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Property

SIME DARBY PROPERTY BERHAD

Registration No. 197301002148 (15631-P)
(Incorporated in Malaysia)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO THE

**PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR
RECURRENT RELATED PARTY TRANSACTIONS
OF A REVENUE OR TRADING NATURE**

The resolution in respect of the above proposal will be tabled as Special Business at the Forty-Ninth Annual General Meeting of the Company ("**49th AGM**"), which will be held as a virtual meeting at the broadcast venue at Banquet Hall, 1st Floor, Main Lobby, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia and via Tricor's TIIH Online website at <https://tiih.online> on Tuesday, 24 May 2022 at 10.00 a.m. The Notice of the 49th AGM together with the Form of Proxy and Administrative Details for the 49th AGM, are set out in the Annual Report 2021 of the Company and are available to be downloaded from our Company's website at www.simedarbyproperty.com or Bursa Malaysia's website at www.bursamalaysia.com. Please follow the procedures as stipulated in the Administrative Details in order to register, participate and vote remotely via Tricor's TIIH Online website.

In the event you wish to appoint a proxy, please complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. The completed Form of Proxy must be deposited at the office of the Share Registrar of the Company, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the 49th AGM or no later than Sunday, 22 May 2022 at 10.00 a.m. You may also submit the proxy appointment electronically via Tricor's TIIH Online website at <https://tiih.online> no later than the aforementioned date. The lodging of the Form of Proxy will not preclude you from participating and voting at the 49th AGM should you subsequently decide to do so.

Last date and time for lodging the Form of Proxy	:	Sunday, 22 May 2022 at 10.00 a.m.
Date and time of 49th AGM	:	Tuesday, 24 May 2022 at 10.00 a.m. or any adjournment thereof

This Circular is dated 25 April 2022

DEFINITIONS

Except where the context otherwise requires, the following definitions shall apply throughout this Circular:

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof.
AC	:	Audit Committee of Sime Darby Property.
AGM	:	Annual General Meeting of Sime Darby Property.
ARB	:	AmanahRaya Trustees Berhad – Amanah Saham Bumiputera.
Board	:	Board of Directors of Sime Darby Property for the time being.
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)].
Circular	:	This circular dated 25 April 2022.
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof.
Director(s)	:	(a) Director(s) of Sime Darby Property, its subsidiaries or holding company, and shall have the meaning given in Section 2(1) of the CMSA; and (b) Includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director as referred to in paragraph (a) above or chief executive officer of Sime Darby Property, its subsidiary companies or holding company.
EPF	:	Employees Provident Fund Board (established under the Employees Provident Fund Act 1991).
KWAP	:	Kumpulan Wang Persaraan (established under the Retirement Fund Act 2007).
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendments, modifications and additions that may be made from time to time and any Practice Notes issued in relation thereto.
LPD	:	31 March 2022, being the latest practicable date prior to the printing of this Circular.

Major Shareholder(s)	: (a) A person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is: <ul style="list-style-type: none"> (i) ten percent (10%) or more of the total number of voting shares in our Company; or (ii) five percent (5%) or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company. (b) The term “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. “Major Shareholder” includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder of Sime Darby Property, or a major shareholder of Sime Darby Property’s subsidiary or holding company.
Person(s) Connected	: In relation to a Director or Major Shareholder, means such person who falls under any one (1) of the following categories: <ul style="list-style-type: none"> (a) a family member of the Director or Major Shareholder; (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director or Major Shareholder, or a family member of the Director or Major Shareholder, is the sole beneficiary; (c) a partner of the Director or Major Shareholder; (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder; (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act; (f) a body corporate in which the Director or Major Shareholder, or Persons Connected with the Director or Major Shareholder are entitled to exercise, or control the exercise of, not less than twenty percent (20%) of the votes attached to voting shares in the body corporate; or (g) a body corporate which is a related corporation of the Major Shareholder.
PNB	: Permodalan Nasional Berhad [Registration No. 197801001190 (38218-X)].
Proposed Shareholders’ Mandate	: Proposed renewal of existing shareholders’ mandate for recurrent related party transactions of a revenue or trading nature which are necessary in the ordinary course of business of Sime Darby Property Group.

Recurrent Related Party Transaction(s)	:	Related Party Transaction(s) involving recurrent transaction(s) of a revenue or trading nature that is/are necessary for the day-to-day operations and is/are in the ordinary course of business of the Group.
Related Party(ies)	:	Director(s), Major Shareholder(s) or Person(s) Connected.
Related Party Transaction(s)	:	Transaction(s) entered into by Sime Darby Property Group which involve(s) the interest, direct or indirect, of the Related Party(ies).
RM and sen	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia.
SDB	:	Sime Darby Berhad [Registration No. 200601032645 (752404-U)].
SDB Group	:	SDB and its subsidiaries, collectively.

All references to “you” in this Circular are to the shareholders of our Company. All references to “our Company”, “the Company” or “Sime Darby Property” in this Circular are to Sime Darby Property Berhad, and references to “our Group”, “the Group” or “Sime Darby Property Group” are to our Company and our subsidiaries. References to “we”, “us”, “our” and “ourselves” are to our Company and, where the context otherwise requires, our subsidiaries.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations.

Any discrepancies in the table included in this Circular between the amounts listed, actual figures and the totals thereof are due to rounding.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any reference to a time of day and date in this Circular is a reference to Malaysian time and date, respectively.

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SIME DARBY PROPERTY BERHAD

Registration No. 197301002148 (15631-P)
(Incorporated in Malaysia)

Registered Office

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

25 April 2022

Board of Directors

Encik Rizal Rickman Ramli (*Non-Independent Non-Executive Chairman*)
Dato' Azmir Merican Azmi Merican (*Group Managing Director*)
Dato' Jaganath Derek Steven Sabapathy (*Senior Independent Non-Executive Director*)
Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj
(*Non-Independent Non-Executive Director*)
Dato' Seri Ahmad Johan Mohammad Raslan (*Independent Non-Executive Director*)
Datin Norazah Mohamed Razali (*Independent Non-Executive Director*)
Dato' Soam Heng Choon (*Independent Non-Executive Director*)
Encik Mohamed Ridza Mohamed Abdulla (*Independent Non-Executive Director*)
Dato' Hamidah Naziadin (*Independent Non-Executive Director*)
Dr. Lisa Lim Poh Lin (*Independent Non-Executive Director*)

To: Our Shareholders

Dear Sir / Madam,

PROPOSED SHAREHOLDERS' MANDATE

1. INTRODUCTION

- 1.1 At the last AGM held on 6 May 2021, we had procured a mandate from our shareholders for us and our subsidiaries to enter into Recurrent Related Party Transactions with the Group's Related Parties as set out in the Circular to Shareholders dated 7 April 2021 ("**2021 Shareholders' Mandate**"). The 2021 Shareholders' Mandate shall, in accordance with the provisions of the Listing Requirements, lapse at the conclusion of the forthcoming 49th AGM of the Company, unless authority for its renewal is obtained from the shareholders.
- 1.2 Our Board had, on 25 March 2022, announced its intention to seek shareholders' approval for the Proposed Shareholders' Mandate in accordance with paragraph 10.09 of the Listing Requirements at the forthcoming 49th AGM.

