

QUARTERLY REPORT

On the consolidated results for the third quarter ended 30 September 2021

The Directors hereby announce the following:

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

		Quarter ended 30 September		%	Nine (9) months ended 30 September		%
	Note	2021	2020 Restated	+ / (-)	2021	2020 Restated	+ / (-)
Revenue	A8	388,240	592,628	(34.5)	1,480,552	1,357,590	9.1
Cost of sales		(312,449)	(492,322)		(1,127,612)	(1,207,739)	
Gross profit		75,791	100,306	(24.4)	352,940	149,851	135.5
Other income		1,593	2,815		8,949	9,227	
Selling and marketing expenses		(18,544)	(21,820)		(57,484)	(51,213)	
Administrative expenses		(50,158)	(47,390)		(136,238)	(158,294)	
Operating profit/(loss)		8,682	33,911		168,167	(50,429)	
Share of results of joint ventures		(14,782)	(351,500)		(24,686)	(373,381)	
Share of results of associates		(10)	(369)		395	661	
Other losses		(660)	(14,397)		(88)	(18,904)	
(Loss)/Profit before interest and tax		(6,770)	(332,355)	98.0	143,788	(442,053)	132.5
Finance income		24,345	26,520		77,108	84,285	
Finance costs		(22,400)	(20,199)		(73,450)	(87,767)	
(Loss)/Profit before tax		(4,825)	(326,034)	98.5	147,446	(445,535)	133.1
Tax expense	B6	(11,114)	(35,244)		(70,787)	(37,540)	
(Loss)/Profit for the period	A7	(15,939)	(361,278)	95.6	76,659	(483,075)	115.9
Attributable to:							
- owners of the Company		(15,795)	(359,965)	95.6	64,717	(450,241)	114.4
- non-controlling interests		(144)	(1,313)		11,942	(32,834)	
(Loss)/Profit for the period		(15,939)	(361,278)	95.6	76,659	(483,075)	115.9
Basic (loss)/earnings per share attributable to owners of the Company (sen)	B10	(0.2)	(5.3)	95.6	1.0	(6.6)	114.4

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		%	Nine (9) months ended		%
	30 September	2020	+ / (-)	30 September	2020	+ / (-)
	2021	Restated		2021	Restated	
(Loss)/Profit for the period	<u>(15,939)</u>	<u>(361,278)</u>	95.6	<u>76,659</u>	<u>(483,075)</u>	115.9
Other comprehensive (loss)/income						
Items which will subsequently be reclassified to profit or loss (net of tax):						
Currency translation differences	(41,058)	30,764		70,629	(31,022)	
Reclassified to profit or loss:						
Currency translation differences on repayment of net investments	–	13,761		–	13,761	
Items which will not subsequently be reclassified to profit or loss (net of tax):						
Net changes in fair value of investments	–	(2,189)		–	(2,298)	
Share of other comprehensive loss of an associate	–	(2,079)		–	(2,079)	
Other comprehensive (loss)/income for the period	(41,058)	40,257	(202.0)	70,629	(21,638)	426.4
Total comprehensive (loss)/income for the period	<u>(56,997)</u>	<u>(321,021)</u>	82.2	<u>147,288</u>	<u>(504,713)</u>	129.2
Attributable to:						
- owners of the Company	(56,892)	(321,377)	82.3	135,017	(471,363)	128.6
- non-controlling interest	(105)	356		12,271	(33,350)	
Total comprehensive (loss)/income for the period	<u>(56,997)</u>	<u>(321,021)</u>	82.2	<u>147,288</u>	<u>(504,713)</u>	129.2

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 September 2021	Restated As at 31 December 2020	Restated As at 1 January 2020
<u>Non-current assets</u>				
Property, plant and equipment		606,763	626,178	636,284
Investment properties		725,889	709,030	745,785
Inventories (note 1)		4,285,821	4,474,282	4,542,929
Joint ventures		2,861,106	2,476,101	2,800,416
Associates		140,311	139,142	139,137
Investments		56,214	56,276	58,788
Intangible assets		5,907	5,721	4,143
Deferred tax assets		612,434	623,961	599,982
Receivables		71,040	80,790	50,790
Contract assets		1,260,610	1,255,602	1,318,352
		10,626,095	10,447,083	10,896,606
<u>Current assets</u>				
Inventories (note 1)		1,697,582	1,744,688	1,903,791
Receivables		586,600	622,660	628,711
Contract assets		1,224,099	1,123,772	1,198,933
Prepayment		22,703	7,794	17,549
Tax recoverable		34,173	32,203	23,334
Cash held under Housing Development Accounts		199,530	345,486	456,706
Bank balances, deposits and cash		419,412	456,351	286,632
		4,184,099	4,332,954	4,515,656
Total assets	A7	14,810,194	14,780,037	15,412,262
<u>Equity</u>				
Share capital		6,800,839	6,800,839	6,800,839
Fair value reserve		35,151	35,151	36,375
Exchange reserve		112,346	42,046	(11,679)
Retained profits		2,123,632	2,126,923	2,832,452
Attributable to owners of the Company		9,071,968	9,004,959	9,657,987
Non-controlling interests		189,556	179,485	221,988
Total equity		9,261,524	9,184,444	9,879,975
<u>Non-current liabilities</u>				
Payables		76,332	79,184	81,375
Borrowings	B8	3,180,285	3,033,927	2,408,140
Lease liabilities		51,886	66,057	74,042
Provisions		135,453	131,188	99,332
Contract liabilities		242,998	244,937	251,623
Deferred tax liabilities		181,534	172,562	163,713
		3,868,488	3,727,855	3,078,225
<u>Current liabilities</u>				
Payables		969,747	1,248,094	1,304,027
Borrowings	B8	337,593	292,542	796,147
Lease liabilities		19,847	16,880	17,670
Provisions		111,574	116,681	76,569
Contract liabilities		136,202	134,241	100,902
Tax provision		37,211	59,300	158,747
Dividend payable		68,008	–	–
		1,680,182	1,867,738	2,454,062
Total liabilities		5,548,670	5,595,593	5,532,287
Total equity and liabilities		14,810,194	14,780,037	15,412,262

