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If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

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**Property**

**SIME DARBY PROPERTY BERHAD**

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

**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO THE**

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

The resolution in respect of the above proposal will be tabled as Special Business at the Forty-Seventh Annual General Meeting ("47th AGM") of the Company. The Notice of the 47th AGM of the Company, which will be held at Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Friday, 26 June 2020 at 10.00 a.m. together with the Form of Proxy, are set out in the Annual Report 2019 of the Company which are available to be downloaded from our Company's website at [www.simedarbyproperty.com](http://www.simedarbyproperty.com) or Bursa Malaysia's website at [www.bursamalaysia.com](http://www.bursamalaysia.com).

In line with the Government's initiative to curb the spread of Coronavirus Disease 2019 ("COVID-19") and the Guidance Note on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission Malaysia on 18 April 2020, the 47th AGM will be conducted on a **virtual basis through live streaming and online remote voting** via Remote Participation and Voting ("RPV") facilities which are available on Tricor Investor & Issuing House Services Sdn Bhd's ("Tricor") TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Details for the 47th AGM provided together with the Annual Report 2019 in order to register, participate and vote remotely via the RPV facilities.

In view that the 47th AGM will be conducted on a virtual basis, you may appoint the Chairman of the Meeting as your proxy and indicate the voting instruction in the Form of Proxy. Please complete, sign and return the Form of Proxy in accordance with the instructions printed thereon. The completed Form of Proxy must be deposited at the office of the Share Registrar of the Company, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time for holding the 47th AGM or no later than Wednesday, 24 June 2020 at 10.00 a.m. You may also submit the proxy appointment electronically via Tricor's TIIH Online website at <https://tiih.online> no later than the aforementioned date.

Last date and time for lodging the Form of Proxy : Wednesday, 24 June 2020 at 10.00 a.m.  
Date and time of 47th AGM : Friday, 26 June 2020 at 10.00 a.m.  
or any adjournment thereof

This Circular is dated 28 April 2020

## DEFINITIONS

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

Act	:	Companies Act 2016, as amended from time to time and any re-enactment thereof
AC	:	Audit Committee of Sime Darby Property
AGM	:	Annual General Meeting of Sime Darby Property
ARB	:	AmanahRaya Trustees Berhad – Amanah Saham Bumiputera
Board	:	The Board of Directors of Sime Darby Property for the time being
Bursa Securities	:	Bursa Malaysia Securities Berhad [Registration No. 200301033577 (635998-W)]
Circular	:	This circular dated 28 April 2020
CMSA	:	Capital Markets and Services Act 2007, as amended from time to time and any re-enactment thereof
Director(s)	:	(a) A director of Sime Darby Property, its subsidiary or holding company, and shall have the meaning given in Section 2(1) of the CMSA; and  (b) Includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a director as referred to in paragraph (a) above or chief executive officer of Sime Darby Property, its subsidiary companies and/or holding company
EPF	:	Employees Provident Fund Board (established under the Employees Provident Fund Act 1991)
KWAP	:	Kumpulan Wang Persaraan (established under the Retirement Fund Act 2007)
Listing Requirements	:	Main Market Listing Requirements of Bursa Securities including any amendments, modifications and additions that may be made from time to time and any Practice Notes issued in relation thereto
LPD	:	31 March 2020, being the latest practicable date prior to the printing of this Circular
Major Shareholders	:	(a) A person who has an interest or interests in one (1) or more voting shares in the Company and the number or aggregate number of those shares, is:  (i) ten percent (10%) or more of the total number of voting shares in our Company; or

(ii) five percent (5%) or more of the total number of voting shares in our Company where such person is the largest shareholder of our Company

(b) The term “interest” shall have the meaning of “interest in shares” given in Section 8 of the Act. “Major Shareholder” includes any person who is or was within the preceding six (6) months of the date on which the terms of the transaction were agreed upon, a Major Shareholder, or a major shareholder of Sime Darby Property’s subsidiary or holding company

Person(s) Connected : In relation to a Director or Major Shareholder, means such person who falls under any one of the following categories:

- (a) a family member of the Director or Major Shareholder;
- (b) a trustee of a trust (other than a trustee for a share scheme for employees or pension scheme) under which the Director or Major Shareholder, or a family member of the Director or Major Shareholder, is the sole beneficiary;
- (c) a partner of the Director or Major Shareholder;
- (d) a person, or where the person is a body corporate, the body corporate or its directors, who is/are accustomed or under an obligation, whether formal or informal, to act in accordance with the directions, instructions or wishes of the Director or Major Shareholder;
- (e) a person, or where the person is a body corporate, the body corporate or its directors, in accordance with whose directions, instructions or wishes the Director or Major Shareholder is accustomed or is under an obligation, whether formal or informal, to act;
- (f) a body corporate in which the Director or Major Shareholder, or Persons Connected with the Director or Major Shareholder are entitled to exercise, or control the exercise of, not less than twenty percent (20%) of the votes attached to voting shares in the body corporate; or
- (g) a body corporate which is a related corporation of the Major Shareholder

PNB : Permodalan Nasional Berhad [Registration No. 197801001190 (38218-X)]

Proposed Shareholders’ Mandate : Proposed renewal of shareholders’ mandate for existing recurrent related party transactions and proposed new shareholders’ mandate for Sime Darby Property Group to enter into additional Recurrent Related Party Transactions of a revenue or trading nature, collectively which are necessary for the Sime Darby Property Group’s day-to-day operations and are in the ordinary course of business of the Sime Darby Property Group

Recurrent Related Party Transaction(s) : Related Party Transaction(s) involving recurrent transaction(s) of a revenue or trading nature that is/are necessary for the day-to-day operations and is/are in the ordinary course of business of the Group

Related Party(ies) : Director(s), Major Shareholder(s) or Person(s) Connected with such Director(s) or Major Shareholder(s)

Related Party Transaction(s)	:	Transaction(s) entered into by Sime Darby Property Group which involve(s) the interest, direct or indirect, of the Related Party(ies)
RM and sen	:	Ringgit Malaysia and sen, respectively, the lawful currency of Malaysia
Sime Darby Property or the Company	:	Sime Darby Property Berhad
Sime Darby Property Group or the Group	:	Sime Darby Property and its subsidiaries, collectively
SDB Group	:	Sime Darby Berhad [Registration No. 200601032645 (752404-U)] and its subsidiaries, collectively
SD Plantation Group	:	Sime Darby Plantation Berhad [Registration No. 200401009263 (647766-V)] and its subsidiaries, collectively

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

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

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

Any reference to a time of day and date in this Circular is a reference to Malaysian time and date, respectively.