The Proposed Shareholders' Mandate, if approved by our shareholders, will take effect from the passing of the relevant ordinary resolution at our 49th AGM and is subject to annual renewal.

- 1.3 The purpose of this Circular is to provide you with the relevant details of the Proposed Shareholders' Mandate and to seek your approval for the resolution under the agenda of Special Business to be tabled at our forthcoming 49th AGM. The Notice of the 49th AGM is enclosed together with the Annual Report 2021.

An extract of the resolution in respect of the Proposed Shareholders' Mandate is set out in Appendix II of this Circular.

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT OUR FORTHCOMING 49TH AGM.

2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE

2.1 Details

- (i) Paragraph 10.08 of the Listing Requirements stipulates the obligations of a listed issuer in relation to Related Party Transactions. However, pursuant to paragraph 10.09(2) and Practice Note 12 of the Listing Requirements, the Company may seek a mandate from our shareholders for Recurrent Related Party Transactions subject to, *inter alia*, the following:
- (a) the transactions are in the ordinary course of business and are on terms not more favourable to the related party than those generally available to the public;
 - (b) the shareholders' mandate is subject to annual renewal and disclosure is made in the annual report of the aggregate value of transactions conducted pursuant to the shareholders' mandate during the financial year where the aggregate value is equal to or exceeds the applicable prescribed threshold as follows:
 - (aa) the consideration, value of the assets, capital outlay or costs of the Recurrent Related Party Transactions is RM1 million or more; or
 - (bb) the percentage ratio of such transactions is equal to 1% or more,whichever is the higher;
 - (c) the Company's circular to shareholders is issued for the shareholders' mandate and shall include the information as set out in Annexure PN12-A of Practice Note 12 of the Listing Requirements;
 - (d) in a meeting to obtain a mandate from the shareholders:
 - (aa) a Related Party with any interest, direct or indirect ("**Interested Related Party**") must not vote on the resolution in respect of the Recurrent Related Party Transaction;
 - (bb) an Interested Related Party who is a Director or Major Shareholder, must ensure that the Persons Connected with him / her / them abstain from voting on the resolution in respect of the Recurrent Related Party Transaction; and
 - (cc) where the Interested Related Party is a Person Connected with a Director or Major Shareholder, such Director or Major Shareholder must not vote on the resolution in respect of the Recurrent Related Party Transaction.

- (e) the Company immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by Sime Darby Property Group, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

Where a listed issuer has procured a shareholders' mandate pursuant to paragraph 10.09(2) of the Listing Requirements, the provisions of paragraph 10.08 of the Listing Requirements will not apply during the validity period of such shareholders' mandate.

In accordance with paragraph 3.3(a) of Practice Note 12 of the Listing Requirements, our Company may procure a mandate for acquisition or disposal of land or land-based property provided that the transaction is a Recurrent Related Party Transaction and any one of the percentage ratios is not more than 10%. As disclosed under Section 2.4 of this Circular, the estimates of the value of this category of transactions cannot be ascertained given the various types of properties sold by the Group varying from project to project.

- (ii) The Proposed Shareholders' Mandate, if approved at our forthcoming 49th AGM, shall take effect immediately upon the passing of the ordinary resolution proposed at our 49th AGM and shall continue to be in force until:
 - (a) the conclusion of our next AGM following our forthcoming 49th AGM at which time it will lapse, unless the authority is renewed by a resolution passed at the said next AGM; or
 - (b) the expiration of the period within which our next AGM after that date is required to be held pursuant to Sections 340(1) and (2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) revoked or varied by a resolution passed by you in a general meeting,

whichever is the earlier.

Thereafter, your approval will be sought for the subsequent renewals of the Proposed Shareholders' Mandate at each subsequent AGM.

- (iii) Disclosure will be made in the Company's Annual Report in accordance with paragraph 10.09(2)(b) and paragraph 3.1.5 of Practice Note 12 of the Listing Requirements, which requires a breakdown of the aggregate value of the Recurrent Related Party Transactions made pursuant to the Proposed Shareholders' Mandate for the financial period under review, amongst others, based on the following information:
 - (a) the type of the Recurrent Related Party Transactions made; and
 - (b) the names of the Related Parties involved in each type of the Recurrent Related Party Transactions made, and their relationship with the Company.

Notwithstanding the above, the Proposed Shareholders' Mandate sought does not cover any recurrent transaction of a revenue or trading nature involving companies in which EPF and KWAP have interest in, as the conditions set out in paragraph 10.08(11)(m) of the Listing Requirements are expected to be fulfilled, and therefore, transactions involving companies in which EPF and KWAP have interest in would not be regarded as Related Party Transactions.

Our Board is seeking your approval for the Proposed Shareholders' Mandate in respect of Recurrent Related Party Transactions to be entered into by Sime Darby Property Group from the date of our forthcoming 49th AGM to the next AGM. These Recurrent Related Party Transactions are conducted in the ordinary course of business with the Related Parties and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of our Company.

Details of the Recurrent Related Party Transactions under the Proposed Shareholders' Mandate are set out in Section 2.4 of this Circular.

2.2 Principal activities of Sime Darby Property Group

The principal activities of our Company are investment holding, property development and provision of management services. Our subsidiaries are principally involved in property investment, property development, provision of golfing and sporting services, construction and assets management services under the concession arrangement and leisure.

The subsidiaries of Sime Darby Property to which the Proposed Shareholders' Mandate applies are as follows:

Subsidiaries of Sime Darby Property	Effective Interest of Sime Darby Property	Principal Activities
Sime Darby Brunfield Damansara Sdn Bhd ("SDBD")	60%	Property development and property investment
Sime Darby Brunfield Resort Sdn Bhd ("SDBR")	60%	Property development
Sime Darby Property Singapore Limited ("SDPSL")	100%	Property management and investment holding

2.3 Classes of Related Parties

The Proposed Shareholders' Mandate will apply to the following classes of Related Parties:

- (i) Directors and / or Major Shareholders; and
- (ii) Persons Connected with the Directors and / or Major Shareholders.