SIME DARBY PROPERTY BERHAD
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Unaudited Condensed Consolidated Statement of Financial Position (continued)
Amounts in RM thousand unless otherwise stated

	Unaudited As at 30 September 2021	Restated As at 31 December 2020	Restated As at 1 January 2020
Net assets per share attributable to owners of the Company (RM)	<u>1.33</u>	<u>1.32</u>	<u>1.42</u>

Note:

1. Inventories

Completed development units	403,427	570,448	532,604
Ongoing development	1,293,248	1,172,773	1,369,465
Others	907	1,467	1,722
	<u>1,697,582</u>	<u>1,744,688</u>	<u>1,903,791</u>
Not within normal operating cycle	<u>4,285,821</u>	<u>4,474,282</u>	<u>4,542,929</u>
	<u>5,983,403</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
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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
Period ended 30 September 2021								
At 1 January 2021								
- 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		–	–	70,300	64,717	135,017	12,271	147,288
Transaction with owners:								
- dividend paid		–	–	–	–	–	(2,200)	(2,200)
- dividend payable		–	–	–	(68,008)	(68,008)	–	(68,008)
At 30 September 2021		6,800,839	35,151	112,346	2,123,632	9,071,968	189,556	9,261,524
Period ended 30 September 2020								
At 1 January 2020								
- 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		–	(4,377)	(16,745)	(450,241)	(471,363)	(33,350)	(504,713)
Transaction with owners:								
- dividends paid		–	–	–	(136,017)	(136,017)	(2,200)	(138,217)
- reversal of tax provision on waiver on intercompany loan		–	–	–	15,409	15,409	–	15,409
- acquisition of non-controlling interest		–	–	–	(3,100)	(3,100)	262	(2,838)
At 30 September 2020		6,800,839	31,998	(28,424)	2,258,503	9,062,916	186,700	9,249,616

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.

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

	Nine (9) months ended 30 September	
Note	2021	2020 Restated
Cash flow from operating activities		
Profit/(Loss) for the period	76,659	(483,075)
Adjustments for:		
Share of results of joint ventures and associates	24,291	372,720
Depreciation and amortisation	48,370	44,040
Write-down of inventories	-	103,759
Write-off of property development expenditure	2,145	77,224
Write-off of property, plant and equipment	183	262
Impairment of receivables	2,985	14,587
Investment income	(192)	-
Gain on disposals	(948)	(15)
Provisions	(2,296)	22,921
Finance income	(77,108)	(84,285)
Finance costs	73,450	87,767
Tax expense	70,787	37,540
Others	62	4,513
	<u>218,388</u>	<u>197,958</u>
Changes in working capital:		
- inventories, receivables and other assets	222,323	289,802
- payables, provisions and other liabilities	(283,709)	(20,583)
Cash from operations	<u>157,002</u>	<u>467,177</u>
Tax paid	(74,345)	(79,153)
Dividends received from investments and a joint venture	192	1,795
Net cash from operating activities	<u>82,849</u>	<u>389,819</u>
Cash flow from investing activities		
Finance income received	6,435	8,960
Proceeds from sale of:		
- investment properties	1,020	-
- property, plant and equipment	-	17
Purchase/addition of:		
- investment properties	(3,623)	(862)
- property, plant and equipment	(1,943)	(11,200)
- intangible assets	(1,579)	(2,557)
Subscription of shares in joint ventures	(341,183)	(12,450)
Advances to joint ventures and associates	(775)	(32,031)
Others	-	950
Net cash used in investing activities	<u>(341,648)</u>	<u>(49,173)</u>
Cash flow from financing activities		
Finance costs paid	(93,732)	(115,273)
Net proceeds from borrowings	184,526	25,832
Repayments of lease liabilities	(12,719)	(13,834)
Dividend paid on ordinary shares	-	(136,017)
Dividend paid to non-controlling interests	(2,200)	(2,200)
Acquisition of non-controlling interest	-	(2,838)
Net cash from/(used in) financing activities	<u>75,875</u>	<u>(244,330)</u>
Net changes in cash and cash equivalents	<u>(182,924)</u>	<u>96,316</u>
Foreign exchange differences	29	2,319
Cash and cash equivalents at beginning of the period	<u>801,837</u>	<u>743,338</u>
Cash and cash equivalents at end of the period	<u>618,942</u>	<u>841,973</u>

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

	Nine (9) months ended	
	30 September	
Note	2021	2020
		Restated
For the purpose of the Condensed Consolidated Statement of Cash Flows, cash and cash equivalents comprised the following:		
Cash held under Housing Development Accounts	199,530	482,231
Bank balances, deposits and cash	419,412	359,742
	618,942	841,973

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.

