June 2021 is estimated up to £115.4 million (equivalent to RM663.2 million) (31 December 2020: £150.0 million, equivalent to RM823.9 million).

The Board of Directors has also authorised the subscription of shares in Sime Darby Property MIT Development Sdn Bhd in proportion to the Group's shareholding in the joint venture. As at 30 June 2021, the limit of equity injection commitment is RM56.6 million (31 December 2020: RM57.6 million).

**A10. Significant Related Party Transactions**

Significant related party transactions during the six (6) months ended 30 June 2021 are as follows:

	<b>Six (6) months ended 30 June 2021</b>	<b>2020</b>
<b>a. Transactions between subsidiaries and their owners of non-controlling interests</b>		
Turnkey works rendered by Brunfield Engineering Sdn Bhd to Sime Darby Brunfield Holding Sdn Bhd group, companies in which Tan Sri Dato' Ir Gan Thian Leong and Encik Mohamad Hassan Zakaria are substantial shareholders	<b><u>(88,042)</u></b>	<b><u>(63,832)</u></b>

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**A10. Significant Related Party Transactions (continued)**

Significant related party transactions during the six (6) months ended 30 June 2021 are as follows: (continued)

**b. Transactions with shareholders and Government**

Permodalan Nasional Berhad (“PNB”) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad (“ASNB”), together own 58.6% as at 30 June 2021 of the issued share capital of the Company. PNB is an entity controlled by the Malaysian Government through Yayasan Pelaburan Bumiputra (“YPB”). The Group considers that, for the purpose of MFRS 124 – Related Party Disclosures, YPB and the Malaysian Government are in the position to exercise significant control over it. As a result, the Malaysian Government and Malaysian Government’s controlled bodies (collectively referred to as government-related entities) are related parties of the Group and the Company.

Transactions entered by the Group and by the Company with shareholders and related parties include purchase of raw materials, placement of bank deposits and use of public utilities and amenities. All the transactions entered by the Group and by the Company with the related parties are conducted in the ordinary course of the Group’s and of the Company’s businesses on negotiated terms or terms comparable to those with other entities that are not related.

Significant transactions entered with shareholders and government-related entities during the financial period include:

	<b>Six (6) months ended</b>	
	<b>30 June</b>	
	<b>2021</b>	<b>2020</b>
<u>Yayasan Sime Darby</u>		
Contribution paid to Yayasan Sime Darby	<b>(10,000)</b>	(10,000)
<u>Sime Darby Berhad group</u>		
Rental income	<b>5,978</b>	5,931
<u>Sime Darby Plantation Berhad group</u>		
Rental income	<b>5,371</b>	3,435



**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**A11. Material Events Subsequent to the End of the Financial Period**

There was no material event subsequent to the end of the current quarter under review to 19 August 2021, being a date not earlier than 7 days from the date of issue of the quarterly report.

**A12. Contingent Liabilities - unsecured**

	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
Claims pending against the Group (Note B9)	<u>82,009</u>	<u>81,937</u>

**A13. Financial Instruments**

The carrying amounts of financial instruments measured at amortised cost approximate their fair values due to the relatively short-term nature of these financial instruments.

The fair values of financial instruments measured at Fair Value through Other Comprehensive Income ("FVOCI") and Fair Value through Profit or Loss ("FVTPL") are as follows:

	<b>As at 30 June 2021</b>	<b>As at 31 December 2020</b>
Investments:		
- quoted shares	2,266	2,083
- unquoted shares	<u>54,193</u>	<u>54,193</u>
	<u>56,459</u>	<u>56,276</u>

The quoted shares are measured at FVTPL at Level 1 of the fair value hierarchy, based on quoted prices of the shares in active markets. Unquoted shares are measured at FVOCI at Level 3 of the fair value hierarchy. The fair values of the unquoted shares are determined using valuation technique based on inputs other than quoted prices.