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2.4 Details of Recurrent Related Party Transactions contemplated under the Proposed Shareholders' Mandate

The class and nature of the Recurrent Related Party Transactions of the Group are as follows:

Item	Transacting Companies in Sime Darby Property Group	Transacting Related Parties	Nature of Recurrent Related Party Transactions	Interested Major Shareholders/Directors and Persons Connected with them	Existing Mandate		Estimated aggregate value from the forthcoming 49th AGM to be held on 24 May 2022 to the next AGM ⁽²⁾ (RM million)
					Estimated aggregate value as disclosed in the Circular to Shareholders dated 7 April 2021 (RM million)	Actual value transacted since last AGM up to the LPD ⁽¹⁾ (RM million)	
1.	SDBD and SDBR	Brunsfeld Engineering Sdn Bhd ("BESB")	Provision of design and build services as well as other service provider components by BESB for the property development projects undertaken by SDBD and SDBR (namely Oasis Corporate Park, Oasis Rio, Oasis AutoNexus and Senada Residences, KLGCC Resort)	Interested Major Shareholder: • Brunsfeld Metropolitan Sdn Bhd ("BMSB") ⁽³⁾ Interested Directors: • Tan Sri Dato' Dr Ir Gan Thian Leong ("Tan Sri Dato' Dr Ir Gan") ⁽⁴⁾ • Gan Tien Chie ("Mr Gan") ⁽⁵⁾ Interested Person Connected: • Nil	151.00	73.5	60.0
2.	Sime Darby Property Group	(i) Directors of Sime Darby Property Group and Persons Connected with them ⁽⁶⁾ (ii) Major Shareholders of subsidiaries of Sime Darby Property and Persons Connected with them ⁽⁶⁾ (Collectively referred to as "Directors and Major Shareholders of Sime Darby Property Group and Persons Connected with Them")	Sale of properties in the ordinary course of business by Sime Darby Property Group, the values of which are not more than 10% of any one of the percentage ratios as stipulated in the Listing Requirements	• Directors of Sime Darby Property Group and Persons Connected with them ⁽⁶⁾ • Major Shareholders of subsidiaries of Sime Darby Property and Persons Connected with them ⁽⁶⁾	See note (7)	4.0	See note (7)

Item	Transacting Companies in Sime Darby Property Group	Transacting Related Parties	Nature of Recurrent Related Party Transactions	Interested Major Shareholders/Directors and Persons Connected with them	Existing Mandate		Estimated aggregate value from the forthcoming 49th AGM to be held on 24 May 2022 to the next AGM ⁽²⁾ (RM million)
					Estimated aggregate value as disclosed in the Circular to Shareholders dated 7 April 2021 (RM million)	Actual value transacted since last AGM up to the LPD ⁽¹⁾ (RM million)	
3.	SDPSL	Performance Motors Limited, a wholly-owned subsidiary of SDB	Provision of certain services to Performance Motors Limited at certain parts of the premises at the whole of Lot 1957 of Mukim 1 at Sime Darby Business Centre, 315 Alexandra Road Singapore 159944, for a term of five (5) years in accordance with the terms and conditions of the Services Agreement dated 4 June 2019	Interested Major Shareholder: • ARB ⁽⁸⁾ Interested Directors: • Rizal Rickman Ramli ⁽⁹⁾ • Tengku Datuk Seri Ahmad Shah ⁽⁹⁾ Interested Person Connected: • PNB ⁽¹⁰⁾	12.0	11.0 ⁽¹¹⁾	13.6 ⁽¹¹⁾
Total					163.0	88.5	73.6

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Notes:

- (1) *The aggregate actual values represent Recurrent Related Party Transactions transacted from 6 May 2021, on which the Existing Shareholders' Mandate was granted, up to the LPD. The aggregate actual values transacted do not exceed the estimated aggregate values by 10% or more.*
- (2) *The estimated aggregate value of the transaction from 24 May 2022 up to next AGM which is expected to be held by the month of May 2023. The estimated aggregate value for the Proposed Shareholders' Mandate is based on the management forecast of transaction value that has been anticipated. Accordingly, the actual transacted value may vary and is subject to change.*
- (3) *BMSB is a Major Shareholder of Sime Darby Brunsfield Holding Sdn Bhd ("**SDBH**") with 40% direct shareholding in SDBH. SDBH in turn is the holding company of SDBD and SDBR. Tan Sri Dato' Dr Ir Gan is an indirect Major Shareholder of SDBH by virtue of his shareholdings in BMSB pursuant to Section 8 of the Act. Tan Sri Dato' Dr Ir Gan also has indirect shareholdings of more than 10% in BESB.*
- (4) *Tan Sri Dato' Dr Ir Gan is a Director of SDBH, which in turn is the holding company of SDBD and SDBR. Tan Sri Dato' Dr Ir Gan is also an indirect Major Shareholder of SDBH by virtue of his shareholding in BMSB pursuant to Section 8 of the Act. Tan Sri Dato' Dr Ir Gan also has an indirect shareholding of more than 10% in BESB.*
- (5) *Mr Gan is an alternate Director of SDBH. Mr Gan, being the brother of Tan Sri Dato' Dr Ir Gan, is a Person Connected with Tan Sri Dato' Dr Ir Gan. Tan Sri Dato' Dr Ir Gan has an indirect shareholding of more than 10% in BESB.*
- (6) *The Directors and Major Shareholders of Sime Darby Property Group and Persons Connected with Them, who will be purchasing properties from Sime Darby Property Group could not be ascertained as at the date of this Circular.*
- (7) *The estimated aggregate value of this category of transaction cannot be ascertained given the various types of properties sold by our Group with prices varying from project to project. However, in accordance with paragraph 3.3(a) of Practice Note 12 of the Listing Requirements, the value of the transaction shall not exceed 10% of any one of the percentage ratios.*
- (8) *ARB is a Major Shareholder of Sime Darby Property, holding 44.46% direct equity interest in Sime Darby Property as at the LPD. ARB is also a major shareholder of SDB, holding 40.57% direct equity interest in SDB as at the LPD.*
- (9) *Encik Rizal Rickman Ramli and Tengku Datuk Seri Ahmad Shah are representatives of PNB on the Board of Sime Darby Property.*
- (10) *PNB is a substantial shareholder of Sime Darby Property, holding 5.99% direct equity interest in Sime Darby Property as at the LPD and is also a person connected with ARB. ARB is the Trustee of Amanah Saham Bumiputera, a fund managed by Amanah Saham Nasional Berhad, a subsidiary of PNB. The Board regards PNB as Sime Darby Property's holding company.*
- (11) *The actual value transacted since last AGM up to the LPD of SGD3,543,361 and the estimated aggregate value from the forthcoming 49th AGM to be held on 24 May 2022 to the next AGM of SGD4,367,155 are converted into Malaysia Ringgit at a conversion rate of SGD1 : RM3.10460 as at 31 March 2022.*

2.5 Amount Due and Owing to Sime Darby Property Group by Related Parties

As at the financial year ended 31 December 2021, there were no amounts due and owing to the Sime Darby Property Group by its Related Parties pursuant to the Recurrent Related Party Transactions which have exceeded the applicable credit terms. Hence, there were no late payment charges imposed on the Related Parties.

