Sime Darby Property's 53rd AGM

Pre-AGM questions received:

- Questions from Minority Shareholders Watch Group ("MSWG")
- Shareholder enquiries: Permodalan Nasional Berhad ("PNB")
- Questions received from shareholders prior to meeting

Baleria, Serenia City

Sime Darby Property's 53rd AGM

Questions from Minority Shareholders Watch Group ("MSWG")

Questions & Responses

No.	Questions	Answers
	Operational / Financial Matters	
1.	Future earnings visibility from 2027 onwards has been strengthened through two 20-year data centre leases valued at RM7.6 billion. (Source: Page 186 of Annual Report 2025) a) Following the Group's successful collaboration with Pearl Computing Malaysia Sdn Bhd on two hyperscale data centres, has the Group secured sufficient and sustainable long-term power capacity to support both the current projects? b) What are the expected annual recurring revenue and profit contributions once both projects are fully operational?	a) Pearl Computing Malaysia Sdn. Bhd. has entered into a long-term Electricity Supply Agreement ("ESA") with Tenaga Nasional Berhad to secure the electricity supply required for the operation of its two hyperscale data centres. The ESA provides the company with sufficient power capacity to support its current and anticipated operational requirements. b) The estimated lease value of the two data centres is up to RM7.6 billion over a 20-year tenure under a triple-net lease structure. The data centres are expected to make a meaningful recurring income contribution to the Group's industrial & data centre portfolio, delivering overall portfolio rental yields in line with market benchmarks of 6%–7%. The data centre transactions are subject to strict confidentiality at the request of our client, given the highly competitive nature of the industry. As such, the Group is unable to disclose specific details at this juncture.

Questions & Responses

No.	Questions	Answers
	Operational / Financial Matters	
2.	In the United Kingdom, Battersea Power Station ("Battersea") remains a key flagship asset, attracting over 13.6 million visitors in 2025 and more than 40 million since opening. Phase 3B (Koa) achieved 86% of sales, while 50 Electric Boulevard is approximately 45% leased, with established tenants in place. (Source: Page 18 of Annual Report 2025).	
	a) Given that 50 Electric Boulevard is currently about 45% leased, when does management expect the asset to achieve stabilised leasing levels and what are the key challenges in improving occupancy?	a) Business sentiment in the London office market is gradually recovering from the 14 interest rate hikes and low GDP growth since the 2023 recession, with cautious occupier sentiment and longer decision-making cycles among multinational tenants. Management's current strategy focuses on attracting premium tenants and securing long-term leases to enhance income visibility and sustain competitive rental yields, rather than maximising occupancy at the expense of pricing or tenant quality. Notwithstanding, we are currently seeing increased tenant enquiries, higher viewing activity and have an additional 13% floor space currently in advanced stage negotiations. Management expects the occupancy levels to continue improving progressively over the next 12 months while continuing to monitor external uncertainties.
	b) Battersea Power Station continues to show encouraging operational progress, with Phase 3C scheduled to commence construction this year. What is the expected investment commitment for Phase 3C, and when does management expect Battersea to become a meaningful contributor to the Group's earnings and recurring income?	b) Phase 3C is supported by encouraging progress on funding following receipt of term sheets from multiple banks. In 2025, the Group provided shareholders' advance of RM147 million to Battersea Project Holding Company Limited as part of the funding requirement for Phase 3C. Moving forward, there will be disciplined capital injection to fund P3C development. Under the 10:90 Build-then-sell model in UK, BPS is expected to remain loss-making during the P3C development period largely attributable to operating expenses and interest costs. Turnaround is expected towards 2030 after completion of Phase 3C.

Questions & Responses

No.	Questions	Answers
	Operational / Financial Matters	
3.	The Group entered Melbourne through the AUD1 billion GDV AURUM development at 380 Queen Street, comprising residential and purpose-built student accommodation ("PBSA"). The project marks Sime Darby Property's entry into Australia and the PBSA asset class, with residential launch targeted in 2026. (Source: Page 18 of Annual Report 2025) a) With the residential component of AURUM launched in 2026, what sales take-up rate is management targeting, and how has initial buyer interest been to date? b) The AURUM development marks the Group's first entry into the Australian PBSA market. What competitive advantages does the Group possess, and how does management intend to differentiate the project from existing PBSA operators? c) What is the expected completion timeline for the PBSA component of AURUM, and when is it expected to commence operations?	a) The residential component of AURUM is targeted for launch in 2H 2026, with the Group targeting a 40% take-up rate within the first 12 – 18 months of launch with a targeted construction completion towards 2030. The Group will engage the local market and international investor channels to build qualified demand ahead of the public launch. b) AURUM is strategically located in the Central Business District with strong connectivity to public transport and is in close proximity to leading universities including RMIT and University of Melbourne. This drives strong underlying demand and supports premium pricing relative to secondary markets. The Group is working with an established Australian PBSA specialist who will assist the Group on development planning to ensure alignment with market best practices, student accommodation standards and differentiate AURUM as a community-centric living experience designed to enhance the student experience and their wellbeing. c) The PBSA component of AURUM is expected to be completed and operational by 2030.

Questions & Responses

No.	Questions	Answers
	Sustainability Matters	
4.	The Group disclosed two fatalities during FY2025 despite strengthened safety initiatives and AI-enabled monitoring tools. (Source: Page 20 of Annual Report 2025) What additional measures are being implemented to prevent recurrence across project sites and contractors?	Following the incidents at property construction and leisure operations, the Group implemented a series of corrective and preventive measures, including enhanced protective equipment requirements, reinforced safety awareness programmes, additional site safety controls and the development of a standardized Roadwork Traffic Control Guidebook. The contractor involved in the property construction incident has also been placed under a formal one-year watchlist, subject to heightened monitoring, stricter supervision and performance reviews. In addition, all critical live traffic-related works will be subject to an independent technical review by the HQ team prior to commencement. Beyond these site-specific measures, the Group is strengthening safety management across its operations and value chain through enhanced contractor governance, including tighter performance monitoring and oversight of high-risk activities. The Group has also increased leadership-led safety engagements, expanded the deployment of AI-enabled safety tools such as SafePass AI and Guardian AI to improve risk detection and real-time monitoring, and is standardising key safety controls and assurance processes across similar sites and projects. Together, these measures aim to strengthen safety accountability, improve hazard identification and prevention, and reinforce a stronger safety culture in support of the Group's Goal Zero commitment.