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**B. EXPLANATORY NOTES PURSUANT TO PARAGRAPH 9.22 OF THE MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**B1. Review of Group Performance**

	Six (6) months ended 30 June		% +/(-)
	2021	2020 Restated	
<b>Segment revenue</b>	<b>1,168,399</b>	770,532	51.6
Inter-segment revenue	<b>(76,087)</b>	(5,570)	
<b>Revenue</b>	<b><u>1,092,312</u></b>	<u>764,962</u>	42.8
<b>Segment results:</b>			
Property development	<b>190,586</b>	(84,952)	324.3
Investment and asset management	<b>(3,207)</b>	(4,469)	28.2
Leisure	<b>(6,242)</b>	(15,770)	60.4
Elimination	<b>(31,151)</b>	–	(100.0)
	<b><u>149,986</u></b>	<u>(105,191)</u>	242.6
Other gains/(losses)	<b>572</b>	(4,507)	
Profit/(Loss) before interest and tax (“PBIT/(LBIT)”)	<b>150,558</b>	(109,698)	237.2
Finance income	<b>52,763</b>	57,765	
Finance costs	<b>(51,050)</b>	(67,568)	
<b>Profit/(Loss) before tax</b>	<b>152,271</b>	(119,501)	227.4
Tax expense	<b>(59,673)</b>	(2,296)	
<b>Profit/(Loss) for the period</b>	<b><u>92,598</u></b>	<u>(121,797)</u>	176.0
<b>Attributable to:</b>			
- owners of the Company	<b>80,512</b>	(90,276)	189.2
- non-controlling interests	<b>12,086</b>	(31,521)	
<b>Profit/(Loss) for the period</b>	<b><u>92,598</u></b>	<u>(121,797)</u>	176.0

The Group registered revenue of RM1.1 billion and PBIT of RM150.6 million for the six (6) months ended 30 June 2021 as compared to revenue of RM765.0 million and LBIT of RM109.7 million in the corresponding period of the previous year. The improved financial performance for the current period was mainly attributable to property development segment which registered strong sales in the industrial and residential products. Sales of residential products have improved significantly as compared to the previous year due to intensive online marketing efforts and supported with the Home Ownership Campaign. The LBIT incurred in the previous year were mainly due to the outbreak of the Covid-19 pandemic which resulted in the implementation of the Movement Control Order (“MCO”) on 18 March 2020.

An analysis of the results of each business segment is as follows:

**a) Property development**

The property development segment continued to be the major contributor. The segment registered a significant improvement in performance with a profit of RM190.6 million as compared to a loss of RM85.0 million recorded in the corresponding period of the previous year. This is mainly attributable to the higher sales and development activities in City of Elmina, Elmina Business Park, Serenia City, Bukit Jelutong, Bandar Ainsdale, Nilai Impian, The Glades and Senada projects coupled with higher sales of completed stocks in KL East and Serini.

Current year’s performance were further enhanced with profit from the intercompany sale of land in Bandar Bukit Raja of RM31.2 million to investment and asset management segment for the development of Industrial and Logistics projects.

In the previous year, the development activities and the registration of new sales were affected by the implementation of MCO and its performance was further impacted by write-down of inventories totalling to RM85.2 million.

**B1. Review of Group Performance (continued)**

An analysis of the results of each business segment is as follows: (continued)

**a) Property development (continued)**

Lower share of losses from joint ventures and associates of RM6.2 million was recorded as compared to a loss of RM19.0 million in the corresponding period a year ago. The lower losses was due mainly to higher contribution from PJ Midtown and lower marketing expenses incurred by Battersea in the current year.

**b) Investment and asset management**

The investment and asset management segment saw an increase in revenue to RM48.7 million with the opening of KL East Mall in late November 2020, as compared to RM36.2 million in the corresponding period of the previous year.

The segment result has marginally improved to a loss of RM3.2 million as compared to a loss of RM4.5 million in the corresponding period of the previous year. The higher loss in previous year was due to pre-operating expenditure incurred in preparation for the opening of KL East Mall. The improved performance was, however, partially offset by a higher share of loss from Melawati Mall, a joint venture of the Group.

**c) Leisure**

Leisure segment registered revenue of RM28.9 million as compared to RM30.8 million in the corresponding period of the previous year. Contribution from events and functions remains low following the Covid-19 pandemic outbreak and temporary closure of businesses as a result of the re-enforcement of MCO by the government of Malaysia.

Despite that, the segment registered lower losses of RM6.2 million as compared a loss of RM15.8 million in the corresponding period of the previous year mainly driven by lower operating losses upon consolidation of its operation with a focus on manpower optimisation in the current period.

**d) Elimination**

The elimination amounting to RM31.2 million is in respect of unrealised profit from the sale of land from property development segment to investment and asset management segment for the development of Industrial and Logistics projects, as mentioned in (a) above.

