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QUARTERLY REPORT

On the consolidated results for the first quarter ended 31 March 2024

The Directors hereby announce the following:

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

	Note	Quarter ended 31 March		% +/(-)
		2024	2023	
Revenue	A8	978,691	685,332	42.8
Cost of sales		(675,086)	(482,336)	
Gross profit		303,605	202,996	49.6
Marketing and selling expenses		(38,077)	(29,328)	
Administrative expenses		(70,032)	(60,078)	
Other operating income/(expenses)		1,084	(45)	
Operating profit		196,580	113,545	
Share of results of joint ventures		(23,629)	(27,619)	
Share of results of associates		222	228	
Other (losses)/gains		(403)	5,144	
Profit before interest and tax	A7	172,770	91,298	89.2
Finance income		24,905	28,063	
Finance costs		(16,876)	(21,425)	
Profit before tax		180,799	97,936	84.6
Tax expense	B6	(53,459)	(36,741)	
Profit for the period		127,340	61,195	108.1
Attributable to:				
- owners of the Company		123,582	60,672	103.7
- non-controlling interests		3,758	523	
Profit for the period		127,340	61,195	108.1
Basic and diluted earnings per share attributable to owners of the Company (sen)	B10	1.8	0.9	103.7

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 2023.

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 31 March		
	2024	2023	% + / (-)
Profit for the period	<u>127,340</u>	<u>61,195</u>	108.1
Other comprehensive income:			
Items which will subsequently be reclassified to profit or loss (net of tax):			
Currency translation differences	38,437	56,207	
Reclassified to profit or loss:			
Currency translation differences on repayment of net investment	-	(839)	
Items which will not subsequently be reclassified to profit or loss (net of tax):			
Share of other comprehensive income/(loss) of an associate	574	(1,332)	
Net changes in fair value of investment at fair value through other comprehensive income ("FVOCI")	-	1,309	
Other comprehensive income for the period	<u>39,011</u>	<u>55,345</u>	(29.5)
Total comprehensive income for the period	<u>166,351</u>	<u>116,540</u>	42.7
Attributable to:			
- owners of the Company	162,610	116,047	40.1
- non-controlling interests	3,741	493	
Total comprehensive income for the period	<u>166,351</u>	<u>116,540</u>	42.7

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 2023.

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 31 March 2024	Audited As at 31 December 2023
<u>Non-current assets</u>			
Property, plant and equipment		586,566	593,345
Investment properties		1,222,389	1,201,105
Inventories (Note 1)		4,505,522	4,450,388
Joint ventures		3,105,705	3,135,789
Associates		137,115	136,322
Investments		43,132	43,132
Intangible assets		5,953	6,168
Deferred tax assets		537,817	549,156
Receivables		90,101	99,342
Contract assets		1,095,285	1,110,987
		11,329,585	11,325,734
<u>Current assets</u>			
Inventories (Note 1)		2,126,285	2,044,587
Receivables		734,959	689,748
Contract assets		1,279,071	1,138,868
Prepayment		15,823	10,232
Tax recoverable		53,425	48,144
Cash held under Housing Development Accounts		380,354	325,946
Bank balances, deposits and cash		266,770	276,635
		4,856,687	4,534,160
Assets held for sale		50,000	68,850
Total assets	A7	16,236,272	15,928,744
<u>Equity</u>			
Share capital		6,800,839	6,800,839
Fair value reserve		20,954	20,380
Exchange reserve		250,847	212,393
Retained profits		3,045,053	3,023,484
Attributable to owners of the Company		10,117,693	10,057,096
Non-controlling interests		230,157	226,416
Total equity		10,347,850	10,283,512
<u>Non-current liabilities</u>			
Payables		66,772	68,037
Borrowings	B8	2,399,918	2,480,664
Lease liabilities		24,581	23,976
Provisions		176,066	171,115
Contract liabilities		262,370	262,591
Deferred tax liabilities		303,604	306,353
		3,233,311	3,312,736
<u>Current liabilities</u>			
Payables		1,543,429	1,542,493
Borrowings	B8	662,012	413,358
Lease liabilities		20,729	21,458
Provisions		67,109	67,911
Contract liabilities		301,355	235,674
Tax provision		60,477	51,602
		2,655,111	2,332,496
Total liabilities		5,888,422	5,645,232
Total equity and liabilities		16,236,272	15,928,744
Net assets per share attributable to owners of the Company (RM)		1.49	1.48

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 31 March 2024	Audited As at 31 December 2023
Note:		
1. Inventories		
Ongoing development	1,812,506	1,800,201
Completed development units	312,555	243,366
Others	1,224	1,020
	2,126,285	2,044,587
Not within normal operating cycle	4,505,522	4,450,388
	6,631,807	6,494,975

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 2023.