Questions & Responses

No.	Questions	Answers
	Sustainability Matters	
5.	The Group has identified climate risks, including flooding and transition risks, but has not quantified the financial impact. (Source: Page 125 and 126 of Annual Report 2025) When will the Board be able to disclose estimated climate-related capex, potential asset impairment exposure and expected impact on margins and cash flows?	The Group recognises the importance of quantifying the financial impacts of climate-related risks. In line with Bursa Malaysia's National Sustainability Reporting Framework, the Group is progressively enhancing its climate-related disclosures in accordance with IFRS Sustainability Disclosure Standards and strengthening its capabilities to assess the potential financial implications of climate-related risks and opportunities. As the Group's climate risk assessment processes mature and more reliable data becomes available, the Group will continue to evaluate and disclose material climate-related financial impacts, including potential impacts on capital expenditure, asset values, margins and cash flows, where such information can be reasonably estimated and supported.

Questions & Responses

No.	Questions	Answers
	Sustainability Matters	
6.	The physical climate risk assessment currently covers only seven townships and relies on high-level desktop tools. (Source: Page 203 of Annual Report 2025) What percentage of the Group's total landbank, GDV and investment assets has not yet been assessed for physical climate risk?	The seven townships disclosed represent a pilot phase, where we went beyond high-level desktop outputs to validate key risk signals and understand existing mitigation and adaptation measures on the ground. Building on the pilot learnings, in 2026 the Group will strengthen verification and validation to complement desktop analysis. The outcomes of this enhanced assessment are intended to be disclosed from 2026 onwards. As of May 2026, the remaining Group's assets to be covered in the abovementioned physical climate risk assessment are as below: • % of Total landbank (excluding non-core): ~50% • % of Total GDV: ~60% • % of Total Investment Assets Under Management: ~40%

Questions & Responses

No.	Questions	Answers
	Sustainability Matters	
7.	The Group highlights nature-based solutions as an important component of its Net Zero pathway and reported that the regenerated forest at KL East Park stores approximately 7,983 tonnes of CO_2e and sequesters a further 345 tonnes of CO_2e annually. (Source: Page 58 of Sustainability Report 2025) While these initiatives are commendable and provide valuable benefits for biodiversity and climate resilience, we note that the Group's annual Scope 1 and Scope 2 emissions remain significantly higher than the annual carbon sequestration currently disclosed. a) Could the Board elaborate on the extent to which the Group's Net Zero strategy relies on nature-based carbon removals? Specifically, what are the projected residual emissions that will remain in 2030 and 2050, and how much of these emissions are expected to be addressed through nature-based solutions? b) Does the Board believe the Group's current nature-based solutions programme is sufficiently scaled to make a material contribution towards achieving its Net Zero ambition?	a) The Group's Net Zero target does not currently rely on nature-based carbon removals to offset emissions. The Net Zero pathway is deliberately anchored on direct decarbonisation measures, including energy efficiency and energy conservation, alongside the progressive increase in renewable energy consumption and generation. This includes the purchase of green electricity from the grid, the use of renewable energy certificates where appropriate, and the development of our own renewable energy assets, including on-site and larger-scale renewable energy solutions. While the Group has disclosed the carbon storage and sequestration potential from selected nature-based initiatives, these have not been factored into our Net Zero abatement calculations, and we have not allocated residual emissions in 2030 or 2050 to be addressed through nature-based solutions at this stage. b) We recognise that nature-based solutions such as carbon sequestration and ecological restoration can play a complementary role in supporting climate mitigation over the longer term. However, the current scale of the Group's nature-based solutions programme is not material relative to our overall emissions profile and is not relied upon as a significant contributor towards achieving its Net Zero target. Instead, the Net Zero pathway is primarily driven by direct decarbonisation measures, including energy efficiency, renewable energy adoption and operational emissions reduction. The Group continues to assess the carbon benefits arising from biodiversity and ecosystem restoration initiatives as carbon accounting methodologies, measurement standards and market mechanisms continue to mature. Nevertheless, we remain encouraged by the meaningful biodiversity, climate resilience, ecosystem and placemaking benefits generated through these initiatives, which support our broader sustainability ambitions and commitment to fostering resilient communities.

Sime Darby Property's 53rd AGM

Shareholder enquiries: Permodalan Nasional Berhad ("PNB")

Questions & Responses

1) To disclose the Total Shareholders' Returns ("TSR") of SDP for the past 1, 3, and 5 years up to the end of the financial year ended 2025. What would the Board attribute the performance to?

Response:

Annualised TSR	Sime Darby Property	Bursa Property Index
1 Yr (31 Dec 24 – 31 Dec 25)	-16.0%	-6.0%
3 Yr (30 Dec 22 – 31 Dec 25)	+49.7%	+18.4%
5 Yr (31 Dec 20 – 31 Dec 25)	+18.7%	+7.7%

Source: CapitalIQ
Note: Above TSR assumes dividends are reinvested.

The negative 1-year TSR in 2025 was impacted by broader market headwinds rather than underlying operational performance, as investor sentiment weakened amid geopolitical risks, global trade tariff uncertainties and foreign fund outflows impacting the Malaysian equity market.

Despite the short-term volatility, the Group's long-term TSR performance of 18.7% annualized TSR from 2021 – 2025 is underpinned by the following:

- **Execution of the Multi-year Growth Strategy anchored on SHIFT25 transforming the group into a Diversified Real Estate Company, achieving:**
  - Revenue increased from RM2.2 billion (FY21) to RM4.2 billion (FY25) | CAGR: 17%
  - PATAMI increased from RM147 million (FY21) to RM518 million (FY25) | CAGR: 37%
  - Sales increased from RM2.9 billion (FY21) to RM4.2 billion (FY25)

- **Strong management team with successful track record in execution and delivery** with enhanced strategic clarity, and strengthened investor confidence in the Group's long-term growth plans.