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**B2. Material Changes in Profit for the Current Quarter as Compared to the Preceding Quarter**

	Quarter ended		%
	30 June 2021	31 March 2021	+ / (-)
<b>Segment revenue</b>	<b>575,549</b>	592,850	(2.9)
Inter-segment revenue	<u>(72,724)</u>	<u>(3,363)</u>	
<b>Revenue</b>	<b><u>502,825</u></b>	<b><u>589,487</u></b>	(14.7)
<b>Segment results:</b>			
Property development	<b>86,172</b>	104,414	(17.5)
Investment and asset management	<b>(572)</b>	(2,635)	78.3
Leisure	<b>(3,125)</b>	(3,117)	(0.3)
Elimination	<b>(31,151)</b>	–	(100.0)
	<u>51,324</u>	<u>98,662</u>	(48.0)
Other gains/(losses)	<b>1,324</b>	(752)	
Profit before interest and tax (“PBIT”)	<b>52,648</b>	97,910	(46.2)
Finance income	<b>26,753</b>	26,010	
Finance costs	<b>(22,133)</b>	(28,917)	
<b>Profit before tax</b>	<b>57,268</b>	95,003	(39.7)
Tax expense	<b>(30,723)</b>	(28,950)	
<b>Profit for the period</b>	<b><u>26,545</u></b>	<b><u>66,053</u></b>	(59.8)
<b>Attributable to:</b>			
- owners of the Company	<b>19,905</b>	60,607	(67.2)
- non-controlling interests	<b>6,640</b>	5,446	
<b>Profit for the period</b>	<b><u>26,545</u></b>	<b><u>66,053</u></b>	(59.8)

The Group’s revenue and PBIT for the current quarter was lower than the preceding quarter by 14.7% and 46.2% respectively. The lower financial performance was mainly impacted by reimposition of the Movement Control Order (“MCO”) in the quarter under review.

Other gains in the current quarter include gain on disposal of an investment property of RM0.9 million.

An analysis of the results of each business segment is as follows:

**a) Property development**

Property development segment registered lower revenue by 2.8% from RM553.1 million to RM537.7 million as compared to the preceding quarter. The decrease in revenue in the current quarter was attributable to lower development activities following the re-enforcement of MCO in all our major townships.

These adverse impact of MCO were partially set-off by the profit from the intercompany sale of land in Bandar Bukit Raja of RM31.2 million and higher contribution from Elmina Business Park, Bandar Ainsdale, Nilai Utama, Nilai Impian, Glades, Lot 15 and Serini as compared to the preceding quarter.

**b) Investment and asset management**

The investment and asset management segment registered revenue of RM24.3 million, which is largely consistent with the preceding quarter of RM24.4 million. Despite that, the segment recorded a lower loss of RM0.6 million as compared to the preceding quarter loss of RM2.6 million mainly due to lower sales and marketing activities.

**B2. Material Changes in Profit for the Current Quarter as Compared to the Preceding Quarter (continued)**

An analysis of the results of each business segment is as follows: (continued)

**c) Leisure**

The leisure segment registered lower revenue by 11.6% to RM13.6 million as compared to preceding quarter of RM15.3 million, mainly due to lower contribution from golfing activities, events and functions following imposition of MCO towards the end of the current quarter. Despite that, the segment loss is consistent with that of preceding quarter through effective cost control measures.

**B3. Prospects**

The Government has revised the Gross Domestic Product growth for 2021 from the initial estimation between 6% and 7.5% to between 3% and 4%. The challenging macroeconomic environment is expected to impact the property market outlook for the remainder of the year.

The movement control orders imposed from 1 June 2021 continues to impact the Group. These restrictions had significantly disrupted the Group's operations where the construction sites and sales galleries were not allowed to operate. While construction in the property sector has been allowed to resume as at end-July 2021, it will take time for the Group's operations to gain momentum and return to normality as we operate under strict SOPs.

Notwithstanding, the Group remains on track to meet the RM2.4 billion sales target set for FY2021, supported by strong year-to-date sales of RM1.3 billion and planned launches with gross development value worth RM2.1 billion for the second half of the year. The Group will accelerate its income diversification into the industrial & logistics development segment, launch products at strategic locations with the right price points, unlock value through active land bank management and monetization, as well as exercise vigilant cost management for the rest of FY2021. These efforts will enhance resilience through strengthened operations and financial position, providing us a solid footing to seize opportunities when the market recovers.

Going forward, the Group remains positive given its strong sales performance of RM1.3 billion and improved unbilled sales to RM1.8 billion as at 30 June 2021. Financial position remains healthy with net gearing ratio of 0.30 times.

