

## QUARTERLY REPORT

On the consolidated results for the fourth quarter ended 30 June 2018

The Directors are pleased to announce the following:

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

	Note	Quarter ended 30 June		%	Year ended 30 June		%
		2018	2017 (re-presented)		2018	2017 (re-presented)	
Revenue		<b>617,365</b>	1,139,519	(45.8)	<b>2,353,104</b>	2,610,852	(9.9)
Cost of sales		<b>(477,876)</b>	(818,157)		<b>(1,763,391)</b>	(1,871,537)	
Gross profit		<b>139,489</b>	321,362	(56.6)	<b>589,713</b>	739,315	(20.2)
Other income		<b>6,773</b>	36,728		<b>37,734</b>	71,297	
Selling and marketing expenses		<b>(28,358)</b>	(28,577)		<b>(92,918)</b>	(88,412)	
Administrative and other expenses		<b>(67,136)</b>	(113,382)		<b>(259,213)</b>	(321,675)	
Other (losses)/gains		<b>(265)</b>	14,566		<b>317,646</b>	104,569	
Share of results of joint ventures		<b>(4,201)</b>	187,462		<b>88,349</b>	278,952	
Share of results of associates		<b>(785)</b>	17,666		<b>1,205</b>	39,701	
<b>Profit before interest and tax</b>	A7	<b>45,517</b>	435,825	(89.6)	<b>682,516</b>	823,747	(17.1)
Finance income		<b>39,449</b>	37,660		<b>121,773</b>	117,517	
Finance costs		<b>(11,157)</b>	(18,435)		<b>(75,907)</b>	(52,434)	
<b>Profit before tax</b>		<b>73,809</b>	455,050	(83.8)	<b>728,382</b>	888,830	(18.1)
Tax credit/(expense)	B6	<b>17,753</b>	(78,613)		<b>(44,096)</b>	(179,729)	
<b>Profit for the period</b>		<b>91,562</b>	376,437	(75.7)	<b>684,286</b>	709,101	(3.5)
<b>Attributable to owners of:</b>							
- the Company		<b>46,570</b>	327,657	(85.8)	<b>640,008</b>	624,029	2.6
- non-controlling interests		<b>44,992</b>	48,780		<b>44,278</b>	85,072	
<b>Profit for the period</b>		<b>91,562</b>	376,437	(75.7)	<b>684,286</b>	709,101	(3.5)
		<b>Sen</b>	<b>Sen</b>		<b>Sen</b>	<b>Sen</b>	
<b>Basic earnings per share attributable to owners of the Company</b>	B11	<b>0.7</b>	8.4	(91.7)	<b>11.1</b>	16.5	(32.7)

Note:

Comparatives have been re-presented following the change in plan to retain Sime Darby Property Selatan group ("Concession Arrangement") which was previously classified as "held for sale".

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 30 June 2017.

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

**Unaudited Condensed Consolidated Statement of Comprehensive Income**  
**Amounts in RM thousand unless otherwise stated**

	Quarter ended		% + / (-)	Year ended		% + / (-)
	30 June 2018	2017 (re-presented)		30 June 2018	2017 (re-presented)	
<b>Profit for the period</b>	<b>91,562</b>	376,437	(75.7)	<b>684,286</b>	709,101	(3.5)
<b>Other comprehensive income/(loss)</b>						
<b>Items that will be reclassified subsequently to profit or loss:</b>						
Currency translation differences	<b>169,863</b>	31,291		<b>(131,756)</b>	67,892	
Net changes in fair value of available-for-sale investments	<b>980</b>	(1,777)		<b>(5,451)</b>	(2,389)	
Share of other comprehensive profit/(loss) of an associate	<b>1,440</b>	1,534		<b>1,783</b>	(3,282)	
	<b>172,283</b>	31,048		<b>(135,424)</b>	62,221	
Reclassified to profit or loss:						
- currency translation differences on disposal of a subsidiary	-	-		-	(6,382)	
- share of other comprehensive loss on disposal of an associate	-	-		<b>(608)</b>	-	
Other comprehensive income/(loss)	<b>172,283</b>	31,048	454.9	<b>(136,032)</b>	55,839	(343.6)
<b>Total comprehensive income for the period</b>	<b>263,845</b>	<b>407,485</b>	(35.3)	<b>548,254</b>	<b>764,940</b>	(28.3)
<b>Attributable to owners of:</b>						
- the Company	<b>230,752</b>	360,712	(36.0)	<b>509,412</b>	674,726	(24.5)
- non-controlling interests	<b>33,093</b>	46,773		<b>38,842</b>	90,214	
<b>Total comprehensive income for the period</b>	<b>263,845</b>	<b>407,485</b>	(35.3)	<b>548,254</b>	<b>764,940</b>	(28.3)

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 30 June 2017.

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

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

	Note	Unaudited As at 30 June 2018	Audited As at 30 June 2017 (re-presented)
<b><u>Non-current assets</u></b>			
Property, plant and equipment		735,159	825,333
Investment properties		605,961	474,221
Inventories (Note a)		1,897,063	1,227,225
Joint ventures		2,223,949	1,967,983
Associates		140,575	138,596
Investments		39,451	46,341
Intangible assets		3,964	5,386
Deferred tax assets		460,284	452,521
Receivables		84,500	61,474
Contract assets		1,413,417	1,419,806
		<b>7,604,323</b>	<b>6,618,886</b>
<b><u>Current assets</u></b>			
Inventories (Note a)		4,882,400	4,579,438
Contract assets		510,957	519,501
Receivables		743,371	709,498
Prepayment		26,696	67,249
Tax recoverable		55,924	35,177
Cash held under Housing Development Accounts		492,969	581,049
Bank balances, deposits and cash		256,426	548,105
		<b>6,968,743</b>	<b>7,040,017</b>
<b>Assets held for sale (Note b)</b>		<b>–</b>	<b>359,125</b>
<b>Total assets</b>	A7	<b>14,573,066</b>	<b>14,018,028</b>
<b><u>Equity</u></b>			
Share capital		6,800,839	2,405,496
Contribution from immediate holding company		–	1,500,000
Reserves		(35,905)	94,691
Retained earnings		2,969,653	2,322,990
<b>Attributable to owners of the Company</b>		<b>9,734,587</b>	<b>6,323,177</b>
Non-controlling interests		230,837	264,724
<b>Total equity</b>		<b>9,965,424</b>	<b>6,587,901</b>
<b><u>Non-current liabilities</u></b>			
Contract liabilities		255,552	260,746
Borrowings	B8	2,046,521	1,789,357
Provisions		30,128	160,923
Deferred tax liabilities		144,429	156,764
Loans due to related companies		–	2,229,691
		<b>2,476,630</b>	<b>4,597,481</b>
<b><u>Current liabilities</u></b>			
Payables		1,458,605	2,324,241
Contract liabilities		121,018	173,382
Borrowings	B8	495,831	274,924
Provisions		17,397	15,983
Tax payable		38,161	39,121
		<b>2,131,012</b>	<b>2,827,651</b>
<b>Liabilities associated with assets held for sale (Note b)</b>		<b>–</b>	<b>4,995</b>
<b>Total liabilities</b>		<b>4,607,642</b>	<b>7,430,127</b>
<b>Total equity and liabilities</b>		<b>14,573,066</b>	<b>14,018,028</b>