- **Growth in Assets Under Management from RM1.5 billion (FY22) to RM2.8 billion (FY25)** (RM4.4 billion as at Apr 2026); driven mainly by retail, industrial and data centre developments.

Questions & Responses

2) The Board attributed TSR performance to EPS growth in FY2024. Is this still relevant in FY2025? If so;

I. How did the earnings growth over the last financial year translate into overall TSR?

II. What were the key factors underpinning the EPS growth and to what extent does the Board consider these earnings to be sustainable going forward?

Response:

Yes, the Board continues to view earnings growth as the main driver of long-term TSR performance.

I. In FY2025, the Group achieved the **highest PBT of RM803.4m** since year 2017 and recorded EPS of 7.6 sen (FY2024: 7.4 sen), representing **annualized EPS growth of 3.1% (1Y) and 17.9% (3Y)** respectively. However, this was not reflected in the short-term 1-year TSR of -16% largely attributable to weaker market sentiment arising from global trade tensions and tariff-related uncertainties during the year.

II. The EPS growth and future earnings sustainability achieved under SHIFT25 were underpinned by the following key factors:

- **Maximising Core Property Development** through a diversified product mix, strong launch pipeline and activation of two new industrial townships for growth. The Group achieved the **highest Unbilled Sales of RM3.9b in FY2025** which provides strong earnings visibility over the next 3 years.

- **Scaling recurring income and AUM expansion** supported by retail, industrial and data centre developments, alongside the successful closing of the first Industrial Development Fund. **Total AUM has further increased to RM4.4b** (as at April 2026) which will contribute significantly to the Group's 30% recurring income mix target and future sustainable earnings.

- **Inorganic Growth and Strategic Partnerships** including the Group's strategic entry into Melbourne, Australia, acquisition of BBR Industrial Gateway assets, as well as joint ventures with SD Guthrie to expand portfolio and broaden new income streams.

Questions & Responses

3) At the previous AGM, the Board outlined strategic initiatives to drive TSR - Maximising Core Property Development, Scaling Recurring Income and Funds Platform, Driving Inorganic Growth and Strategic Partnerships and Maintain Strong Financial Discipline.

I. Could the Company provide an update and progress under these strategic initiatives over the past year?

II. Following that, could the Company outline the forward plans for each strategic initiative?

Response:

The Group continued to make meaningful progress across the strategic initiatives outlined at the previous AGM under the SHIFT25 strategy, that includes:

1. **Maximising Core Property Development** through **record sales of RM4.2 billion** across a **diversified product mix**, activation of **two new industrial townships** (Vision Business Park and Bandar Bukit Raja Business Park) and unbilled sales of RM3.9 billion, providing earnings visibility beyond the next three years. The Group also expanded beyond the traditional development model with a **build-to-lease pipeline of ~RM4.0 billion**.
2. **Scaling Recurring Income and Investment Platforms** through the completion of **Data Centre 1** at Elmina Business Park, opening of **KLGCC Mall** and continued growth in industrial assets. Under the Industrial Development Fund, **Metrohub 1 and 2 achieved 100% occupancy**, while AUM expanded to **RM4.4 billion currently**, with total AUM **expected to exceed RM10 billion by 2028**.
3. **Driving Inorganic Growth and Strategic Partnerships** through the **joint venture with SD Guthrie Berhad** for industrial and logistics developments in Carey Island and Kuala Selangor, alongside collaboration with AIMA for the **affordable homes** segment. The Group also marked its **strategic entry into Melbourne, Australia** through a mixed-use development project with an estimated GDV of approximately AUD1 billion.
4. **Maintaining Strong Financial Discipline** through disciplined capital allocation, active portfolio management and operational efficiencies, while maintaining a healthy net gearing ratio of 35.9% to support future expansion of AUM.

Collectively, these initiatives continue to strengthen the Group's earnings growth, expand its recurring income base for earnings visibility and maintain a healthy balance sheet to support long-term value creation.

Building on these strategic pillars, SHIFT32 focuses on maximising Core Property Development and scaling recurring income through expanding to new geographies, new asset classes and strengthening our development management & operatorship capabilities.

Questions & Responses

4) As the Company is planning to expand into data centers, industrial business parks and logistics facilities, is there a risk of near-term dilution to ROE, given the higher capital intensity to develop and acquire these assets?

Response:

Expansion into data centres, industrial business parks and logistics assets can be more capital intensive if undertaken solely on the Group's balance sheet and may result in short-term ROE dilution during the investment and development phases. Upon stabilization, these **investment-grade assets** are expected to generate **NPI yield of above 6%,** which is in line with market benchmark and **accretive to the Group's ROE**.

Under SHIFT32, the Group is scaling these businesses through third-party investment platforms such as the **Industrial Development Fund (IDF)** and **New Economy Venture Fund (NEV)**; raising approximately **RM1.0 billion and RM1.25 billion of third-party capital**, respectively. This enables the Group to grow its Assets Under Management (AUM) while **optimising capital deployment** and preserving its balance sheet.

In addition, the Group is expanding its role across the real estate value chain as a developer, development manager and fund manager; generating a combination of development profits, recurring rental income and fee-based earnings. **Including fee-based earnings, the Group's ROE is expected to improve further without additional capital commitment.**

Questions & Responses

5) The SHIFT32 Strategy targets an increasing contribution from recurring income streams. What are the key initiatives that would need to materialize to achieve this aspiration? Can investors expect a higher dividend payout ratio going forward?

Response:

Under SHIFT32, the Group's next phase of transformation will focus on evolving into a diversified and platform-driven real estate company with stronger recurring income and investment capabilities to enhance earnings resilience and long-term sustainability.