SIME DARBY PROPERTY BERHAD
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Unaudited Condensed Consolidated Statement of Changes in Equity
Amounts in RM thousand unless otherwise stated

	Share capital	Fair value reserve	Exchange reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
Quarter ended 31 March 2024							
At 1 January 2024	6,800,839	20,380	212,393	3,023,484	10,057,096	226,416	10,283,512
Profit for the period	–	–	–	123,582	123,582	3,758	127,340
Other comprehensive income/(loss)	–	574	38,454	–	39,028	(17)	39,011
Total other comprehensive income for the period	–	574	38,454	123,582	162,610	3,741	166,351
Transaction with owners:							
- dividend payable	–	–	–	(102,013)	(102,013)	–	(102,013)
At 31 March 2024	6,800,839	20,954	250,847	3,045,053	10,117,693	230,157	10,347,850
Quarter ended 31 March 2023							
At 1 January 2023	6,800,839	33,976	(37,718)	2,722,621	9,519,718	125,078	9,644,796
Profit for the period	–	–	–	60,672	60,672	523	61,195
Other comprehensive (loss)/income	–	(23)	55,398	–	55,375	(30)	55,345
Total comprehensive (loss)/income for the period	–	(23)	55,398	60,672	116,047	493	116,540
Transaction with owners:							
- dividend paid	–	–	–	(68,008)	(68,008)	–	(68,008)
At 31 March 2023	6,800,839	33,953	17,680	2,715,285	9,567,757	125,571	9,693,328

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 2023.

SIME DARBY PROPERTY BERHAD
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Unaudited Condensed Consolidated Statement of Cash Flows
Amounts in RM thousand unless otherwise stated

	Quarter ended 31 March	
	2024	2023
Cash flow from operating activities		
Profit for the period	127,340	61,195
Adjustments for:		
Share of results of joint ventures and associates	23,407	27,391
Depreciation and amortisation	11,403	8,071
Write-down of inventories	876	–
Write-off of inventories	206	–
Net changes in fair value of investment properties	–	1,940
Net impairment losses/(reversal of impairment)	1,268	(64)
Gain on dilution of interest in a joint venture	(5,603)	–
Provisions	4,508	4,307
Finance income	(24,905)	(28,063)
Finance costs	16,876	21,425
Tax expense	53,459	36,741
Net foreign exchange loss/(gain)	5,450	(5,156)
Others	5,876	12
	220,161	127,799
Changes in working capital:		
- inventories, receivables and other assets	(184,188)	219,881
- payables, provisions and other liabilities	(72,484)	(234,349)
Cash from operations	(36,511)	113,331
Tax paid	(40,730)	(46,929)
Net cash (used in)/from operating activities	(77,241)	66,402
Cash flow from investing activities		
Finance income received	4,111	6,093
Proceeds from disposal of asset held for sale	18,285	–
Proceeds from sale of investment properties	–	2,888
Additions of:		
- property, plant and equipment	(5,094)	(4,500)
- investment properties	(26,308)	(11,863)
- intangible assets	(385)	(64)
Subscription of additional interests in joint ventures	–	(4,374)
Capital repayment from a joint venture	–	163,986
Capital repayment from an investment	–	1,309
Dividend received from a joint venture	–	1,000
Net cash (used in)/from investing activities	(9,391)	154,475
Cash flow from financing activities		
Finance costs paid	(33,894)	(23,943)
Net borrowings raised/(repaid)	165,353	(171,033)
Repayments of lease liabilities	(614)	(2,077)
Dividend paid on ordinary shares	–	(68,008)
Net cash from/(used in) financing activities	130,845	(265,061)
Net changes in cash and cash equivalents	44,213	(44,184)
Foreign exchange differences	330	3,862
Cash and cash equivalents at beginning of the year	602,581	985,317
Cash and cash equivalents at end of the period	647,124	944,995

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

Quarter ended
31 March
2024 **2023**

For the purpose of the Condensed Consolidated Statement of Cash Flows,
cash and cash equivalents comprised the following:

Cash held under Housing Development Accounts	380,354	432,045
Bank balances, deposits and cash	266,770	512,950
	<u>647,124</u>	<u>944,995</u>

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 2023.