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**B4. Variance of Actual Profit from Profit Forecast or Profit Guarantee**

Not applicable as there was no profit forecast or profit guarantee issued.

**B5. Profit/(Loss) Before Interest and Tax**

	Quarter ended 30 June		Six (6) months ended 30 June	
	2021	2020 Restated	2021	2020 Restated
Included in operating profit/(loss) are:				
Depreciation and amortisation	(16,342)	(16,793)	(32,265)	(29,891)
Write-off of:				
- property development expenditure	(2,145)	(56,297)	(2,145)	(56,297)
- property, plant and equipment	-	(117)	-	(118)
Write-down of inventories	-	(33,970)	-	(28,890)
Impairment of receivables	527	(8,930)	(303)	(14,899)
Investment income	192	-	192	-
Bad debts recovered	-	-	-	67
Included in other gains/(losses) are:				
Gain on disposal of:				
- investment properties	948	-	948	-
- property, plant and equipment other than land and buildings	-	5	-	15
Surplus from liquidation of an associate	-	950	-	950
Reversal of impairment of amount due from a joint venture	-	-	-	1,296
Provision on obligation for an investment property disposed	-	-	-	(5,003)
Changes in fair value of quoted investments	152	153	183	(1,501)
Net foreign exchange gain/(loss)	224	(257)	(559)	(264)

**B6. Tax Expense/(Credit)**

	Quarter ended 30 June		Six (6) months ended 30 June	
	2021	2020 Restated	2021	2020 Restated
In respect of the current period:				
- current tax	28,762	14,438	54,343	25,383
- deferred tax	3,982	(16,941)	4,673	(15,907)
	32,744	(2,503)	59,016	9,476
In respect of prior years:				
- current tax	(23)	(1,947)	(3,963)	(7,121)
- deferred tax	(1,998)	1,873	4,620	(59)
	30,723	(2,577)	59,673	2,296

The effective tax rates for the current quarter and for the six (6) months ended 30 June 2021 of 49.3% and 36.9% are higher than statutory tax rate of 24% due to certain expenses are disallowed for tax deduction and deferred tax asset is not recognised for losses incurred by some subsidiaries.

**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**B7. Status of Corporate Proposal**

There was no corporate proposal announced but not completed as at 19 August 2021.

**B8. Group Borrowings**

The breakdown of the borrowings as at 30 June 2021 is as follows:

	Secured	Unsecured	Total
<u>Long-term borrowings</u>			
Term loans	489,492	–	489,492
Islamic financing	798,406	–	798,406
Syndicated Islamic financing	573,056	–	573,056
Islamic medium term notes	–	799,014	799,014
Revolving credits	–	222,974	222,974
Amounts due to non-controlling interests	–	225,963	225,963
	<u>1,860,954</u>	<u>1,247,951</u>	<u>3,108,905</u>
<u>Short-term borrowings</u>			
Term loans due within one year	43,390	–	43,390
Islamic financing due within one year	192,108	–	192,108
Syndicated Islamic financing	84,347	–	84,347
Islamic medium term notes	–	2,013	2,013
Revolving credits	–	347	347
	<u>319,845</u>	<u>2,360</u>	<u>322,205</u>
Total borrowings	<u>2,180,799</u>	<u>1,250,311</u>	<u>3,431,110</u>

The breakdown of borrowings between the principal and interest portion are as follows:

	Secured	Unsecured	Total
Borrowings			
- principal	2,172,890	1,247,951	3,420,841
- interest	7,909	2,360	10,269
Total borrowings	<u>2,180,799</u>	<u>1,250,311</u>	<u>3,431,110</u>

The Group borrowings in RM equivalent analysed by currency are as follows:

	Long-term borrowings	Short-term borrowings	Total
Ringgit Malaysia	2,885,931	321,858	3,207,789
Sterling Pound	222,974	347	223,321
Total borrowings	<u>3,108,905</u>	<u>322,205</u>	<u>3,431,110</u>

Certain borrowings are secured by fixed and floating charges over property, plant and equipment, investment property and other assets of certain subsidiaries.

## **B9. Material Litigations**

Changes in material litigations since the date of the last audited annual statement of financial position up to 19 August 2021 are as follows:

### **a) Claim against Sime Darby Property (Ara Damansara) Sdn Bhd (“SDPAD”)**

A civil suit was commenced by 72 purchasers of Ara Hill (“Plaintiffs”) against SDPAD, claiming general and specific damages of approximately RM40.0 million and specific performance arising from SDPAD’s alleged breaches of the terms of the sale and purchase agreements (“SPAs”) and the provisions of various statutes including, the Uniform Building By-Laws 1984 and the Street, Drainage and Building Act 1974.