- **Evolution of Property Development business model** into a full-fledged development management platform, providing end-to-end solutions to third-party clients while broadening product offerings and geographical reach; contributing to fee-based income.

- **Institutionalising Investment Platforms** by scaling investment management capabilities to grow funds under management and fee-based income, while leveraging on third-party capital to accelerate expansion of investment and recurring income assets.

- **Strengthening Operating Platforms** through enhanced operatorship and asset management capabilities across key operating platforms to drive value creation, operational performance and long-term recurring income growth, particularly within community-enabling and infrastructure-related assets.

The initiatives above are expected to strengthen recurring income contribution and support the **targeted 70:30 income mix** between Non-Recurring/ Recurring Income by 2028.

In terms of dividend policy, the Group remains committed to delivering sustainable returns to shareholders while balancing growth and capital requirements. As the Group grows its recurring income mix, the Group intends to revisit the dividend framework to ensure alignment with the Group's earnings profile and long-term value creation objectives.

Questions & Responses

6) With current ESG initiatives such as carbon taxes, how have raw material prices been affected by these regulations? Additionally, are there any other ways ESG requirements are impacting SDP's financial performance that investors should be concerned about?

Response:

The Group continues to monitor developments relating to the proposed carbon tax implementation which is **currently on hold**.

The Group recognises that sustainability-related factors are increasingly important to long-term business resilience, operational excellence and value preservation. As outlined in the Group's Sustainability Report 2025, sustainability is not viewed as an optional extra, but rather as a strategic tool that supports the Group's long-term competitiveness, resilience and ability to create sustainable value for stakeholders.

While certain ESG initiatives may involve additional investments or compliance requirements, the Group continues to adopt a disciplined and commercially driven approach in evaluating such initiatives. Sustainability considerations are integrated into how the Group plans, develops and manages its townships and assets, with a focus on balancing business growth with environmental stewardship and positive societal impact.

This includes areas such as climate resilience, urban biodiversity, energy efficiency, responsible infrastructure planning and community experience, which the Group believes will strengthen the long-term attractiveness, resilience and future-readiness of its developments. The Group also recognises that integrating sustainability considerations into development and investment decisions is important in mitigating long-term risks, preserving asset values and avoiding potential stranded assets over time.

Questions & Responses

7) Has the increase in crude oil prices impacted the sector, particularly construction related costs? If so, what are the Company's planned mitigation measures?

Response:

The Group continues to closely monitor movements in crude oil prices and the impact on construction-related costs. The Group has observed diesel prices increasing from RM2.90 per litre pre-conflict to RM7.50 per litre (+159% as at 9 April) before moderating to RM5.00 per litre (+72% as at 15 May). This has translated to construction cost increase of 8-10% for building works and 15-20% for infrastructure works.

Notwithstanding these cost pressures, projects that have been launched are secured under fixed-sum contracts, providing cost certainty and mitigating the impact on launched project margins. To assist the Group's vendors in managing the cost impact, the Group has also adopted Variation of Price (VOP) mechanisms that enable the impact on volatile prices of selected materials to be shared with the Group, supporting the contractor ecosystem and reducing project execution risks.

Further, the Group continues to undertake value engineering, design optimisation and disciplined procurement strategies to manage inflationary pressures while preserving product quality and operational efficiency.

Overall, the Group remains focused on maintaining disciplined cost management and operational execution to mitigate external cost pressures and support sustainable long-term value creation.

Sime Darby Property's 53rd AGM

Questions received from shareholders prior to meeting

Questions & Responses

1. The Group received questions in relation to door gift from the following shareholders, as well as comments expressing appreciation for continuing to conduct the AGM in a hybrid format:

1. Ms. Hoo Sock Mee
2. Ms. Tan Siew Bee
3. Mr. Lee Jun Hui
4. Mr. Khoo Meng Cheong
5. Ms. Tee Beng Choo
6. Mr. Chee Teng Ho
7. Ms. Tee Beng Ngo
8. Mr. Lim Ba Tai @ Lim Eng Kim
9. Ms. Tee Beng Hee

Response:

Thank you for your participation in the 53rd AGM and for your continued support.

As outlined in Item 7(xi) of the Administrative Details for the 53rd AGM – *Breakfast and Door Gift,* shareholders or proxies who attended the meeting physically will be provided with a breakfast coupon and a RM50 Jaya Grocer gift voucher. Shareholders or proxies who participated virtually will be provided with Jaya Grocer e-gift voucher of equivalent value, with the exception of those residing outside of Malaysia, who are not eligible due to geographical limitations.

The Group appreciates the effort of shareholders who attend the AGM, whether physically or virtually, and provides tokens of appreciation in recognition of participation.

Questions & Responses

2. The Group received questions in relation to printed copies of Annual Report from the following shareholders:

1. **Ms. Tan Siew Bee**

Response:

We acknowledge the requests for printed copies of our latest Annual Report. In line with our sustainability efforts to reduce paper usage, we encourage shareholders to access the digital version of the Annual Report, which is readily available on our corporate website and Bursa Announcement website.

However, printed copies are still available upon request, and our Share Registrar, Tricor, has arranged for delivery of the Annual Report 2025 to shareholders who have requested them, which has been arranged for delivery on 12 May 2026.

Questions & Responses

3. Question from En. Mohd Khairul Naziri Bin Abdul Nashir

With global building material costs remaining volatile and the recent local adjustments in fuel subsidies (diesel), how is the company protecting its profit margins for projects launched in 2025 and 2026? Should shareholders be concerned about potential delays or price hikes in our upcoming township launches due to these rising 'hidden' costs?