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Explanatory Notes on the Quarterly Report – 30 September 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 108	Definition of Accounting Estimates
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.

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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 third quarter ended 30 September 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 third quarter ended 30 September 2020

	Quarter ended 30 September 2020			Nine (9) months ended 30 September 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	592,628	–	592,628	1,357,590	–	1,357,590
Cost of sales	(501,873)	9,551	(492,322)	(1,221,886)	14,147	(1,207,739)
Gross profit	90,755	9,551	100,306	135,704	14,147	149,851
Other income	2,815	–	2,815	9,227	–	9,227
Selling and marketing expenses	(21,820)	–	(21,820)	(51,213)	–	(51,213)
Administrative expenses	(47,390)	–	(47,390)	(158,294)	–	(158,294)
Operating profit/(loss)	24,360	9,551	33,911	(64,576)	14,147	(50,429)
Share of results of joint ventures	(351,928)	428	(351,500)	(373,809)	428	(373,381)
Share of results of associates	(369)	–	(369)	661	–	661
Other losses	(14,397)	–	(14,397)	(18,904)	–	(18,904)
Loss before interest and tax	(342,334)	9,979	(332,355)	(456,628)	14,575	(442,053)
Finance income	26,520	–	26,520	84,285	–	84,285
Finance costs	(6,564)	(13,635)	(20,199)	(37,363)	(50,404)	(87,767)
Loss before tax	(322,378)	(3,656)	(326,034)	(409,706)	(35,829)	(445,535)
Tax expense	(36,224)	980	(35,244)	(46,252)	8,712	(37,540)
Loss for the period	(358,602)	(2,676)	(361,278)	(455,958)	(27,117)	(483,075)
Attributable to:						
- owners of the Company	(355,261)	(4,704)	(359,965)	(422,874)	(27,367)	(450,241)
- non-controlling interests	(3,341)	2,028	(1,313)	(33,084)	250	(32,834)
Loss for the period	(358,602)	(2,676)	(361,278)	(455,958)	(27,117)	(483,075)
Basic loss per share attributable to owners of the Company (sen)	(5.2)	(0.1)	(5.3)	(6.2)	(0.4)	(6.6)

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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 third quarter ended 30 September 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>

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Explanatory Notes on the Quarterly Report – 30 September 2021
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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 September 2021.

A6. Dividend Paid

The first interim single tier dividend of 1.0 sen per ordinary share in respect of financial year ending 31 December 2021 amounting to RM68.0 million was paid on 16 November 2021.

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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
Nine (9) months ended 30 September 2021					
Revenue:					
External	1,377,348	65,453	37,751	–	1,480,552
Inter-segment	69,446	5,996	3,407	(78,849)	–
	<u>1,446,794</u>	<u>71,449</u>	<u>41,158</u>	<u>(78,849)</u>	<u>1,480,552</u>
Cost of sales	(1,080,102)	(57,973)	(23,591)	34,054	(1,127,612)
Gross profit	366,692	13,476	17,567	(44,795)	352,940
Other income	7,861	883	348	(143)	8,949
Selling and marketing expenses	(54,791)	(2,320)	(373)	–	(57,484)
Administrative expenses	(97,119)	(14,894)	(33,088)	8,863	(136,238)
Operating profit/(loss)	222,643	(2,855)	(15,546)	(36,075)	168,167
Share of results of joint ventures and associates	(17,816)	(6,475)	–	–	(24,291)
Segment results	204,827	(9,330)	(15,546)	(36,075)	143,876
Other (losses)/gains	(1,021)	948	(15)	–	(88)
Profit/(Loss) before interest and tax	203,806	(8,382)	(15,561)	(36,075)	143,788
Finance income	8,293	67,993	822	–	77,108
Finance costs	(24,734)	(47,817)	(899)	–	(73,450)
Profit/(Loss) before tax	187,365	11,794	(15,638)	(36,075)	147,446
Tax expense	(63,634)	(10,988)	228	3,607	(70,787)
Profit/(Loss) for the period	<u>123,731</u>	<u>806</u>	<u>(15,410)</u>	<u>(32,468)</u>	<u>76,659</u>
Included in other (losses)/gains are:					
Gain on disposal of investment properties	–	948	–	–	948
Changes in fair value of quoted investments	(62)	–	–	–	(62)

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A7. Segment Information (continued)

a. Segment results (continued)