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

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

	<b>Unaudited As at 30 June 2018</b>	<b>Audited As at 30 June 2017 (re-presented)</b>
Net assets per ordinary share attributable to owners of the Company (RM)	<u>1.43</u>	<u>6.32</u>
<b>Note:</b>		
<b>a. Inventories</b>		
Completed development units	<b>835,491</b>	799,320
On-going development		
Development	<b>2,431,156</b>	2,385,437
Launched	<b>1,614,283</b>	1,392,492
Others	<b>1,470</b>	2,189
	<u><b>4,882,400</b></u>	<u>4,579,438</u>
Not within operating cycle	<b>1,897,063</b>	1,227,225
	<u><b>6,779,463</b></u>	<u>5,806,663</u>
<b>b. Assets held for sale</b>		
Non-current assets		
Investment properties	-	310
Associate	-	338,265
Disposal groups	-	20,550
	<u>-</u>	<u>359,125</u>
<b>Liabilities associated with assets held for sale</b>		
Disposal groups	<u>-</u>	<u>4,995</u>

The disposal groups classified under assets held for sale and liabilities associated with assets held for sale as at 30 June 2017 was in respect of Malaysia Land Development Company Berhad group. The disposal of Malaysia Land Development Company Berhad group was completed on 19 September 2017.

The associate classified as assets held for sale as at 30 June 2017 was in relation to the Group's entire 40% equity interest in Seriemas Development Sdn Bhd group. The disposal was completed on 29 September 2017.

- c.** The Group's investment in Sime Darby Property Selatan Sdn Bhd ("SDPS") group was classified as assets held for sale and liabilities associated with assets held for sale as at 30 June 2017. Post the listing of the Company on 30 November 2017, the Board of Directors has reviewed the Strategy Blueprint and had, on 24 May 2018, decided not to proceed with the disposal of the investment in SDPS group. Following the decision, the Group has reclassified SDPS group's assets and liabilities from assets held for sale and liabilities associated with assets held for sale to their respective categories of assets and liabilities. Comparatives have been re-presented and the reconciliation is disclosed in Note A3(a).

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 30 June 2017.

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

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

	Share capital	Share premium	Contribution from immediate holding company	Available-for-sale reserve	Exchange reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
<b>Year ended 30 June 2018</b>									
At 1 July 2017	2,405,496	–	1,500,000	20,152	74,539	2,322,990	6,323,177	264,724	6,587,901
Total comprehensive (loss)/ income for the year	–	–	–	(4,276)	(126,320)	640,008	509,412	38,842	548,254
Disposal of a subsidiary	–	–	–	–	–	–	–	780	780
Transactions with owners									
- issue of shares	4,395,343	–	(1,500,000)	–	–	–	2,895,343	–	2,895,343
- waiver on intercompany loan (net of tax)	–	–	–	–	–	142,672	142,672	1,170	143,842
- dividends paid	–	–	–	–	–	(136,017)	(136,017)	(74,679)	(210,696)
At 30 June 2018	<b>6,800,839</b>	<b>–</b>	<b>–</b>	<b>15,876</b>	<b>(51,781)</b>	<b>2,969,653</b>	<b>9,734,587</b>	<b>230,837</b>	<b>9,965,424</b>
<b>Year ended 30 June 2017</b>									
At 1 July 2016	1,010,409	1,030,493	1,500,000	25,823	18,599	1,748,533	5,333,857	174,510	5,508,367
Total comprehensive (loss)/ income for the year	–	–	–	(5,671)	56,368	624,029	674,726	90,214	764,940
Transfer from share premium	1,316,310	(1,316,310)	–	–	–	–	–	–	–
Transfer between reserves	–	–	–	–	(428)	428	–	–	–
Transactions with owners									
- issue of shares	78,777	285,817	–	–	–	–	364,594	–	364,594
- dividends paid	–	–	–	–	–	(50,000)	(50,000)	–	(50,000)
At 30 June 2017	2,405,496	–	1,500,000	20,152	74,539	2,322,990	6,323,177	264,724	6,587,901

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 30 June 2017.

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

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

	Note	Year ended 30 June	
		2018	2017 (re-presented)
<b>Cash flow from operating activities</b>			
Profit for the year		684,286	709,101
Adjustments for:			
Share of results of joint ventures and associates		(89,554)	(318,653)
Finance income		(121,773)	(117,517)
Finance costs		75,907	52,434
Gain on disposals		(330,094)	(145,830)
Provisions			
Unrealised foreign currency exchange		49	45
Reversal of impairment losses		(1,570)	(17,930)
Depreciation and amortisation		46,779	57,309
Impairment and write offs		(32,620)	134,300
Tax expense		44,096	179,729
		<u>275,506</u>	<u>532,988</u>
<b>Changes in working capital:</b>			
Inventories		(304,291)	(431,273)
Contract assets and contract liabilities		49,790	183,442
Receivables and prepayments		(45,455)	(76,051)
Payables and provisions		(350,710)	169,914
<b>Cash (used in)/from operations</b>		<u>(375,160)</u>	<u>379,020</u>
Tax paid		(99,829)	(135,375)
Zakat paid		(1,100)	(1,000)
Dividends received from joint ventures and associates		6,675	251,029
<b>Net cash (used in)/from operating activities</b>		<u>(469,414)</u>	<u>493,674</u>
<b>Cash flow from investing activities</b>			
Finance income received		29,219	25,560
Proceeds from sale of:			
- property, plant and equipment		12,998	3,137
- investment property		58,577	15,852
- an associate	A12	615,846	–
Net cash inflow from disposal of subsidiaries	A12	59,413	222,355
Redemption of redeemable preference shares		–	63,038
Purchase of:			
- property, plant and equipment		(23,951)	(26,558)
- investment properties		(129,962)	(109,344)
- intangible assets		(802)	(1,937)
Purchase/subscription of shares in joint ventures and associates		(271,887)	(394,505)
Advances to joint ventures		(7,878)	(37,374)
<b>Net cash from/(used in) investing activities</b>		<u>341,573</u>	<u>(239,776)</u>