2.6 Review of procedures on Recurrent Related Party Transactions

The Group has established guidelines and procedures to ensure that Recurrent Related Party Transactions will be undertaken at arm's length and on normal commercial terms, which are consistent with the Group's normal business practices and policies, and on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of our minority shareholders, as follows:

- (i) A list of Related Parties will be circulated and updated on a quarterly basis to ensure that all Recurrent Related Party Transactions are undertaken on an arm's length basis and on normal commercial terms and, on terms not more favourable to the Related Parties than those generally available to the public. The transaction must be in the best interest of the Sime Darby Property Group and not detrimental to the minority shareholders of Sime Darby Property;
- (ii) Records will be maintained to capture all Recurrent Related Party Transactions which are entered into pursuant to the Proposed Shareholders' Mandate to ensure that relevant approvals have been obtained and review procedures in respect of such transactions are adhered to;
- (iii) Directors and key management personnel need to declare the nature and extent of their interests and the interests of Persons Connected with them in any Recurrent Related Party Transactions which are put up to the Board for approval;
- (iv) Any Director or key management personnel who has an interest, whether direct or indirect, in any Recurrent Related Party Transactions must abstain from deliberations and voting on the relevant resolution at the Board/tender meeting and ensure that Persons Connected with him/her also abstain from voting at the relevant meeting;
- (v) Where shareholders' approval is required, a Related Party with any direct or indirect interest must not vote on the resolution in respect of the Recurrent Related Party Transactions at the shareholders' meeting. He/She must also ensure that Persons Connected with him/her also abstain from voting on the resolution at the shareholders' meeting;
- (vi) All business units shall regularly review their existing documentation, procedures and information systems to ensure that features are incorporated into the documentation, procedures and systems for capturing information on Related Party Transaction at source;
- (vii) Disclosure will be made in the annual report of the Company on the aggregate value of transactions conducted pursuant to the Proposed Shareholders' Mandate during the financial period, in accordance with the provisions of paragraph 10.09 of Chapter 10 and paragraph 3.1.5 of Practice Note 12 of the Listing Requirements;
- (viii) The AC has reviewed and shall continue to review the adequacy and appropriateness of the procedures as and when required with the authority to sub-delegate such function to individuals or committees within the Company as they may deem appropriate; and

- (ix) At least two (2) other contemporaneous transactions with unrelated third parties for similar products/services and/or quantities will be used as comparison, wherever possible, to determine whether the price and terms offered to/by the Related Parties are fair and reasonable and comparable to those offered to/by other unrelated parties for the same or substantially similar type of products/services and/or quantities. In the event that quotation or comparative pricing from unrelated third parties cannot be obtained (for instance, if there are no unrelated third party vendors/customers of similar products or services, or if the product/service is a proprietary item), the transaction price will be in accordance with applicable industry norms, prevailing commercial rates and at rates not more favourable to the Related Parties than those generally available to the public and are not detrimental to the Sime Darby Property Group or its minority shareholders.

There are no specific thresholds for approval of Recurrent Related Party Transactions within the Group.

All construction and service provider contracts to be awarded by SDBH shall be based on the method which is most beneficial to SDBH and its subsidiaries and in compliance with Sime Darby Property's tender policies and procedures.

For all contracts, tenders submitted are assessed and evaluated by an independent check consultant. The tendered rates are evaluated against current market rates to ensure that the rates are reasonable and comparable. SDBH will continue to assess and evaluate the tender rates to determine whether the prices and terms offered by the Related Parties are fair and reasonable and comparable to the market rates for the same or substantially similar types of products and/or quantities and to ensure that the Recurrent Related Party Transaction is not detrimental to the Sime Darby Property Group.

The following guidelines will apply for the tender policies and procedures in SDBH and its subsidiaries:

- (i) Scope of Procurement

The tenders will be evaluated by the procurement department of the SDBH.

- (ii) Tendering Strategy

All tenders shall be through:

- (a) Selective tendering – Standard model for all contracts in the annual budget with the normal process of design development, plan approval and tender.
- (b) Direct negotiated tenders (single sourcing) – For selected products or work that meet or exceed the desired quality and cost e.g. supplier management products.
- (c) Design & build tenders – For specialised projects. Capable contractors take the lead in design management and construction. Cost is capped within the approved budget. Contractors are to reduce cost and add value.
- (d) Open tenders – Special work that requires contractors beyond the current master list of contractors.

(iii) List of Tenderers

The tenderers shall be selected based on their category, listing status, specialisation and grading, i.e. limit of work in hand as indicated below:

Grade	Limit of Work in Hand
Super A2	More than RM150 million
Super A1	Up to RM150 million
A	Up to RM100 million
B	Up to RM20 million
C	Up to RM5 million

Should a proposed tenderer be selected despite exceeding the above limit, justification shall be made to the respective approval authority for such a selection.

(iv) Authority Limits for Award of Contract

Approving Authority	Value of Contract (RM)
Sime Darby Property Board	> 300 million
Sime Darby Property Board Tender Committee	> 50 million – 300 million
SDBH Board of Directors	> 5 million – 50 million
SDBH Tender Committee	> 0.5 million – 5 million
SDBH Operations Tender Committee	> 0.2 million – 0.5 million
General Manager of SDBH	≤ 0.2 million

The contract shall be awarded when the tender committee is satisfied that the contract recommended by the Company has met all the criteria and assurances for quality delivery, financial capability and that the said newly prequalified contractor has the resources to undertake the second contract while at the same time maintaining the momentum of the first contract.

2.7 Statement by the Audit Committee

The AC has seen and reviewed the guidelines and procedures in Section 2.6 above and is satisfied that the guidelines and procedures established for Recurrent Related Party Transactions are sufficient to ensure that such transactions will be carried out in a fair and reasonable manner and on normal commercial terms and are in the best interest of Sime Darby Property Group; and the terms of the Recurrent Related Party Transactions are not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of Sime Darby Property.