	Property Development	Investment and Asset Management	Leisure	Elimination	Total
Nine (9) months ended					
30 September 2020					
Restated					
Revenue:					
External	1,254,348	48,464	54,778	–	1,357,590
Inter-segment	266	7,294	890	(8,450)	–
	<u>1,254,614</u>	<u>55,758</u>	<u>55,668</u>	<u>(8,450)</u>	<u>1,357,590</u>
Cost of sales	(1,133,923)	(42,829)	(31,453)	466	(1,207,739)
Gross profit	120,691	12,929	24,215	(7,984)	149,851
Other income	8,436	340	451	–	9,227
Selling and marketing expenses	(47,724)	(3,032)	(457)	–	(51,213)
Administrative expenses	(113,561)	(14,109)	(38,608)	7,984	(158,294)
Operating loss	(32,158)	(3,872)	(14,399)	–	(50,429)
Share of results of joint ventures and associates	(367,504)	(5,216)	–	–	(372,720)
Segment results	(399,662)	(9,088)	(14,399)	–	(423,149)
Other (losses)/gains	(12,417)	(6,607)	120	–	(18,904)
Loss before interest and tax	(412,079)	(15,695)	(14,279)	–	(442,053)
Finance income	11,434	72,034	817	–	84,285
Finance costs	(33,023)	(54,003)	(741)	–	(87,767)
(Loss)/Profit before tax	(433,668)	2,336	(14,203)	–	(445,535)
Tax expense	(25,145)	(15,784)	3,389	–	(37,540)
Loss for the period	<u>(458,813)</u>	<u>(13,448)</u>	<u>(10,814)</u>	<u>–</u>	<u>(483,075)</u>
Included in other (losses)/gains 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	–	(6,611)	–	–	(6,611)
Changes in fair value of quoted investments	(1,103)	–	–	–	(1,103)

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A7. Segment Information (continued)

b. Segment assets

	Property Development	Investment and Asset Management	Leisure	Elimination	Total
As at 30 September 2021					
Operating assets	8,873,562	2,374,022	528,161	(613,575)	11,162,170
Joint ventures and associates	2,818,973	229,058	–	(46,614)	3,001,417
	<u>11,692,535</u>	<u>2,603,080</u>	<u>528,161</u>	<u>(660,189)</u>	<u>14,163,587</u>
Tax assets					646,607
Total assets					<u>14,810,194</u>
As at 31 December 2020					
Restated					
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

	Nine (9) months ended 30 September	
	2021	2020
Revenue comprise the following:		
Revenue from contracts with customers	1,430,070	1,324,102
Revenue from rental income	50,482	33,488
	<u>1,480,552</u>	<u>1,357,590</u>
Disaggregation of the Group's revenue from contracts with customers:		
Geographical market		
- Malaysia	1,429,766	1,203,179
- Vietnam	304	431
- Australia	–	120,492
	<u>1,430,070</u>	<u>1,324,102</u>
Timing of revenue recognition		
- over time	1,082,120	1,006,179
- at point in time	347,950	317,923
	<u>1,430,070</u>	<u>1,324,102</u>

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A9. Capital Commitments

	As at 30 September 2021	As at 31 December 2020
Contracted capital commitments:		
- property, plant and equipment	2,757	4,404
- investment properties	7,640	631
- intangible assets	825	456
	<u>11,222</u>	<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 September 2021 is estimated up to £94.2 million (equivalent to RM532.2 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 September 2021, the limit of equity injection commitment is RM55.8 million (31 December 2020: RM57.6 million).

A10. Significant Related Party Transactions

Significant related party transactions during the nine (9) months ended 30 September 2021 are as follows:

	Nine (9) months ended 30 September	
	2021	2020
a. Transactions between subsidiaries and their owners of non-controlling interests		
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	<u>(111,704)</u>	<u>(131,170)</u>
b. Transactions with joint ventures		
<u>Sime Darby Property CapitaLand (Melawati Mall) Sdn Bhd</u> Project management fees	<u>-</u>	<u>4,212</u>
c. 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 September 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 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 with the related parties are conducted in the ordinary course of the Group's businesses.

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A10. Significant Related Party Transactions (continued)

Significant related party transactions during the nine (9) months ended 30 September 2021 are as follows:
(continued)

d. Transactions with shareholders and Government (continued)

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

	Nine (9) months ended 30 September	
	2021	2020
<u>Yayasan Sime Darby</u>		
Contribution paid to Yayasan Sime Darby	(10,000)	(10,000)
<u>Sime Darby Berhad group</u>		
Rental income	8,947	8,916
<u>Sime Darby Plantation Berhad group</u>		
Rental income	8,068	5,260

Subsequent to the end of the current reporting period ended 30 September 2021, Sime Darby Property (MVB Central) Sdn Bhd has on 27 October 2021 entered into a Sale and Purchase Agreement (“SPA”) with Kumpulan Sime Darby Berhad (“KSDB”), a subsidiary of Sime Darby Berhad, to acquire part of the land held under GRN 76723 Lot No. 3235, Mukim of Labu, District of Seremban, Negeri Sembilan measuring approximately 760.12 acres for a total cash consideration of RM280.0 million.

The land is part of the option land under the Call Option Agreements between SDPB and KSDB, which has been previously disclosed in Section 4.1.2(ii) of the Prospectus of SDPB dated 28 November 2017 issued pursuant to its listing on the Main Market of Bursa Malaysia Securities Berhad.

KSDB is a wholly owned subsidiary of Sime Darby Berhad.

The purchase price was arrived based on the joint valuation conducted by Sime Darby Property Berhad (“SDPB”) and KSDB in September 2021.

