

## QUARTERLY REPORT

On the consolidated results for the third quarter ended 30 September 2022

The Directors hereby announce the following:

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

	Note	Quarter ended 30 September		%	Nine (9) months ended 30 September		%
		2022	2021 Restated	+ / (-)	2022	2021 Restated	+ / (-)
Revenue	A8	689,301	387,379	77.9	1,785,240	1,478,113	20.8
Cost of sales		(481,791)	(305,266)		(1,253,232)	(1,106,263)	
Gross profit		207,510	82,113	152.7	532,008	371,850	43.1
Other income		4,082	1,593		18,090	8,949	
Selling and marketing expenses		(36,025)	(18,544)		(75,178)	(57,484)	
Administrative expenses		(50,107)	(50,078)		(163,776)	(136,004)	
Operating profit		125,460	15,084		311,144	187,311	
Share of results of joint ventures		(28,242)	(6,459)		(36,231)	(12,785)	
Share of results of associates		273	(10)		1,116	395	
Other (losses)/gains		(6,120)	(3,294)		45,830	(8,731)	
<b>Profit before interest and tax</b>	A7	<b>91,371</b>	5,321	1,617.2	<b>321,859</b>	166,190	93.7
Finance income		28,004	24,345		76,400	77,108	
Finance costs		(25,303)	(22,400)		(75,146)	(73,450)	
<b>Profit before tax</b>		<b>94,072</b>	7,266	1,194.7	<b>323,113</b>	169,848	90.2
Tax expense	B6	(39,627)	(12,873)		(107,400)	(73,653)	
<b>Profit/(loss) for the period</b>		<b>54,445</b>	(5,607)	1,071.0	<b>215,713</b>	96,195	124.2
<b>Attributable to:</b>							
- owners of the Company		56,131	(5,185)	1,182.6	212,688	84,126	152.8
- non-controlling interests		(1,686)	(422)		3,025	12,069	
<b>Profit/(loss) for the period</b>		<b>54,445</b>	(5,607)	1,071.0	<b>215,713</b>	96,195	124.2
<b>Basic and diluted earnings per share attributable to owners of the Company (sen)</b>	B10	<b>0.8</b>	(0.1)	1,182.6	<b>3.1</b>	1.2	152.8

The unaudited Condensed Consolidated Statement of Profit or Loss should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2021.

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

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

	Quarter ended		% +/(-)	Nine (9) months ended		% +/(-)
	30 September 2022	2021 Restated		30 September 2022	2021 Restated	
<b>Profit/(loss) for the period</b>	<b><u>54,445</u></b>	<b><u>(5,607)</u></b>	1,071.0	<b><u>215,713</u></b>	<b><u>96,195</u></b>	124.2
<b>Other comprehensive (loss)/income:</b>						
<b>Items which will subsequently be reclassified to profit or loss (net of tax):</b>						
Currency translation differences	<b>(145,322)</b>	(41,442)		<b>(274,586)</b>	71,209	
<b>Reclassified to profit or loss:</b>						
Currency translation differences on repayment of net investment	<b>2,784</b>	–		–	–	
Currency translation differences on disposal of a subsidiary	–	–		<b>(1,654)</b>	–	
<b>Items which will not subsequently be reclassified to profit or loss (net of tax):</b>						
Changes in the fair value of investment at fair value through other comprehensive income (“FVOCI”)	<b>6,064</b>	–		<b>6,064</b>	–	
Share of other comprehensive loss of an associate	<b>(283)</b>	–		<b>(559)</b>	–	
<b>Other comprehensive (loss)/income for the period</b>	<b><u>(136,757)</u></b>	<b><u>(41,442)</u></b>	230.0	<b><u>(270,735)</u></b>	<b><u>71,209</u></b>	(480.2)
<b>Total comprehensive (loss)/income for the period</b>	<b><u>(82,312)</u></b>	<b><u>(47,049)</u></b>	(74.9)	<b><u>(55,022)</u></b>	<b><u>167,404</u></b>	(132.9)
<b>Attributable to:</b>						
- owners of the Company	<b>(80,699)</b>	(46,666)	(72.9)	<b>(58,431)</b>	155,006	(137.7)
- non-controlling interests	<b>(1,613)</b>	(383)		<b>3,409</b>	12,398	
<b>Total comprehensive (loss)/income for the period</b>	<b><u>(82,312)</u></b>	<b><u>(47,049)</u></b>	(74.9)	<b><u>(55,022)</u></b>	<b><u>167,404</u></b>	(132.9)

The unaudited Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2021.

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

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

	Note	Unaudited As at 30 September 2022	Restated As at 31 December 2021	Restated As at 1 January 2021
<b><u>Non-current assets</u></b>				
Property, plant and equipment		593,293	615,247	626,178
Investment properties		1,134,902	987,286	922,085
Inventories (Note 1)		3,802,201	3,869,520	4,474,282
Joint ventures		3,136,974	3,252,413	2,541,778
Associates		147,553	145,068	145,177
Investments		53,418	53,418	56,276
Intangible assets		7,104	7,258	5,721
Deferred tax assets		598,086	620,605	614,928
Receivables		71,696	84,189	91,133
Contract assets		1,207,947	1,248,336	1,255,602
		<u>10,753,174</u>	<u>10,883,340</u>	<u>10,733,160</u>
<b><u>Current assets</u></b>				
Inventories (Note 1)		1,667,896	1,922,797	1,760,043
Receivables		850,379	716,198	625,377
Contract assets		1,161,501	1,097,673	1,123,772
Prepayment		13,657	15,468	7,794
Tax recoverable		20,756	28,832	32,203
Cash held under Housing Development Accounts		330,118	291,466	345,486
Bank balances, deposits and cash		546,078	618,198	456,351
		<u>4,590,385</u>	<u>4,690,632</u>	<u>4,351,026</u>
<b>Total assets</b>	A7	<u>15,343,559</u>	<u>15,573,972</u>	<u>15,084,186</u>
<b><u>Equity</u></b>				
Share capital		6,800,839	6,800,839	6,800,839
Fair value reserve		37,223	31,718	35,151
Exchange reserve		(171,579)	105,045	42,560
Retained profits		2,571,531	2,426,851	2,335,737
<b>Attributable to owners of the Company</b>		<u>9,238,014</u>	<u>9,364,453</u>	<u>9,214,287</u>
Non-controlling interests		134,509	141,576	134,641
<b>Total equity</b>		<u>9,372,523</u>	<u>9,506,029</u>	<u>9,348,928</u>
<b><u>Non-current liabilities</u></b>				
Payables		73,156	82,831	79,184
Borrowings	B8	2,380,159	2,756,363	3,033,927
Lease liabilities		29,503	45,936	66,057
Provisions		145,407	136,612	131,188
Contract liabilities		258,500	243,757	244,937
Deferred tax liabilities		316,962	320,359	312,227
		<u>3,203,687</u>	<u>3,585,858</u>	<u>3,867,520</u>

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

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

	Note	Unaudited As at 30 September 2022	Restated As at 31 December 2021	Restated As at 1 January 2021
<b><u>Current liabilities</u></b>				
Payables		1,094,637	1,016,242	1,248,094
Borrowings	B8	1,089,536	1,075,237	292,542
Lease liabilities		20,970	20,812	16,880
Provisions		89,418	110,101	116,681
Contract liabilities		411,775	230,757	134,241
Tax provision		61,013	28,936	59,300
		<u>2,767,349</u>	<u>2,482,085</u>	<u>1,867,738</u>
<b>Total liabilities</b>		<u>5,971,036</u>	<u>6,067,943</u>	<u>5,735,258</u>
<b>Total equity and liabilities</b>		<u>15,343,559</u>	<u>15,573,972</u>	<u>15,084,186</u>
Net assets per share attributable to owners of the Company (RM)		<u>1.36</u>	<u>1.38</u>	<u>1.35</u>

**Note:**

**1. Inventories**

Ongoing development	1,393,908	1,592,449	1,184,936
Completed development units	273,414	329,572	573,640
Others	574	776	1,467
	<u>1,667,896</u>	<u>1,922,797</u>	<u>1,760,043</u>
Not within normal operating cycle	3,802,201	3,869,520	4,474,282
	<u>5,470,097</u>	<u>5,792,317</u>	<u>6,234,325</u>

The unaudited Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2021.