The AC is of the view that the Group has put in place adequate procedures and processes to identify, monitor and track Recurrent Related Party Transactions in a timely and orderly manner, and will at its discretion, amend the guideline and procedures which are no longer appropriate or adequate, to ensure that the Recurrent Related Party Transactions are, at all times, carried out on terms consistent with the Group's practices and are not to the detriment of our minority shareholders. Such procedures and processes are reviewed as and when necessary.

2.8 Rationale and Benefits of the Proposed Shareholders' Mandate

The rationale and benefits of the Proposed Shareholders' Mandate are as follows:

- (i) To facilitate transactions with Related Parties which are in the ordinary course of business of the Group, undertaken on arms' length basis, are fair and reasonable and on normal commercial terms and, on terms which are not more favourable to the Related Parties than those generally available to the public, and are not detrimental to the interests of our minority shareholders.
- (ii) To meet the business needs of the Group on the best possible terms as well as to explore beneficial business opportunities within the Group and with its joint-venture partners.
- (iii) To eliminate the need to make announcements to Bursa Securities and to convene separate general meetings from time to time to seek your approval as and when Recurrent Related Party Transactions with the specified classes of Related Parties arise. This will substantially reduce administrative time and expenses associated with the making of announcements and/or the convening of such general meetings on an ad-hoc basis, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

2.9 Effects of the Proposed Shareholders' Mandate

The Proposed Shareholders' Mandate will not have any effect on the share capital, substantial shareholders' shareholdings, net assets per share, gearing, or earnings per share of Sime Darby Property for the financial year ending 31 December 2022.

2.10 Interests of Directors, Major Shareholders and Persons Connected with Them

(i) Recurrent Related Party Transactions between SDBD and SDBR with BESB

None of the Directors, Major Shareholders of the Company and/or Persons Connected with them, has any interest, direct or indirect, in the Recurrent Related Party Transactions as stated in Section 2.4 (1) of this Circular.

However, Tan Sri Dato' Dr Ir Gan, Mr Gan and BMSB, being Directors and Major Shareholders of SDBH respectively, which in turn is the holding company of SDBD and SDBR, are interested in such Recurrent Related Party Transactions between SDBD and SDBR with BESB.

Accordingly, Tan Sri Dato' Dr Ir Gan, Mr Gan and BMSB have undertaken that they will abstain from voting at the forthcoming 49th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in Sime Darby Property, if any.

They have also undertaken to ensure that Persons Connected with them will abstain from voting at the forthcoming 49th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct and indirect shareholdings in Sime Darby Property, if any.

(ii) Recurrent Related Party Transactions between Sime Darby Property Group with Directors and Major Shareholders of Sime Darby Property Group and Persons Connected with Them (as defined in Section 2.4 (2) of this Circular)

None of the Major Shareholders of the Company and/or Persons Connected with them, has any interest, direct or indirect, in the Recurrent Related Party Transactions as stated in Section 2.4 (2) of this Circular.

However, all the Directors of the Company are interested in such Recurrent Related Party Transactions, as the transacting Related Parties cannot be ascertained as at the date of this Circular.

Accordingly, all Directors of the Company will continue to abstain from all Board deliberations and voting in relation to the said Recurrent Related Party Transactions. All Directors of the Company will also abstain from voting at the forthcoming 49th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in Sime Darby Property, if any.

They have also undertaken to ensure that Persons Connected with them will abstain from voting at the forthcoming 49th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct and indirect shareholdings in Sime Darby Property, if any.

(iii) Recurrent Related Party Transactions between Sime Darby Property Group with SDB Group

Save as disclosed in Sections 2.4 of this Circular, none of the other Directors, Major Shareholders of the Company and/or Persons Connected with them, has any interest, direct or indirect, in the Recurrent Related Party Transactions as stated in Section 2.4 (3) of this Circular.

Encik Rizal Rickman Ramli and Tengku Datuk Seri Ahmad Shah, being the interested Directors, have and will continue to abstain from all Board deliberations and voting in relation to the said Recurrent Related Party Transactions. They will also abstain from voting at the forthcoming 49th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in Sime Darby Property, if any.

ARB and PNB, being the interested Major Shareholder of the Company and interested Person Connected with Major Shareholder, respectively, in the said Recurrent Related Party Transactions, will abstain from voting at the forthcoming 49th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in Sime Darby Property.

The interested Directors and interested Major Shareholder have also undertaken / agreed to ensure that Persons Connected with them will abstain from voting at the forthcoming 49th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct and indirect shareholdings in Sime Darby Property, if any.

As at the LPD, the direct and indirect shareholdings of the interested Directors, Major Shareholders and Persons Connected with them in Sime Darby Property are as follows:

	Direct Interest		Indirect Interest	
	No. of Shares	% of Shares	No. of Shares	% of Shares
Interested Directors				
<i>Sime Darby Property:</i>				
• Encik Rizal Rickman Ramli	-	-	-	-
• Dato' Azmir Merican Azmi Merican	-	-	-	-
• Dato' Jaganath Derek Steven Sabapathy	-	-	-	-
• Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	-	-	-	-
• Dato' Seri Ahmad Johan Mohammad Raslan	-	-	-	-
• Datin Norazah Mohamed Razali	-	-	-	-
• Dato' Soam Heng Choon	-	-	-	-
• Encik Mohamed Ridza Mohamed Abdulla	-	-	-	-
• Dato' Hamidah Naziadin	-	-	-	-
• Dr. Lisa Lim Poh Lin	-	-	-	-
<i>SDBH:</i>				
• Tan Sri Dato' Dr Ir Gan	-	-	-	-
• Mr. Gan	-	-	-	-
Interested Major Shareholders				
<i>Sime Darby Property:</i>				
• ARB	3,023,917,800	44.46%	-	-
<i>SDBH:</i>				
• BMSB	-	-	-	-
Interested Persons Connected				
<i>Sime Darby Property:</i>				
• PNB	407,220,492	5.99%	-	-

3. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to approval being obtained from you at the forthcoming 49th AGM.

4. DIRECTORS' OPINION AND RECOMMENDATION

Our Board, having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Recurrent Related Party Transactions as stated in Section 2.4 (1) of this Circular are in the best interest of the Company and its shareholders and not to the detriment of the minority shareholders of the Company.

Further, our Board (save for Encik Rizal Rickman Ramli and Tengku Datuk Seri Ahmad Shah, being the interested Directors who have abstained from expressing an opinion) having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Recurrent Related Party Transactions as stated in Section 2.4 (3) of this Circular are in the best interest of the Company and its shareholders and not to the detriment of the minority shareholders of the Company.