The payment terms are as follows:

- (a) 10% of the purchase price to be paid on signing of the SPA; and
- (b) 90% of the purchase price (“Balance Purchase Price”) to be paid within 3 months from the date when all conditions precedent are fulfilled or such other date as the parties may mutually agree in writing.

Completion of the SPA shall take place at the office of KSDB or such other place as the parties agree when the following business shall be transacted:

- (a) KSDB shall deliver a letter confirming delivery of vacant possession of the land;
- (b) A copy of the letter duly signed by KSDB and Sime Darby Plantation Berhad (“Tenant”) or such other documentary proof confirming the mutual termination of the tenancy in respect of the land which is currently tenanted to the Tenant pursuant to the tenancy agreement dated 19 July 2017 made between the KSDB and the Tenant (which term was renewed for another 3 years to expire on 28 June 2023); and
- (c) Full payment of the Balance Purchase Price to KSDB.

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

On 1 November 2021, the Group via its wholly-owned subsidiary, Sime Darby Property (Vietnam) Pte Ltd (“Seller”), entered into a Capital Transfer Agreement to dispose its entire 65% equity interest (“Sale Shares”) in OSC Sunrise Apartment Company Limited (“OSC”) to Goldswan Hospitality Investment Joint Stock Company (“Buyer”) for a cash consideration of VND60.0 billion (approximately RM10.8 million) (“Purchase Price”). The Completion Date of the disposal, upon which transfer of the ownership in the Sale Shares together with any and all economic and legal benefits, liabilities and risks arising therefrom shall be deemed effectively transferred to the Buyer on payment of the first 90% of the Purchase Price to the Seller, is subject to the fulfilment of the following conditions precedent to be fulfilled no later than ninety (90) business days from 2 November 2021, unless mutually extended by the parties in writing:

- a. resolution of the board of OSC approving the transfer from the Seller to the Buyer;
- b. obtaining the Amended Enterprise Registration Certificate (“Amended ERC”);
- c. the confirmation of handover of OSC’s assets signed by the Seller, Buyer, and OSC; and
- d. resignation letter of all of the executive members in OSC appointed by the Seller.

Other than the above, there was no material event subsequent to the end of the current quarter under review to 18 November 2021, being a date not earlier than 7 days from the date of issue of the quarterly report.

A12. Effect of Significant Changes in the Composition of the Group

There were no significant changes in the composition of the Group for the financial period ended 30 September 2021, other than disclosed below.

- a. On 21 July 2021, Sime Darby Property (MVV Central) Sdn Bhd (“MVV Central”) was incorporated in Malaysia with its entire share capital of RM1 held by Sime Darby Property Berhad. The principal activity of MVV Central is property development.
- b. On 21 July 2021, Sime Darby Property Ventures (HK) Limited (“SDP Ventures”) was incorporated in Hong Kong with its entire share capital of USD1 held by Sime Darby Property Berhad. The principal activity of SDP Ventures is investment holding, for the purpose of holding investment in an industrial development fund (“IDF”). The IDF structure has also been set up during the period, which comprise certain limited partnership, investment holding, property development and property investment companies as listed below:
 - (i) Sime Darby Property Industrial Development Fund LP
 - (ii) Sime Darby Property (IDF Holdings) Pte Ltd
 - (iii) Sime Darby Property (Industrial Development I) Sdn Bhd
 - (iv) Sime Darby Property (Industrial Development II) Sdn Bhd
 - (v) Sime Darby Property (Industrial Development III) Sdn Bhd
 - (vi) Sime Darby Property (Industrial Asset I) Sdn Bhd
 - (vii) Sime Darby Property (Industrial Asset II) Sdn Bhd
 - (viii) Sime Darby Property (Industrial Asset III) Sdn Bhd
- c. On 9 September 2021, Sime Darby Property (Capital Holdings) Pte Ltd (“SDPCH”) was incorporated in Singapore with its entire share capital of USD1 held by Sime Darby Property Berhad. The principal activity of SDPCH is investment holding.

On 10 September 2021, Industrial Joint Venture (Holdings) Pte Ltd (“JV Co”) was incorporated. Subsequently, on 29 September 2021, SDPCH entered into a Shareholders’ Agreement with LOGOS SE Asia Pte Ltd (“LOGOS”) to govern the parties’ relationship as shareholders to the JV Co. Based on the Shareholders’ Agreement, SDPCH holds 51% whilst LOGOS holds 49% in the JV Co. The purpose of the JV Co is to provide fund management and development services to industrial development funds established by the JV Co.

The subsidiaries of the JV Co are as follows:

- (i) SDPLOG - IDF 1 (Capital Partners) Pte Ltd (formerly known as Sime Darby Property (Capital Partners) Pte Ltd), a fund management company; and
- (ii) Sime Darby Property IDF GP Pte Ltd, an investment holding entity.

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A12. Effect of Significant Changes in the Composition of the Group (continued)

There were no significant changes in the composition of the Group for the financial period ended 30 September 2021, other than disclosed below. (continued)

- d. On 10 September 2021, Sime Darby Property (BUP Asset I) Sdn Bhd (“BUP Asset”) was incorporated in Malaysia with its entire share capital of RM6.5 million held by Sime Darby Property Berhad. The principal activity of BUP Asset is property investment.