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Explanatory Notes on the Quarterly Report – 31 March 2024
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 2023.

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 2023 except as described below.

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

Amendments to MFRS 101	Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback
Amendments to MFRS 107 and MFRS 7	Supplier Finance Arrangements

The adoption of the above did not result in any significant changes to the Group’s results and financial position for this interim financial period.

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

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 prior financial years 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 31 March 2024.

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A6. Dividend Paid

No dividend was paid during the first quarter ended 31 March 2024.

The second single tier dividend in respect of the financial year ended 31 December 2023 of 1.5 sen per ordinary share, amounting to RM102.0 million was paid on 8 May 2024.

A7. Segment Information

The Group has three 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
Quarter ended 31 March 2024					
Revenue:					
External	925,618	29,058	24,015	-	978,691
Inter-segment	82	1,999	795	(2,876)	-
	<u>925,700</u>	<u>31,057</u>	<u>24,810</u>	<u>(2,876)</u>	<u>978,691</u>
Cost of sales	(644,425)	(17,431)	(13,298)	68	(675,086)
Gross profit	<u>281,275</u>	<u>13,626</u>	<u>11,512</u>	<u>(2,808)</u>	<u>303,605</u>
Marketing and selling expenses	(37,366)	(585)	(126)	-	(38,077)
Administrative expenses	(53,817)	(5,581)	(13,500)	2,866	(70,032)
Other operating income/(expenses)	542	225	375	(58)	1,084
Operating profit/(loss)	<u>190,634</u>	<u>7,685</u>	<u>(1,739)</u>	<u>-</u>	<u>196,580</u>
Share of results of joint ventures and associates	(13,629)	(9,778)	-	-	(23,407)
Segment results	<u>177,005</u>	<u>(2,093)</u>	<u>(1,739)</u>	<u>-</u>	<u>173,173</u>
Other (losses)/gains	(5,447)	5,602	(558)	-	(403)
Profit/(Loss) before interest and tax	<u>171,558</u>	<u>3,509</u>	<u>(2,297)</u>	<u>-</u>	<u>172,770</u>
Finance income	5,553	20,341	777	(1,766)	24,905
Finance costs	(6,807)	(11,577)	(258)	1,766	(16,876)
Profit before tax	<u>170,304</u>	<u>12,273</u>	<u>(1,778)</u>	<u>-</u>	<u>180,799</u>
Tax expense	(50,037)	(3,326)	(96)	-	(53,459)
Profit for the period	<u>120,267</u>	<u>8,947</u>	<u>(1,874)</u>	<u>-</u>	<u>127,340</u>

Included in other (losses)/gains are:

Net foreign exchange loss	(5,447)	(1)	(2)	-	(5,450)
Gain on dilution of interest in a joint venture	-	5,603	-	-	5,603
Impairment loss on property, plant and equipment	-	-	(556)	-	(556)

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Explanatory Notes on the Quarterly Report – 31 March 2024
Amounts in RM thousand unless otherwise stated

A7. Segment Information (continued)

a. Segment results (continued)

	Property Development	Investment and Asset Management	Leisure	Elimination	Total
Quarter ended 31 March 2023					
Revenue:					
External	636,764	26,240	22,328	–	685,332
Inter-segment	17,607	1,999	333	(19,939)	–
	<u>654,371</u>	<u>28,239</u>	<u>22,661</u>	<u>(19,939)</u>	<u>685,332</u>
Cost of sales	(472,388)	(15,459)	(11,192)	16,703	(482,336)
Gross profit	181,983	12,780	11,469	(3,236)	202,996
Marketing and selling expenses	(28,781)	(446)	(101)	–	(29,328)
Administrative expenses	(47,100)	(5,767)	(9,689)	2,478	(60,078)
Other operating income/(expenses)	1,037	(1,054)	20	(48)	(45)
Operating profit/(loss)	107,139	5,513	1,699	(806)	113,545
Share of results of joint ventures and associates	(16,119)	(8,364)	–	(2,908)	(27,391)
Segment results	91,020	(2,851)	1,699	(3,714)	86,154
Other gains/(losses)	5,255	(111)	–	–	5,144
Profit before interest and tax	96,275	(2,962)	1,699	(3,714)	91,298
Finance income	8,077	21,504	514	(2,032)	28,063
Finance costs	(8,249)	(14,935)	(273)	2,032	(21,425)
Profit before tax	96,103	3,607	1,940	(3,714)	97,936
Tax expense	(33,564)	(3,257)	–	80	(36,741)
Profit for the period	<u>62,539</u>	<u>350</u>	<u>1,940</u>	<u>(3,634)</u>	<u>61,195</u>