4. Question from Mr. Teo Cher Ming

With the current high fuel price due to Middle East conflict, does the Company expect construction cost of its residential, commercial, industrial and data centre projects to increase? Have contractors engaged in discussions regarding this. In addition please enlighten shareholders on the estimated cost increase % on current and ongoing/to be launched projects

5. Question from En. Azhar Bin Khamaruzaman

The Group achieved record unbilled sales of RM3.9 billion as of 31 December 2025 (pg. 145), providing strong earnings visibility. However, the Operating Landscape section (pg. 71) notes an increasingly competitive environment with elevated construction costs due to material prices, labour constraints, and the expansion of the Sales and Service Tax (SST). How does the embedded gross margin profile of this RM3.9 billion unbilled sales order book compare to the 33.3% gross profit margin achieved in FY2025?

Response:

Please refer to the response provided for **"Shareholder enquiries: Permodalan Nasional Berhad ("PNB"), Question 7".**

Additionally, projects that have been launched are secured under fixed-sum contracts, providing cost certainty and mitigating the cost impact on margins. The Group remains focused on protecting margins through proactive cost management, contractor engagement and prudent procurement strategies.

Notwithstanding the operating environment and based on current visibility, there is no revision to the Group's Gross Profit Margin 2026 guidance of ~25%.

Questions & Responses

6. Question from En. Mohd Khairul Naziri Bin Abdul Nashir

Sime Darby Property achieved record profits in FY2025, which was great to see. However, with global interest rates remaining 'higher for longer,' property stocks are facing stiff competition from other high-yield investments. Will the board consider a more formal and attractive dividend payout policy to reward loyal retail shareholders as we transition into a more stable recurring-income business model?

Response:

Please refer to the response provided for **“Shareholder enquiries: PNB, Question 5”.**

Questions & Responses

Sime Darby Property

7. Question from En. Mohd Khairul Naziri Bin Abdul Nashir

The company has made a bold move into the data centre segment with the Pearl Computing project in Elmina, which is set for completion in 2026. Given the global AI boom and the massive demand for hyperscale infrastructure, how much does management expect this 'recurring income' to contribute to our total revenue by 2027? Are we planning to pivot more landbank away from residential use toward these higher-yield industrial assets?

8. Question from Mr. Lee Jun Hui

What are the Group's concrete future plans and long-term strategic expansion goals for our non-residential portfolios — specifically industrial logistics and data centres—to maintain high revenue growth over the next 3 to 5 years?

9. Question from Mr. Kiew Chong Shin

What is the proportion of recurring income from the first data centre? Future projection of recurring income from all data centres in the pipeline? What is the range of gross profit margin of the data centres?

Response:

The Group's entry into the data centre segment reflects its SHIFT32 strategy to strengthen recurring income and expand into new economy asset classes that are supported by long-term structural demand drivers.

The Group has secured two data centre leases at Elmina Business Park with a combined estimated lease value of approximately RM7.6 billion over a 20-year tenure with Pearl Computing. The leases are structured on a triple-net basis, providing stable and predictable recurring income with limited operating expenditure requirements for the Group. The first data centre with a lease value of RM2.0 billion has been completed, while the second with a lease value of RM5.6 billion is expected to be operational in 2027.

While residential developments remain a core component of the Group's township strategy, the Group will continue to leverage its strategic landbanks to capture opportunities across industrial, logistics and new economy asset classes, supporting its targeted 70:30 non-recurring : recurring income mix by 2028.

Questions & Responses

10. Question from En. Azhar Bin Khamaruzaman

Note 22 to the Financial Statements (pg. 373) discloses a massive net impairment loss on investment in subsidiaries amounting to RM343.4 million at the Company level for FY2025. Could the Board provide a detailed breakdown of which specific subsidiaries were impaired, the primary operational or market drivers that triggered this severe impairment, and whether further impairments are anticipated in FY2026?

Response:

The Company recognised a net impairment loss on investments in subsidiaries of RM343.4 million in FY2025, mainly relating to the following investment-holding subsidiaries:

1. **Sime Darby Property (Hong Kong) Limited,** holding the Group's investment in Battersea Power Station, United Kingdom, impacted by operating losses of the underlying joint venture and foreign exchange movements
2. **Sime Darby Property (Ainsdale) Sdn Bhd,** holding the Bandar Ainsdale development, impacted by revisions to development plans, marketing initiatives including deferred billing schemes and sales incentives and related key assumptions
3. **Sime Darby Property Oasis (Holding) Sdn Bhd,** holding certain investment properties impacted by operating losses and fair value changes in the underlying properties

The impairment losses were recognised in accordance with MFRS 136 Impairment of Assets, where the carrying values of the respective investments in subsidiaries exceeded their recoverable amounts. The assessment considered the estimated future cash flows and expected distributions from the underlying investments, reflecting prevailing market conditions, development plans, monetisation timelines, and projected profitability.

While uncertainties in market conditions remain, any potential impact in FY2026 will depend on the performance of the underlying developments and investments, as well as the subsidiaries' ability to generate future profits and distributions.

Questions & Responses

11. Question from En. Azhar Bin Khamaruzaman

The Company's Return on Invested Capital (ROIC) for FY2025 is estimated at 4.35% (based on an operating profit of RM895.3 million, an effective tax rate of 28.8%, and invested capital of RM14.66 billion). This appears to track below the Company's estimated Weighted Average Cost of Capital (WACC) of approximately 7.5% to 8.0%. Given the Group's strategic shift towards a capital-heavy Investment & Asset Management (IAM) model under SHIFT32, how does the Board plan to close this ROIC-WACC gap, and what is the target yield-on-cost for the RM1.13 billion added to investment properties during the year?

Response:

Please refer to the response provided for **"Shareholder Enquiries: PNB, Question 4".**

The RM1.13 billion addition in Investment Properties is the largely attributable to Data Centre 1 at Elmina Business Park that is expected to deliver overall portfolio rental yields in line with market benchmarks of 6%–7%.

Questions & Responses

12. Question from En. Azhar Bin Khamaruzaman

The Investment & Asset Management (IAM) segment recorded a strong 32.2% revenue growth to RM183.9 million, turning around from a loss to a Profit Before Tax (PBT) of RM48.1 million (pg. 154). However, the PBT margin for this segment remains relatively low at 26.1% compared to the Property Development segment's 19.6% (which is structurally different). As the Group scales its IAM AUM to the target of RM10 billion by 2028 (pg. 33), what is the normalised PBT margin the Board expects this segment to generate once the assets mature?