A13. Contingent Liabilities - unsecured

	As at 30 September 2021	As at 31 December 2020
Claims pending against the Group	<u>82,009</u>	<u>81,937</u>

A14. 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:

	As at 30 September 2021	As at 31 December 2020
Investments:		
- quoted shares	2,021	2,083
- unquoted shares	<u>54,193</u>	<u>54,193</u>
	<u>56,214</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.

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

B1. Review of Group Performance

	Nine (9) months ended 30 September		% + / (-)
	2021	2020 Restated	
Segment revenue	1,559,401	1,366,040	14.2
Inter-segment revenue	(78,849)	(8,450)	
Revenue	<u>1,480,552</u>	<u>1,357,590</u>	9.1
Segment results:			
Property development	204,827	(399,662)	151.3
Investment and asset management	(9,330)	(9,088)	(2.7)
Leisure	(15,546)	(14,399)	(8.0)
Elimination	(36,075)	–	(100.0)
	<u>143,876</u>	<u>(423,149)</u>	134.0
Other losses	(88)	(18,904)	
Profit/(Loss) before interest and tax (“PBIT”/“(LBIT”))	143,788	(442,053)	132.5
Finance income	77,108	84,285	
Finance costs	(73,450)	(87,767)	
Profit/(Loss) before tax	147,446	(445,535)	133.1
Tax expense	(70,787)	(37,540)	
Profit/(Loss) for the period	<u>76,659</u>	<u>(483,075)</u>	115.9
Attributable to:			
- owners of the Company	64,717	(450,241)	114.4
- non-controlling interests	11,942	(32,834)	
Profit/(Loss) for the period	<u>76,659</u>	<u>(483,075)</u>	115.9

The Group registered a revenue of RM1.5 billion and a PBIT of RM143.8 million for the nine (9) months ended 30 September 2021 as compared to a revenue of RM1.4 billion and a LBIT of RM442.1 million in the corresponding period of the previous year.

The improved financial performance for the current period was mainly attributable to the property development segment which registered strong sales in 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.

In contrast, LBIT in the corresponding period of previous year was negatively impacted by the initial waves of Covid-19 pandemic during which the Group had taken firm measures in reviewing the projects in its pipeline launches to ensure that the products are aligned to the market demand, and to prevent the build-up of unsold inventories. Consequently, the Group recognised write-down/write-off of inventories totaling RM181.0 million and share of the impairment recognised by the Battersea Group of RM337.1 million (£62.4 million).

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 RM204.8 million as compared to a loss of RM399.7 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, Bandar Ainsdale, Nilai Impian, The Glades and Senada projects coupled with higher sales of completed stocks in KLGCC Resort, KL East and Serini.

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B1. Review of Group Performance (continued)

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

a) Property development (continued)

Current year's performance was further enhanced with profit from the intercompany sale of land in Bandar Bukit Raja of RM36.1 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 Covid-19 pandemic, which led to the implementation of Movement Control Order ("MCO"). The segment performance was further impacted by write-down/write-off of inventories totaling to RM181.0 million.

Excluding the impairment recognised by the Battersea Group in prior year, the Group registered a lower share of losses from joint ventures and associates of RM17.8 million as compared to the adjusted loss of RM30.4 million. The lower losses were 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 segment revenue to RM71.4 million with the opening of KL East Mall in late November 2020, as compared to RM55.8 million in the corresponding period of the previous year.

The segment recorded a loss of RM9.3 million as compared to a loss of RM9.1 million in the corresponding period of the previous year. The marginally higher loss this year was mainly due to higher share of loss from Melawati Mall, a joint venture of the Group; offset by improved results from KL East Mall as prior year's results was impacted by pre-operating expenditure incurred in preparation for the opening of KL East Mall.

c) Leisure

Leisure segment registered a segment revenue of RM41.2 million as compared to RM55.7 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 during period of lockdowns.

The segment registered higher losses of RM15.5 million as compared a loss of RM14.4 million in the corresponding period of the previous year mainly caused by lower revenue; offset 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 RM36.1 million is in respect of the 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.

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

	Quarter ended		%
	30 September 2021	30 June 2021	+ / (-)
Segment revenue	391,002	575,549	(32.1)
Inter-segment revenue	<u>(2,762)</u>	<u>(72,724)</u>	
Revenue	<u>388,240</u>	<u>502,825</u>	(22.8)
Segment results:			
Property development	14,241	86,172	(83.5)
Investment and asset management	(6,123)	(572)	(970.5)
Leisure	(9,304)	(3,125)	(197.7)
Elimination	(4,924)	(31,151)	84.2
	<u>(6,110)</u>	<u>51,324</u>	(111.9)
Other (losses)/gains	(660)	1,324	
(Loss)/Profit before interest and tax ("LBIT")/("PBIT")	(6,770)	52,648	(112.9)
Finance income	24,345	26,753	
Finance costs	(22,400)	(22,133)	
Profit before tax	(4,825)	57,268	(108.4)
Tax expense	(11,114)	(30,723)	
(Loss)/Profit for the period	<u>(15,939)</u>	<u>26,545</u>	(160.0)
Attributable to:			
- owners of the Company	(15,795)	19,905	(179.4)
- non-controlling interests	(144)	6,640	
(Loss)/Profit for the period	<u>(15,939)</u>	<u>26,545</u>	(160.0)

The Group's revenue and LBIT for the current quarter was lower than the preceding quarter by 22.8% and 112.9% respectively. The lower financial performance was mainly impacted by the reimposition of the Full Movement Control Order ("FMCO") with effect from 1 June 2021.

