

SIME DARBY PROPERTY BERHAD (“SIME DARBY PROPERTY”)

APPENDIX TO THE MINUTES OF THE 50TH ANNUAL GENERAL MEETING (“AGM”) HELD ON 24 MAY 2023

QUESTIONS AND RESPONSES

A) Management had responded to the following questions within five (5) working days from the 50th AGM:

NO.	QUESTION	RESPONSE
1.	Looking at the landbanks, any further plan to dispose of any lots of the lands in the upcoming quarter? (Ms Ng Siaw Cheen)	The Group has identified up to 2,050 acres of non-core lands to be monetised in the next two to three years. As for FY2023, Sime Darby Property targets to dispose more than 500 acres of land. However, in view of the ongoing discussions with various prospects, Sime Darby Property is unable to disclose further information at this juncture.
2.	How is Sime Darby Property performing in terms of Environmental, Social and Governance (“ESG”) Compliance in the various projects being undertaken and in the future? (Ms Lee Kek Eng)	The Group’s residential product range has been focused on improved energy efficiency to address the key climate change risks and impacts in order to reduce homeowners’ carbon emissions and reduce energy costs. To ensure these sustainability elements being incorporated, Standard Sustainability Design Elements Checklists have been established for our products, scored during Design Review Meeting (“DRM”). The compliance and achievement are being tracked via Playbook and Corporate Scorecard.
3.	What is your market outlook for Malaysia property market in 1 year time? (Mr Seng Chong Ho)	The Group expect the sector outlook to gradually improve as interest rates and inflation stabilise and the supply chain environment (e.g. labour, material pricing) improves. Sime Darby Property Berhad will continue to capitalise on the momentum of the industrial segment on the back of rising manufacturing activity, e-commerce, and foreign direct investment.

NO.	QUESTION	RESPONSE
4.	<p data-bbox="296 245 617 272"><u>Dividend related matters</u></p> <p data-bbox="201 313 951 443">4.1 Will the company pay more dividends with the higher payout from the current 40+% in the coming years, starting from this year in view of better performance?</p> <p data-bbox="296 480 527 508">(Mr Lim Kai Hing)</p>	<p data-bbox="972 313 1892 443">The Group is committed to deliver growth as part of the SHIFT25 transformation journey and will strive to deliver greater returns to reward its shareholders. The Board will reassess our dividend payout policy from time to time.</p>
4.2	<p data-bbox="296 565 951 630">a) Since the PATAMI for FY2022 is good, can the company declare and pay a higher dividend?</p> <p data-bbox="296 732 951 797">b) Can the Board give e-voucher to shareholders participating in this virtual AGM?</p> <p data-bbox="296 899 951 964">c) When can our company return to physical or Hybrid AGM?</p> <p data-bbox="296 1002 552 1029">(Mr Lim Pin Yeong)</p>	<p data-bbox="972 565 1892 695">a) The company is committed to maximising shareholders value. Our dividend yield for 2022 was commendable at 4.4% with a dividend payout ratio of 43.1%, which is higher than its committed dividend payout ratio of 20%.</p> <p data-bbox="972 732 1892 862">b) As mentioned at the AGM, we appreciate the participation of our shareholders at the AGM. There will be no distribution of door gift(s) or food voucher(s) to shareholders or proxies who participate in the AGM.</p> <p data-bbox="972 899 1892 964">c) On the request for a physical or hybrid AGM, the Company will consider this option in the future.</p>
5.	<p data-bbox="296 1088 951 1315">The Investment and Asset Management Segment recorded lower profit due to the recognition of RM63.5 million in fair value loss and lease adjustments on investment properties (page 106 of the 2022 Annual Report). Can Management please explain where this fair value loss and lease adjustment derive from?</p> <p data-bbox="296 1352 569 1380">(Mr Chua Song Yun)</p>	<p data-bbox="972 1088 1892 1185">The fair value loss was mainly attributed to a retail building that is currently under construction and is primarily due to a decrease in value as assessed by independent external valuers.</p> <p data-bbox="972 1222 1892 1320">Loss on lease modification of RM12.8 million was recognised as a result of early termination of the lease agreement for the Group's investment properties in Singapore.</p>

NO.	QUESTION	RESPONSE
6.	<p>This question will take some time to answer. Please email me. From your Annual Reports, I gather that your profit track record (from 2022 to 2014) is as follows:</p> <p>315,839,000 136,904,000 -478,802,000 598,531,000 -318,700,000 640,008,000 624,029,000 873,225,000 619,829,000</p> <p>However, Sime Darby Property was under the Sime Darby Group previously. Sime Darby has a listed history from 1984, if I am not wrong. Can you please retrieve for me the profit history of Sime Darby Property when it was under the Sime Darby Group? Thank you.</p> <p>(Mr Tan Kay Wee)</p>	<p>Sime Darby Property only maintains records since the 2017 demerger. As a result, you may refer to the last seven years of financial summary at the following URL https://www.simedarbyproperty.com/investor-relations/financial-information</p>