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## **SIME DARBY PROPERTY BERHAD**

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

### **Registered Office**

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

28 April 2020

### **Board of Directors**

Tan Sri Dr. Zeti Akhtar Aziz (*Non-Independent Non-Executive Chairman*)  
Dato' Azmir Merican Dato' Azmi Merican (*Group Managing Director*) (appointed on 22 April 2020)  
Dato' Jaganath Derek Steven Sabapathy (*Senior Independent Non-Executive Director*)  
Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj (*Independent Non-Executive Director*)  
Dato' Johan Ariffin (*Non-Independent Non-Executive Director*)  
Datuk Dr. Mohd Daud Bakar (*Non-Independent Non-Executive Director*)  
Dato' Seri Ahmad Johan Mohammad Raslan (*Independent Non-Executive Director*)  
Datin Norazah Mohamed Razali (*Independent Non-Executive Director*)  
Encik Rizal Rickman Ramli (*Non-Independent Non-Executive Director*)  
Datuk Poh Pai Kong (*Independent Non-Executive Director*)

### **To: Our Shareholders**

Dear Sir / Madam,

### **PROPOSED SHAREHOLDERS' MANDATE**

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#### **1. INTRODUCTION**

- 1.1 At the last AGM held on 2 May 2019, we had procured a mandate from our shareholders for us and our subsidiaries to enter into Recurrent Related Party Transactions with the Group's Related Parties as set out in the Circular to Shareholders dated 3 April 2019 ("2019 Shareholders' Mandate"). The 2019 Shareholders' Mandate shall, in accordance with the provisions of the Listing Requirements, lapse at the conclusion of the forthcoming 47th AGM of the Company, unless authority for its renewal is obtained from the shareholders.

In addition to the renewal of the 2019 Shareholders' Mandate, we will also seek a new shareholders' mandate for Sime Darby Property Group to enter into additional Recurrent Related Party Transactions.

- 1.2 Our Board had, on 10 April 2020, announced its intention to seek shareholders' approval for the Proposed Shareholders' Mandate in accordance with paragraph 10.09 of the Listing Requirements at the forthcoming 47th AGM.

The Proposed Shareholders' Mandate, if approved by our shareholders, will take effect from the passing of the relevant ordinary resolution at our 47th AGM and is subject to annual renewal.

- 1.3 The purpose of this Circular is to provide you with the relevant details of the Proposed Shareholders' Mandate and to seek your approval for the resolution under the agenda of Special Business to be tabled at our forthcoming 47th AGM. The notice of the 47th AGM is enclosed together with the Annual Report 2019.

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

YOU ARE ADVISED TO READ THE CONTENTS OF THIS CIRCULAR TOGETHER WITH THE APPENDICES CONTAINED HEREIN CAREFULLY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSED SHAREHOLDERS' MANDATE TO BE TABLED AT OUR FORTHCOMING 47TH AGM.

## **2. DETAILS OF THE PROPOSED SHAREHOLDERS' MANDATE**

### **2.1 Details**

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

- (ii) an Interested Related Party who is a Director or Major Shareholder, must ensure that the Persons Connected with him/her abstain from voting on the resolution in respect of the Recurrent Related Party Transaction; and
  - (iii) where the Interested Related Party is a Person Connected with a Director or Major Shareholder, such person must not vote on the resolution in respect of the Recurrent Related Party Transaction.
- (e) the Company immediately announces to Bursa Securities when the actual value of a Recurrent Related Party Transaction entered into by Sime Darby Property Group, exceeds the estimated value of the Recurrent Related Party Transaction disclosed in this Circular by 10% or more and must include the information as may be prescribed by Bursa Securities in its announcement.

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

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

- (ii) The Proposed Shareholders' Mandate, if approved at our forthcoming 47th AGM, shall take effect immediately upon the passing of the ordinary resolution proposed at our 47th AGM and shall continue to be in force until:
  - (a) the conclusion of our next AGM following our forthcoming 47th AGM at which time it will lapse, unless the authority is renewed by a resolution passed at the said next AGM; or
  - (b) the expiration of the period within which our next AGM after that date is required to be held pursuant to Sections 340(1) and (2) of the Act (but must not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
  - (c) revoked or varied by a resolution passed by you in a general meeting,
 whichever is the earlier.

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

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

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



Our Board is seeking your approval for the Proposed Shareholders' Mandate in respect of Recurrent Related Party Transactions to be entered into by Sime Darby Property Group from the date of our forthcoming 47th AGM to the next AGM. These Recurrent Related Party Transactions are conducted in the ordinary course of business with the Related Parties and are on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public and are not detrimental to the minority shareholders of our Company.