Other gains in the preceding 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 segment revenue by 33.8% from RM537.7 million to RM356.0 million as compared to the preceding quarter. The decrease in revenue in the current quarter was attributable to lower sales and site progress as the lockdown period in the current quarter is longer than the preceding quarter. Nevertheless, some recovery is seen toward the end of the current quarter as work on-site has resumed progressively from the second month of the current quarter following the easing of the FMCO.

b) Investment and asset management

The investment and asset management segment registered a segment revenue of RM22.7 million, which is slightly lower as compared to the preceding quarter of RM24.3 million. Despite that, the segment recorded a higher loss of RM6.1 million as compared to the preceding quarter loss of RM0.6 million mainly due to higher loss contributed by KL East Mall and higher share of loss from Melawati Mall as a results of the decreased retail activities during the lockdown and rental rebates granted to tenants.

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 a segment revenue of RM12.3 million, which is slightly lower as compared to preceding quarter of RM13.6 million. Whilst low contribution from golfing activities, events and functions are observed in both quarters, there were higher contributions from food & beverages outlets during festive season in the preceding quarter.

The segment registered a higher loss of RM9.3 million as compared a loss of RM3.1 million in the preceding quarter mainly due to higher overhead expenses.

B3. Prospects

Following a challenging third quarter with the imposition of Movement Control Orders (“MCO”) and lockdowns since 1 June 2021 which had restricted operations across Sime Darby Property’s businesses, prospects for the remainder of Financial Year 2021 (“FY2021”) are relatively more robust. The increasing population vaccination rate and decline of Covid-19 cases will potentially encourage the reopening of more economic sectors in the country.

As the economy and property market regain momentum, the Group’s strategies will continue to enable Sime Darby Property to generate positive financial and operational results for the full FY2021. This includes the launch of both landed and high-rise residential products in prime locations, end-to-end online sales and bookings convenience for customers, growing our unbilled sales pipeline, new recurring income streams via the industrial & logistics segment, landbank management and monetisation, as well as vigilant cost management.

Our recurring income growth is underpinned by the Group’s recent venture into industrial development funds, tapping on the demand of large-scale, modern logistics properties in prime locations. The new venture in partnership with LOGOS Property Group is a significant step for the Group’s long-term game plan in the real estate sector.

The Group is on track to meet its FY2021 sales target of RM2.4 billion, supported by the year-to-date sales of RM1.9 billion, secured bookings of about RM1.7 billion as at 7 November 2021 and the upcoming Q4 FY2021 launches worth RM1.6 billion. Unbilled sales stands at RM2.1 billion as at 30 September 2021, while the Group’s net gearing level remains low at around 0.32 times as at the same period.

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

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

B5. (Loss)/Profit Before Interest and Tax

	Quarter ended 30 September		Nine (9) months ended 30 September	
	2021	2020 Restated	2021	2020 Restated
Included in operating profit/(loss) are:				
Depreciation and amortisation	(16,105)	(14,149)	(48,370)	(44,040)
Write-off of:				
- property development expenditure	-	(20,927)	(2,145)	(77,224)
- property, plant and equipment	(183)	(144)	(183)	(262)
Write-down of inventories	-	(74,869)	-	(103,759)
Impairment of receivables	(2,682)	(984)	(2,985)	(15,883)
Investment income	-	-	192	-
Bad debts recovered	-	-	-	67
	<u>-</u>	<u>-</u>	<u>-</u>	<u>67</u>
Included in other losses are:				
Gain on disposal of:				
- investment properties	-	-	948	-
- property, plant and equipment other than land and buildings	-	-	-	15
Surplus from liquidation of an associate	-	-	-	950
Reversal of impairment of amount due from a joint venture	-	-	-	1,296
Provision on obligation for an investment property disposed	-	(1,608)	-	(6,611)
Changes in fair value of quoted investments	(245)	398	(62)	(1,103)
Net foreign exchange loss	(415)	(13,187)	(974)	(13,451)
	<u>(415)</u>	<u>(13,187)</u>	<u>(974)</u>	<u>(13,451)</u>

B6. Tax Expense

	Quarter ended 30 September		Nine (9) months ended 30 September	
	2021	2020 Restated	2021	2020 Restated
In respect of the current period:				
- current tax	(926)	31,104	53,417	56,487
- deferred tax	10,816	4,708	15,489	(11,199)
	<u>9,890</u>	<u>35,812</u>	<u>68,906</u>	<u>45,288</u>
In respect of prior years:				
- current tax	834	320	(3,129)	(6,801)
- deferred tax	390	(888)	5,010	(947)
	<u>11,114</u>	<u>35,244</u>	<u>70,787</u>	<u>37,540</u>

The effective tax rates for the current quarter and for the nine (9) months ended 30 September 2021 of 111.5% and 41.2% 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.