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

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

	Note	Share capital	Fair value reserve	Exchange reserve	Retained profits	Attributable to owners of the Company	Non-controlling interests	Total equity
<b>Period ended 30 September 2022</b>								
<b>At 1 January 2022</b>								
- as previously stated		6,800,839	31,718	104,133	2,204,704	9,141,394	185,143	9,326,537
- effects of change in accounting policy and prior year adjustment	A1(d)	–	–	912	222,147	223,059	(43,567)	179,492
- as restated		6,800,839	31,718	105,045	2,426,851	9,364,453	141,576	9,506,029
Profit for the period		–	–	–	212,688	212,688	3,025	215,713
Other comprehensive (loss)/income		–	(559)	(274,970)	–	(275,529)	384	(275,145)
Changes in the fair value of investment at FVOCI		–	6,064	–	–	6,064	–	6,064
Disposal of a subsidiary		–	–	(1,654)	–	(1,654)	–	(1,654)
Total other comprehensive income/(loss) for the period		–	5,505	(276,624)	–	(271,119)	384	(270,735)
Transaction with owners:								
- dividend payable		–	–	–	(68,008)	(68,008)	–	(68,008)
- dividends paid		–	–	–	–	–	(8,572)	(8,572)
- disposal of a subsidiary		–	–	–	–	–	(1,904)	(1,904)
<b>At 30 September 2022</b>		<b>6,800,839</b>	<b>37,223</b>	<b>(171,579)</b>	<b>2,571,531</b>	<b>9,238,014</b>	<b>134,509</b>	<b>9,372,523</b>
<b>Period ended 30 September 2021 (Restated)</b>								
<b>At 1 January 2021</b>								
- as previously stated		6,800,839	35,151	42,046	2,135,808	9,013,844	179,529	9,193,373
- effects of change in accounting policy and prior year adjustment	A1(d)	–	–	514	199,929	200,443	(44,888)	155,555
- as restated		6,800,839	35,151	42,560	2,335,737	9,214,287	134,641	9,348,928
Profit for the period		–	–	–	84,126	84,126	12,069	96,195
Total other comprehensive income for the period		–	–	70,880	–	70,880	329	71,209
Transaction with owners:								
- dividend payable		–	–	–	(68,008)	(68,008)	–	(68,008)
- dividend paid		–	–	–	–	–	(2,200)	(2,200)
<b>At 30 September 2021</b>		<b>6,800,839</b>	<b>35,151</b>	<b>113,440</b>	<b>2,351,855</b>	<b>9,301,285</b>	<b>144,839</b>	<b>9,446,124</b>

The unaudited Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2021.

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

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

	<b>Nine (9) months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	<b>2021</b>
		<b>Restated</b>
<b>Cash flow from operating activities</b>		
Profit for the period	215,713	96,195
Adjustments for:		
Share of results of joint ventures and associates	35,115	12,390
Depreciation and amortisation	24,475	26,788
Fair value loss on investment properties	7,948	7,695
Write-off of property development expenditure	-	2,145
Write-down of inventories	4,346	-
Impairment of receivables	804	2,985
Gain on disposal of subsidiaries	(53,020)	-
Provisions	3,729	(2,296)
Finance income	(76,400)	(77,108)
Finance costs	75,146	73,450
Tax expense	107,400	73,653
Others	(1,259)	53
	<u>343,997</u>	<u>215,950</u>
<b>Changes in working capital:</b>		
- inventories, receivables and other assets	257,150	224,761
- payables, provisions and other liabilities	135,724	(283,709)
<b>Cash from operations</b>	<u>736,871</u>	<u>157,002</u>
Tax paid	(58,461)	(74,345)
Dividend received from an investment	2,653	192
<b>Net cash from operating activities</b>	<u>681,063</u>	<u>82,849</u>
<b>Cash flow from investing activities</b>		
Finance income received	10,878	6,435
Net cash inflow from disposal of subsidiaries	8,451	-
Proceeds from sale of property, plant and equipment	3	-
Proceeds from sale of investment properties	-	1,020
Purchase/addition of:		
- property, plant and equipment	(5,986)	(3,623)
- investment properties	(10,781)	(1,943)
- intangible assets	(1,823)	(1,579)
Subscription of shares in joint ventures	(326,988)	(341,183)
Proceeds from repayment of capital from an investment	6,064	-
Advances to an associate	(1,304)	(775)
<b>Net cash used in investing activities</b>	<u>(321,486)</u>	<u>(341,648)</u>
<b>Cash flow from financing activities</b>		
Finance costs paid	(86,984)	(93,732)
Net (repayments)/proceeds from borrowings	(280,366)	184,526
Repayments of lease liabilities	(16,567)	(12,719)
Dividend paid to non-controlling interests	(8,572)	(2,200)
<b>Net cash (used in)/from financing activities</b>	<u>(392,489)</u>	<u>75,875</u>
<b>Net changes in cash and cash equivalents</b>	<u>(32,912)</u>	<u>(182,924)</u>
Foreign exchange differences	(556)	29
Cash and cash equivalents at beginning of the period	<u>909,664</u>	<u>801,837</u>
<b>Cash and cash equivalents at end of the period</b>	<u>876,196</u>	<u>618,942</u>

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

	<b>Nine (9) months ended</b>	
	<b>30 September</b>	
	<b>2022</b>	<b>2021</b>
		<b>Restated</b>
For the purpose of the Condensed Consolidated Statement of Cash Flows, cash and cash equivalents comprised the following:		
Cash held under Housing Development Accounts	<b>330,118</b>	199,530
Bank balances, deposits and cash	<b>546,078</b>	419,412
	<b>876,196</b>	618,942

The unaudited Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying explanatory notes and the audited financial statements for the financial year ended 31 December 2021.

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

**EXPLANATORY NOTES**

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

The interim financial report is unaudited and should be read in conjunction with the Group’s audited consolidated financial statements for the financial year ended 31 December 2021.

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

**A1. Basis of Preparation**

The accounting policies and presentation adopted for this interim financial report are consistent with those adopted for the audited consolidated financial statements for the financial year ended 31 December 2021 except as described below.

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

Amendments to MFRS 3	Reference to Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS 1	Subsidiary as First-time Adopter
Annual Improvements to MFRS 9	Fees in the ‘10 percent’ Test for Derecognition of Financial Liabilities
Annual Improvements to Illustrative Example accompanying MFRS 16	Leases: Lease Incentives
Annual Improvements to MFRS 141	Taxation in Fair Value Measurements

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 17 and related amendments	Insurance Contracts
Amendments to MFRS 17 Insurance Contracts	Initial Application of MFRS 17 and MFRS 9 – Comparative Information
Amendments to MFRS 101	Classification of Liabilities as Current or Non-current
Amendments to MFRS 101, MFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to MFRS 108	Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to MFRS 16	Lease Liability in a Sale and Leaseback

- 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**  
**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

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

d. Change in accounting policy and prior year adjustment

(i) Adoption of fair value model for investment properties (“FV model for IP”) and reclassification

During the financial period, the Group had reassessed the current accounting policy for investment properties and has changed its accounting policy on the measurement of the Group’s investment properties from the cost model to the fair value model. The fair value model provides better financial performance measures, makes the Group’s results more comparable with its peers which adopt the fair value model, and is in line with the Group’s business strategy to grow its assets under management.