B) Management had responded to the following questions within eighteen (18) working days from the 50th AGM:

NO.	QUESTION	RESPONSE
1.	<p>a) How much does our Company spend to hold this virtual AGM plus remote participation & voting (RPV)?</p> <p>b) Could our Company conduct our next AGM / Extraordinary General Meeting (“EGM”) / other meetings physically?</p> <p>c) Could the Management of our Company be kind enough to give away e-/meal vouchers to the event participants (particularly grateful to help minority shareholders to improve their life qualities during the current high inflation economy)?</p> <p>(Mr Liew Chee Meng)</p>	<p>a) The cost for holding the recent virtual AGM was RM264,000.</p> <p>b) The Company will consider physical AGM / EGM meeting option in the future.</p> <p>c) We appreciate the participation of our shareholders at the AGM. As mentioned at the AGM, there is no distribution of door gift(s) or food voucher(s) to shareholders or proxies who participate in the AGM. The Group is committed towards maximising shareholders’ returns via payment of dividends, while taking into consideration funding requirements for growth and transformation plans.</p>
2.	<p>Although our Group has a lot of reputable projects, investments and assets; however, does it translate to good return of investment (“ROI”) or return to shareholders? The share price seems to suggest the other way. Can Management please share the up-to-date performance, ROI and yield of the following investments / assets:</p> <p>a) 40% stake in Battersea Power Station</p> <p>b) KL East Mall and Melawati Mall</p> <p>c) Kuala Lumpur Golf & Country Club (“KLGCC”) and Impian Golf and Country Club (“IGCC”)</p> <p>d) Sime Darby Convention Centre (“SDCC”)</p> <p>(Ms Law Kung Hoo)</p>	<p>For FY2022, the Net Profit Income (“NPI”) yield for KL East Mall and Melawati Mall stood at 3% and 4%, respectively. The Company’s Leisure assets comprising KLGCC, SDCC and IGCC posted a blended NPI yield of 6.2%. The retail assets of Battersea Power Station were only recently introduced to the public in October 2022, hence a yield measurement is not reflective of the asset’s performance at this time, until it stabilises.</p> <p>Moving forward, the Group targets to achieve minimum NPI yields of more than 6% on its investment assets.</p>

NO.	QUESTION	RESPONSE
3.	<p>Refer to Net Promoter Score (“NPS”) of 69% on page 100 of the Annual Report. Can Management please enlighten shareholders on how to interpret this score? Is this score comparable between peers? What is the average score of the industry? And is 69% considered good?</p> <p>(Ms Law Kung Hoo)</p>	<p>The NPS is derived using a 1 to 5 score rating from our customers over the course of a year in FY2022. Our "My home key collection touchpoint" received a 69% score from 1,130 promoters out of a total pool of 1,618 respondents. We are pleased with the result, which exceeded our internal target of 65% and is higher than historical peer benchmark range of 50% - 60%.</p>
4.	<p>It is good to see significantly improved results in FY2022. However, our assets are still not generating satisfactory returns. Group Return of Equity (“ROE”) is around 3.3%, group Return of Assets (“ROA”) at 2%, Investment & Asset Management segment's ROA at 1.4% (exclude other losses of RM63 million), Leisure segment's ROA is even worrying at 0.4%.</p> <p>a) Can Management please explain why ROE and ROA is so low?</p> <p>b) Our assets are generating such low returns, is it wise for SHIFT25 strategy to pivot to own more investment assets?</p> <p>(Mr Chua Song Yun)</p>	<p>The lower returns are partly attributable to the nature of the property development business, which consists of township developments and hence the size of our landbank of approximately 13,000 acres within our inventories, which provides a long-term development pipeline.</p> <p>Returns from the Investment and Asset Management business are primarily impacted by the retail assets. However, it is expected to improve in the mid-term on the back of cost reduction and asset enhancement initiatives. As the Leisure segment functions as a key placemaking catalytic asset for KLGCC Resort township, the Company do not anticipate maximising returns from the Leisure segment.</p> <p>Moving forward, the group will seek to leverage its financial position particularly our gearing headroom to expand both organically and inorganically to generate stronger returns in line with our SHIFT25 aspiration towards becoming a real estate company.</p>

NO.	QUESTION	RESPONSE
5.	<p>Understand that the Property Development segment recorded higher revenue at RM2.5 billion and higher Profit Before Tax (“PBT”) at RM447 million. This is partly due to land disposal in Selangor, Sabah and Kedah as part of the land bank management and monetisation exercise (page 105 of the 2022 Annual Report).</p> <p>a) What is the disposal amount and disposal gains recorded for these lands?</p> <p>b) What is the segment core revenue and PBT if excluding these non-core items?</p> <p>(Mr Chua Song Yun)</p>	<p>Land monetisation in Selangor, Sabah, and Kedah yielded RM97.7 million in revenue and RM68.1 million in profit after tax. Land banking and monetisation are part of the Group's overall strategy and should not be omitted from the Property Development segment.</p>
6.	<p>Last Sunday I went to Teja project opening ceremony with an early bird discount. However, the selling unit rate has reached 80% sold. How can it reach so high in two days' time as there was not many visitors unless our Company has an Early Earlier Bird discount policy to those investor clubs or property agencies. Why did shareholders not receive any invitation and get an early bird offer too?</p> <p>(Mr Tan Chew Boon)</p>	<p>Online awareness programme for Teja commenced in December 2022 for potential customers to register their interest. During the launch on 20 May 2023, these customers were invited on first-registered, first-served basis to choose their units at 11.00 a.m., followed by the general public an hour later. There are no additional discounts given.</p> <p>The Sales Gallery was not crowded as our sales are conducted online.</p>