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B7. Status of Corporate Proposal

There was no corporate proposal announced but not completed as at 18 November 2021.

B8. Group Borrowings

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

	Secured	Unsecured	Total
<u>Long-term borrowings</u>			
Term loans	485,020	–	485,020
Islamic financing	756,780	–	756,780
Syndicated Islamic financing	573,056	–	573,056
Islamic medium term notes	–	799,054	799,054
Revolving credits	–	339,011	339,011
Amounts due to non-controlling interests	–	227,364	227,364
	<u>1,814,856</u>	<u>1,365,429</u>	<u>3,180,285</u>
<u>Short-term borrowings</u>			
Term loans due within one year	40,695	–	40,695
Islamic financing due within one year	203,205	–	203,205
Syndicated Islamic financing	84,347	–	84,347
Islamic medium term notes	–	8,871	8,871
Revolving credits	–	475	475
	<u>328,247</u>	<u>9,346</u>	<u>337,593</u>
Total borrowings	<u>2,143,103</u>	<u>1,374,775</u>	<u>3,517,878</u>

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

	Secured	Unsecured	Total
Borrowings			
- principal	2,135,439	1,365,429	3,500,868
- interest	7,664	9,346	17,010
Total borrowings	<u>2,143,103</u>	<u>1,374,775</u>	<u>3,517,878</u>

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

	Long-term borrowings	Short-term borrowings	Total
Ringgit Malaysia	2,841,274	337,118	3,178,392
Sterling Pound	339,011	475	339,486
Total borrowings	<u>3,180,285</u>	<u>337,593</u>	<u>3,517,878</u>

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

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B9. Material Litigations

Changes in material litigations since the date of the last audited annual statement of financial position up to 18 November 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. New trial dates have been fixed in April, May, July and August 2022.

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. Further hearing dates were fixed from January to March 2021. The hearing will continue 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.

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B9. Material Litigations (continued)

Changes in material litigations since the date of the last audited annual statement of financial position up to 18 November 2021 are as follows: (continued)

c) Compulsory Land Acquisition by Lembaga Lebuhraya Malaysia/West Coast Expressway of the lands owned by Sime Darby Property (Klang) Sdn Bhd (“SDP Klang”)

On 26 June 2015, SDP Klang was awarded an aggregate compensation of RM169.3 million (“LA’s Award”) by the Land Administrator (“Respondent”) in respect of the acquisition by Lembaga Lebuhraya Malaysia/West Coast Expressway (collectively “Acquiring Authority”) of 7 lots owned by SDP Klang situated in Mukim Kapar, District of Klang, Selangor (“Lands”) for the construction of the West Coast Expressway project, which consists of the aggregate compensation for market value of the Lands (“MV”) of RM90.7 million and the aggregate compensation for severance/injurious affection (“IA”) of RM78.6 million.

The Acquiring Authority and SDP Klang have both filed objections to the LA’s Award, and these objections were later referred to the High Court and heard simultaneously, despite not being consolidated. On 22 March 2017, the High Court held, *inter alia*, that the MV is to be maintained, whilst the IA is to be reduced to RM72.9 million. Consequently, two (2) separate High Court Orders were drawn up, each hereby referred to as “SDP Klang Order” and “Acquiring Authority Order”. SDP Klang proceeded to enforce the SDP Klang Order whilst the Acquiring Authority chose to appeal against the Acquiring Authority Order.

On 22 October 2018, the Court of Appeal upon hearing the Acquiring Authority’s appeal, remitted the Acquiring Authority’s Land Reference to the High Court to be re-heard before a new Judge (“Re-Hearing”). The High Court has yet to fix the hearing date for the Re-Hearing.

On 21 September 2020, in respect of SDP Klang’s Land Reference, the Acquiring Authority filed an Originating Summons (“OS”) to set aside the SDP Klang Order, an application of which was allowed by the High Court on 21 September 2021 (“OS Decision”). On 18 October 2021, SDP Klang filed an appeal to the Court of Appeal against the OS Decision.

The Acquiring Authority has filed a stay application on 30 September 2020 to stay the Re-Hearing (“Stay Application”) pending the disposal of the OS. The hearing of the Stay Application has been fixed on 11 January 2022.

At this juncture, the solicitors for SDP Klang are of the view that there is an even chance that the High Court Judge in the Re-Hearing (the date of Hearing of which has yet to be fixed) may arrive at a similar decision made by the earlier High Court Judge on 22 March 2017 (as reflected in the SDP Klang Order/ Acquiring Authority Order), namely that the Award of compensation for IA to SDP Klang, would be in the region of approximately RM70.0 million.

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B10. Earnings Per Share

	Quarter ended 30 September		Nine (9) months ended 30 September	
	2021	2020 Restated	2021	2020 Restated
Basic (loss)/earnings per share attributable to owners of the Company are computed as follows:				
(Loss)/Profit for the period	<u>(15,795)</u>	<u>(359,965)</u>	<u>64,717</u>	<u>(450,241)</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 (loss)/earnings per share (sen)	<u>(0.2)</u>	<u>(5.3)</u>	<u>1.0</u>	<u>(6.6)</u>

The basic and diluted (loss)/earnings 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
25 November 2021

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