Under the fair value model, investment properties of the Group are measured at fair value except for investment properties under construction which are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier. Fair value is based on active market prices, adjusted if necessary for differences in the nature, location or condition of the specific asset. Changes in fair values are recognised in profit or loss.

(ii) Along with the change to fair value model as mentioned in (i) above, the Group has also made certain reclassifications to more appropriately reflect the nature of the cost capitalised and expensed-off as follows:

- reclassification of fit-out costs from investment properties to non-current and current lease receivables; and consequently,
- reclassification of the amortisation of fit-out costs as lease incentives from cost of sales to revenue.

The reclassifications have no effect on (1) the profit for the current and previous financial year; and (2) retained earnings.

(iii) Prior year adjustment in relation to the deferred tax liabilities, tax provision and tax recoverable arising from reassessment of industrial building allowances claims

During the financial period, certain subsidiaries of the Group has reassessed the Industrial Building Allowances (“IBA”) claims for tax purposes and basis used in deferred tax recognition. As a result thereof, the Group has restated the deferred tax liabilities, tax provision and tax recoverable balances, with a corresponding adjustment to equity, retrospectively for the earliest period presented as if the basis used had always been consistently applied.

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

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

d. Change in accounting policy and prior year adjustment: (continued)

The change in accounting policy and prior year adjustment were applied retrospectively and the effects of these changes on the results for the third quarter and nine (9) months ended 30 September 2021 and the financial positions as at 1 January 2021 and 31 December 2021 are presented below:

(iv) Reconciliation of statement of profit or loss for the quarter ended 30 September 2021

**Quarter ended 30 September 2021**

	As previously stated	Effects of adoption of FV model for IP	Reclassi- fication	Tax adjustments on IBA claims	As restated
Revenue	388,240	–	(861)	–	387,379
Cost of sales	(312,449)	6,322	861	–	(305,266)
Gross profit	75,791	6,322	–	–	82,113
Other income	1,593	–	–	–	1,593
Selling and marketing expenses	(18,544)	–	–	–	(18,544)
Administrative expenses	(50,158)	80	–	–	(50,078)
Operating profit	8,682	6,402	–	–	15,084
Share of results of joint ventures	(14,782)	8,323	–	–	(6,459)
Share of results of associates	(10)	–	–	–	(10)
Other losses	(660)	(2,634)	–	–	(3,294)
(Loss)/Profit before interest and tax	(6,770)	12,091	–	–	5,321
Finance income	24,345	–	–	–	24,345
Finance costs	(22,400)	–	–	–	(22,400)
(Loss)/Profit before tax	(4,825)	12,091	–	–	7,266
Tax expense	(11,114)	–	–	(1,759)	(12,873)
Loss for the period	(15,939)	12,091	–	(1,759)	(5,607)
Attributable to:					
- owners of the Company	(15,795)	11,666	–	(1,056)	(5,185)
- non-controlling interests	(144)	425	–	(703)	(422)
Loss for the period	(15,939)	12,091	–	(1,759)	(5,607)
Basic and diluted earnings per share attributable to owners of the Company (sen)	(0.2)				(0.1)

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**Registration No: 197301002148 (15631-P)**

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

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

- d. Change in accounting policy and prior year adjustment: (continued)

The change in accounting policy and prior year adjustment were applied retrospectively and the effects of these changes on the results for the third quarter and nine (9) months ended 30 September 2021 and the financial positions as at 1 January 2021 and 31 December 2021 are presented below: (continued)

- (v) Reconciliation of statement of profit or loss for the nine (9) months ended 30 September 2021

**Nine (9) months ended 30 September 2021**

	As previously stated	Effects of adoption of FV model for IP	Reclassi- -fication	Tax adjustments on IBA claims	As restated
Revenue	1,480,552	–	(2,439)	–	1,478,113
Cost of sales	(1,127,612)	18,910	2,439	–	(1,106,263)
Gross profit	352,940	18,910	–	–	371,850
Other income	8,949	–	–	–	8,949
Selling and marketing expenses	(57,484)	–	–	–	(57,484)
Administrative expenses	(136,238)	234	–	–	(136,004)
Operating profit	168,167	19,144	–	–	187,311
Share of results of joint ventures	(24,686)	11,901	–	–	(12,785)
Share of results of associates	395	–	–	–	395
Other losses	(88)	(8,643)	–	–	(8,731)
Profit before interest and tax	143,788	22,402	–	–	166,190
Finance income	77,108	–	–	–	77,108
Finance costs	(73,450)	–	–	–	(73,450)
Profit before tax	147,446	22,402	–	–	169,848
Tax expense	(70,787)	–	–	(2,866)	(73,653)
Profit for the period	76,659	22,402	–	(2,866)	96,195
Attributable to:					
- owners of the Company	64,717	21,129	–	(1,720)	84,126
- non-controlling interests	11,942	1,273	–	(1,146)	12,069
Profit for the period	76,659	22,402	–	(2,866)	96,195
Basic and diluted earnings per share attributable to owners of the Company (sen)	1.0				1.2

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

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

d. Change in accounting policy and prior year adjustment: (continued)

The change in accounting policy and prior year adjustment were applied retrospectively and the effects of these changes on the results for the third quarter and nine (9) months ended 30 September 2021 and the financial positions as at 1 January 2021 and 31 December 2021 are presented below: (continued)

(vi) Reconciliation of statement of financial position as at 1 January 2021

	As previously stated	Effects of adoption of FV model for IP	Reclassification	Tax adjustments on IBA claims	As restated
<u>Non-current assets</u>					
Investment					
properties	709,030	226,115	(13,060)	–	922,085
Joint ventures	2,476,101	65,677	–	–	2,541,778
Associates	139,142	6,035	–	–	145,177
Deferred tax assets	617,535	(2,607)	–	–	614,928
Receivables	80,790	–	10,343	–	91,133
Other non-current assets	6,418,059	–	–	–	6,418,059
	<u>10,440,657</u>	<u>295,220</u>	<u>(2,717)</u>	<u>–</u>	<u>10,733,160</u>
<u>Current assets</u>					
Receivables	622,660	–	2,717	–	625,377
Other current assets	3,725,649	–	–	–	3,725,649
	<u>4,348,309</u>	<u>–</u>	<u>2,717</u>	<u>–</u>	<u>4,351,026</u>
Total assets	<u>14,788,966</u>	<u>295,220</u>	<u>–</u>	<u>–</u>	<u>15,084,186</u>
<u>Equity</u>					
Attributable to owners of the Company	9,013,844	271,913	–	(71,470)	9,214,287
Non-controlling interests	179,529	2,759	–	(47,647)	134,641
	<u>9,193,373</u>	<u>274,672</u>	<u>–</u>	<u>(119,117)</u>	<u>9,348,928</u>
<u>Non-current liabilities</u>					
Deferred tax liabilities	172,562	20,548	–	119,117	312,227
Other non-current liabilities	3,555,293	–	–	–	3,555,293
	<u>3,727,855</u>	<u>20,548</u>	<u>–</u>	<u>119,117</u>	<u>3,867,520</u>
Current liabilities	<u>1,867,738</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>1,867,738</u>
Total liabilities	<u>5,595,593</u>	<u>20,548</u>	<u>–</u>	<u>119,117</u>	<u>5,735,258</u>
Total equity and liabilities	<u>14,788,966</u>	<u>295,220</u>	<u>–</u>	<u>–</u>	<u>15,084,186</u>