However, as all the Directors of the Company are interested in the Recurrent Related Party Transactions as stated in Section 2.4 (2) of this Circular, our Board has abstained from forming an opinion regarding such Recurrent Related Party Transactions as stated therein.

As all the Directors of the Company are interested in the Recurrent Related Party Transactions as stated in Section 2.4 (2) of this Circular, our Board has also abstained from making any recommendation as to the voting on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 49th AGM of Sime Darby Property.

5. AGM

The 49th AGM of our Company, the Notice of which is enclosed in the Annual Report 2021, will be held as a virtual meeting at the broadcast venue at Banquet Hall, 1st Floor, Main Lobby, Kuala Lumpur Golf & Country Club, No. 10, Jalan 1/70D, Off Jalan Bukit Kiara, 60000 Kuala Lumpur, Malaysia and via the TIIH Online website at <https://tiih.online> on Tuesday, 24 May 2022 at 10.00 a.m. or any adjournment thereof for the purpose of considering and if thought fit, passing, *inter alia*, the ordinary resolution on the Proposed Shareholders' Mandate, as Special Business.

The venue of the 49th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.

If you are unable to participate at the 49th AGM and wish to appoint a person to participate and vote in your stead, you are required to complete, sign and return the Form of Proxy, which is enclosed in the Annual Report 2021, in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the 49th AGM or no later than Sunday, 22 May 2022 at 10.00 a.m. For further information on the electronic submission of the Form of Proxy, kindly refer to the Annexure to the Administrative Details provided together with the Annual Report 2021.

6. FURTHER INFORMATION

Please refer to the Appendices attached to this Circular for further information.

Yours faithfully
For and on behalf of the Board of
SIME DARBY PROPERTY BERHAD

DATO' AZMIR MERICAN AZMI MERICAN
Group Managing Director

ADDITIONAL INFORMATION

1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of Sime Darby Property and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all the reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

2. MATERIAL CONTRACTS

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) entered into by Sime Darby Property and its subsidiaries within the two (2) years immediately preceding the LPD of this Circular:

(i) Land Option Agreements and Supplemental Call Option Agreements

Sime Darby Property had, on 25 August 2017, entered into nine (9) separate call option agreements ("**Land Option Agreements**") with Sime Darby Plantation Berhad ("**SD Plantation**") pursuant to which Sime Darby Property was granted call options by SD Plantation to purchase the legal and beneficial ownership of and titles to the following nine (9) parcels of land at any time during the period commencing from the date of the listing of and quotation for the entire issued share capital of Sime Darby Property on the Main Market of Bursa Securities ("**Listing Date**") and ending on the date falling five (5) years from the Listing Date with an option to extend for another three (3) years (to be mutually agreed by Sime Darby Property and SD Plantation) at a purchase price to be determined by valuations to be conducted by an agreed independent valuer, subject to the terms and conditions of the respective agreements, which include the prior approval of the shareholders of the parties, if required by applicable law or rules of a stock exchange:

- (a) 1,862 acres of land located within Kulai A estate in Johor ("**Kulai A Estate**");
- (b) 3,186 acres of land located within Kulai B estate in Johor ("**Kulai B Estate**");
- (c) 2,000 acres of land located within Sepang estate in Selangor;
- (d) 993 acres of land located within Sungai Kapar Estate in Selangor;
- (e) 2,000 acres of land located within West Estate, Carey Island, Jugra Kuala Langat in Selangor ("**West Estate, Carey Island**");
- (f) 485 acres of land located within Lothian (Sepang) estate in Selangor;
- (g) 864 acres of land located within Byram estate in Pulau Pinang ("**Byram Estate**");
- (h) 268 acres of land located within Ainsdale West estate in Negeri Sembilan; and
- (i) 148 acres of land located within Bukit Selarong estate in Kedah ("**Bukit Selarong Estate**").

The options are granted for a nominal consideration of RM10 each.

Further to the above, Sime Darby Property had, on 17 June 2019, entered into five (5) separate supplemental call option agreements with SD Plantation ("**Supplemental Call Option Agreements**") to vary, replace and substitute the following option lands under the relevant Land Option Agreements:

- (i) Byram Estate;
- (ii) Bukit Selarong Estate;
- (iii) Kulai A Estate;
- (iv) Kulai B Estate; and
- (v) West Estate, Carey Island,

with the following lands:

- (i) 2,540 acres of land in Bukit Cheraka Estate, District of Kuala Selangor;
- (ii) 1,077 acres of land in Bukit Kerayong Estate, District of Kuala Selangor; and
- (iii) 2,177 acres of land in Jalan Acob Estate, District of Klang,

together with:

- (i) a reduction of the acreage of Kulai A Estate from 1,862 acres to 915 acres; and
- (ii) a reduction of the acreage of West Estate, Carey Island from 2,000 acres to 1,350 acres.

At any time during the option period, Sime Darby Property may exercise the call option in respect of the option lands by sending a notice substantially in the form set forth in the respective Land Option Agreements ("**Option Notice**") to SD Plantation, to require SD Plantation to sell the option lands. The Option Notice shall expressly state that the sale of the option land by SD Plantation is subject to the approval of the shareholders of SD Plantation having been obtained (if shareholders' approval shall be required for the sale of that option land under any applicable law or the rules of a stock exchange). Where such shareholders' approval is required, SD Plantation shall seek such shareholders' approval at any time after the issuance of the Option Notice and prior to the execution of the sale and purchase agreement. If shareholders' approval shall be required for the acquisition of that option land under any applicable law or rules of a stock exchange, Sime Darby Property shall seek such shareholders' approval prior to the issuance of the Option Notice.

The parties agree that, not less than three (3) months prior to any of the events referred to above, a valuer shall be appointed to value the option land for the purposes of determining the price payable by Sime Darby Property to SD Plantation for the purchase of the option land. The parties also agree that any such valuation report shall be issued by the valuer no earlier than six (6) months prior to the date of the later of the respective general meetings of shareholders for the shareholders' approvals referred to above (as the case may be).

The agreed independent valuer shall value the option land based on agricultural status with development potential using the methodology as it may determine.

The parties further agreed that, following the acquisition of the relevant option land, if Sime Darby Property intends to lease, rent or grant licenses over any part of the option lands for the purposes of oil palm planting and/or harvesting (and/or agricultural venture), Sime Darby Property agreed to first offer the same to SD Plantation. If SD Plantation exercises its right to obtain a tenancy over such lands, the parties are bound to enter into a tenancy agreement in the form of the template tenancy agreement attached to the respective Land Option Agreements.