Included in other operating income/(expenses) are:

Net changes in fair value on investment properties	(743)	(1,197)	–	–	(1,940)
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Included in other gains/(losses) are:

Net foreign exchange gain/(loss)	5,266	(110)	–	–	5,156
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Explanatory Notes on the Quarterly Report – 31 March 2024
Amounts in RM thousand unless otherwise stated

A7. Segment Information (continued)

b. Segment assets

	Property Development	Investment and Asset Management	Leisure	Elimination	Total
As at 31 March 2024					
Operating assets	9,824,134	2,774,893	547,072	(793,889)	12,352,210
Joint ventures and associates	2,789,050	460,870	–	(7,100)	3,242,820
Asset held for sale	50,000	–	–	–	50,000
	<u>12,663,184</u>	<u>3,235,763</u>	<u>547,072</u>	<u>(800,989)</u>	<u>15,645,030</u>
Tax assets					591,242
Total assets					<u>16,236,272</u>
As at 31 December 2023					
Operating assets	9,523,515	2,670,211	548,867	(752,110)	11,990,483
Joint ventures and associates	2,777,468	502,961	–	(8,318)	3,272,111
Assets held for sale	68,850	–	–	–	68,850
	<u>12,369,833</u>	<u>3,173,172</u>	<u>548,867</u>	<u>(760,428)</u>	<u>15,331,444</u>
Tax assets					597,300
Total assets					<u>15,928,744</u>

A8. Revenue

	Quarter ended 31 March	
	2024	2023
Revenue comprise the following:		
Revenue from contracts with customers	958,740	667,979
Revenue from rental income	19,951	17,353
	<u>978,691</u>	<u>685,332</u>
Disaggregation of the Group's revenue from contracts with customers:		
Geographical market		
- Malaysia	<u>958,740</u>	<u>667,979</u>
Timing of revenue recognition		
- over time	886,031	615,093
- at point in time	72,709	52,886
	<u>958,740</u>	<u>667,979</u>

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Explanatory Notes on the Quarterly Report – 31 March 2024
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A9. Capital Commitments

	As at 31 March 2024	As at 31 December 2023
Contracted capital commitments:		
- investment properties	62,936	20,815
- property, plant and equipment	18,776	20,084
- intangible assets	786	880
	<u>82,498</u>	<u>41,779</u>

In addition, the Group's estimated commitment to subscribe for shares in joint ventures pursuant to the respective shareholders' agreements on joint ventures, and/or as approved by the Board of Directors are as follows:

	As at 31 March 2024	As at 31 December 2023
Joint ventures:		
- Sime Darby Property – LOGOS Property Industrial Development Fund 1 LP	159,074	112,692
- Others	64,625	64,625
	<u>223,699</u>	<u>177,317</u>

A10. Significant Related Party Transactions

Significant related party transactions during the financial period ended 31 March 2024 are as follows:

	Quarter ended 31 March	
	2024	2023
a. Transactions between subsidiaries and their owners of non-controlling interests		
Maintenance of district cooling system and supply of cooling energy to Sime Darby Property Selatan Satu Sdn Bhd ("SDPS1") by Tunas Cool Energy Sdn Bhd ("TCE"), a company in which Sin Heng Chan (Malaya) Berhad is the ultimate holding company of TCE and an indirect shareholder of SDPS1	(4,111)	(3,756)
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	-	(4,358)
BESB ceased to be a related party of the Group as of 8 December 2023.		
	<u> </u>	<u> </u>

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Explanatory Notes on the Quarterly Report – 31 March 2024
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A10. Significant Related Party Transactions (continued)

Significant related party transactions during the financial period ended 31 March 2024 are as follows:
(continued)

	Quarter ended 31 March	
	2024	2023
b. Transaction with associate		
<u>Yayasan Sime Darby</u>		
Donation expense to Yayasan Sime Darby	<u>(3,059)</u>	<u>—*</u>

* In the previous financial period, the donation agreement between the Group and Yayasan Sime Darby had expired and the renewal of the agreement was being finalised.

c. Transactions with shareholders and Government

Permodalan Nasional Berhad (“PNB”) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad (“ASNB”), together own 57.3% as at 31 March 2024 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.