Response:

The turnaround in the Investment & Asset Management segment was driven by a combination of factors—namely the acquisition and contribution from the BBR Industrial Gateway assets, the operationalisation of KLGCC Mall, stronger retail performance with positive rental reversions, as well as higher concession income and lower JV losses.

As a result, the segment moved from a **-8.2% PBT margin in FY2024 to +26.1% in FY2025**, reflecting both improved operating performance and increasing contribution from a larger, stabilising asset base.

More importantly, excluding BPS, the underlying performance of IAM reflects a **PBT margin (ex-BPS) improving from approximately 52.6% to 54.6% from 2024 to 2025 respectively**, underscoring the quality and resilience of the earnings as the portfolio scales.

Nonetheless, the Group remains focused on scaling AUM, operational performance and recurring income contribution, rather than targeting a specific normalised PBT margin for the IAM segment. As more recurring income progressively mature and stabilise, the Group expects the segment’s earnings profile and operating leverage to strengthen further over time.

Questions & Responses

13. Question from En. Azhar Bin Khamaruzaman

The Audit Committee Report (pg. 273) discloses that the Group incurred RM712,000 in non-audit fees to the external auditors, PricewaterhouseCoopers PLT, which represents a significant 26.1% of the statutory audit fees of RM2,720,000. What was the specific nature of these non-audit services, and how did the Audit Committee satisfy itself that the provision of these services did not impair the auditor's independence and objectivity?

Response:

- The RM712,000 in non-audit fees primarily relates to tax advisory services provided by:
  - **PwC Malaysia (RM445,000)**
    - Tax advisory services mainly relating to the Group's investment projects and stamp duty health check review.
    - PwC Malaysia's non-audit fees of RM445,000 represent 17.5% of total statutory and other assurance related services of RM2.55 million

  - **PricewaterhouseCoopers International member firms (RM267,000)**
    - Tax advisory services in connection with the Group's expanding overseas operations, Australia.

- The Group has a robust framework in place to safeguard auditor independence. A Non-Audit Services (NAS) Policy, introduced in FY2023, governs the engagement of external auditors for such services, setting out clearly defined permissible and non-permissible services, as well as fee thresholds.

  Non-audit engagements are reviewed on a quarterly basis by the Audit Committee and are approved only where they (i) provide efficiency and value to the Group, (ii) fall within the auditors' area of expertise, and (iii) do not compromise their independence or objectivity.

Questions & Responses

14. Question from En. Azhar Bin Khamaruzaman

The Sustainability Report (pg. 126) highlights that the Group conducted 2 phishing simulations with a 93% pass rate. Given the Group's rapid digital transformation, including the migration to an AI-ready enterprise data platform and the deployment of the SDP App, what is the estimated financial exposure under the Company's cyber liability insurance policy, and has the Group engaged an independent third party to conduct a full penetration test (VAPT) on its newly integrated platforms in FY2025?

Response:

The Group maintains a comprehensive cybersecurity framework, which includes regular independent vulnerability assessments and penetration testing (VAPT) on all applications to identify and remediate potential security risks on an ongoing basis.

In line with our digital transformation initiatives—including the deployment of new digital platforms—we continue to strengthen our security posture through periodic testing, monitoring, and continuous improvement practices to ensure resilience against evolving cyber threats.

The Group also maintains cyber liability insurance coverage as part of its enterprise risk management framework. While specific financial exposure limits are commercially sensitive and not disclosed publicly, the coverage is reviewed periodically to ensure adequacy relative to the Group’s risk profile and industry benchmarks.

Overall, these measures are complemented by employee awareness programmes (including phishing simulations), governance controls, and alignment with regulatory and industry best practices, ensuring a holistic approach to cybersecurity risk management.

Questions & Responses

15. Question from En. Azhar Bin Khamaruzaman

The Sustainability Report (pg. 107) discloses the deeply regrettable occurrence of two fatal incidents involving contractor workers within the Group's value chain in FY2025. While the Group has implemented the "Boots on the Ground" (BOTEG) initiative, what specific contractual penalties or terminations were applied to the contractors involved in these fatalities, and how is the Board holding Senior Management financially accountable for this failure to meet the Goal Zero target?

Response:

Please refer to the response for **"Shareholder enquiries: MSWG, Question 4"**

From an accountability perspective, the incidents also carried financial consequences, with safety-related KPI demerits applied to FY2025 performance outcomes, impacting performance-linked rewards across the organisation, including Senior Management.

Questions & Responses

16. Question from Cik. Mumthaz Binti Madin

Sub-sale / Secondary Property Price Stagnation

Shareholders have observed that property prices in the secondary (sub-sale) market for Denai Alam have shown limited appreciation over an extended period. After accounting for transaction costs, holding costs, and inflation, the effective return has been close to zero. For example, I purchased a property in Denai Alam directly from Sime Darby Property in 2014 at RM815,000. Today, the market value is approximately RM920,000. Over the same period, an equivalent investment in EPF or PNB products would have grown to at least RM1.2 million.

Question:

Could the Board explain the key factors contributing to the prolonged price stagnation in the Denai Alam and Elmina secondary markets, and outline Sime Darby Property's strategy to enhance capital value and long-term price appreciation for existing homeowners and investors in these townships?

Response:

The Group thanks you for your continued support as both a shareholder and purchaser of Sime Darby Property's products.

The Group recognises that shareholders may benchmark property returns against other long-term investment avenues such as EPF and PNB. While such comparisons are understandable, residential property should be viewed as a long-term real asset class with a distinct risk-return profile, where value creation is shaped not only by capital appreciation, but also by product quality, township maturity, livability and the strength of the surrounding ecosystem.