The Plaintiffs alleged that the breaches by SDPAD have, amongst others, caused the delay in delivery of strata titles, which caused the Plaintiffs to suffer loss and damage, including indirect losses (which have not been proven by the Plaintiffs). The dispute was referred to mediation and the parties explored possible settlement proposals. However, the parties were unable to reach a global settlement. The trial commenced on 16 April 2018. A site visit was held on 7 April 2021. On 28 April 2021, the court allowed the Plaintiffs’ application to add the Joint Management Body of Ara Hill as a co-defendant to this suit. The court had vacated the trial dates which were previously fixed in July 2021. No new trial dates have been fixed by the court.

The Plaintiffs’ claim is divided into various allegations against SDPAD. These claims and allegations have yet to be proven by the Plaintiffs and it would be speculative, at this juncture, to ascertain SDPAD’s potential liability to the Plaintiffs in respect of this suit.

### **b) Arbitration between Bumimetro Construction Sdn Bhd (“BCSB”) v Sime Darby Property (KL East) Sdn Bhd (“SDPKE”)**

BCSB (“Claimant”), the main contractor of a development in Melawati, Kuala Lumpur (“Project”) has referred disputes arising from the Project and the construction contract (“Contract”) with SDPKE (“Respondent”) to arbitration, pursuant to the Letter of Acceptance/Contract by issuing a notice of arbitration (“Notice”) on 20 September 2018. In the Notice, the Claimant is claiming for specific damages of approximately RM40.0 million. The Respondent had disputed the claims by the Claimant, in its written response to the Notice (“Response”) on 22 October 2018.

The parties have filed its Statement of Claim, Statement of Defence and Counterclaim and replies thereto. On 3 March 2021, the Claimant filed its Re-Amended Statement of Claim where it had, amongst others, re-amended its claim for specific damages from approximately RM41.9 million (pursuant to its Amended Statement of Claim of 19 June 2020) to approximately RM42 million. On 12 March 2021, the Respondent had also made consequential amendments to its Re-Amended Statement of Defence and Counterclaim of 26 June 2020 and filed its 2nd Re-Amended Statement of Defence and Counterclaim.

The arbitration proceedings are being held in accordance with the rules of the Asian International Arbitration Centre before a single arbitrator. The hearing commenced on 15 June 2020 and further hearing was held for a total of 10 days from January 2021 to March 2021. The hearing will continue for another 15 days in June, August and September 2022.

Solicitors for the Respondent are of the view that there are tenable grounds on the positions taken by the Respondent in resisting the claim subject to documentary and evidentiary proof.



**SIME DARBY PROPERTY BERHAD**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 June 2021  
Amounts in RM thousand unless otherwise stated

**B10. Dividend**

First interim single tier dividend of 1.0 sen per ordinary share in respect of the financial year ending 31 December 2021, which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967 has been declared and will be paid on 16 November 2021. The entitlement date for the dividend payment is 29 October 2021.

A depositor shall qualify for entitlement to the dividend only in respect of:

- (i) shares transferred into the depositor's securities account before 4.30 pm on 29 October 2021 in respect of transfers; and
- (ii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

**B11. Earnings Per Share**

	<b>Quarter ended 30 June</b>		<b>Six (6) months ended 30 June</b>	
	<b>2021</b>	<b>2020 Restated</b>	<b>2021</b>	<b>2020 Restated</b>
Basic earnings/(loss) per share attributable to owners of the Company are computed as follows:				
Profit/(Loss) for the period	<u>19,905</u>	<u>(92,995)</u>	<u>80,512</u>	<u>(90,276)</u>
Number of ordinary shares in issue (thousand)	<u>6,800,839</u>	<u>6,800,839</u>	<u>6,800,839</u>	<u>6,800,839</u>
Basic earnings/(loss) per share (sen)	<u>0.3</u>	<u>(1.4)</u>	<u>1.2</u>	<u>(1.3)</u>

The basic and diluted earnings/(loss) per share are the same as there is no potential ordinary shares in issue as at the end of the financial period.

Selangor Darul Ehsan  
26 August 2021

By Order of the Board  
Noreen Melini Muzamli  
LS0008290  
Group Company Secretary