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

## 2.2 Principal activities of Sime Darby Property Group

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

The companies in Sime Darby Property Group to which the Proposed Shareholders' Mandate applies are as follows:

Subsidiaries of Sime Darby Property	Effective Interest of Sime Darby Property	Principal Activities
Sime Darby Brunfield Holding Sdn Bhd ("SDBH")	60%	Property development and investment holding
Sime Darby Property (Lembah Acob) Sdn Bhd ("SDPLA")	100%	Property development
Sime Darby Property (Lukut) Sdn Bhd (formerly known as Sime Darby Lukut Development Sdn Bhd) ("SDP Lukut")	100%	Property development and property investment
Sime Darby Property (Sabah) Sdn Bhd (formerly known as Sime Darby Properties (Sabah) Sdn Bhd) ("SDP Sabah")	100%	Property development and investment holding
Sime Darby Property (Nilai Realty) Sdn Bhd (formerly known as Sime Darby Properties Realty Sdn Bhd) ("SDPNR")	100%	Property development
Sime Darby Property (Pagoh) Sdn Bhd (formerly known as Sime Darby Pagoh Development Sdn Bhd) ("SDP Pagoh")	100%	Property development and property investment
Sime Darby Property (Lagong) Sdn Bhd (formerly known as Sime Darby Landscaping Sdn Bhd) ("SDP Lagong")	100%	Property development and property investment
Sime Darby Property (Nilai) Sdn Bhd ("SDP Nilai")	100%	Property development, investment and provision of property management services
Sime Darby Property (Ampar Tenang) Sdn Bhd (formerly known as Sime Darby Ampar Tenang Sdn Bhd) ("SDPAT")	100%	Property investment

Subsidiaries of Sime Darby Property	Effective Interest of Sime Darby Property	Principal Activities
(Cont'd) Sime Darby Property (Utara) Sdn Bhd ("SDP Utara")  <u>Subsidiaries of SDBH</u> Sime Darby Brunfield Damansara Sdn Bhd ("SDBD")  Sime Darby Brunfield Resort Sdn Bhd ("SDBR")	100%   60%  60%	Property development and property investment   Property development and property investment  Property development

### 2.3 Classes of Related Parties

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

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

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

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

### (i) Existing Shareholders' Mandate

Item	Transacting Companies in Sime Darby Property Group	Transacting Related Parties	Nature of Recurrent Related Party Transactions	Interested Major Shareholders/Directors and Persons Connected with them	Existing Mandate		Estimated aggregate value from the forthcoming 47th AGM to be held on 26 June 2020 to the next AGM <sup>(2)</sup>  (RM million)
					Estimated aggregate value as disclosed in the Circular to Shareholders dated 3 April 2019 (RM million)	Actual value transacted since last AGM up to the LPD <sup>(1)</sup>  (RM million)	
1.	SDBD and SDBR	Brunsfild Engineering Sdn Bhd ("BESB")	Provision of design and build services as well as other service provider components by BESB for the property development projects undertaken by SDBD and SDBR (namely Oasis Corporate Park, Oasis Rio, Oasis AutoNexus and Senada Residences, KLGCC Resort)	Interested Major Shareholder: <ul style="list-style-type: none"> <li>Brunsfild Metropolitan Sdn Bhd ("BMSB") <sup>(3)</sup></li> </ul> Interested Directors: <ul style="list-style-type: none"> <li>Tan Sri Dato' Dr Ir Gan Thian Leong ("Tan Sri Dato' Dr Ir Gan") <sup>(4)</sup></li> <li>Gan Tien Chie ("Mr Gan") <sup>(5)</sup></li> </ul> Interested Person Connected: <ul style="list-style-type: none"> <li>Nil</li> </ul>	236.0	115.4	300.0
2.	Sime Darby Property Group	(i) Directors of Sime Darby Property Group and Persons Connected with them <sup>(6)</sup>  (ii) Major Shareholders of subsidiaries of Sime Darby Property and Persons Connected with them <sup>(6)</sup>  (Collectively referred to as "Directors and Major Shareholders of Sime Darby Property Group and Persons Connected with Them")	Sale of properties in the ordinary course of business by Sime Darby Property Group, the values of which are not more than 10% of any one of the percentage ratios as stipulated in the Listing Requirements	<ul style="list-style-type: none"> <li>Directors of Sime Darby Property Group and Persons Connected with them <sup>(6)</sup></li> <li>Major Shareholders of subsidiaries of Sime Darby Property and Persons Connected with them <sup>(6)</sup></li> </ul>	See note (10)	1.4	See note (10)

## (i) Existing Shareholders' Mandate (Cont'd)

Item	Transacting Companies in Sime Darby Property Group	Transacting Related Parties	Nature of Recurrent Related Party Transactions	Interested Major Shareholders/Directors and Persons Connected with them	Existing Mandate		Estimated aggregate value from the forthcoming 47th AGM to be held on 26 June 2020 to the next AGM <sup>(2)</sup>  (RM million)
					Estimated aggregate value as disclosed in the Circular to Shareholders dated 3 April 2019 (RM million)	Actual value transacted since last AGM up to the LPD <sup>(1)</sup>  (RM million)	
3.	Sime Darby Property Group	SDB Group	Car leasing charges entered into on an ad hoc basis.	Interested Major Shareholder: • ARB <sup>(7)</sup>	2.0	1.4	2.0
4.	(i) Sime Darby Property (ii) SDPLA (iii) SDP Lukut (iv) SDP Sabah (v) SDPNR (vi) SDP Pagoh (vii) SDP Lagong (viii) SDP Nilai (ix) SDPAT (x) SDP Utara	SD Plantation Group	Rental income received on monthly basis from the following:  i) Leasing of the following agricultural lands for a term of two (2) years with an option to renew for a further term of one (1) year:  a) Acob Estate located at Mukim Kapar, Klang, Selangor; b) Sua Betong Estate located at Mukim Si Rusa, Port Dickson, Negeri Sembilan; c) Mostyn Estate located at Mukim Kunak, Tawau Sabah; d) Victoria Estate located along Karangan-Padang Serai main road, Padang Serai, Kedah; e) Lanadron Estate located at Mukim Jorak, Muar, Johor; f) Bukit Lagong Estate located at Mukim Rawang, Gombak, Selangor;	Interested Directors: • Tan Sri Dr. Zeti Akhtar Aziz <sup>(8)</sup> • Datuk Dr. Mohd Daud Bakar <sup>(8)</sup> • Rizal Rickman Ramli <sup>(8)</sup>  Interested Person Connected: • PNB <sup>(9)</sup>	6.7	5.9	9.4