NO.	QUESTION	RESPONSE
7.	<p>What is your succession planning to replace retiring directors? Need new blood so that they can delight shareholders by giving door gift e.g., Touch n Go, higher dividends etc.</p> <p>(Mr Loo Yeo Ming)</p>	<p>1) Succession planning is an integral part of the Board's corporate governance practices. Board membership and composition are assessed from time to time while ensuring continuity in meeting the Group's long-term goals and objectives. This responsibility has been given to our Nomination & Remuneration Committee to ensure the orderly identification and selection of new Directors in the event of a vacancy or an opening by reason of an anticipated retirement or expansion in the size of the Board.</p> <p>2) Question on door gift has been addressed at the Q&A session during the AGM.</p>
8.	<p>For Battersea project, can Management please share:</p> <p>a) How much is invested in this project?</p> <p>b) What is the return so far?</p> <p>c) What is the ROI of this project?</p> <p>(Mr Chua Song Yun)</p>	<p>The Group's total equity injection for the Battersea Power Station ("BPS") project is GBP645 million while the capital repatriation from BPS is currently at GBP90 million.</p>
9.	<p>How is the property outlook in Malaysia?</p> <p>(Mr Sing Chaw @ Seng Kong Choo)</p>	<p>Along with normalising material costs and availability of foreign labour in the second half of the year, the property market is expected to remain steady albeit moderate growth in 2023, with indications that demand for landed residential and industrial products will continue to be steadfast.</p>

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10.	<p>Dear sir, recently there been growing complaints of defects for the residential properties bought from Sime Darby, especially in Elmina Gardens and Valley. Most are unhappy that some of the houses are built poorly with issues ranging from piping leaks, cracks, soil settlement and roofing problem. Some are even considering taking legal actions. Will Sime Darby Property be taking responsibility towards attending and fixing these defects after Defect Liability Period (“DLP”)? Reputation will be affected if you do not.</p> <p>(Mr Ho Yuen Fatt)</p>	<p>The Group is cognisant of this and takes every complaint seriously. We have taken positive steps to implement shared Key Performance Indicator (“KPI”) with contractors to ensure that the quality of the work is met, and that defects are addressed timely, efficiently and effectively. Sime Darby Property is committed to addressing defects discovered after the DLP period on a case-by-case basis.</p>
11.	<p>How many of these Corporate Social Responsibility (“CSR”) programmes are continued in a sustained way? As a purchaser of your properties, I have seen these launches which are impressive, but after that little is seen or heard. For example, there was a big launch for Elmina Rainforest Knowledge Centre (“ERKC”), but after that the park seems under utilised and there are various no entry signs to the park. Will Sime Property continue to promote and keep attracting residents and visitors to utilise such CSR programs?</p> <p>(Mr Ho Yuen Fatt)</p>	<p>As a ‘Force for Good’, Sime Darby Property strive to embed sustainability in all aspects of our operations, guided by our Purpose. At our core, we understand the importance of balancing economic growth with social and environmental responsibility.</p> <p>Since 2021, the ERKC engaged 10,775 individuals via 145 programmes that featured knowledge sharing, webinars, virtual tours, as well as hands-on experience on rainforest conservation. Among the programmes included are talks, biodiversity education, school outreach programme, nursery volunteering, botanical tours, bird watching and workshops.</p> <p>The Company will continue to promote CSR programmes as well as collaboration with Yayasan Sime Darby (“YSD”) to create a positive impact through various environmental and social initiatives to support communities in areas in which we operate.</p>

NO.	QUESTION	RESPONSE
12.	<p>What are the steps Sime Darby can take to tackle Malaysia sluggish property market?</p> <p>(Mr Seng Chong Boon)</p>	<p>Along with normalising material costs and availability of foreign labour in the second half of the year, the property market is expected to remain steady albeit moderate growth in 2023, with indications that demand for landed residential and industrial products will continue to be steadfast.</p> <p>With the anticipated economic outlook as such, Sime Darby Property will stand guided by our SHIFT25 strategy by further building on our Property Development business while continuing to diversify our product mix. Sime Darby Property will continue with product launches that resonate with market demand to maintain sustainable earnings visibility.</p> <p>We also seek to grow our Investment and Asset Management business segment through the generation of higher recurring income contribution to the Group.</p>