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

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

	Note	Year ended 30 June	
		2018	2017 (re-presented)
<b>Cash flow from financing activities</b>			
Proceeds from issuance of shares		–	364,594
Finance costs paid		<b>(144,924)</b>	(233,147)
Long-term borrowings raised		<b>547,905</b>	197,852
Repayments of long-term borrowings		<b>(279,060)</b>	(357,323)
Revolving credits (Net)		<b>170,000</b>	–
Shareholder advances from non-controlling interests		<b>10,400</b>	76,800
Dividends on ordinary shares		<b>(136,017)</b>	(50,000)
Dividends paid to non-controlling interests		<b>(74,679)</b>	–
Repayment to related companies		<b>(333,144)</b>	(61,608)
<b>Net cash used in financing activities</b>		<b>(239,519)</b>	<b>(62,832)</b>
<b>Net changes in cash and cash equivalents</b>		<b>(367,360)</b>	191,066
Foreign exchange differences		<b>(12,399)</b>	32,078
Cash and cash equivalents at beginning of the year		<b>1,129,154</b>	906,010
<b>Cash and cash equivalents at end of the year</b>		<b>749,395</b>	1,129,154
For the purpose of the Statement of Cash Flows, cash and cash equivalents comprised the following:			
Cash held under Housing Development Accounts		<b>492,969</b>	581,049
Bank balances, deposits and cash		<b>256,426</b>	548,105
		<b>749,395</b>	1,129,154

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 30 June 2017.

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

Explanatory Notes on the Quarterly Report – 30 June 2018  
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 complies 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 30 June 2017.

**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 annual financial statements for the financial year ended 30 June 2017 except as described below.

- a) Accounting pronouncements that have been adopted for this interim financial report:

Amendments to MFRS 107	Statement of Cash Flows - Disclosure Initiative
Amendments to MFRS 112	Income Taxes - Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to MFRS 12	Disclosure of Interests in Other Entities

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

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

MFRS 9	Financial Instruments
MFRS 16	Leases
MFRS 17	Insurance Contracts
Amendments to MFRS 2	Share-based Payment – Classification and Measurement of Share-based Payment Transactions
Amendments to MFRS 4	Insurance Contracts – Applying MFRS 9 with MFRS 4
Amendments to MFRS 9	Financial instrument – Prepayment Features with Negative Compensation
Amendments to MFRS 128	Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 140	Investment Property – Transfers of Investment Property
Amendments to MFRS 119	Employee Benefits – Plan Amendment, Curtailment or Settlement
IC Interpretation 22	Foreign Currency Translations and Advance Consideration
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRS 3	Business Combinations
Annual Improvements to MFRS 11	Joint Arrangements
Annual Improvements to MFRS 112	Income Tax Consequences of Payments on Financial Instruments Classified as Equity
Annual Improvements to MFRS 123	Borrowing Costs Eligible for Capitalisation
Amendments to References to the Conceptual Framework in MFRS Standards	

- 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)



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

Explanatory Notes on the Quarterly Report – 30 June 2018  
Amounts in RM thousand unless otherwise stated

**A2. Seasonal or Cyclical Factors**

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

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

Other than the following, there were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial year under review.

- a) Post the listing of the Group in November 2017 and following the review of the Group's Strategy Blueprint, the Board of Directors had agreed on 24 May 2018, not to proceed with the disposal of the Sime Darby Property Selatan Sdn Bhd ("SDPS") group. Accordingly, the Group has reclassified SDPS group's assets and liabilities from assets held for sale and liabilities associated with assets held for sale to the respective categories of asset and liabilities. Comparatives as at 30 June 2017 have been re-presented and the reconciliation is shown below.

	Previously stated	SDPS group	Re-presented
<b>Non-current assets</b>			
Property, plant and equipment	824,398	935	825,333
Receivables	61,275	199	61,474
Contract assets	–	1,419,806	1,419,806
Other non-current assets	4,312,273	–	4,312,273
	<u>5,197,946</u>	<u>1,420,940</u>	<u>6,618,886</u>
<b>Current assets</b>			
Contract assets	319,874	199,627	519,501
Receivables	582,478	127,020	709,498
Prepayment	12,348	54,901	67,249
Tax recoverable	27,818	7,359	35,177
Bank balances, deposits and cash	494,211	53,894	548,105
Other current assets	5,160,487	–	5,160,487
	<u>6,597,216</u>	<u>442,801</u>	<u>7,040,017</u>
<b>Assets held for sale</b>	<u>2,222,866</u>	<u>(1,863,741)</u>	<u>359,125</u>
<b>Total assets</b>	<u>14,018,028</u>	<u>–</u>	<u>14,018,028</u>
<b>Equity</b>			
Attributable to owners of the Company	6,323,177	–	6,323,177
Non-controlling interests	264,724	–	264,724
	<u>6,587,901</u>	<u>–</u>	<u>6,587,901</u>
<b>Non-current liabilities</b>			
Borrowings	938,727	850,630	1,789,357
Deferred tax liabilities	33,880	122,884	156,764
Other non-current liabilities	2,651,360	–	2,651,360
	<u>3,623,967</u>	<u>973,514</u>	<u>4,597,481</u>
<b>Current liabilities</b>			
Payables	1,950,159	374,082	2,324,241
Borrowings	230,154	44,770	274,924
Other current liabilities	228,486	–	228,486
	<u>2,408,799</u>	<u>418,852</u>	<u>2,827,651</u>
<b>Liabilities associated with assets held for sale</b>	<u>1,397,361</u>	<u>(1,392,366)</u>	<u>4,995</u>
<b>Total liabilities</b>	<u>7,430,127</u>	<u>–</u>	<u>7,430,127</u>
<b>Total equity and liabilities</b>	<u>14,018,028</u>	<u>–</u>	<u>14,018,028</u>

Upon classification of SDPS group as a disposal group as at 30 June 2017, the Group had ceased the depreciation of SDPS group's non-current assets. The total depreciation charge, following the reclassification, amounted to RM166,843 in the financial year under review.

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

Explanatory Notes on the Quarterly Report – 30 June 2018  
Amounts in RM thousand unless otherwise stated

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

Other than the following, there were no material unusual items affecting the Group's assets, liabilities, equity, net income or cash flows during the financial year under review (continued)

- b) On 29 September 2017, the Group disposed of its entire 40% equity interest in Seriemas Development Sdn Bhd for a total cash consideration of RM625.0 million (see Note A12) and registered a gain of RM278.2 million on the disposal; and
- c) Pursuant to the Sime Darby Berhad group restructuring in August 2017, the equity of the Company was increased by RM143.8 million, attributable to the waiver of the intercompany loan by Sime Darby Far East (1991) Ltd, an indirect wholly-owned subsidiary of Sime Darby Berhad.