(ii) **MVV Option Agreements**

Sime Darby Property had, on 25 August 2017, entered into 29 separate call option agreements ("**MVV Option Agreements**") with Kumpulan Sime Darby Berhad ("**KSDB**") (12 of the affected option agreements were amended pursuant to separate letters all dated 9 November 2017) where Sime Darby Property was granted call options to purchase the legal and beneficial ownership of and title to 29 parcels of land (being 1 parcel under each call option agreement) or any part thereof, totalling about 8,796 acres, all of which are located within the Mukim of Labu, Negeri Sembilan ("**MVV Option Lands**") at any time during the period commencing from the Listing Date and ending on the date falling five (5) years from the Listing Date with an option to extend for another three (3) years (to be mutually agreed by Sime Darby Property and KSDB) at a purchase price to be determined by valuations to be conducted by an agreed independent valuer, subject to the terms and conditions of the MVV Option Agreements, which include the prior approval of shareholders of the party(ies), if required by applicable law or rule of a stock exchange. The agreed independent valuer shall value the MVV Option Lands based on market value, using the methodology as it may determine. The option is granted for a nominal consideration of RM10.

(iii) **Donation Agreement**

Sime Darby Property had, on 25 August 2017 entered into a donation agreement ("**Donation Agreement**") with Yayasan Sime Darby ("**Foundation**") where Sime Darby Property endeavours to make an annual cash donation of RM20,000,000 to the Foundation for a term of five (5) years with effect from the Listing Date (unless extended by mutual agreement of the parties) in accordance with the terms and conditions therein contained. The Foundation is a company limited by guarantee incorporated under the Companies Act 1965.

All the donations received and all amounts earned by investing such donations, if any, will be used by the Foundation to support and promote activities carried out by the Foundation in the areas of community and health, education, youth and sports, environment, and arts and culture (Five Pillars) to further the charitable intent established by the governing council of the Foundation (Agreed Purpose).

With effect from the Listing Date, Sime Darby Property shall apply to be a group (corporate) member of the Foundation and shall thereafter be entitled to nominate and appoint one (1) representative to attend all general meetings of the Foundation and to nominate one (1) representative as a director to sit on the governing council of the Foundation, which will enable it to monitor and ensure that the monies donated are utilised by the Foundation for the Agreed Purpose. The other (corporate) members of the Foundation are SDB and SD Plantation.

The annual cash donation of RM20 million is to be paid by Sime Darby Property to the Foundation in two (2) tranches of RM10 million each, i.e., on or before 7 January and 7 July, such that no accruals will be carried forward to the following period. If Sime Darby Property fails to make the annual cash donation of RM20 million to the Foundation, the governing council of the Foundation will convene a meeting to deliberate and decide on the actions to be taken, including any modification to the amount or timing of the donation, suspension of the donation by Sime Darby Property or termination of the Donation Agreement. The decision of the governing council of the Foundation will be final and binding.

(iv) **Shareholders' Agreement for the Set Up of Industrial Development Funds**

Sime Darby Property (Capital Holdings) Pte Ltd ("**SDPCH**"), a wholly-owned subsidiary of Sime Darby Property had, on 29 September 2021 entered into a shareholders' agreement with LOGOS SE Asia Pte Ltd ("**LOGOS SE**"), a wholly-owned subsidiary of LOGOS Group Property Limited to govern the parties' relationship as shareholders to a new joint venture company named Industrial Joint Venture (Holdings) Pte. Ltd. ("**JV Co**") ("**Joint Venture**"), on a 51% (SDPCH) : 49% (LOGOS SE) basis.

JV Co was incorporated in Singapore for the purpose of providing fund management and development services to industrial development funds established by the Joint Venture.

Sime Darby Property's share of equity requirements of the JV Co and its subsidiaries, which are expected to be minimal at RM2 million, will be raised via internally generated funds.

None of the directors or major shareholders of Sime Darby Property or persons connected with them has any interest, direct or indirect, in the Joint Venture.

(v) **MVV Sale and Purchase Agreement**

Pursuant to MVV Call Option Agreements ("**Lot 3235 COA**") entered between Sime Darby Property and KSDB, Sime Darby Property (MVV Central) Sdn Bhd ("**SDP MVV Central**"), a wholly-owned subsidiary of Sime Darby Property had, on 27 October 2021 entered into a sale and purchase agreement ("**MVV Sale and Purchase Agreement**") with KSDB where KSDB agreed to sell and SDP MVV Central agreed to purchase part of the land under GRN 76723, Lot No. 3235, Mukim of Labu, District of Seremban, Negeri Sembilan ("**Lot 3235 Option Land**") measuring approximately 760.12 acres ("**New Option Land**") for a total cash consideration of RM280,000,000. The New Option Land consists of a portion of the Lot 3235 Option Land measuring approximately 656.05 acres which KSDB has offered to Sime Darby Property pursuant to the Sale Notice and an additional portion of the Lot 3235 Option Land measuring approximately 104.07 acres based upon Sime Darby Property's exercise of its option to purchase under the Lot 3235 COA. The MVV Sale and Purchase Agreement is to be completed within three (3) months from the expiry of the fifteen (15) months' conditional period from the date of the MVV Sale and Purchase Agreement or such other date as SDP MVV Central and KSDB may mutually agree in writing.

The purchase price of the New Option Land is to be funded via a combination of internally generated funds and/or external bank borrowings, the quantum of which will only be determined at a later stage after taking into consideration, among others, the actual funding required and eventual amount of bank borrowings.

3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

Save as disclosed below, neither the Company nor its subsidiary companies are engaged in any material litigation, claims or arbitration, either as plaintiff or defendant, and the Board of Sime Darby Property is not aware of any proceedings, pending or threatened against the Group or of any facts likely to give rise to any proceedings which may materially affect the financial position or business of Sime Darby Property Group:

i) **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 RM169,296,852.60 (“**LA’s Award**”) by the Land Administrator (“**Respondent**”) in respect of the acquisition by Lembaga Lebuhraya Malaysia/West Coast Expressway (collectively “**Acquiring Authority**”) of the lands owned by SDP Klang held under Geran 46056 Lot 5646, Geran 46057 Lot 5648, Geran 24130 Lot 24 (23241), Geran 24132 Lot 25 (23242), Geran 47244 Lot 37 (50418), Geran 33603 Lot 38 (50416) and Geran 278974 Lot 23235, all situated in Mukim Kapar, District of Klang, Selangor (collectively “**Lands**”) for the construction of the West Coast Expressway project which consists of the aggregate compensation for market value of the Lands (“**MV**”) of RM90,738,180 and the aggregate compensation for severance and injurious affection of the Lands (“**IA**”) of RM78,558,672.60.