All the transactions entered by the Group with shareholders and related parties are conducted in the ordinary course of the Group’s businesses.

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

	Quarter ended 31 March	
	2024	2023
<u>Sime Darby Plantation Berhad group</u>		
Rental income	<u>3,068</u>	<u>2,313</u>

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Explanatory Notes on the Quarterly Report – 31 March 2024
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A11. Material Events Subsequent to the End of the Financial Period

On 30 April 2024, the Industrial Development Fund (“IDF”), a joint venture of the Group, held its Final Closing with additional commitments of RM100 million from a new limited partner, thus increasing the fund size to RM1.0 billion. The Group’s interest will be diluted from 32.6% to 27.4% upon the completion of capital calls and redistribution of partnership interests.

Apart from the above, there was no material event subsequent to the end of the current financial period under review to 14 May 2024, 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 31 March 2024, other than as disclosed below.

a. Incorporation of subsidiaries

On 8 January 2024, the Group incorporated Seed Homes Lagenda Sdn Bhd (“SHL”). The principal activity of the Company is property development and investment holding. On 28 February 2024, SHL became a 50%-owned joint venture of the Group following the allotment of share to its joint venture partner, Lagenda Properties Berhad, for an affordable housing project.

On 9 January 2024, the Group incorporated Sime Darby Property Solar Energy (Holding) Sdn Bhd. The principal activity of the Company is property investment.

On 12 January 2024, the Group incorporated Sime Darby Property (Rooftop Solar Solutions) Sdn Bhd. The principal activity of the Company is operation of generation facilities that produces electric energy.

On 24 January 2024, the Group incorporated Sime Darby Property (Senada Mall Power) Sdn Bhd. The principal activity of the Company is distribution and sales of electricity.

On 5 March 2024, the Group incorporated Sime Darby Property (BBR3 Asset I) Sdn Bhd. The principal activity of the Company is property investment.

b. Winding up of a subsidiary

On 26 January 2024, The Glengowrie Rubber Company Sdn Berhad, a 78.72% owned subsidiary of the Group, received a court order for winding-up proceedings from the High Court of Malaya at Shah Alam subsequent to it presenting a winding-up petition in the High Court of Malaya on 8 May 2023.

c. Dilution of interest in a joint venture

On 30 January 2024, the Sime Darby Property - LOGOS Property Industrial Development Fund 1 (“IDF”), a joint venture of the Group, held its second closing with additional commitments of RM205.5 million from new limited partners. Accordingly, the Group’s interest in IDF was diluted from 55.0% to 32.6%. The Group recorded a gain on dilution of interest in a joint venture of RM5.6 million during the financial period.

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A13. Contingent Liabilities – unsecured

	As at 31 March 2024	As at 31 December 2023 Restated
Claims pending against the Group	<u>44,355</u>	<u>44,355</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”) are as follows:

	As at 31 March 2024	As at 31 December 2023
Investments – unquoted shares	<u>43,132</u>	<u>43,132</u>

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

	Quarter ended 31 March		%
	2024	2023	
Segment revenue:			
Property development	925,618	636,764	45.4
Investment and asset management	29,058	26,240	10.7
Leisure	24,015	22,328	7.6
Revenue	978,691	685,332	42.8
Segment results:			
Property development	177,005	87,306	102.7
Investment and asset management	(2,093)	(2,851)	26.6
Leisure	(1,739)	1,699	(202.4)
	173,173	86,154	101.0
Other (losses)/gains	(403)	5,144	
Profit before interest and tax	172,770	91,298	89.2
Finance income	24,905	28,063	
Finance costs	(16,876)	(21,425)	
Profit before tax ("PBT")	180,799	97,936	84.6
Tax expense	(53,459)	(36,741)	
Profit for the period	127,340	61,195	108.1
Attributable to:			
- owners of the Company	123,582	60,672	103.7
- non-controlling interests	3,758	523	
Profit for the period	127,340	61,195	108.1

FY2024 started on a positive note with a significant increase in revenue for the first quarter of the year by 42.8% as compared to corresponding period of the previous year from RM685.3 million to RM978.7 million. All segments contributed to the Group's revenue growth, the most significant contributor being the property development segment with 45.4% increase, followed by investment and asset management segment and leisure segment at 10.7% and 7.6% growth respectively.