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

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

d. Change in accounting policy and prior year adjustment: (continued)

The change in accounting policy and prior year adjustment were applied retrospectively and the effects of these changes on the results for the third quarter and nine (9) months ended 30 September 2021 and the financial positions as at 1 January 2021 and 31 December 2021 are presented below: (continued)

(vii) Reconciliation of statement of financial position as at 31 December 2021

	As previously stated	Effects of adoption of FV model for IP	Reclassification	Tax adjustments on IBA claims	As restated
<u>Non-current assets</u>					
Investment properties	774,002	225,236	(11,952)	–	987,286
Joint ventures	3,161,988	90,425	–	–	3,252,413
Associates	138,035	7,033	–	–	145,068
Deferred tax assets	623,212	(2,607)	–	–	620,605
Receivables	75,152	–	9,037	–	84,189
Other non-current assets	5,793,779	–	–	–	5,793,779
	<u>10,566,168</u>	<u>320,087</u>	<u>(2,915)</u>	<u>–</u>	<u>10,883,340</u>
<u>Current assets</u>					
Receivables	713,283	–	2,915	–	716,198
Tax recoverable	31,607	–	–	(2,775)	28,832
Other current assets	3,945,602	–	–	–	3,945,602
	<u>4,690,492</u>	<u>–</u>	<u>2,915</u>	<u>(2,775)</u>	<u>4,690,632</u>
<b>Total assets</b>	<b><u>15,256,660</u></b>	<b><u>320,087</u></b>	<b><u>–</u></b>	<b><u>(2,775)</u></b>	<b><u>15,573,972</u></b>
<u>Equity</u>					
Attributable to owners of the Company	9,141,394	295,190	–	(72,131)	9,364,453
Non-controlling interests	185,143	4,521	–	(48,088)	141,576
	<u>9,326,537</u>	<u>299,711</u>	<u>–</u>	<u>(120,219)</u>	<u>9,506,029</u>
<u>Non-current liabilities</u>					
Deferred tax liabilities	184,700	20,376	–	115,283	320,359
Other non-current liabilities	3,265,499	–	–	–	3,265,499
	<u>3,450,199</u>	<u>20,376</u>	<u>–</u>	<u>115,283</u>	<u>3,585,858</u>
<u>Current liabilities</u>					
Tax provision	26,775	–	–	2,161	28,936
Others current liabilities	2,453,149	–	–	–	2,453,149
	<u>2,479,924</u>	<u>–</u>	<u>–</u>	<u>2,161</u>	<u>2,482,085</u>
<b>Total liabilities</b>	<b><u>5,930,123</u></b>	<b><u>20,376</u></b>	<b><u>–</u></b>	<b><u>117,444</u></b>	<b><u>6,067,943</u></b>
<b>Total equity and liabilities</b>	<b><u>15,256,660</u></b>	<b><u>320,087</u></b>	<b><u>–</u></b>	<b><u>(2,775)</u></b>	<b><u>15,573,972</u></b>

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
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**

There were no material unusual items affecting the Group's assets, liabilities, equity, net income, or cash flows during the financial period under review.

**A4. Material Changes in Estimates**

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

**A5. Debt and Equity Securities**

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

The Company has 6,800,839,377 ordinary shares in issue as at 30 September 2022.

**A6. Dividend Paid**

The first single tier dividend in respect of the financial year ending 31 December 2022 of 1.0 sen per ordinary share, amounting to RM68.0 million was paid on 19 October 2022.

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

**A7. Segment Information**

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

**a. Segment results**

	Property Development	Investment and Asset Management	Leisure	Elimination	Total
<b>Nine (9) months ended 30 September 2022</b>					
<b>Revenue:</b>					
External	1,643,120	79,315	62,805	–	1,785,240
Inter-segment	134,545	6,196	3,059	(143,800)	–
	<u>1,777,665</u>	<u>85,511</u>	<u>65,864</u>	<u>(143,800)</u>	<u>1,785,240</u>
Cost of sales	(1,242,332)	(42,380)	(35,653)	67,133	(1,253,232)
Gross profit	535,333	43,131	30,211	(76,667)	532,008
Other income	17,377	735	121	(143)	18,090
Selling and marketing expenses	(74,218)	(602)	(358)	–	(75,178)
Administrative expenses	(128,808)	(14,935)	(27,955)	7,922	(163,776)
Operating profit	349,684	28,329	2,019	(68,888)	311,144
Share of results of joint ventures and associates	(32,368)	4,991	–	(7,738)	(35,115)
Segment results	317,316	33,320	2,019	(76,626)	276,029
Other (losses)/gains	(289)	(7,012)	9,059	44,072	45,830
Profit before interest and tax	317,027	26,308	11,078	(32,554)	321,859
Finance income	17,542	67,465	495	(9,102)	76,400
Finance costs	(31,755)	(51,651)	(842)	9,102	(75,146)
Profit before tax	302,814	42,122	10,731	(32,554)	323,113
Tax expense	(101,123)	(12,031)	(1,135)	6,889	(107,400)
Profit for the period	<u>201,691</u>	<u>30,091</u>	<u>9,596</u>	<u>(25,665)</u>	<u>215,713</u>

Included in other (losses)/gains are:

Fair value loss on investment properties	–	(7,948)	–	–	(7,948)
Gain on disposal of subsidiaries	–	–	8,948	44,072	53,020

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

**A7. Segment Information (continued)**

**a. Segment results (continued)**

	Property Development	Investment and Asset Management	Leisure	Elimination	Total
<b>Nine (9) months ended</b>					
<b>30 September 2021</b>					
<b>Restated</b>					
<b>Revenue:</b>					
External	1,377,348	63,014	37,751	–	1,478,113
Inter-segment	69,446	5,996	3,407	(78,849)	–
	<u>1,446,794</u>	<u>69,010</u>	<u>41,158</u>	<u>(78,849)</u>	<u>1,478,113</u>
Cost of sales	(1,079,429)	(37,297)	(23,591)	34,054	(1,106,263)
Gross profit	367,365	31,713	17,567	(44,795)	371,850
Other income	7,861	883	348	(143)	8,949
Selling and marketing expenses	(54,791)	(2,320)	(373)	–	(57,484)
Administrative expenses	(97,119)	(14,660)	(33,088)	8,863	(136,004)
Operating profit/(loss)	<u>223,316</u>	<u>15,616</u>	<u>(15,546)</u>	<u>(36,075)</u>	<u>187,311</u>
Share of results of joint ventures and associates	(16,609)	358	–	3,861	(12,390)
Segment results	<u>206,707</u>	<u>15,974</u>	<u>(15,546)</u>	<u>(32,214)</u>	<u>174,921</u>
Other losses	(1,021)	(7,695)	(15)	–	(8,731)
Profit/(Loss) before interest and tax	205,686	8,279	(15,561)	(32,214)	166,190
Finance income	10,107	73,034	822	(6,855)	77,108
Finance costs	(26,548)	(52,858)	(899)	6,855	(73,450)
Profit/(Loss) before tax	<u>189,245</u>	<u>28,455</u>	<u>(15,638)</u>	<u>(32,214)</u>	<u>169,848</u>
Tax expense	(63,634)	(13,854)	228	3,607	(73,653)
Profit/(Loss) for the period	<u>125,611</u>	<u>14,601</u>	<u>(15,410)</u>	<u>(28,607)</u>	<u>96,195</u>
Included in other losses are:					
Fair value loss on investment properties	–	(7,695)	–	–	(7,695)
Changes in fair value of quoted investments	(62)	–	–	–	(62)