**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 years that have a material effect on the results for the current quarter under review.

**A5. Debt and Equity Securities**

Save for the following new ordinary shares issued in conjunction with the Company's listing exercise (see Note A11), there were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year under review.

- a) On 10 November 2017, the 1,405,496,300 redeemable preference shares of the Company were redeemed at RM1 per share via the issuance of 1,405,496,300 new ordinary shares of Sime Darby Property Berhad at an issue price of RM1 each; and
- b) On 10 November 2017, the deemed equity and loan totalling RM4,395,343,077 from Sime Darby Berhad to the Company were repaid via the issuance of 4,395,343,077 new ordinary shares of Sime Darby Property Berhad at an issue price of RM1 each.

Following the issuance of the new shares, the Company's issued and paid up ordinary shares have increased from 1,000,000,000 shares to 6,800,839,377 shares. All new shares issued ranked pari passu in all respects with the existing ordinary shares.

**A6. Dividends Paid**

An interim single tier dividend of 2.0 sen per ordinary share in respect of the financial year ended 30 June 2018 amounting to RM136.0 million was paid on 26 April 2018.

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**A7. Segment Information**

The Group has 4 reportable segments and these strategic business units are managed separately by respective Chief Operating Officers. The Group Managing Director and senior management review the operations and performance reports monthly and conduct dialogues with the business units on a regular basis.

	Note	Property Development	Property Investment	Leisure and Hospitality	Concession Arrangement	Elimination	Total
<b>Year ended 30 June 2018</b>							
<b>Revenue:</b>							
External		2,090,806	35,557	101,091	125,650	–	2,353,104
Inter-segment		247	10,157	457	–	(10,861)	–
		<b>2,091,053</b>	<b>45,714</b>	<b>101,548</b>	<b>125,650</b>	<b>(10,861)</b>	<b>2,353,104</b>
Cost of sales		(1,580,546)	(31,454)	(63,855)	(88,592)	1,056	(1,763,391)
Gross profit		510,507	14,260	37,693	37,058	(9,805)	589,713
Other income		21,049	11,421	3,176	2,206	(118)	37,734
Selling and marketing expenses		(91,214)	–	(1,704)	–	–	(92,918)
Administrative and other expenses		(179,855)	(20,952)	(65,564)	(2,765)	9,923	(259,213)
Share of results of joint ventures and associates		91,884	(2,330)	–	–	–	89,554
Segment results		352,371	2,399	(26,399)	36,499	–	364,870
Other gains/(losses)		278,066	(48)	39,628	–	–	317,646
Profit before interest and tax		630,437	2,351	13,229	36,499	–	682,516
Included in share of results of joint ventures and associates are:							
- impairment of associates		(2,234)	–	–	–	–	(2,234)
Included in other gains are:							
Gain on disposal of:							
- subsidiaries	A12	–	–	39,628	–	–	39,628
- an associate	A12	278,192	–	–	–	–	278,192

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**A7. Segment Information (continued)**

	Note	Property Development	Property Investment	Leisure and Hospitality	Concession Arrangement	Elimination	Total
<b>Year ended 30 June 2017</b>							
<b>(re-presented)</b>							
<b>Revenue:</b>							
External		2,386,716	54,537	118,204	51,395	–	2,610,852
Inter-segment		168	12,468	254	–	(12,890)	–
		<u>2,386,884</u>	<u>67,005</u>	<u>118,458</u>	<u>51,395</u>	<u>(12,890)</u>	<u>2,610,852</u>
Cost of sales		(1,710,951)	(46,274)	(71,682)	(43,705)	1,075	(1,871,537)
Gross profit		675,933	20,731	46,776	7,690	(11,815)	739,315
Other income		31,983	18,252	18,034	3,172	(144)	71,297
Selling and marketing expenses		(84,999)	(406)	(3,007)	–	–	(88,412)
Administrative and other expenses		(232,217)	(20,148)	(76,505)	(4,764)	11,959	(321,675)
Share of results of joint ventures and associates		179,530	139,123	–	–	–	318,653
Segment results		<u>570,230</u>	<u>157,552</u>	<u>(14,702)</u>	<u>6,098</u>	<u>–</u>	<u>719,178</u>
Other (losses)/gains		(687)	105,341	(85)	–	–	104,569
Profit/(loss) before interest and tax		<u>569,543</u>	<u>262,893</u>	<u>(14,787)</u>	<u>6,098</u>	<u>–</u>	<u>823,747</u>
Included in other (losses)/gains are:							
Gain on disposal of:							
- a subsidiary		–	130,359	–	–	–	130,359
Project abortive cost	<b>B1</b>	–	(25,018)	–	–	–	(25,018)

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**A7. Segment Information (continued)**

	Property Development	Property Investment	Leisure and Hospitality	Concession Arrangement	Elimination	Total
<b>As at 30 June 2018</b>						
<b>Segment assets:</b>						
Operating assets	9,415,944	569,409	642,242	1,768,427	(703,688)	11,692,334
Joint ventures and associates	2,158,369	206,155	–	–	–	2,364,524
	<b>11,574,313</b>	<b>775,564</b>	<b>642,242</b>	<b>1,768,427</b>	<b>(703,688)</b>	<b>14,056,858</b>
Tax assets						<b>516,208</b>
Total assets						<b>14,573,066</b>
<b>As at 30 June 2017</b> <b>(re-presented)</b>						
<b>Segment assets:</b>						
Operating assets	8,486,351	904,074	683,985	1,856,382	(866,166)	11,064,626
Joint ventures and associates	1,897,063	209,516	–	–	–	2,106,579
Non-current assets held for sale	338,265	310	20,550	–	–	359,125
	<b>10,721,679</b>	<b>1,113,900</b>	<b>704,535</b>	<b>1,856,382</b>	<b>(866,166)</b>	<b>13,530,330</b>
Tax assets						<b>487,698</b>
Total assets						<b>14,018,028</b>

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**A7. Segment Information (continued)**

	<b>As at 30 June 2018</b>	<b>As at 30 June 2017 (re-presented)</b>
Revenue comprise the following:		
Revenue from contracts with customers	<b>2,300,834</b>	2,545,562
Revenue from other sources	<b>52,270</b>	65,290
	<b><u>2,353,104</u></b>	<u>2,610,852</u>
Disaggregation of the Group's revenue from contracts with customers:		
<b>Geographical market</b>		
- Malaysia	<b>2,230,879</b>	2,500,250
- Australia	<b>60,245</b>	34,042
- Singapore	<b>7,771</b>	9,348
- Vietnam	<b>1,939</b>	1,922
	<b><u>2,300,834</u></b>	<u>2,545,562</u>
<b>Timing of revenue recognition</b>		
- at point in time	<b>463,375</b>	1,059,757
- over time	<b>1,837,459</b>	1,485,805
	<b><u>2,300,834</u></b>	<u>2,545,562</u>