The Group acknowledges the observation regarding the pace of secondary market appreciation. Subsale performance in Denai Alam and Elmina has been shaped by a combination of broader market conditions and township-specific factors, including original entry pricing, development maturity, competing supply within the surrounding corridor, accessibility, buyer affordability and prevailing financing conditions. At the national level, Malaysia's residential market experienced an extended period of moderation from the mid-2010s through the pandemic, characterised by slower house price growth, tighter mortgage assessments, elevated household indebtedness and more cautious buyer sentiment, all of which weighed on transaction activity and price discovery.

That said, Denai Alam has recorded positive value growth since launch. Based on transaction analysis, average subsale values have increased from approximately RM640,000 in 2010 to around RM936,000 in recent transactions, representing cumulative appreciation of about 46%. Since its launch at RM815,000 in 2014, Aster Grove's estimated current values of RM920,000 to RM936,000 indicate a relatively moderate appreciation of ~13%, broadly consistent with peer developments from the same launch period.

The Group remains focused on creating sustainable long-term value through the continued enhancement of township vibrancy and livability. Initiatives such as the opening of Elmina Lakeside Mall, together with the delivery of quality products and essential amenities, reflect this commitment and support the growth of thriving communities that help underpin value retention over time.

Questions & Responses

17. Question from Cik. Mumthaz Binti Madin

Significant Traffic Congestion (Highest Priority)

Shareholders and residents have experienced severe traffic congestion in Denai Alam and the neighbouring City of Elmina, particularly during peak hours. This appears to stem from inadequate road connectivity and capacity planning during the early development stages of the townships. The persistent congestion has adversely affected daily commuting, overall liveability, and has also undermined the attractiveness and value of properties in these areas.

Question:

Could the Board clarify the key shortcomings in the original traffic and connectivity planning for Denai Alam and Elmina, and outline concrete measures—both short-term and long-term—being implemented to alleviate congestion and improve accessibility, thereby supporting township liveability and property value appreciation?

Response:

We take note of the concerns raised on traffic congestion around Denai Alam and City of Elmina and recognise that connectivity and accessibility are important factors in supporting the quality of life of our communities and the long-term attractiveness of our townships.

Over the years, the Group has progressively enhanced road infrastructure and connectivity to improve accessibility for residents. However, as the area continues to mature, this has also led to increased utilization from both residents and neighbouring communities such as Saujana Utama and Eco Grandeur increasingly use these routes as through-roads to GCE and DASH highways, contributing to congestion (based on Traffic Impact Assessment Report).

To address this, the group is working closely with the relevant authorities on the following:

- Upgrading the GCE interchange, with works on the interchange targeted to begin by Q2 2026 and targeted to complete by end of 2027;
- Planning a direct DASH highway connection via Elmina Ridge; and
- Implementing coordinated traffic measures alongside relevant authorities.

These ongoing efforts are expected to significantly ease congestion and further enhance the overall township connectivity.

Questions & Responses

18. Question from Mr. Foo Jia Yaw

Is there any plan to list Data Centre or Malls as REIT? As management mentions there will be 30% of total income from recurring income, will these assets be spun out or kept in the group?

Response:

Please refer to the response provided for **"Shareholder enquiries: PNB, Question 5".**

In addition, the Group continues to evaluate various capital recycling strategies as part of its broader capital management framework, including development funds such as IDF and NEV, and potentially REIT structures where appropriate and once the Group's pipeline of assets are built out and stabilised. Such initiatives will continue to be evaluated based on strategic fit, balance sheet health, market conditions, asset maturity, value creation potential and long-term shareholder interests.

Questions & Responses

19. Questions from Mr. Foo Chi Khing

Note 38A Page 398

a) **What is the nature of the external revenue eliminated under inter-segment adjustments? Why is revenue from transactions with external parties being eliminated at the Group level?**

b) **Why is tax expense eliminated under inter-segment adjustments? Does the Group have operations that generate tax-related income, thereby requiring such eliminations?**

Response to (a) and (b):

The external revenue eliminated under elimination column in Note 38 - Segment Results reflects a transaction between the Group and its joint venture.

Revenue arising from the transaction between the Group and its joint venture are recognised in the consolidated financial statements only to the extent attributable to external parties, with the Group's share eliminated.

Accordingly, the tax effect that forms part of the transaction between the Group and its joint venture are eliminated.

Questions & Responses

20. Question from Mr. Foo Chi Khing

SOFP Page 323 - What does the tax recoverable classified under non-current assets relate to?

Response:

Tax recoverable of RM24.85 million classified as non-current assets relates primarily to excess payments of income tax arising from tax instalments paid in excess of the final tax liability. The recovery of these balances is subject to the tax refund process administered by the Inland Revenue Board of Malaysia (IRB), whereby tax refund claims are generally processed on a First-In, First-Out (FIFO) basis nationwide (i.e oldest-first basis).

Taking into consideration the historical refund processing timeline by IRB and the age of the outstanding claims, the Group has classified a portion of the relevant tax recoverable balances as non-current assets as they are expected to be recovered beyond 12 months from the reporting date.

Questions & Responses

21. Question from Mr. Foo Chi Khing

Note 13 Page 358 - Could the Group provide a breakdown of the foreign exchange gain/(loss) between realised and unrealised amounts?

Response:

The FY2025 Group's foreign currency exchange losses disclosed in Note 13 mainly represent realised foreign exchange differences arising from the settlement of foreign currency transactions during the financial year.

Exchange differences on the translation of foreign operations are recognised in other comprehensive income and accumulated in the exchange reserve within equity. Accordingly, unrealised foreign exchange gains or losses recognised in profit or loss were not material as most transactions are denominated in the respective functional currencies of the entities.

Questions & Responses

22. Questions from Mr. Foo Chi Khing

Note 41D Page 409 - The Group states that its main foreign exchange exposure relates to foreign currency borrowings. However, the SOCF on page 329 indicates that cash and cash equivalents (C&CE) are also exposed to foreign exchange differences. Could the Group disclose:
- the amount of C&CE denominated in foreign currencies; and
- the breakdown by currency?