Item	Transacting Companies in Sime Darby Property Group	Transacting Related Parties	Nature of Recurrent Related Party Transactions	Interested Major Shareholders/Directors and Persons Connected with them	Existing Mandate		Estimated aggregate value from the forthcoming 47th AGM to be held on 26 June 2020 to the next AGM <sup>(2)</sup>  (RM million)
					Estimated aggregate value as disclosed in the Circular to Shareholders dated 3 April 2019 (RM million)	Actual value transacted since last AGM up to the LPD <sup>(1)</sup>  (RM million)	
			(Cont'd)  g) Hamilton Estate located at Mukim Labu, Nilai, Negeri Sembilan; h) Jerai Estate located at Mukim Bandar Gurun, Kuala Muda, Kedah; i) Ampar Tenang Estate located at Mukim of Dengkil, Selangor; and j) Kota Elmina located at Mukim Rawang, Gombak, Selangor.  ii) Leasing of Malaysia Vision Valley Land 2 of Labu and New Labu Estates located at Mukim Labu, Seremban, Negeri Sembilan, for a term of three (3) years with an option to renew for a further term of three (3) years.				
				<b>Total</b>	<b>244.7</b>	<b>124.1</b>	<b>311.4</b>

## (ii) New Shareholders' Mandate

Item	Transacting Companies in Sime Darby Property Group	Transacting Related Parties	Nature of Recurrent Related Party Transactions	Interested Major Shareholders/Directors and Persons Connected with them	Estimated aggregate value from the forthcoming 47th AGM to be held on 26 June 2020 to the next AGM <sup>(2)</sup> (RM million)
1.	Sime Darby Property Group	Sime Darby Lockton Insurance Brokers Sdn Bhd, a wholly-owned subsidiary of SDB	Provision of insurance broking services for a term of three (3) years in accordance with the terms and conditions of the Broker Services Agreement dated 25 August 2017 with an option to renew for a further period that the parties mutually agree.	Interested Major Shareholder: • ARB <sup>(7)</sup>  Interested Directors: • Tan Sri Dr. Zeti Akhtar Aziz <sup>(8)</sup> • Datuk Dr. Mohd Daud Bakar <sup>(8)</sup> • Rizal Rickman Ramli <sup>(8)</sup>	1.0
2.	Sime Darby Property Singapore Limited	Performance Motors Limited, a wholly-owned subsidiary of SDB	Provision of certain services to Performance Motors Limited at certain parts of the premises at the whole of Lot 1957 of Mukim 1 at Sime Darby Business Centre, 315 Alexandra Road Singapore 159944, for a term of five (5) years in accordance with the terms and conditions of the Services Agreement dated 4 June 2019.	Interested Person Connected: • PNB <sup>(9)</sup>	11.3 <sup>(11)</sup>
<b>Total</b>					<b>12.3</b>

**Notes:**

- (1) The aggregate actual values represent Recurrent Related Party Transactions transacted from 2 May 2019, on which the Existing Shareholders' Mandate was granted, up to the LPD. The aggregate actual values transacted do not exceed the estimated aggregate values by 10% or more.
- (2) The estimated aggregate value of the transaction from 26 June 2020 up to next AGM which is expected to be held by the month of June 2021. The estimated aggregate value for the Proposed Shareholders' Mandate is based on the management forecast of transaction value that has been anticipated. Accordingly, the actual transacted value may vary and is subject to change.
- (3) BMSB is a Major Shareholder of SDBH with 40% direct shareholding in SDBH. SDBH in turn is the holding company of SDBD and SDBR. Tan Sri Dato' Dr Ir Gan is an indirect Major Shareholders of SDBH by virtue of his shareholdings in BMSB pursuant to Section 8 of the Act. Tan Sri Dato' Dr Ir Gan also has indirect shareholdings of more than 10% in BESB.
- (4) Tan Sri Dato' Dr Ir Gan is a Director of SDBH, which in turn is the holding company of SDBD and SDBR. Tan Sri Dato' Dr Ir Gan is also an indirect Major Shareholder of SDBH by virtue of his shareholding in BMSB pursuant to Section 8 of the Act. Tan Sri Dato' Dr Ir Gan also has an indirect shareholding of more than 10% in BESB.
- (5) Mr Gan is an Alternate Director of SDBH and Director of SDBD and SDBR. Mr Gan, being the brother of Tan Sri Dato' Dr Ir Gan, is a Person Connected with Tan Sri Dato' Dr Ir Gan. Tan Sri Dato' Dr Ir Gan has an indirect shareholding of more than 10% in BESB.
- (6) The Directors and Major Shareholders of Sime Darby Property Group and Persons Connected with Them (as defined in item 2, Section 2.4 (i) above), who will be purchasing properties from Sime Darby Property Group could not be ascertained as at the date of this Circular.

- (7) *ARB is a Major Shareholder of Sime Darby Property, holding 43.96% direct equity interest in Sime Darby Property as at the LPD. ARB is also a major shareholder of SDB and SD Plantation, holding 41.20% and 45.09% direct equity interest, respectively, in SDB and SD Plantation as at the LPD.*
- (8) *Tan Sri Dr. Zeti Akhtar Aziz, Datuk Dr. Mohd Daud Bakar and Encik Rizal Rickman Ramli are the representatives of PNB on the Board of Sime Darby Property.*
- (9) *PNB is a substantial shareholder of Sime Darby Property, holding 5.43% direct equity interest in Sime Darby Property as at the LPD and is also a person connected with ARB. ARB is the Trustee of Amanah Saham Bumiputera, a fund managed by Amanah Saham Nasional Berhad, a subsidiary of PNB.*
- (10) *The estimated aggregate value of this category of transaction cannot be ascertained given the various types of properties sold by our Group with prices varying from project to project. However, in accordance with paragraph 3.3(a) of Practice Note 12 of the Listing Requirements, the value of the transaction shall not exceed 10% of any one of the percentage ratios.*
- (11) *The amount is estimated at SGD 3,753,024 and is converted into Malaysia Ringgit at a conversion rate of SGD 3.02 as at 31 March 2020.*

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

As at the financial year ended 31 December 2019, there were no amounts due and owing to the Sime Darby Property Group by its Related Parties pursuant to the Recurrent Related Party Transactions which have exceeded the applicable credit terms. Hence, there were no late payment charges imposed on the Related Parties.