**A8. Capital Commitments**

Authorised capital expenditure not provided for in the interim financial report are as follows:

	<b>As at 30 June 2018</b>	<b>As at 30 June 2017 (re-presented)</b>
Contracted		
- property, plant and equipment	<b>1,772</b>	25,294
- investment properties	<b>175,868</b>	285,674
- land held for property development	<b>–</b>	718,560
	<b><u>177,640</u></b>	<u>1,029,528</u>
Not contracted		
- property, plant and equipment	<b>–</b>	9,100
	<b><u>177,640</u></b>	<u>1,038,628</u>

In addition, pursuant to the Subscription and Shareholders' Agreement, which is reiterated through Letters of Undertaking issued by the shareholders of Battersea Project Holding Company Limited ("Battersea") to Battersea, the shareholders are committed to subscribe for shares in Battersea in proportion to their respective shareholdings when a capital call is made for the purpose of ensuring Battersea and its subsidiaries are able to meet their respective funding obligations. The Group's portion of the commitment as at 30 June 2018 is estimated up to GBP243.5 million (equivalent to RM1,289.5 million) (2017: GBP293.5 million, equivalent to RM1,615.2 million).

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**A9. Significant Related Party Transactions**

Related party transactions conducted during the year ended 30 June are as follows:

	Year ended 30 June	
	2018	2017
<b>a. Transactions between subsidiaries and their owners of non-controlling interests</b>		
Project management and construction management services rendered to Sime Darby Property Selatan Sdn Bhd (“SDPS”) by Tunas Selatan Construction Sdn Bhd, the holding company of Tunas Selatan Pagoh Sdn Bhd	–	3,716
Turnkey works rendered by Brunfield Engineering Sdn Bhd to Sime Darby Brunfield Holding Sdn Bhd group, companies in which Tan Sri Dato’ Ir Gan Thian Leong and Encik Mohamad Hassan Zakaria are substantial shareholders	<b>125,589</b>	265,004
<b>b. Transactions with related companies</b>		
<u>Sime Darby Holdings Berhad</u>		
Rental income	<b>4,334</b>	7,948
Interest expense	<b>(29,924)</b>	(105,800)
Management fees and internal audit services	<b>(6,422)</b>	(22,170)
Sales of four blocks of office towers	–	380,000
<u>Sime Darby Far East (1991) Ltd</u>		
Waiver of amount owing by two subsidiaries of the Group	<b>159,863</b>	–
<u>Sime Darby Global Services Centre Sdn Bhd</u>		
Rental income	<b>1,938</b>	3,846
Shared services	<b>(16,165)</b>	(14,472)
<u>Sime Darby Rent-A-Car Sdn Bhd</u>		
Car lease rental	<b>(2,004)</b>	(2,488)
<u>Mecomb Malaysia Sdn Bhd</u>		
Progress claim, repairs and maintenance services rendered	<b>(1,700)</b>	(13,098)
<u>Sime Darby Lockton Insurance Brokers Sdn Bhd</u>		
Insurance premium	<b>(2,860)</b>	(4,585)
<u>Sime Darby Malaysia Berhad</u>		
Annual branding royalty fee	<b>(2,000)</b>	–
<u>Sime Darby Plantation Berhad</u>		
Rental income	<b>4,966</b>	2,335
Acquisition of land	<b>(689,587)</b>	(1,834)
<u>Yayasan Sime Darby</u>		
Contribution paid to Yayasan Sime Darby	<b>(10,000)</b>	(6,300)

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**A9. Significant Related Party Transactions (continued)**

Related party transactions conducted during the year ended 30 June are as follows: (continued)

	Year ended 30 June	
	2018	2017
<b>c. Transactions with joint ventures</b>		
Disposal of Sime Darby Property (Alexandra) Private Limited to Aster Investment Holding Pte Ltd, a subsidiary of Sime Darby Real Estate Investment Trust 1	–	249,229
Purchase of properties from Battersea Power Station Development Company Limited	–	(25,570)
	<hr/>	<hr/>
<b>d. Transactions with directors, key management personnel and their close family members</b>		
Sales of properties by the Group	<b>2,673</b>	<b>4,102</b>
	<hr/>	<hr/>

**e. Transactions with shareholders and Government**

Permodalan Nasional Berhad (“PNB”) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad (“ASNB”), together own 55.8% as at 30 June 2018 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 influence 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.

Other than those in Note A9(b) above, transactions entered with shareholders and government-related entities include:

- i) On 29 September 2017, Sime Darby Property Berhad disposed of its entire 40% equity interest in Seriemas Development Sdn Bhd to PNB Development Sdn Bhd, a wholly-owned subsidiary of PNB, for a total cash consideration of RM625.0 million (see Note A12); and
- ii) On 22 December 2017, Sime Darby Builders Sdn Bhd disposed of a piece of freehold land in New Lunderston Estate measuring approximately 297.5 acres to PNB Development Sdn Bhd for a total consideration of RM85.5 million.

In the previous year, The Glengowrie Rubber Company Sdn Bhd disposed of freehold land in Glengowrie Estate, Semenyih measuring approximately 805.0 acres to Petaling Garden Sdn Bhd, an indirect subsidiary of PNB, for a total cash consideration of RM420.7 million.

**A10. Material Events Subsequent to the End of the Financial Period**

There is no material event subsequent to the end of the current quarter under review to 21 August 2018, being a date not earlier than 7 days from the date of issue of the quarterly report.

**A11. Listing Exercise**

The Company was listed on the Main Market of Bursa Securities on 30 November 2017 following the distribution by Sime Darby Berhad of the Company’s entire enlarged share capital of 6,800,839,377 ordinary shares to the shareholders of Sime Darby Berhad on 29 November 2017.



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

a) Establishment of new company

- i. On 22 January 2018, Sime Darby MIT Development Sdn Bhd (“SDMIT”) was incorporated in Malaysia pursuant to a Joint Venture & Shareholders’ Agreement entered into on 1 August 2017 between Sime Darby Property (Sungai Kapar) Sdn Bhd (“SDPHK”) and Mitsui & Co. Ltd. (“Mitsui”). SDPHK and MIMI Development Sdn Bhd, a wholly-owned subsidiary of Mitsui, each holds 50% equity interest in SDMIT. The principal activity of SDMIT is investment holding.
- ii. On 29 April 2018, SDM Assets I Sdn Bhd, SDM Assets II Sdn Bhd, SDM Assets III Sdn Bhd, SDM Assets IV Sdn Bhd and SDM Assets V Sdn Bhd (collectively referred as “SDMIT subsidiaries”), all wholly owned subsidiaries of SDMIT, were incorporated. The principal activities of SDMIT subsidiaries are property development and investment holding.

b) Disposal of subsidiaries and an associate

- i. On 3 April 2017, the Group entered into a Share Sale Agreement with Dato’ Sri Tong Seech Wi (“Purchaser”) to dispose the Group’s entire 100% equity interest in Malaysia Land Development Company Berhad (“MLDC”) for a cash consideration of RM1 and settlement by the Purchaser of the shareholder’s loan and any other liabilities owing by MLDC for a settlement amount of RM60.0 million. The disposal was completed on 19 September 2017. A gain on disposal of RM39.6 million was recorded.