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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

**A7. Segment Information (continued)**

**b. Segment assets**

	Property Development	Investment and Asset Management	Leisure	Elimination	Total
<b>As at 30 September 2022</b>					
Operating assets	9,038,829	2,643,196	541,763	(783,598)	11,440,190
Joint ventures and associates	2,983,429	393,687	–	(92,589)	3,284,527
	<u>12,022,258</u>	<u>3,036,883</u>	<u>541,763</u>	<u>(876,187)</u>	<u>14,724,717</u>
Tax assets					618,842
Total assets					<u>15,343,559</u>
<b>As at 31 December 2021</b>					
<b>Restated</b>					
Operating assets	9,242,799	2,707,700	519,015	(942,460)	11,527,054
Joint ventures and associates	3,152,715	275,751	–	(30,985)	3,397,481
	<u>12,395,514</u>	<u>2,983,451</u>	<u>519,015</u>	<u>(973,445)</u>	<u>14,924,535</u>
Tax assets					649,437
Total assets					<u>15,573,972</u>

**A8. Revenue**

	<b>Nine (9) months ended 30 September</b>	
	<b>2022</b>	<b>2021 Restated</b>
Revenue comprise the following:		
Revenue from contracts with customers	1,725,830	1,430,070
Revenue from rental income	59,410	48,043
	<u>1,785,240</u>	<u>1,478,113</u>
Disaggregation of the Group's revenue from contracts with customers:		
<b>Geographical market</b>		
- Malaysia	1,725,830	1,429,766
- Vietnam	–	304
	<u>1,725,830</u>	<u>1,430,070</u>
<b>Timing of revenue recognition</b>		
- over time	1,489,742	1,082,120
- at point in time	236,088	347,950
	<u>1,725,830</u>	<u>1,430,070</u>

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

**A9. Capital Commitments**

	As at 30 September 2022	As at 31 December 2021
Contracted capital commitments:		
- property, plant and equipment	33,498	1,418
- investment properties	86,045	8,203
- intangible assets	69	655
	<u>119,612</u>	<u>10,276</u>

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

	As at 30 September 2022	As at 31 December 2021
- Battersea Project Holding Company Limited (30 September 2022: Nil; 31 December 2021: £38.0 million)	-	213,989
- Sime Darby Property - LOGOS Property Industrial Development Fund 1 LP	168,699	20,884
- Sime Darby Property MIT Development Sdn Bhd	49,400	53,000
	<u>218,099</u>	<u>287,873</u>

**A10. Significant Related Party Transactions**

Significant related party transactions during the nine (9) months ended 30 September 2022 are as follows:

	Nine (9) months ended 30 September	
	2022	2021
<b>a. Transactions between subsidiaries and their owners of non-controlling interests</b>		
Turnkey works rendered by Brunfield Engineering Sdn Bhd to Sime Darby Brunfield Holding Sdn Bhd group, companies in which Tan Sri Dato' Ir Gan Thian Leong and Encik Mohamad Hassan Zakaria are substantial shareholders	(30,566)	(111,704)
Maintenance of district cooling system and supply of cooling energy to Sime Darby Property Selatan Satu Sdn Bhd ("SDPS1") by Tunas Cool Energy Sdn Bhd ("TCE"), a company in which Sin Heng Chan (Malaya) Berhad is the ultimate holding company of TCE and an indirect shareholder of SDPS1	<u>(11,268)</u>	<u>(5,008)</u>

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

Significant related party transactions during the nine (9) months ended 30 September 2022 are as follows:  
(continued)

	<b>Nine (9) months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
<b>b. Transactions with joint ventures</b>		
<u>Aster Real Estate Investment Trust 1</u>		
Rental expense	<b>(14,501)</b>	(13,168)
<u>SDPLOG 1 (Industrial Asset IV) Sdn Bhd</u>		
Deposit received for land sale (refer below)	<u><b>19,588</b></u>	<u>–</u>

SDPLOG 1 (Industrial Asset IV) Sdn Bhd, a subsidiary of a joint venture (refer to Note A12(d)) had on 12 September 2022 entered into a Sale and Purchase Agreement (“SPA”) with Sime Darby Property (Klang) Sdn Bhd and Sime Darby Property (Bukit Raja) Sdn Bhd, both wholly-owned subsidiaries of the Group, to sell a parcel of land held under H.S.(D) 159567, PT 78094, Mukim of Kapar, District of Klang, Selangor measuring approximately 56.21 acres for a total cash consideration of RM195.9 million.

**c. Transactions with shareholders and Government**

Permodalan Nasional Berhad (“PNB”) and the funds managed by its subsidiary, Amanah Saham Nasional Berhad (“ASNB”), together own 58.0% as at 30 September 2022 of the issued share capital of the Company. PNB is an entity controlled by the Malaysian Government through Yayasan Pelaburan Bumiputra (“YPB”). The Group considers that, for the purpose of MFRS 124 – Related Party Disclosures, YPB and the Malaysian Government are in the position to exercise significant control over it. As a result, the Malaysian Government and Malaysian Government’s controlled bodies (collectively referred to as government-related entities) are related parties of the Group and the Company.

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

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

	<b>Nine (9) months ended 30 September</b>	
	<b>2022</b>	<b>2021</b>
<u>Yayasan Sime Darby</u>		
Contribution to Yayasan Sime Darby	<b>(20,000)</b>	(20,000)
<u>Sime Darby Berhad group</u>		
Rental income	<b>10,546</b>	8,947
<u>Sime Darby Plantation Berhad group</u>		
Rental income	<u><b>10,768</b></u>	<u>8,068</u>

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

Significant related party transactions during the nine (9) months ended 30 September 2022 are as follows:  
(continued)

**c. Transactions with shareholders and Government (continued)**

Ombak Real Estate 2 Sdn Bhd (“OMBAK”), a wholly-owned subsidiary of PNB has been admitted as a limited partner of Sime Darby Property - LOGOS Property Industrial Development Fund 1 LP (formerly known as Sime Darby Property Industrial Development Fund LP) (the “Fund”) on 23 June 2022 via an Amended and Restated Limited Partnership Agreement (“LPA”) signed between Sime Darby Property Ventures (MY) Sdn Bhd, a wholly-owned subsidiary of the Group, SDPLOG - IDF 1 (GP) Pte Ltd (formerly known as Sime Darby Property IDF GP Pte Ltd) (“General Partner”), LOGOS Malaysia Sponsor Investments Pte Ltd (“LOGOS Special Limited Partner”), and Kumpulan Wang Persaraan (Diperbadankan) (“KWAP”). Further details are included in Note A12(d).

**d. Transactions with a Director, key management personnel and their close family members:**

Sale of property to a Director and close family member	1,921	–
Sale of properties to key management personnel and their close family members	<u>3,004</u>	<u>–</u>

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

There was no material event subsequent to the end of the current quarter under review to 21 November 2022, being a date not earlier than 7 days from the date of issue of the quarterly report.