The Group's PBT also saw an improvement of 84.6% from RM97.9 million in the same period a year ago to RM180.8 million. The improved performance in the current quarter was mainly contributed by the property development segment and lower losses from investment and asset management segment but offset by higher losses from the leisure segment.

The results of each business segment are analysed below:

a) Property development

The property development segment contributes 94.6% or RM925.6 million of the total Group revenue, with a growth of 45.4% from RM636.8 million in the corresponding period of the previous year.

The segment's commendable profit of RM177.0 million reflects an increasingly diversified product mix with higher contributions from industrial products through recent successful launches and robust sales momentum. The remarkable segment results in current quarter was also driven by sales of residential products with increased on-site development activities in Bandar Bukit Raja, Serenia City, Ara Damansara, Putra Heights, SJ7 and Elmina Business Park townships, coupled with contribution from land monetisation in Kedah.

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B1. Review of Group Performance (continued)

The results of each business segment are analysed below: (continued)

b) Investment and asset management

The investment and asset management segment registered a 10.7% increase in revenue from RM26.2 million to RM29.1 million in the current quarter, mainly driven by the retail sub-segment. The growth in retail sub-segment's revenue was supported by an increase in the occupancy rate from 85% to 90% and rising footfall in KL East Mall.

The improved results from the retail sub-segment contributed to a marginal improvement in segment results with lower segment loss of RM2.1 million, after taking into consideration higher share of loss from joint ventures in the current quarter.

c) Leisure

The leisure segment saw higher revenue contributions from memberships and golfing activities, with revenue growing by 7.6% to RM24.0 million compared to RM22.3 million in the corresponding period last year.

However, the segment's result for the current financial period decreased from a profit of RM1.7 million to a loss of RM1.7 million. This loss was primarily attributed to higher depreciation arising from asset review exercise which commenced in the current quarter and will be completed in stages over the remaining financial year.

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

	Quarter ended		%
	31 March 2024	31 December 2023	+/(–)
Segment revenue:			
Property development	925,618	956,375	(3.2)
Investment and asset management	29,058	29,230	(0.6)
Leisure	24,015	27,097	(11.4)
Revenue	<u>978,691</u>	<u>1,012,702</u>	(3.4)
Segment results:			
Property development	177,005	165,161	7.2
Investment and asset management	(2,093)	(28,904)	92.8
Leisure	(1,739)	872	(299.4)
	<u>173,173</u>	<u>137,129</u>	26.3
Other (losses)/gains	(403)	13,627	
Profit before interest and tax	172,770	150,756	14.6
Finance income	24,905	27,900	
Finance costs	(16,876)	(9,094)	
Profit before tax (“PBT”)	<u>180,799</u>	<u>169,562</u>	6.6
Tax expense	(53,459)	(36,343)	
Profit for the period	<u>127,340</u>	<u>133,219</u>	(4.4)
Attributable to:			
- owners of the Company	123,582	131,259	(5.8)
- non-controlling interests	3,758	1,960	
Profit for the period	<u>127,340</u>	<u>133,219</u>	(4.4)

The Group’s revenue in the current quarter stood at RM978.7 million, only marginally lower by 3.4% compared to the preceding quarter – being the last quarter of the financial year and is typically the strongest quarter in a financial year by trend. Segment results have improved compared to the preceding quarter with higher segment profit from the property development segment and lower losses from investment and asset management segment.

The stronger segment results, in turn, drove PBT to grow by 6.6% from RM169.6 million in the preceding quarter to RM180.8 million in the current quarter despite lower other gains. “Other gains” included in the preceding quarter comprise mainly reversal of provision on obligation respect of a disposal of property.

The results of each business segment are analysed below:

a) Property development

Revenue from property development is marginally lower by 3.2% from RM956.4 million in the preceding quarter to RM925.6 million in the current quarter. The strong topline performance in the preceding quarter was attributable to increased on-site development activities resulting in higher financial progress from our key projects in the integrated development townships which has since normalised. The segment, however, maintained a consistent revenue stream through an increasingly diversified product mix with higher contributions from industrial products from recent successful launches and robust sales momentum, with growth in revenue from industrial products offsetting fluctuations in timing of recognition from residential products.