Details of net assets and net cash inflow arising from the disposal of MLDC are as follows:

	<b>Year ended 30 June 2018</b>
Property, plant and equipment	<b>18,303</b>
Inventories	<b>1,313</b>
Deferred tax assets	<b>170</b>
Net current liabilities	<b>(194)</b>
Non-controlling interest	<b>780</b>
Net assets disposed	<b>20,372</b>
Gain on disposal	<b>39,628</b>
Proceeds from disposal, net of transaction costs	<b>60,000</b>
Less: Cash and cash equivalents in MLDC	<b>(587)</b>
Net cash inflow from disposal of MLDC	<b>59,413</b>

- ii. On 31 July 2017, the Group entered into a Share Sale Agreement with PNB Development Sdn Bhd to dispose the Group’s entire 40% equity interest in Seriemas Development Sdn Bhd for a total cash consideration of RM615.8 million, net of transaction costs. The disposal was completed on 29 September 2017. A gain on disposal of RM278.2 million was recorded.

**A13. Contingent Liabilities – unsecured**

	<b>As at 21 August 2018</b>	<b>As at 30 June 2017</b>
Claims pending against the Group	<b>39,834</b>	<b>58,043</b>

Details of the claims pending is disclosed in Note B9(b).

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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**

	Note	Year ended 30 June		% + / (-)
		2018	2017 (re-presented)	
Revenue		<u>2,353,104</u>	<u>2,610,852</u>	(9.9)
Segment results:				
Property development		352,371	570,230	(38.2)
Property investment		2,399	157,552	(98.5)
Leisure and hospitality		(26,399)	(14,702)	(79.6)
Concession arrangement		<u>36,499</u>	<u>6,098</u>	498.5
		<u>364,870</u>	<u>719,178</u>	(49.3)
Other gains		<u>317,646</u>	<u>104,569</u>	
Profit before interest and tax		<u>682,516</u>	<u>823,747</u>	(17.1)
Finance income		121,773	117,517	
Finance costs		<u>(75,907)</u>	<u>(52,434)</u>	
Profit before tax		<u>728,382</u>	<u>888,830</u>	(18.1)
Tax expense	B6	<u>(44,096)</u>	<u>(179,729)</u>	
Profit for the year		<u>684,286</u>	<u>709,101</u>	(3.5)
Non-controlling interests		<u>(44,278)</u>	<u>(85,072)</u>	
Profit attributable to owners of the Company		<u>640,008</u>	<u>624,029</u>	2.6

Group revenue and profit before tax for the financial year ended 30 June 2018 declined 9.9% and 18.1%, respectively as compared to the previous year. Net earnings of the Group at RM640.0 million improved by 2.6% compared to RM624.0 million a year ago mainly due to higher contribution from concession arrangement segment.

Included in the results for the current financial year is Other Gains of RM317.6 million which comprise of gains on disposal of Malaysia Land Development Company Berhad and the 40% equity stake in Seriemas Development Sdn Bhd (“Seriemas”) of RM39.6 million and RM278.2 million respectively. In the previous financial year, Other Gain consists of the gain on disposal of Sime Darby Property (Alexandra) Pte Ltd of RM130.4 million, net of the abortive cost on the termination of the proposed acquisition of Saizen Real Estate Investment Trust of RM25.0 million.

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

**a) Property development**

Contributions from property development decreased by 38.2% compared to the previous year. The previous year’s result included gains on compulsory acquisition/disposal of land of RM468.8 million whilst current year included gain on disposal of land of RM87.6 million.

Excluding these items, core operating profit for the current year registered a marked increase of 161.0% mainly contributed by higher sales and development activities at Elmina West, Elmina East, Serenia City and Bukit Jelutong townships and Cantara Residences and Serini Melawati in spite of the lower contribution from Nilai Utama, Nilai Impian and Bandar Bukit Raja townships. Included in the previous year results was an impairment of inventories of RM149.0 million.

In addition, Serenity Cove in Australia contributed a profit of RM56.1 million from reversal of write down of inventories and sale of plots of residential land as compared to a profit of RM4.8 million the previous year.

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

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

**a) Property development (continued)**

The Group's share of profit from Battersea Project Holding Company Limited ("Battersea") of RM94.3 million during the year was 32.4% lower compared to RM139.5 million in the previous year. The lower share of profit was due to under provision of tax in previous year and higher administrative cost. During the year, Battersea handed over 534 units of Phase 1 compared to 321 units the previous year.

The lower share of results of joint ventures and associates by 48.8% was also due to the disposal of Seriemas in July 2017. Seriemas contributed a profit of RM32.2 million in the previous year.

**b) Property investment**

Property investment segment registered a profit of RM2.4 million as compared to RM157.6 million in the previous year which included the share of profit of RM135.4 million arising from the disposal of a property in Singapore by Sime Darby Real Estate Investment Trust 1.

**c) Leisure and hospitality**

Leisure and hospitality incurred a higher loss of RM26.4 million compared to the previous year's loss of RM14.7 million which included the reversal of an impairment of property, plant and equipment of RM16.1 million.

**d) Concession arrangement**

Contribution from concession arrangement jumped almost sixfold, from RM6.1 million to RM36.5 million. The strong performance was largely from supply of teaching equipment which contributed profit of RM29.6 million (2017: RM6.0 million). The revenue from this segment consisted of facility and asset management services following the completion of the construction of the Education Hub on 2 May 2017.