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

There were no significant changes in the composition of the Group for the financial period ended 30 September 2022, other than as disclosed below.

a. Acquisition of subsidiaries

On 7 March 2022, the Group acquired Sime Darby Property (H&L) Sdn Bhd (formerly known as Sime Darby Property (H&L) Berhad and Highlands & Lowlands Berhad) (“H&L”) and Sime Darby Property (UEP) Sdn Bhd (formerly known as Sime Darby Property (UEP) Berhad and Sime UEP Properties Berhad) (“Sime UEP”) from Sime Darby Berhad for cash considerations of RM1 and RM2, respectively. The principal activity of H&L and Sime UEP are investment holding.

b. Deregistration/Dissolution of subsidiaries

- On 7 April 2022, Darby Park (Management) Pte Ltd, a wholly-owned subsidiary of the Group was struck-off from the register pursuant to an application made with the Accounting and Corporate Regulatory Authority Singapore (“ACRA”) on 29 December 2021.
- On 19 August 2022, Sime Darby Properties Builders Sdn Bhd, a wholly-owned subsidiary of the Group was dissolved.

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

There were no significant changes in the composition of the Group for the financial period ended 30 September 2022, other than as disclosed below.

c. Disposal of a subsidiary

On 10 February 2022, the Group via its wholly owned subsidiary, Sime Darby Property (Vietnam) Pte Ltd completed the disposal of its entire 65% interest in OSC Sunrise Apartment Company Limited (“OSC”) for a cash consideration of VND60.0 billion (approximately RM10.8 million). The Group registered a gain on disposal of RM8.9 million. The effect of the disposal is disclosed in Note (e) below.

d. Changes in composition of the Group in relation to the Industrial Development Fund (“IDF”)

- On 24 and 25 February 2022, Sime Darby Property Ventures (MY) Sdn Bhd and SDPLOG 1 (MY Holdings) Sdn Bhd (formerly known as Sime Darby Property (MY Holdings) Sdn Bhd) (“SDPLOG 1 (MY Holdings)”) were incorporated in Malaysia, respectively, and are wholly-owned subsidiaries of the Group. The principal activity of these companies are both investment holding.
- On 15 March 2022, Sime Darby Property - LOGOS Property (IDF Holdings) Pte Ltd (formerly known as Sime Darby Property (IDF Holdings) Pte Ltd) (“SDP - LOGOS Property (IDF Holdings)”), transferred the entire share capital of the following companies that it owned to SDPLOG 1 (MY Holdings):
  - (i) SDPLOG 1 (Industrial Asset I) Sdn Bhd (formerly known as Sime Darby Property (Industrial Asset I) Sdn Bhd)
  - (ii) SDPLOG 1 (Industrial Asset II) Sdn Bhd (formerly known as Sime Darby Property (Industrial Asset II) Sdn Bhd)
  - (iii) SDPLOG 1 (Industrial Asset III) Sdn Bhd (formerly known as Sime Darby Property (Industrial Asset III) Sdn Bhd)
  - (iv) SDPLOG 1 (Industrial Asset IV) Sdn Bhd (formerly known as SDPLOG 1 (Industrial Development III) Sdn Bhd and Sime Darby Property (Industrial Development III) Sdn Bhd)
  - (v) SDPLOG 1 (Industrial Development I) Sdn Bhd (formerly known as Sime Darby Property (Industrial Development I) Sdn Bhd)
  - (vi) SDPLOG 1 (Industrial Development II) Sdn Bhd (formerly known as Sime Darby Property (Industrial Development II) Sdn Bhd)(collectively, the “IDF SPVs”)
- SDPLOG - IDF 1 (GP) Pte Ltd (formerly known as Sime Darby Property IDF GP Pte Ltd) (“the General Partner”) and Sime Darby Property Ventures (HK) Limited (the “Initial Limited Partner”), a wholly-owned subsidiary of the Group had, on 19 August 2021, entered into an Initial Limited Partnership Agreement to form Sime Darby Property - LOGOS Property Industrial Development Fund 1 LP (formerly known as Sime Darby Property Industrial Development Fund LP) (“the Fund”).

On 20 June 2022, the General Partner, Sime Darby Property Ventures (MY) Sdn Bhd (“SDP Special Limited Partner”), a wholly-owned subsidiary of the Group, LOGOS Malaysia Sponsor Investments Pte Ltd (“LOGOS Special Limited Partner”) and the Initial Limited Partner entered into a Deed of Accession and Withdrawal (the “Deed”) to permit the admission of the SDP Special Limited Partner and the LOGOS Special Limited Partner into the Fund. Accordingly, pursuant to the Deed, the following companies ceased to be wholly-owned subsidiaries and became joint ventures of the Group:

- i) Sime Darby Property - LOGOS Property Industrial Development Fund 1 LP
  - ii) SDP - LOGOS Property (IDF Holdings)
  - iii) SDPLOG 1 (MY Holdings)
  - iv) The IDF SPVs
- (collectively, the “IDF Structure”).

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

There were no significant changes in the composition of the Group for the financial period ended 30 September 2022, other than disclosed below: (continued)

d. Changes in composition of the Group in relation to the Industrial Development Fund (“IDF”) (continued)

The sponsors of the Fund are Sime Darby Property and LOGOS Property Group Limited (“LOGOS Property”). The IDF Structure is jointly controlled by the Group and LOGOS Property via the General Partner, as decision making on all relevant activities and board reserve matters require unanimous consent from the Group and LOGOS Property.

On 23 June 2022, the General Partner, SDP Special Limited Partner, LOGOS Special Limited Partner, OMBAK, a wholly-owned subsidiary of PNB and KWAP entered into the Amended and Restated Limited Partnership Agreement (“LPA”) to effect the admission of OMBAK and KWAP as anchor investors for first close of the Fund. Pursuant to the LPA, the IDF structure became a 55%-owned joint venture of the Group. The effect of the dilution of interest in the IDF Structure from wholly-owned subsidiaries to a 55%-owned joint venture is disclosed in Note (e) below.

e. Effects of disposal of a subsidiary and dilution of interest in the IDF Structure:

Details of net assets and net cash inflow/(outflow) arising from the disposal of a subsidiary and dilution of interest in the IDF Structure from subsidiaries to joint ventures are as follows:

	<b>Nine (9) months ended 30 September 2022</b>	
	<b>OSC</b>	<b>IDF Structure</b>
Property, plant and equipment	5,437	–
Investment properties	–	113,468
Deferred tax assets	–	10,450
Cash and cash equivalent	47	1,263
Other net liabilities	(47)	(10,673)
Non-controlling interests	(1,904)	–
Net assets disposed	<u>3,533</u>	<u>114,508</u>
Gain on disposal	<u>7,294</u>	<u>44,072</u>
Sub-total	<u>10,827</u>	<u>158,580</u>
In exchange for: Interest in joint ventures	–	(52,435)
Net receivables from joint ventures	–	(106,145)
Less: Proceeds to be collected	<u>(1,066)</u>	–
Proceeds from disposal, net of transaction costs	<u>9,761</u>	–
Less: Cash and cash equivalent in subsidiaries disposed	<u>(47)</u>	<u>(1,263)</u>
Net cash inflow/(outflow) from disposal of subsidiaries	<u>9,714</u>	<u>(1,263)</u>
Gain on disposal before income tax and reclassification of foreign currency translation reserve	<u>7,294</u>	<u>44,072</u>
Reclassification of foreign currency translation reserve to profit or loss	<u>1,654</u>	–
	<u>8,948</u>	<u>44,072</u>
Tax expense on gain on disposal	<u>(1,137)</u>	–
Gain on disposal after income tax	<u>7,811</u>	<u>44,072</u>

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

**A13. Contingent Liabilities - unsecured**

	<b>As at 30 September 2022</b>	<b>As at 31 December 2021</b>
Claims pending against the Group	<u><b>82,009</b></u>	<u><b>82,009</b></u>