In the current quarter, the segment profit was also impacted by share of loss from joint ventures and associates amounting to RM13.6 million, compared to a share of profit of RM19.9 million in the preceding quarter. The profit in the previous quarter was due to fair value gain, which offset the write-downs on properties incurred by a joint venture. Nonetheless, the segment result for the current period improved to RM177.0 million, compared to RM165.2 million recorded in preceding quarter.

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

The results of each business segment are analysed below: (continued)

b) Investment and asset management

The investment and asset management segment's total revenue of RM29.1 million is on par with the preceding quarter. The retail sub-segment, KL East Mall remained resilient and maintained its occupancy rate at 90% as at 31 March 2024, along with an increase in footfall compared to the preceding quarter.

Segment loss reduced to RM2.1 million from RM28.9 million in the previous quarter, which was primarily due to a fair value loss on investment properties recognized in Q4 during the annual valuation exercise.

c) Leisure

The leisure segment registered a drop in revenue by 11.4% to RM24.0 million and a segment loss of RM1.7 million in the current quarter, compared to a marginal profit of RM0.9 million in the preceding quarter. The segment loss in the current quarter was primarily due to higher depreciation arising from asset review exercise which commenced in the current quarter and will be completed in stages over the remaining financial year.

B3. Prospects

Malaysia's Gross Domestic Product ("GDP") grew at 4.2% in the first quarter of 2024 as compared to 2.9% in the preceding quarter according to Bank Negara Malaysia ("BNM"). BNM also forecasts the domestic economy to expand between 4.0% to 5.0% in 2024, driven by resilience of domestic expenditure and backed by external demand. The prevailing interest rate environment remains conducive for economic growth, as BNM continues to maintain the Overnight Policy Rate ("OPR") stable at 3.0% since May 2023, providing higher certainty for businesses and consumers.

Following the solid performance in FY2023, the Group continues to make good progress in Q1FY24, achieving sales totalling RM955.9 million (~32% of the sales target of RM3.0 billion for FY2024). The sales performance is bolstered by healthy bookings and unbilled sales amounting to RM2.6 billion and RM3.6 billion, respectively ensuring sustained earnings visibility. As of 31 March 2024, the Group maintains a cash reserve of RM647.1 million, with a net gearing ratio of 23.8%, affirming its financial strength to pursue its growth strategy.

The Group anticipates a favourable outlook this year fuelled by the robust industrial segment and improvement of the residential market. Overall, the Group remains agile to seize opportunities and meet market demands across all business segments, in line with its SHIFT25 strategy.

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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. Profit Before Tax

	Quarter ended 31 March	
	2024	2023
Included in operating profit are:		
Depreciation and amortisation	(11,403)	(8,071)
Net changes in fair value on investment properties	-	(1,940)
(Impairment)/Reversal of impairment of receivables (net)	(712)	64
Write-down of inventories	(876)	-
Write-off of inventories	(206)	-
	<u>(13,277)</u>	<u>(10,047)</u>
Included in other gains/(losses) are:		
Gain on dilution of interest in a joint venture	5,603	-
Loss on disposal of investment property	-	(12)
Impairment of property, plant and equipment	(556)	-
Net foreign exchange (loss)/gain	(5,450)	5,156
	<u>(341)</u>	<u>5,144</u>

B6. Tax Expense

	Quarter ended 31 March	
	2024	2023
In respect of the current period:		
- current tax	44,889	19,776
- deferred tax	8,572	14,761
	<u>53,461</u>	<u>34,537</u>
In respect of prior years:		
- current tax	-	1,498
- deferred tax	(2)	706
	<u>(2)</u>	<u>2,204</u>
	<u>53,459</u>	<u>36,741</u>

The effective tax rate for the current quarter ended 31 March 2024 of 26.2% is higher than statutory tax rate of 24% due to non-deductible expenses and deferred tax asset not recognised for losses incurred by certain subsidiaries.

B7. Status of Corporate Proposal

There was no corporate proposal announced but not completed as 14 May 2024, being a date not earlier than 7 days from the date of issue of the quarterly report.