The Acquiring Authority’s and SDP Klang’s respective objections to the LA’s Award were later referred to the High Court of Malaya (“**High Court**”) and heard simultaneously, despite not being consolidated. On 22 March 2017, the High Court held, *inter alia*, that the MV is to be maintained at RM90,738,180, whilst the IA is to be reduced to RM72,926,705.88. Consequently, two (2) separate High Court Orders were drawn up, each hereby referred to as “SDP Klang Order” and “Acquiring Authority Order”. No appeal was filed in respect of the SDP Klang Order whilst the Acquiring Authority chose to appeal against the Acquiring Authority Order.

On 22 October 2018, the Court of Appeal upon hearing the Acquiring Authority’s appeal, remitted the Acquiring Authority’s Land Reference to the High Court to be re-heard before a new Judge (“**Re-Hearing**”). The hearing date for the Re-Hearing has been fixed from 8 to 10 June 2022.

Originating Summons (“**OS**”)

On 21 September 2020, the Acquiring Authority filed an Originating Summons (“**OS**”) to set aside the SDP Klang Order, which was allowed by the High Court on 21 September 2021 (“**OS Decision**”). On 18 October 2021, SDP Klang filed an appeal to the Court of Appeal against the OS Decision (“**Appeal**”). The hearing date of the Appeal has been fixed on 3 October 2022.

Stay Application pending the disposal of OS

The Acquiring Authority filed a stay application on 30 September 2020 to stay the Re-Hearing (“**Stay Application**”) pending the disposal of the OS. Following the OS Decision, the Acquiring Authority withdrew the Stay Application on 11 January 2022 with costs to the Respondent and SDP Klang.

At this juncture, the solicitors for SDP Klang are of the view that there is an even chance that the High Court Judge in the Re-Hearing may arrive at a similar decision made by the earlier High Court Judge on 22 March 2017 (as reflected in the SDP Klang Order/ Acquiring Authority Order), namely that the Award of compensation for IA to SDP Klang would be in the region of approximately RM72.9 million.

ii) **Claim against Sime Darby Property (Ara Damansara) Sdn Bhd (formerly known as Sime Darby Ara Damansara Development Sdn Bhd) (“SDPAD”)**

A civil suit was commenced by 72 purchasers (reduced to 71 purchasers pursuant to the Plaintiffs’ amendment application which was allowed in parts on 15 November 2021 as stated below) 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 (“**SPA**”) and the provisions of various statutes including, the Uniform Building By-Laws 1984 and the Street, Drainage and Building Act 1974.

The Plaintiffs alleged that the breaches by SDPAD have, amongst others, caused the delay in the delivery of strata titles, which caused the Plaintiffs to suffer loss and damage, including indirect losses (which have not been proven by the Plaintiffs). The dispute was referred to mediation and the parties explored possible settlement proposals. However, the parties were unable to reach a global settlement. The trial commenced on 16 April 2018. A site visit was held on 7 April 2021 together with the Judge and the Plaintiffs. On 28 April 2021, the court allowed the Plaintiffs’ application to add the Joint Management Body (JMB) of Ara Hill as a co-defendant to this suit. On 15 November 2021, the court allowed the Plaintiffs’ amendments to their claim in part with costs to be paid by the Plaintiffs to SDPAD. Further trial dates have been fixed in April, July and August 2022.

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.

iii) **In the Matter of an Arbitration Between Bumimetro Construction Sdn Bhd (“BCSB”) vs. Sime Darby Property (KL East) Sdn Bhd (formerly known as Sime Darby Melawati Development Sdn Bhd) (“SDP KL East”)**

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

The parties have filed its Statement of Claim, Statement of Defence and Counterclaim and replies thereto. On 3 March 2021, the Claimant filed an amendment to its claim where it had, amongst others, amended its claim for specific damages from approximately RM41.9 million (pursuant to its Statement of Claim of 19 June 2020) to approximately RM42 million. In response, the Respondent made consequential amendments to its Statement of Defence and Counterclaim (which also consists of a claim for specific damages of approximately RM17.5 million) and filed its revised Statement of Defence and Counterclaim on 12 March 2021.

The arbitration proceedings will be 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 for another 28 days on various dates between June 2020 to March 2021. Further hearing dates have been fixed in June, August and September 2022.

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

4. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at our registered office at Level 10, Block G, No. 2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the date of our forthcoming 49th AGM:

- (i) Constitution of Sime Darby Property;
- (ii) Audited consolidated financial statements of Sime Darby Property for the past two (2) financial years ended 31 December 2020 and 31 December 2021;
- (iii) Material Contracts as referred to in Section 2, Appendix I of this Circular; and
- (iv) The relevant cause papers in respect of the material litigation as referred to in Section 3, Appendix I of this Circular.

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EXTRACT OF THE NOTICE OF 49TH AGM OF SIME DARBY PROPERTY

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following Ordinary Resolutions:

PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

"THAT subject always to the Companies Act 2016 ("Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, other applicable laws, guidelines, rules and regulations, and the approval of the relevant government and/or regulatory authorities (where applicable), approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties ("Recurrent Related Party Transactions") as set out in Section 2.4 of the Circular to Shareholders dated 25 April 2022 ("the Circular"), subject further to the following:

- (i) the Recurrent Related Party Transactions are entered into in the ordinary course of business which are necessary for the day-to-day operations and are on terms which are not more favourable to the related parties than those generally available to the public, and the Recurrent Related Party Transactions are undertaken on arm's length basis and on normal commercial terms which are not to the detriment of the non-interested shareholders of the Company;
- (ii) the shareholders' mandate is subject to annual renewal and this shareholders' mandate shall commence immediately upon passing of this ordinary resolution and continue to be in full force until:
 - (a) the conclusion of the next Annual General Meeting ("AGM") of the Company following the AGM at which this shareholders' mandate is approved, at which time it will lapse, unless by a resolution passed at the next AGM, such authority is renewed; or
 - (b) the expiration of the period within which the next AGM after the date is required to be held pursuant to Sections 340(1) and (2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
 - (c) this shareholders' mandate is revoked or varied by a resolution passed by the shareholders of the Company in a general meeting,

whichever is the earlier;

AND THAT the Directors of the Company and/or any one of them be and are/is hereby authorised to complete and do all such acts, deeds and things as they consider necessary or expedient in the best interest of the Company, including executing all such documents as may be required or necessary and with full powers to assent to any modifications, variations and/or amendments as the Directors of the Company in their discretion deem fit and expedient to give effect to the Recurrent Related Party Transactions contemplated and/or authorised by this Ordinary Resolution."