**A14. Financial Instruments**

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

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

	<b>As at 30 September 2022</b>	<b>As at 31 December 2021</b>
Investments - unquoted shares	<u><b>53,418</b></u>	<u><b>53,418</b></u>

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

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

**B1. Review of Group Performance**

	<b>Nine (9) months ended 30 September</b>		<b>% +/(–)</b>
	<b>2022</b>	<b>2021 Restated</b>	
<b>Segment revenue</b>			
Property development	<b>1,643,120</b>	1,377,348	19.3
Investment and asset management	<b>79,315</b>	63,014	25.9
Leisure	<b>62,805</b>	37,751	66.4
<b>Revenue</b>	<b><u>1,785,240</u></b>	<u>1,478,113</u>	20.8
<b>Segment results:</b>			
Property development	<b>240,690</b>	174,493	37.9
Investment and asset management	<b>33,320</b>	15,974	108.6
Leisure	<b>2,019</b>	(15,546)	113.0
	<b><u>276,029</u></b>	<u>174,921</u>	57.8
Other gains/(losses)	<b>45,830</b>	(8,731)	
Profit before interest and tax	<b>321,859</b>	166,190	93.7
Finance income	<b>76,400</b>	77,108	
Finance costs	<b>(75,146)</b>	(73,450)	
<b>Profit before tax (“PBT”)</b>	<b>323,113</b>	169,848	90.2
Tax expense	<b>(107,400)</b>	(73,653)	
<b>Profit for the period</b>	<b><u>215,713</u></b>	<u>96,195</u>	124.2
<b>Attributable to:</b>			
- owners of the Company	<b>212,688</b>	84,126	152.8
- non-controlling interests	<b>3,025</b>	12,069	
<b>Profit for the period</b>	<b><u>215,713</u></b>	<u>96,195</u>	124.2

Group revenue for the nine (9) months ended 30 September 2022 has increased by 20.8% to RM1.8 billion as compared to the corresponding period of the previous year. Profit before tax of the Group registered a marked increase of 90.2% to RM323.1 million.

In addition to higher contribution across all 3 business segments, the financial performance for the current year was further enhanced by other gains of RM45.8 million. Other gains included gain on dilution of interest in the Industrial Development Fund from wholly-owned to 55% interest amounting to RM44.1 million, and gain on disposal of the Group’s 65% interest in OSC Sunrise Apartment Company Limited (“OSC Sunrise”) amounting to RM8.9 million.

The results of each business segment are analysed below:

**a) Property development**

The property development segment continued to be the major contributor to the Group, bringing in 92.0% of the Group’s total revenue. The segment remained resilient despite rising interest rates and material costs, and the challenging nationwide labour shortage situation. Its year-on-year growth in revenue of 19.3% brought a commendable improvement in segment results with a profit of RM240.7 million as compared to a profit of RM174.5 million recorded in the corresponding period of the previous year.

The improvement in the performance was attributable to higher property sales of on-going projects and higher on-site development activities in City of Elmina, Bandar Bukit Raja, Elmina Business Park, Serenia City and KLGCC Resort townships, coupled with contribution from sale of land in Selangor and Sabah, as part of the Group’s land bank management and monetisation exercise.



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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

**b) Investment and asset management**

The segment registered revenue growth of 25.9% from RM63.0 million to RM79.3 million, with more than twofold increase in segment result to RM33.3 million as compared to the corresponding period in the previous year of RM16.0 million.

The improved financial performance was mainly contributed by retail segment. KL East Mall registered higher contribution, underpinned by an increase in occupancy rate, and higher retail activities and footfall with the easing of lockdown and travel restrictions as compared to a year ago. As at 30 September 2022, KL East Mall's occupancy rate stood at 79.0% as compared to 71.4% in the corresponding period of the previous year. Similarly, share of results from Melawati Mall has also improved this year.

**c) Leisure**

Leisure segment saw a strong recovery with improvement in segment revenue by 66.4% to RM62.8 million, as compared to RM37.8 million in the corresponding period of the previous year. The segment result has turned around from a loss of RM15.5 million to a profit RM2.0 million as compared to the corresponding period of the previous year.

Revenue contribution from events and functions, food and beverages and golfing activities has improved following the uplift of lockdowns which affected the corresponding period in the previous year.

In addition, the disposal of OSC Sunrise has also marginally reduced segment losses following its deconsolidation upon completion of disposal.

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

	Quarter ended 30 September 2022	30 June 2022	% +/(–)
<b>Segment revenue</b>			
Property development	640,641	566,732	13.0
Investment and asset management	27,013	27,058	(0.2)
Leisure	21,647	21,822	(0.8)
<b>Revenue</b>	<u>689,301</u>	<u>615,612</u>	12.0
<b>Segment results:</b>			
Property development	85,546	89,393	(4.3)
Investment and asset management	10,140	11,434	(11.3)
Leisure	1,805	1,028	75.6
	<u>97,491</u>	<u>101,855</u>	(4.3)
Other (losses)/gains	(6,120)	44,931	
Profit before interest and tax	91,371	146,786	(37.8)
Finance income	28,004	24,230	
Finance costs	(25,303)	(25,146)	
<b>Profit before tax (“PBT”)</b>	<u>94,072</u>	<u>145,870</u>	(35.5)
Tax expense	(39,627)	(40,319)	
<b>Profit for the period</b>	<u>54,445</u>	<u>105,551</u>	(48.4)
<b>Attributable to:</b>			
- owners of the Company	56,131	104,998	(46.5)
- non-controlling interests	(1,686)	553	
<b>Profit for the period</b>	<u>54,445</u>	<u>105,551</u>	(48.4)

Group revenue for the current quarter has improved by 12.0% to RM689.3 million as compared to the preceding quarter. However, PBT of the Group has decreased by 35.5% from RM145.9 million in preceding quarter to RM94.1 million in the current quarter as the previous quarter’s PBT includes “Other gains” arising from the dilution of interest in the Industrial Development Fund from wholly-owned to 55% interest amounting to RM44.1 million.

The results of each business segment are analysed below:

**a) Property development**

Revenue from property development improved by 13.0% to RM640.6 million in the current quarter. However, the segment recorded a lower profit of RM85.5 million as compared to preceding quarter profit of RM89.4 million. The segment performance in the current quarter was mainly impacted by provisions to address potential delays from labour shortages totalling RM10.6 million.

Excluding the provisions, the segment would have recorded a profit of RM96.1 million, higher than that of the preceding quarter by 5%, mainly attributable to the continuing sales and on-site development activities in City of Elmina, Bandar Bukit Raja, Elmina Business Park, Serenia City and Nilai Impian township as well as profit on land sale in land in Selangor and Sabah, as part of the Group’s land bank management and monetisation exercise.

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

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

**b) Investment and asset management**

The investment and asset management segment registered a revenue of RM27.0 million which is on par with the preceding quarter. However, the segment contributed a marginally lower profit of RM10.1 million as compared RM11.4 million in the preceding quarter. In the preceding quarter, KL East Mall contributed higher profit and Melawati Mall registered higher share of profit mainly due to higher footfall achieved during the Hari Raya festive season.

**c) Leisure**

Leisure segment maintained its revenue contribution in the current quarter. The segment generated higher income from corporate events and functions, higher golfing activities and higher sales from food and beverages outlets in the current quarter, despite lower banqueting events and functions as experienced in the previous quarter's Ramadan and Hari Raya period.

Whilst revenue for the quarter reduced marginally from previous quarter's revenue, the segment result for the quarter registered an increase to RM1.8 million from RM1.0 million in the preceding quarter as driven by lower operating costs.