## **2.6 Review of procedures on Recurrent Related Party Transactions**

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

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



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

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

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

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

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

- (i) Scope of Procurement

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

- (ii) Tendering Strategy

All tenders shall be through:

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

(iii) List of Tenderers

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

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

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

(iv) Authority Limits for Award of Contract

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

A newly prequalified contractor (first timer) shall not be awarded a second contract until 30% satisfactory completion of the first contract or when the tender committee is satisfied that the second contract recommended by the Company has met all the criteria and assurances for quality delivery, financial capability and that the said newly prequalified contractor has the resources to undertake the second contract while at the same time maintaining the momentum of the first contract.

## 2.7 Statement by the Audit Committee

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

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

## **2.8 Rationale and Benefits of the Proposed Shareholders' Mandate**

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

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

## **2.9 Effects of the Proposed Shareholders' Mandate**

The Proposed Shareholders' Mandate will not have any effect on the share capital, substantial shareholders' shareholdings, net assets per share, gearing, or earnings per share of Sime Darby Property for the financial year ending 31 December 2020.

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

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

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

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

Accordingly, Tan Sri Dato' Dr Ir Gan, Mr Gan and BMSB have undertaken that they will abstain from voting at the forthcoming 47th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in Sime Darby Property, if any.

They have also undertaken to ensure that Persons Connected with them will abstain from voting at the forthcoming 47th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct and indirect shareholdings in Sime Darby Property, if any.

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

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

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

All Directors of the Company (save for Dato' Azmir Merican Dato' Azmi Merican who was appointed on 22 April 2020) have abstained from deliberations and voting on the resolution passed on 10 April 2020 pertaining to the said Recurrent Related Party Transactions.

Accordingly, all Directors of the Company (including Dato' Azmir Merican Dato' Azmi Merican) will continue to abstain from all Board deliberations and voting in relation to the said Recurrent Related Party Transactions. All Directors of the Company (including Dato' Azmir Merican Dato' Azmi Merican) will also abstain from voting at the forthcoming 47th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in Sime Darby Property, if any.

They have also undertaken to ensure that Persons Connected with them will abstain from voting at the forthcoming 47th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct and indirect shareholdings in Sime Darby Property, if any.

**(iii) Recurrent Related Party Transactions between Sime Darby Property Group with SDB Group and SD Plantation Group**

Save as disclosed in Sections 2.4 (i) and (ii) of this Circular, none of the other Directors, Major Shareholders of the Company and/or Persons Connected with them, has any interest, direct or indirect, in the Recurrent Related Party Transactions as stated in Section 2.4 (i) (3) and (4), and Section 2.4 (ii) of this Circular.

Tan Sri Dr. Zeti Akhtar Aziz, Datuk Dr. Mohd Daud Bakar and Encik Rizal Rickman Ramli, being the interested Directors, have and will continue to abstain from all Board deliberations and voting in relation to the said Recurrent Related Party Transactions. They will also abstain from voting at the forthcoming 47th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in Sime Darby Property, if any.

ARB and PNB, being the interested Major Shareholder of the Company and interested Person Connected with Major Shareholder in the said Recurrent Related Party Transactions, respectively, will abstain from voting at the forthcoming 47th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct or indirect shareholdings in Sime Darby Property.

The interested Directors and interested Major Shareholder have also undertaken to ensure that Persons Connected with them will abstain from voting at the forthcoming 47th AGM of Sime Darby Property on the ordinary resolution pertaining to the Proposed Shareholders' Mandate in respect of their direct and indirect shareholdings in Sime Darby Property, if any.

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

	Direct Interest		Indirect Interest	
	No. of Shares	% of Shares	No. of Shares	% of Shares
<b>Interested Directors</b>				
Tan Sri Dr. Zeti Akhtar Aziz	-	-	-	-
Dato' Azmir Merican Dato' Azmi Merican (appointed on 22 April 2020)	-	-	-	-
Dato' Jaganath Derek Steven Sabapathy	-	-	-	-
Tengku Datuk Seri Ahmad Shah Alhaj ibni Almarhum Sultan Salahuddin Abdul Aziz Shah Alhaj	-	-	-	-
Dato' Johan Ariffin	-	-	880 <sup>(1)</sup>	*
Datuk Dr. Mohd Daud Bakar	-	-	-	-
Dato' Seri Ahmad Johan Mohammad Raslan	-	-	-	-
Datin Norazah Mohamed Razali	-	-	-	-
Encik Rizal Rickman Ramli	-	-	-	-
Datuk Poh Pai Kong	-	-	-	-
<b>Interested Major Shareholders</b>				
ARB	2,989,949,600	43.96%	-	-
<b>Interested Persons Connected</b>				
PNB	369,183,792	5.43%	-	-

Notes:

\* *Negligible*

<sup>(1)</sup> *Deemed interested by virtue of the shares in Sime Darby Property held by his spouse pursuant to Section 59(11) of the Act.*

### 3. APPROVAL REQUIRED

The Proposed Shareholders' Mandate is subject to approval being obtained from you at the forthcoming 47th AGM.

### 4. DIRECTORS' OPINION AND RECOMMENDATION

Our Board (save for Dato' Azmir Merican Dato' Azmi Merican who was appointed on 22 April 2020), having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Recurrent Related Party Transactions as stated in Section 2.4 (i) (1) of this Circular are in the best interest of the Company and its shareholders and not to the detriment of the minority shareholders of the Company.

Further, our Board (save for Tan Sri Dr. Zeti Akhtar Aziz, Datuk Dr. Mohd Daud Bakar and Encik Rizal Rickman Ramli, being the interested Directors, and Dato' Azmir Merican Dato' Azmi Merican who was appointed on 22 April 2020 who have abstained from expressing an opinion) having considered all aspects of the Proposed Shareholders' Mandate, is of the opinion that the Recurrent Related Party Transactions as stated in Section 2.4 (i) (3) and (4), and Section 2.4 (ii) of this Circular are in the best interest of the Company and its shareholders and not to the detriment of the minority shareholders of the Company.