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

	Quarter ended		%
	30 June 2018	31 March 2018 (re-presented)	
Revenue	<u>617,365</u>	<u>559,502</u>	10.3
Segment results:			
Property development	20,657	30,445	(32.1)
Property investment	(489)	8,441	(105.8)
Leisure and hospitality	(7,888)	(3,951)	(99.6)
Concession arrangement	<u>33,502</u>	<u>305</u>	10,884.3
	<u>45,782</u>	<u>35,240</u>	29.9
Other (losses)/gains	(265)	1,947	
Profit before interest and tax	<u>45,517</u>	<u>37,187</u>	22.4
Finance income	39,449	25,600	
Finance costs	(11,157)	(19,789)	
Profit before tax	<u>73,809</u>	<u>42,998</u>	71.7
Tax credit/(expenses)	<u>17,753</u>	<u>(14,282)</u>	
Profit for the period	<u>91,562</u>	<u>28,716</u>	218.9
Non-controlling interests	(44,992)	4,953	
Profit attributable to owners of the Company	<u><u>46,570</u></u>	<u><u>33,669</u></u>	38.3

Group revenue for the fourth quarter ended 30 June 2018 was higher by 10.3% as compared to the preceding quarter. Profit before tax and net earnings of the Group jumped by 71.7% and 38.3%, respectively, largely on account of higher contribution from concession arrangement.

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

**a) Property development**

Contribution from property development registered a drop of 32.1% to RM20.7 million compared to the preceding quarter. Contribution for the quarter under review was adversely affected by lower revenue from Elmina West, Denai Alam, Serenia City and Taman Melawati, but partially mitigated by the reversal of write down of inventories of RM39.6 million by Serenity Cove and better contribution from The Glades and Cantara Residences.

**b) Property investment**

Property investment segment registered a loss of RM0.5 million against a profit of RM8.4 million in the preceding quarter, primarily on account of the gain on disposal of an investment property in the United Kingdom of RM8.7 million recognised in February 2018.

**c) Leisure and hospitality**

Leisure and hospitality incurred a loss of RM7.9 million as compared to a lower loss of RM4.0 million in the preceding quarter. The lower loss recorded in the preceding quarter was mainly due to a reversal of impairment of property, plant and equipment of RM1.3 million.

**d) Concession arrangement**

Concession arrangement recorded a significant profit of RM33.5 million during the quarter largely attributable to supply of teaching equipment.

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**B3. Prospects for the current financial year**

The Malaysian economy grew by 4.5% year on year (“YoY”) in the second quarter ended June 2018, the slowest pace since late 2016. The slower growth rate was mainly dragged by the decline in Agriculture and Mining sectors and supported, albeit to a small extent, by growth in the Construction, Services and Manufacturing sectors. The full year 2018 Gross Domestic Product (“GDP”) forecast has been revised downwards to 5%.

The Malaysian property sector has been affected by a prolonged slowdown, attributed to weak consumer sentiment coupled with cooling measures implemented, tightening of lending regulations and possible hikes in interest rates.

However, the tax holiday following the zero rating of the Goods and Services Tax (“GST”) effective 1 June 2018 has provided a respite to the Malaysian property market. The Group has experienced a gentle recovery in sales performance over the past three months, assisted by its “Rediscover Raya Campaign” which saw an average take-up rate of 80% for all the new launches in Bandar Bukit Raja and the City of Elmina. This indicates that fundamental demand for landed properties in townships which are located strategically and with excellent connectivity is still strong.

Notwithstanding the uncertainty on government policies to curb oversupply in the housing segment whilst spurring growth for affordable housing, and the effect of the re-introduction of the Sales and Service Tax (“SST”), the Group will continue to focus on the development of landed properties within the affordable range in its key townships in the City of Elmina, Bandar Bukit Raja and Serenia City and the integrated development at Ara Damansara and Subang Jaya City Centre. The Group has also initiated cost efficiencies during the last financial year, through strategic partnerships/sourcing to drive development profitability and cost efficiencies as part of the transformation journey post the listing of the Company in November 2017.

In May 2018, the Board of Directors has decided not to proceed with the earlier proposed disposal of the Concession Arrangement at Pagoh Education Hub, which will be retained to anchor the growth of one of the Group’s strategic pillars, i.e. growing recurring income. This is in addition to the Group’s joint venture with Mitsui & Co Ltd to develop a 39-acre industrial park in Bandar Bukit Raja. This is to align with the Group’s strategy to grow Industrial and Logistics developments, tapping on the increasing demand for built-to-suit facilities, driven by new technology and e-commerce growth.

In the United Kingdom, Battersea Power Station Holding Co Limited, the Group’s 40% joint venture, is expected to complete the Proposed Disposal of Phase 2 Commercial Assets to Permodalan Nasional Berhad and the Employees Provident Fund, following the extension of the exclusivity period of the Heads of Terms Agreement to 30 September 2018.

Sime Darby Property has announced the proposed change of its financial year-end to 31 December from 30 June currently. The next financial period will be for the six-month period ending 31 December 2018, and thereafter, the next financial year will start on 1 January 2019.

For the financial period ending 31 December 2018 (“FP2018”), the Group aims to launch a total of 1,500 units, equivalent to a combined Gross Sales Value (“GSV”) of RM1.1 billion concentrated heavily in properties within the RM400,000 to RM850,000 price range. The Group sets its targets for Sales and Unbilled Sales for FP2018 of RM1.0 billion and RM2.2 billion, respectively.

Barring unforeseen circumstances, the Board of Directors of the Company expect the results for the financial period ending 31 December 2018 to be satisfactory.

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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 Interest and Tax**

	Quarter ended 30 June		Year ended 30 June	
	2018	2017 (re-presented)	2018	2017 (re-presented)
Included in operating profit are:				
Depreciation and amortisation	<b>(12,693)</b>	(17,264)	<b>(46,779)</b>	(57,309)
Reversal of impairment/(Impairment) of				
- property, plant and equipment	<b>244</b>	6,029	<b>1,570</b>	16,052
- investment properties	-	(5,843)	-	1,878
- receivables	<b>(1,598)</b>	5,690	<b>(2,355)</b>	14,054
- amount due from a related company	-	1,555	-	1,555
- inventories	<b>39,570</b>	(70,398)	<b>38,814</b>	(148,998)
- investments	<b>(1,439)</b>	-	<b>(1,439)</b>	-
Write offs				
- property, plant and equipment	<b>(2,153)</b>	(214)	<b>(2,372)</b>	(900)
- investment properties	-	(11)	-	(11)
- intangible assets	-	-	<b>(28)</b>	-
(Loss)/Gain on disposal of				
- property, plant and equipment				
- land and buildings	-	822	<b>895</b>	822
- others	-	247	<b>119</b>	262
- investment properties	-	14,387	<b>11,260</b>	14,387
Included in other gains are:				
Gain on disposal of				
- subsidiaries	-	-	<b>39,628</b>	130,359
- an associate	-	-	<b>278,192</b>	-
Project abortive cost	-	13,982	-	(25,018)
Net foreign exchange (loss)/gain	<b>(134)</b>	584	<b>(168)</b>	(772)

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

	Quarter ended 30 June		Year ended 30 June	
	2018	2017 (re-presented)	2018	2017 (re-presented)
In respect of the current period:				
- current tax	<b>1,059</b>	67,848	<b>88,893</b>	170,189
- deferred tax	<b>4,637</b>	12,733	<b>(15,509)</b>	18,092
	<b>5,696</b>	80,581	<b>73,384</b>	188,281
In respect of prior years:				
- current tax	<b>(11,168)</b>	(9,671)	<b>(24,505)</b>	(9,379)
- deferred tax	<b>(12,281)</b>	7,703	<b>(4,783)</b>	827
	<b>(17,753)</b>	78,613	<b>44,096</b>	179,729

The effective tax rate for the quarter of 7.2% is lower than the Malaysian income tax rate of 24% mainly attributable the reversal of impairment where no deferred tax asset was provided for.