**B3. Prospects**

The Ministry of Finance has revised Malaysia's Gross Domestic Product (GDP) growth for 2022 to 6.5% - 7.0% vs. initial forecast of 5.3% - 6.3% following the encouraging second quarter growth of 8.9% driven by domestic demand. In response to curb inflationary pressures, Bank Negara Malaysia (BNM) has raised the Overnight Policy Rate (OPR) to 2.75% noting that current rate remains accommodative and supportive of economic growth. Nonetheless, the gradual increases throughout the year continue to result in interest rates hovering below pre-pandemic levels of 3.00% and below global and regional levels to-date.

Notwithstanding the challenging macroeconomic environment and market headwinds, the Group continues to sustain strong operational performance, surpassing its FY22 sales target of RM2.6 billion within 9 months of the year while maximising value extraction via increased land activation and monetisation from product launches and non-core disposals. Similarly, the Investment & Asset Management and Leisure segments are on-track to register stronger performance on the back of improving domestic demand and return of tourism.

Barring any unforeseen circumstances, the Group is optimistic to achieve its operational and financial targets for the year. As of 30 September 2022, the Group recorded sales achievement of RM2.7 billion and RM2.1 billion in bookings as of 6 November 2022. Unbilled sales stand at RM3.5 billion, while net gearing remains low at 0.28 times. The Group has launched a diversified product mix amounting to RM2.1 billion GDV to-date.

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

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

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

**B5. Profit Before Tax**

	Quarter ended 30 September		Nine (9) months ended 30 September	
	2022	2021 Restated	2022	2021 Restated
Included in operating profit are:				
Depreciation and amortisation	(7,509)	(8,843)	(24,475)	(26,788)
Write-off of property development expenditure	–	–	–	(2,145)
Write-down of inventories	(4,346)	–	(4,346)	–
Impairment of receivables	62	(2,682)	(804)	(2,985)
Investment income	–	–	153	192
	<u>–</u>	<u>–</u>	<u>153</u>	<u>192</u>
Included in other gains/(losses) are:				
Fair value loss on investment properties	(3,334)	(2,634)	(7,948)	(7,695)
Gain on disposal of subsidiaries	–	–	53,020	–
Changes in fair value of quoted investments	–	(245)	–	(62)
Net foreign exchange loss	(2,783)	(415)	(177)	(974)
	<u>(2,783)</u>	<u>(415)</u>	<u>(177)</u>	<u>(974)</u>

**B6. Tax Expense**

	Quarter ended 30 September		Nine (9) months ended 30 September	
	2022	2021 Restated	2022	2021 Restated
In respect of the current period:				
- current tax	37,295	(926)	99,816	53,417
- deferred tax	3,575	12,575	11,390	18,355
	<u>40,870</u>	<u>11,649</u>	<u>111,206</u>	<u>71,772</u>
In respect of prior years:				
- current tax	(153)	834	(1,223)	(3,129)
- deferred tax	(1,090)	390	(2,583)	5,010
	<u>39,627</u>	<u>12,873</u>	<u>107,400</u>	<u>73,653</u>

The effective tax rates for the current quarter and for the nine (9) months ended 30 September 2022 of 33.5% and 31.0% respectively are higher than statutory tax rate of 24% due to deferred tax asset is not recognised for losses incurred by certain subsidiaries and non-deductible expenses.

**B7. Status of Corporate Proposal**

There was no corporate proposal announced but not completed as at 21 November 2022, being a date not earlier than 7 days from the date of issue of the quarterly report.

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

**B8. Group Borrowings**

The breakdown of the borrowings as at 30 September 2022 is as follows:

	Secured	Unsecured	Total
<u>Long-term borrowings</u>			
Term loans	277,504	–	277,504
Islamic financing	577,474	–	577,474
Syndicated Islamic financing	492,470	–	492,470
Islamic medium term notes	–	799,214	799,214
Amounts due to non-controlling interests	–	233,497	233,497
	<u>1,347,448</u>	<u>1,032,711</u>	<u>2,380,159</u>
<u>Short-term borrowings</u>			
Term loans due within one year	203,651	–	203,651
Islamic financing due within one year	163,582	–	163,582
Syndicated Islamic financing	83,883	–	83,883
Islamic medium term notes	–	8,871	8,871
Revolving credits	–	629,549	629,549
	<u>451,116</u>	<u>638,420</u>	<u>1,089,536</u>
Total borrowings	<u>1,798,564</u>	<u>1,671,131</u>	<u>3,469,695</u>

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

	Secured	Unsecured	Total
Borrowings			
- principal	1,792,238	1,661,471	3,453,709
- interest	6,326	9,660	15,986
Total borrowings	<u>1,798,564</u>	<u>1,671,131</u>	<u>3,469,695</u>

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

	Long-term borrowings	Short-term borrowings	Total
Ringgit Malaysia	2,380,159	459,987	2,840,146
Sterling Pound	–	629,549	629,549
Total borrowings	<u>2,380,159</u>	<u>1,089,536</u>	<u>3,469,695</u>

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

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

**B9. Material Litigations**

Changes in material litigations since the date of the last audited annual statement of financial position up to 21 November 2022, being a date not earlier than 7 days from the date of issue of the quarterly report are as follows:

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

A civil suit was commenced by 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 (“SPAs”) and the provisions of various statutes including, the Uniform Building By-Laws 1984 and the Street, Drainage and Building Act 1974.

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

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

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

The parties have filed its Statement of Claim, Statement of Defence and Counterclaim and replies thereto. On 3 March 2021, the Claimant filed 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 RM42.0 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 are being held in accordance with the rules of the Asian International Arbitration Centre before a single arbitrator. The hearing commenced on 15 June 2020 and continued for another 40 days on various dates between June 2020 to September 2022. Further hearing dates have been fixed in April 2023.

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

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

**B9. Material Litigations (continued)**

Changes in material litigations since the date of the last audited annual statement of financial position up to 21 November 2022, being a date not earlier than 7 days from the date of issue of the quarterly report are as follows: (continued)

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

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

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 RM90.7 million, whilst the IA is to be reduced to RM72.9 million. Consequently, two 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 postponed from 13 to 15 December 2022 to 2 and 3 March 2023.

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 Appeal was dismissed on 3 October 2022 and the OS Decision is therefore affirmed, among others, on the following grounds:

- (i) the SDP Klang Order can no longer stand as it flows from the same decision of the High Court, which has since been adjudged to be unconstitutional; and
- (ii) as the Acquiring Authority’s Land Reference has been remitted to the High Court for Re-Hearing, there would be no prejudice caused to SDP Klang since it is already a party to the said Re-Hearing.

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.

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

Explanatory Notes on the Quarterly Report – 30 September 2022  
Amounts in RM thousand unless otherwise stated

**B10. Earnings Per Share**

	<b>Quarter ended 30 September</b>		<b>Nine (9) months ended 30 September</b>	
	<b>2022</b>	<b>2021 Restated</b>	<b>2022</b>	<b>2021 Restated</b>
Basic earnings per share attributable to owners of the Company are computed as follows:				
Profit/(loss) for the period	<u>56,131</u>	<u>(5,185)</u>	<u>212,688</u>	<u>84,126</u>
Number of ordinary shares in issue (thousand)	<u>6,800,839</u>	<u>6,800,839</u>	<u>6,800,839</u>	<u>6,800,839</u>
Basic earnings per share (sen)	<u>0.8</u>	<u>(0.1)</u>	<u>3.1</u>	<u>1.2</u>

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

Selangor Darul Ehsan  
28 November 2022

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