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

As all the Directors of the Company are interested in the Recurrent Related Party Transactions as stated in Section 2.4 (i) (2) of this Circular, our Board has also abstained from making any recommendation as to the voting on the ordinary resolution pertaining to the Proposed Shareholders' Mandate at the forthcoming 47th AGM of Sime Darby Property.

## 5. AGM

The 47th AGM of our Company, the Notice of which is enclosed in the Annual Report 2019, will be held at Banyan Room, Ground Floor, Sime Darby Convention Centre, 1A Jalan Bukit Kiara 1, 60000 Kuala Lumpur, Malaysia on Friday, 26 June 2020 at 10.00 a.m. or any adjournment thereof for the purpose of considering and if thought fit, passing, *inter alia*, the ordinary resolution on the Proposed Shareholders' Mandate, as Special Business.

The Company will conduct the 47th AGM **on a virtual basis through live streaming and online remote voting** via RPV facilities which are available on Tricor's **TIIH Online** website at <https://tiih.online>.

The venue of the 47th AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.

Since the 47th AGM will be conducted via a virtual meeting, you may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Form of Proxy. You are required to complete, sign and return the Form of Proxy, which is enclosed in the Annual Report 2019, in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Share Registrar of the Company at Tricor Investor & Issuing House Services Sdn Bhd, Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time for holding the 47th AGM or no later than Wednesday, 24 June 2020 at 10.00 a.m. For further information on the electronic submission of the Form of Proxy, kindly refer to the Annexure to the Administrative Details provided together with the Annual Report 2019.

## 6. FURTHER INFORMATION

You are requested to refer to the attached Appendices for further information.

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

**DATO' JAGANATH DEREK STEVEN SABAPATHY**  
Senior Independent Non-Executive Director

## ADDITIONAL INFORMATION

### 1. RESPONSIBILITY STATEMENT

This Circular has been seen and approved by the Board of Sime Darby Property (save for Dato' Azmir Merican Dato' Azmi Merican who was appointed on 22 April 2020) and they individually and collectively accept full responsibility for the accuracy of the information given in this Circular and confirm that, after making all the reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

### 2. MATERIAL CONTRACTS

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

#### (i) Land Option Agreements and Supplemental Call Option Agreements

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

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

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

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

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

with the following lands:

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

together with:

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

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

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

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

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



**(ii) MVV Option Agreements**

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

**(iii) Loan restructuring agreement**

Sime Darby Property London Limited (formerly known as Sime Darby London Limited) (“SDP London”), Robt. Bradford & Company Ltd (“Robt. Bradford”) and Robt. Bradford Hobbs Savill Ltd (“Robt. Bradford Hobbs Savill”), had, on 25 August 2017, entered into a loan restructuring agreement (“Loan Restructuring Agreement”) with SDB, Kumpulan Sime Darby Berhad (“KSDB”) and Sime Darby Far East (1991) Ltd (“SDFE”).

Under this Agreement, in exchange for Robt. Bradford and Robt. Bradford Hobbs Savill being released and discharged from all liabilities, obligations, claims, demands and actions relating to their respective GBP13,540,324.30 and GBP15,116,583.94 loans repayable to SDFE, SDP London would be solely responsible to make all such payments and advances to Robt. Bradford and its subsidiaries (“RB Group”) for any such amount that RB Group and certain other companies as listed in the funding and indemnity agreement dated 15 June 1982 are required to settle with respect to any insurance claims from their customers or to discharge their liability in relation to their previous business undertaking.

No contingent liabilities for such claims have been recorded in the accounts of the RB Group on the basis that such companies have ceased trading in the late 1980s and no creditor claims have been made since 2005.

**(iv) Donation Agreement**

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

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

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

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

### 3. MATERIAL LITIGATION, CLAIMS OR ARBITRATION

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

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

On 26 June 2015, SDP Klang was awarded an aggregate compensation of RM169,296,852.60 (“First Compensation Award”) by the land administrator (“Land Administrator”) in respect of the acquisition by Lembaga Lebuhraya Malaysia/West Coast Expressway (collectively “Acquiring Authority”) of the lands owned by SDP Klang held under Geran 46056 Lot 5646, Geran 46057 Lot 5648, Geran 24130 Lot 24 (23241), Geran 24132 Lot 25 (23242), Geran 47244 Lot 37 (50418), Geran 33603 Lot 38 (50416) and Geran 278974 Lot 23235, all situated in Mukim Kapar, District of Klang, Selangor (collectively “Lands”) for the construction of the West Coast Expressway project. The First Compensation Award was made up of the aggregate market value of the Lands of RM90,738,180 and the aggregate severance or injurious affection of the Lands of RM78,558,672.60 (“Severance or Injurious Affection Award”).

The Acquiring Authority and SDP Klang, respectively lodged their objections to the Severance or Injurious Affection Award to the High Court of Malaya (“High Court”). In respect of the SDP Klang’s objection, the High Court held, on 22 March 2017, among other things, that the reasonable and proper value of the award for severance or injurious affection of the Lands to be given to SDP Klang was RM72,926,705.88 as opposed to the Severance or Injurious Affection Award of RM78,558,672.60 (“First High Court Decision”)

In respect of the Acquiring Authority’s objection, the Acquiring Authority filed a notice of appeal on 20 April 2017 against the First High Court Decision. On 15 August 2017, the Court of Appeal remitted the Acquiring Authority’s appeal to the High Court to be heard before a different High Court Judge (“First Re-Hearing”). On 26 January 2018, the High Court Judge dismissed the Acquiring Authority’s objection and held that the Court was not in a position to re-hear the Acquiring Authority’s objection as the earlier High Court Decision was final (“Second High Court Decision”). On or about 14 February 2018, the Acquiring Authority filed an appeal to the Court of Appeal against the Second High Court Decision and SDP Klang had been named as the 2<sup>nd</sup> Respondent in the appeal. The appeal was heard on 22 October 2018 and the Court of Appeal remitted the case to the High Court to be re-heard before a new Judge

("Second Re-Hearing"). On 20 December 2018, the new High Court Judge directed SDP Klang to be joined as a party to the Second Re-Hearing ("Joinder Direction") on the basis that its interest as the registered proprietor of the Lands may be affected by the outcome of the Second Re-Hearing, notwithstanding that SDP Klang's earlier application to intervene as a party was withdrawn. The Acquiring Authority appealed against the Joinder Direction to the Court of Appeal ("Appeal"), which Appeal was heard on 5 March 2020.