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

The effective tax rate for the year ended 30 June 2018 at 11.5% is lower than the Malaysian income tax rate of 24% mainly attributable to the gains on disposal of equity interest in Seriemas Development Sdn Bhd and Malaysia Land Development Company Berhad which are not subjected to tax.

**B7. Status of Corporate Proposal**

There was no corporate proposal announced but not completed as at 21 August 2018.

**B8. Group Borrowings**

The breakdown of the borrowings as at 30 June 2018 is as follows:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
<u>Long-term borrowings</u>			
Term loans	271,299	143,500	414,799
Islamic financing	559,082	97,823	656,905
Syndicated Islamic financing	796,906	–	796,906
Amounts due to non-controlling interests	–	177,911	177,911
	<u>1,627,287</u>	<u>419,234</u>	<u>2,046,521</u>
<u>Short-term borrowings</u>			
Term loans due within one year	33,748	179,941	213,689
Islamic financing due within one year	50,093	1,144	51,237
Syndicated Islamic financing	59,107	–	59,107
Revolving credits	–	170,000	170,000
Amounts due to non-controlling interests	–	1,798	1,798
	<u>142,948</u>	<u>352,883</u>	<u>495,831</u>
Total borrowings	<u>1,770,235</u>	<u>772,117</u>	<u>2,542,352</u>

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

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
Borrowings			
- principal	1,763,528	767,998	2,531,526
- interest	6,707	4,119	10,826
Total borrowings	<u>1,770,235</u>	<u>772,117</u>	<u>2,542,352</u>

The Group borrowings are denominated in Ringgit Malaysia.

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 21 August 2018 are as follows:

**a) Tanjung Mahsuri Sdn Bhd (“TMSB”)**

TMSB was appointed as the main contractor for Ara Hill Project and Putra Heights Project. The services were terminated in 2011 prior to the completion of the projects due to delay in the projects' completion. TMSB filed a Writ of Summon and Statement of Claim on 22 May 2012 for a total of RM18.2 million from Sime Darby Ara Damansara Development Sdn Bhd (“SDAD”) and Sime Darby USJ Development Sdn Bhd (“SDUSJ”).

Pursuant to a settlement agreement dated 19 September 2017, the settlement sum of RM6.0 million was made by SDAD and SDUSJ to TMSB on 29 September 2017, on a without prejudice basis and without admission to any liability. The matter is deemed concluded.

**b) Claim against Sime Darby Ara Damansara Development Sdn Bhd (“SDAD”)**

A civil suit has been commenced on 8 October 2015 by 72 purchasers of Ara Hill (“Plaintiffs”) against SDAD, claiming, among other things, both general and specific damages of RM39.8 million and specific performance arising from SDAD's breaches of the terms of the sale and purchase agreements 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 SDAD have, amongst others, caused the delay in delivery of strata titles and the construction of sub-standard common facilities and various infrastructures, which caused the Plaintiffs to suffer loss and damage, including indirect losses.

The dispute was referred to mediation. However, the parties did not reach a global settlement. On 11 April 2018, the Court has fixed the 1<sup>st</sup> tranche of trial dates on 16, 17 (joint site visit) and 18 April 2018. The 2<sup>nd</sup> tranche of trial dates were fixed on 7 to 10 May 2018.

During the case management on 19 April 2018, the High Court judge has directed the plaintiffs to provide SDAD with the list of proposed rectifications (“the revised List”). Until the case management on 31 May 2018, the revised list of the proposed rectification was not provided. The Court fixed another case management on 11 July 2018 for parties to provide an update on the status of the proposed settlement and rectifications.

On 5 June 2018, the Plaintiffs provided the revised List to SDAD but it was a proposal for monetary settlement instead of a proposal for rectifications as directed by the High Court Judge. On 13 June 2018, a further revised List (“2<sup>nd</sup> List”) was provided by the Plaintiffs, again in essence a proposal for monetary settlement instead of a rectifications proposal.

At the case management on 6 August 2018 (previously fixed on 20 July 2018), the Judge fixed a further case management on 7 September 2018 for parties to update the Court on the settlement status. The Judge has also fixed 14 November 2018 for trial.



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**B10. Dividend**

The Board of Directors have declared a second interim single tier dividend of 3.0 sen per share in respect of the financial year ended 30 June 2018, which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act 1967, payable on 26 October 2018. The entitlement date for the dividend payment is 28 September 2018.

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

- (i) shares deposited into the depositor's securities account before 12.30 p.m. on 26 September 2018 in respect of shares which are exempted from mandatory deposit;
- (ii) shares transferred into the depositor's securities account before 4.00 p.m. on 28 September 2018 in respect of transfers; and
- (iii) shares bought on Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

The total net dividends paid and payable for the financial year ended 30 June is as follows:

	Year ended 30 June 2018		Year ended 30 June 2017	
	Net Per share (sen)	Total net dividend	Net Per share (sen)	Total net dividend
First interim single tier dividend	2.0	136,017	5.0	50,000
Second interim single tier dividend	3.0	204,025	–	–
	<b>5.0</b>	<b>340,042</b>	5.0	50,000

The Board of Directors does not recommend the payment of any final dividend for the financial year ended 30 June 2018.

**B11. Earnings Per Share**

	Quarter ended 30 June		Year ended 30 June	
	2018	2017 (re-presented)	2018	2017 (re-presented)
Basic earnings per share attributable to owners of the Company are computed as follows:				
Profit for the period	46,570	327,657	640,008	624,029
Weighted average number of ordinary shares in issue (thousand)	6,800,839	3,905,496	5,753,756	3,790,195
Basic earnings per share (sen)	<b>0.7</b>	8.4	<b>11.1</b>	16.5

The weighted average number of ordinary shares is recalculated based on the enlarged number of shares of 6,800.8 million, as if the issuance of 2,905.5 million new ordinary shares on 10 November 2017 had occurred as at 1 July 2016 or on the date of the issuance of the RPS.

Selangor Darul Ehsan  
 28 August 2018

By Order of the Board  
 Moriarni binti Mohd  
 Company Secretary