Response:

As at 31 December 2025, 5.4% of the Group's cash and cash equivalents of RM686.9 million was denominated in foreign currencies, equivalent to RM37.2 million, as set out below:

Foreign Currency' million	RM million
GBP 2.3	12.6
USD 2.7	11.0
AUD 3.0	8.2
SGD 1.6	5.4
Total	**37.2**

Questions & Responses

23. Questions from Mr. Teo Cher Ming

On IAM

a) have KLGCC Mall and Elmina Lakeside Mall achieved positive NPI? If not when does the company expect these malls to breakeven. Additionally could the company share the financial results of KL East Mall in terms of revenue and profit/NPI since it is not disclosed anywhere in the IAR

b) what is the current occupancy rate of Menara KLGCC?

Response:

a) Both KL East Mall and Elmina Lakeside Mall have achieved positive NPI and are delivering investment-grade yields in excess of 6%, demonstrating the strength and resilience of the Group's retail portfolio.

KL East Mall remains the strongest contributor within the portfolio, supported by healthy tenant sales and positive rental reversions averaging approximately 10% as leases progressively enter their second term.

Elmina Lakeside Mall, which commenced operations in 2024, achieved breakeven within its first year of operations. The mall continues to build on its strong momentum, supported by full occupancy, robust footfall and industry recognition as an award-winning retail destination.

KLGCC Mall, which commenced operations in Q4 2025, remains in its stabilisation phase in the first rent cycle of 3 years, supported by a healthy occupancy rate of over 90%.

b) As at June 2026, Menara KLGCC's occupancy stands at approximately 40%, equivalent to around 73,000 sq. ft. of NLA. Supported by an active leasing pipeline of approximately 170,000 sq. ft., the Group is targeting occupancy of approximately 80% by Q1 2027.

Questions & Responses

24. Comments from Ms. Lim Shah Dow

1. **Linked houses roof must be simple for easy maintenance or else nobody want to buy.**
2. **House level must be higher than the road level to prevent water flow into car porch.**
3. **Clear all debris inside the bathrooms floor traps before hand over the keys.**

Response:

We appreciate your feedback and thank you for sharing your suggestions.

Roof designs and house platform levels are developed in line with relevant authority standards along with practicality, durability and long-term value in mind. Further, the quality control and inspection processes prior to handover include checks on bathroom floor traps and internal finishes.

Nonetheless, we take your suggestions into consideration as part of our continuous efforts to improve our product design and our pre-handover property inspection process. If you require any assistance, please reach out to our Customer Care team via the contact details below and we will be pleased to review the matter and provide the necessary assistance.

We can be contacted via:

- Phone at 1-800-88-1118 (Toll Free for Malaysia) or +603-78495000 (outside Malaysia); or
- Email us at ccc.prime@simedarbyproperty.com

Questions & Responses

25. Question from Mr. Teo Cher Ming

Lastly questions on financials,

a) Note 26 d) mention that RM 34.8 million was recognised as ECL for an amount due from JV. Which JV is this? Is it Battersea

b) Note 8 shows that other operating expenses increase in FY25. Can the company provide a breakdown for this amount or a top 5 expenses category?

Response:

a) The expected credit loss ("ECL") was recognised on the shareholder loan to the Group's joint venture, Battersea Power Station ("BPS") with a repayment period ranging from two (2) to five (5) years. The ECL was recognised in accordance with MFRS 9 Financial Instruments, based on an assessment of the recoverability and the expected timing of future cash inflows. Accordingly, an ECL of RM34.7 million was recognised in FY2025.

b) The top five expense categories accounted for RM58.3 million, representing 74% of other operating expenses of RM78.5 million in FY2025, as set out below:

	Nature of expenses	FY2025 (RM'million)
1.	Corporate office upkeep and admin expenses	17.3
2.	Corporate events, branding expenses and sponsorships	13.5
3.	Bumiputera quota fees	12.8
4.	Professional fees	9.6
5.	Utilities	5.1
	Total	**58.3**

Questions & Responses

26. Question from Mr. Teo Cher Ming

a) With the current high fuel price due to Middle East conflict, does the Company expect construction cost of its residential, commercial, industrial, and data centre projects to increase? Have contractors engaged in discussions regarding this.

b) In addition please enlighten shareholders on the estimated cost increase % on current and ongoing/to be launched projects. Does initiatives highlighted in page 123 IAR such as BIM , Procore enables cost savings ?

Response to (a) and (b):

Please refer to response provided for **"Shareholder Enquiries: PNB, Question 7".**

In relation to digital initiatives highlighted in page 123 of the Integrated Annual Report, software such as BIM and Procore drive cost optimisation and operational efficiency through reduced man-hours, faster delivery, and lower rework. Measurable improvements include an approximate 50% reduction in approval cycle times and over 260 man-days of productivity savings in construction management. These initiatives have no direct material impact to construction costs but are expected to enhance cost efficiency and project delivery outcomes over time.

Questions & Responses

27. Question from Mr. Teo Cher Ming

On Battersea,

a) Recall from last year AGM, management replied that it was anticipated that 50 Electric Boulevard is significantly occupied by end of 2025, however as of Q1 26, the tenancy remains at 45%. Can management share what are the challenges in getting tenants for this project and can management confirm that since occupancy rate did not increase, there is no adjustment downward to date to the IFRS 17 related impairment made in FY24?

b) Note 11 on JV shows that Battersea revenue was reduced by more than 50% compared to FY24 and the group share of loss is about RM 185 million. What is the prospects for Battersea turnaround and does the company have a timeline for it?

Response to (a) and (b):

Please refer to response provided for **"Shareholder Enquiries: MSWG, Question 2".**

IFRS 17 requires the full financial impact to be recognised in FY2024 for the entire contract period, at the inception upon completion of the asset. It is an ongoing reassessment throughout the rental guarantee period. The reassessment would consider key factors such as discount rates and other relevant market-related assumptions, in addition to occupancy rate. Based on the assessment as at 31 December 2025, current leasing performance remains in line with the initial appraisal assumptions. Accordingly, no adjustment was required.