At the hearing, the Court of Appeal urged the Acquiring Authority to withdraw the Appeal on the basis that, firstly, the High Court has an absolute discretion on procedural matters and the Joinder Direction is in fact a procedural matter. Secondly, as it is merely a direction, any issues pertaining to it can be raised at the Second Re-Hearing. Thirdly, any issues concerning the quantum of award which would be considered at the Second Re-Hearing would affect SDP Klang as the land owner and as such, the said Joinder Direction was properly given by the High Court. The Acquiring Authority withdrew the Appeal with no costs.

The matter was fixed for case management at the High Court on 12 March 2020 (which was postponed from 10 March 2020) for parties to update the High Court on the outcome of the Appeal and obtain further directions on the preparation for the Second Re-Hearing. At the case management on 12 March 2020, parties updated the High Court on the outcome of the Appeal and subsequently, the counsel for the Acquiring Authority requested for some time to seek the Acquiring Authority's instructions on the conduct of the matter. The High Court fixed the matter for a further case management on 26 March 2020 which was rescheduled to 16 April 2020, due to the implementation of the Movement Control Order by the government.

Separately, given that the time period for SDP Klang to enforce the First High Court Decision against the Land Administrator expired on 21 March 2020, SDP Klang's solicitors advised SDP Klang to file an application for the issuance of a Certificate against the Land Administrator to enforce the First High Court Decision ("Application"). The Application was filed on 17 March 2020 and is now fixed for case management on 5 May 2020.

The solicitors of SDP Klang are of the view that there is an even chance that the new High Court Judge in the Second Re-Hearing may arrive at a similar decision as the First High Court Decision, namely to award SDP Klang for severance or injurious affection of the Lands in the region of approximately RM70,000,000.00.

ii) **Compulsory Land Acquisition by Lembaga Lebuhraya Malaysia/West Coast Expressway of the lands owned by SDP Klang**

On 7 March 2016, SDP Klang was awarded an aggregate compensation of RM47,519,953.80 ("Second Compensation Award") by the Land Administrator in respect of the acquisition by the Lembaga Lebuhraya Malaysia/West Coast Expressway (collectively, "Acquiring Authority") of the land owned by SDP Klang held under Geran 46057 Lot 5647 situated in Mukim Kapar, District of Klang, Selangor ("Land") for the construction of the West Coast Expressway project. The Second Compensation Award was made up of the market value of the Land of RM20,811,043 and the severance or injurious affection of the Land of RM26,708,910.80 ("Severance or Injurious Affection Award").

SDP Klang and the Acquiring Authority lodged their objections to the High Court against the Severance or Injurious Affection Award and the Second Compensation Award respectively. On 8 February 2018, the High Court held that given there was no severance on the Land as the damage to the Land was minimal, the Injurious Affection suffered was only nominal as SDP Klang had only suffered a loss of frontage to the main road. The High Court therefore reduced the Severance or Injurious Affection Award from RM26,708,910.80 to RM1,683,447.93 ("High Court Decision").

After having reviewed the written grounds of the High Court Decision, the solicitors of SDP Klang are of the view that there does not appear to be sufficient grounds for SDP Klang to successfully appeal against the High Court Decision, as there does not appear to be any novel point of law to be determined by the Court of Appeal and SDP Klang may be precluded from doing so, as section 49 of the Land Acquisition Act provides that there shall be no appeal against a decision which comprises an award of compensation. In the circumstances, no appeal was filed and as the time limit to file an appeal has long expired, the High Court Decision is final and conclusive in respect of the outcome of the above matter. An amount of RM13,145,475.22, (without taking into account the 25% of the Second Compensation Award which is withheld by the Land Administrator in view of the said objections) which the High Court had found to be the excess of the Severance or Injurious Affection Award ("Excess") would have to be refunded to the Land Administrator by SDP Klang, when it is served with the sealed Order of the High Court ("Order").

As at the LPD of this Circular, the solicitors of SDP Klang have yet to receive the draft Order for approval from the State Legal Advisor's Chambers of Selangor, who is representing the Land Administrator.

SDP Klang had, on 21 December 2018 and 18 February 2019, been requested by the Land Administrator to refund the Excess pursuant to the Court Order under land reference No. BA-15-201-10/2016 between the Acquiring Authority and the Land Administrator ("Request"). SDP Klang had, on 17 January 2019 and 5 March 2019, responded to the Land Administrator opposing the Request as SDP Klang is not a party to the said land reference.

iii) **Compulsory Land Acquisition by Lembaga Lebuhraya Malaysia/West Coast Expressway of the lands owned by SDP Klang**

SDP Klang lodged an objection to the High Court in respect of the adequacy of the compensation for severance or injurious affection of the land of RM752,637.60 awarded by the Land Administrator ("Severance or Injurious Affection Award") as a result of the partial acquisition of SDP Klang's land held under Lot PT55959, HSD 120055, Mukim Kapar, Daerah Klang, Negeri Selangor by the Lembaga Lebuhraya Malaysia/West Coast Expressway (collectively, "Acquiring Authority") for the construction of the West Coast Expressway project.

SDP Klang's claim in respect of the compensation for severance or injurious affection was RM16,010,100.00.