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B8. Group Borrowings

The breakdown of the borrowings as at 31 March 2024 is as follows:

	Secured	Unsecured	Total
<u>Long-term borrowings</u>			
Term loans	238,988	–	238,988
Islamic financing	390,227	–	390,227
Syndicated Islamic financing	371,593	–	371,593
Islamic medium-term notes	–	1,399,110	1,399,110
	<u>1,000,808</u>	<u>1,399,110</u>	<u>2,399,918</u>
<u>Short-term borrowings</u>			
Term loans due within one year	20,047	–	20,047
Islamic financing due within one year	158,106	–	158,106
Syndicated Islamic financing	83,388	–	83,388
Islamic medium-term notes	–	11,453	11,453
Revolving credits	–	389,018	389,018
	<u>261,541</u>	<u>400,471</u>	<u>662,012</u>
Total borrowings	<u>1,262,349</u>	<u>1,799,581</u>	<u>3,061,930</u>

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

	Secured	Unsecured	Total
Borrowings			
- principal	1,257,703	1,787,882	3,045,585
- interest	4,646	11,699	16,345
Total borrowings	<u>1,262,349</u>	<u>1,799,581</u>	<u>3,061,930</u>

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

	Long-term borrowings	Short-term borrowings	Total
Ringgit Malaysia	2,399,918	523,208	2,923,126
Sterling Pound	–	138,804	138,804
Total borrowings	<u>2,399,918</u>	<u>662,012</u>	<u>3,061,930</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 14 May 2024, being a date not earlier than 7 days from the date of issue of the quarterly report are as follows:

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

A civil suit was commenced by 71 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.

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 trial commenced on 16 April 2018. 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. A total of 15 trial dates were fixed between April 2018 to May 2024 and further trial dates have been fixed in July 2024.

The Plaintiffs’ claim is divided into various allegations leveled 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 civil 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 has referred disputes arising from the Project and the construction contract with SDPKE (“Respondent”) to arbitration by issuing a notice of arbitration (“Notice”) on 20 September 2018.

The Claimant is claiming for specific damages of approximately RM42.0 million. The Respondent had disputed the claims by the Claimant and had counterclaimed for an approximate sum of RM40.0 million relating to incomplete works/defects rectification costs incurred, liquidated damages and recoupment of advance payments.

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 continued on various dates between June 2020 to March 2024. Further hearing dates have been fixed in July 2024.

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. Nonetheless, there have been certain concessions made by the Respondent’s witnesses who have given or are still giving evidence to-date, the impact of which has to be re-assessed and determined.

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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 14 May 2024, being a date not earlier than 7 days from the date of issue of the quarterly report 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 by the Land Administrator (“Respondent”) in respect of the acquisition by Lembaga Lebuhraya Malaysia (“LLM”) of certain plots of lands owned by SDP Klang situated in Mukim Kapar, District of Klang, Selangor (“Lands”) which consists of the aggregate compensation for market value of the Lands of RM90.7 million and the aggregate compensation for severance and injurious affection (“IA”) of RM78.6 million (“IA Award”).

Dissatisfied with the IA Award, on 6 August 2015, LLM lodged their objection to the High Court. On 22 March 2017, the High Court held, inter alia, that the IA Award is to be reduced to RM72.9 million (“First High Court Decision”).

Stemming from LLM’s appeal against the First High Court Decision, LLM’s land reference was remitted by the Court of Appeal to the High Court to be re-heard before a new Judge (“Re-Hearing”). The Re-Hearing which was initially fixed for July 2023 has been postponed in view of LLM’s application to the High Court (“LLM’s Application”) to adduce Additional Affidavit in Reply and/or Additional Rebuttal. The LLM’s Application was subsequently dismissed by the High Court. On 3 October 2023, LLM filed an appeal to the Court of Appeal against the High Court’s dismissal of LLM’s Application (“LLM’s New Appeal”). LLM’s New Appeal is now fixed for case management on 12 September 2024 and the Re-Hearing is now fixed for further case management on 18 September 2024 pending the outcome of LLM’s New Appeal.

Subject to the outcome of LLM’s New Appeal, SDP Klang’s solicitors are of the view that there is an even chance that the High Court Judge in the Re-Hearing may arrive at a similar decision as the First High Court Decision at this juncture.

B10. Earnings Per Share

	Quarter ended 31 March	
	2024	2023
Basic earnings per share attributable to owners of the Company are computed as follows:		
Profit for the financial period attributable to the owners of the Company	<u>123,582</u>	<u>60,672</u>
Number of ordinary shares in issue (thousand)	<u>6,800,839</u>	<u>6,800,839</u>
Basic earnings per share (sen)	<u>1.8</u>	<u>0.9</u>

The basic and diluted 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
21 May 2024

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