At the hearing on 8 February 2018, the High Court made the following orders:

- a) an increase of approximately RM11,767,536.00 from the Severance or Injurious Affection Award; and
- b) interest at the rate of 8% per annum from the date of Form K (i.e. 30 May 2016) on the increased compensation of RM11,767,536.00 to be paid to SDP Klang, ("Order").

The sealed Order was served on the Land Administrator on 25 May 2018. Several demands have been issued to-date, but payment has yet to be effected by the Land Administrator.

The solicitors for SDP Klang are of the view that although legally, SDP Klang is entitled to the payment, when actual recovery will take place is difficult to predict. Their advice is for SDP Klang to follow up with reminders periodically and if there appears to be a persistent neglect by the Land Administrator to pay the sum ordered, an application for a Certificate under Section 33 of the Government Proceedings Act ("Application") will be undertaken since SDP Klang would have to demonstrate that there has been a refusal and/or failure by the Land Administrator/Acquiring Authority to make the

requisite payment, by way of a production of reminders and/or demands to support the Application (which will be made within the limitation period of 3 years from the date of the Order).

iv) **Compulsory Land Acquisition by Badan Kawalselia Air Johor of the lands owned by SDP Pagoh**

SDP Pagoh lodged an objection to the High Court in respect of the adequacy of the total compensation of RM4,906,469.04 awarded by the Land Administrator (“Land Administrator’s Award”) as a result of the acquisition of SDP Pagoh’s land held under Lot PTD 14410, HSD 36655, Mukim Jorak, Daerah Muar, Negeri Johor by Badan Kawalselia Air Johor (“BAKAJ”) for the Project –Tapak Sistem Bekalan Air, Mukim Jorak, Muar.

SDP Pagoh’s claim for compensation for the market value of the land, Injurious Affection and claims for earthwork and clearance work on the site, was a total sum of RM20,470,221.00. SDP Pagoh is seeking an additional compensation of RM15,563,752.00.

At the hearing of the Land Reference on 28 May 2018, the High Court made *inter alia*, the following Orders:

- a) That additional compensation amounting to RM614,040.00, for market value of the land is to be paid by the Respondent to SDP Pagoh (“Additional Compensation”);
- b) SDP Pagoh’s claim for additional compensation for Injurious Affection, site clearance, earthworks and consultancy services is dismissed; and
- c) Interest is to be paid to SDP Pagoh on the increased compensation of RM614,040.00 at the rate of 8% per annum from the date of Form K to the date of full settlement,

(“Judgment”).

The sealed Judgment was served on the Land Administrator on 24 September 2018. SDP Pagoh had received the payment of the Additional Compensation and interests on 3 January 2019 and 18 April 2019 respectively.

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

A civil suit has been commenced by 72 purchasers of Ara Hill (“Plaintiffs”) against SDPAD, claiming, general and specific damages of approximately RM39.8 million and specific performance arising from SDPAD’s alleged breaches of the terms of the sale and purchase agreements and the provisions of various statutes including, the Uniform Building By-Laws 1984 and the Street, Drainage and Building Act 1974.

The Plaintiffs alleged that the breaches by SDPAD have, amongst others, caused delays in the delivery of strata titles, which caused the Plaintiffs to suffer loss and damage, including indirect losses (which have not been proven by the Plaintiffs). The dispute was referred to mediation and the parties explored possible settlement proposals. However, the parties were unable to reach a global settlement. The trial commenced on 16 April 2018 and joint site inspections were conducted together with the 1<sup>st</sup> Judge and 2<sup>nd</sup> new Judge (who replaced the 1<sup>st</sup> Judge but has since been elevated to the Court of Appeal) on 17 April 2018 and 20 March 2019, respectively. Some of the Plaintiffs’ witnesses have concluded their testimonies.

At the case management on 4 December 2019, the current Judge fixed further trial dates in April, May and June 2020 in addition to the trial dates previously fixed in February 2020. As the February and April 2020 trial dates have been vacated by the Judge, the current trial dates are 12, 14 May 2020, 15 and 16 June 2020.

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.

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

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

The parties have filed its Statement of Claim, Statement of Defence and Counterclaim and replies thereto.

The arbitration proceedings will be held in accordance with the rules of the Asian International Arbitration Centre before a single arbitrator. The hearing which was scheduled to commence on 2 March 2020 has been postponed to 15 June 2020.

Solicitors for the Respondent are of the view that there are tenable grounds on the positions taken by the Respondent in resisting the claim. However, these grounds would have to be assessed in detail when full documentation is disclosed in the proceedings. The Respondent's chances of success are closely linked to the Project Architect's advice given/position taken during their administration of the Contract as well as evidence to be given during the proceedings.

#### **4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at Level 10, Block G, No. 2, Jalan PJU 1A/7A, Ara Damansara, PJU 1A, 47301 Petaling Jaya, Selangor Darul Ehsan during normal business hours from Mondays to Fridays (except public holidays) from the date of this Circular up to the date of our forthcoming 47th AGM:

- (i) Constitution of Sime Darby Property;
- (ii) Audited consolidated financial statements of Sime Darby Property for the six (6) months period ended 31 December 2018 and for the financial year ended 31 December 2019;
- (iii) Material Contracts as referred to in Section 2, Appendix I of this Circular; and
- (iv) The relevant cause papers in respect of the material litigation as referred to in Section 3, Appendix I of this Circular.

**EXTRACT OF THE NOTICE OF 47TH AGM OF SIME DARBY PROPERTY**

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**AS SPECIAL BUSINESS**

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

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

“THAT subject always to the Companies Act 2016 (“Act”), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, other applicable laws, guidelines, rules and regulations, and the approval of the relevant government and/or regulatory authorities (where applicable), approval be and is hereby given to the Company and/or its subsidiaries to enter into recurrent related party transactions of a revenue or trading nature with related parties (“Recurrent Related Party Transactions”) as set out in Section 2.4 of the Circular to Shareholders dated 28 April 2020 (“the Circular”), subject further to the following:

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

whichever is the earlier;

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