

**PRESS RELEASE**

**SIME DARBY PROPERTY REGISTERS REVENUE OF RM476.7 MILLION IN Q12020**

**ARA DAMANSARA, 21 MAY 2020** – Sime Darby Property Berhad (“Sime Darby Property” or “the Company”), released its first quarter results today which saw the Company registering a revenue of RM476.7 million and profit after tax and minority interests (“PATAMI”) of RM14.2 million for the quarter under review.

	<b>Q1FY2020 (RM mn)</b>	<b>YOY (%)</b>
Revenue	476.7	(17.1)
Operating profit	11.3	(83.9)
Profit for the period	2.1	(99.2)
Profit attributable to owners of the Company	14.2	(94.7)

***First quarter period review***

During the quarter, the Company’s revenue continued to be driven by contribution from its Property Development segment, which recorded a revenue of RM440.7 million and constituted 92.4% of the total revenue. This was mainly derived from the City of Elmina and Bandar Bukit Raja townships as well as land sale.

For the quarter under review, the Company launched 583 units in Elmina East, its flagship township. This consists of 513 units of landed linked homes priced from RM578,000 onwards and 70 units of 2-storey and 3-storey commercial shops priced from RM1.39 million onwards. The Company has witnessed positive responses from prospective buyers where the take-up rates were encouraging.

Additionally, development projects that performed better in the current quarter compared to the corresponding period during the previous year include Elmina West, Subang Jaya City Centre, Ara Damansara and Nilai Utama township.

The segment recorded a decline in the current quarter’s property sales of both landed and high-rise units compared to the corresponding period of the previous year. This is mainly arising from weak consumer sentiment and the expiration of the Home Ownership Campaign (“HOC”) on 31 December 2019. On-site construction activities were halted for 14 days in the current quarter, resulting in delays in the delivery of projects. For the Property Development segment, the Company has made a provision of RM10.8 million for, among others, liquidated and ascertained damages. The corresponding period of the previous year also recorded a

one-off gain totalling RM203.4 million from the disposal of Darby Park Executive Suites in Singapore.

Total unbilled sales for the Property Development segment stood at RM1.5 billion as at 31 March 2020. Total bookings of RM912 million have been secured and the Company remains focused on converting it into signed sales and will continue driving new leads.

### ***Way forward and outlook***

Bank Negara Malaysia has revised Malaysia's Gross Domestic Product (GDP) projection to between -2.0% and 0.5% in 2020, weighed down by the output loss arising from the pandemic, Movement Control Order ("MCO") and the collapse in petroleum price. The already weakened domestic property market prior to COVID-19 would continue to be affected by the ensuing global uncertainties and external developments. However, the impact to the property sector may be partially cushioned by the massive fiscal stimulus amounting to 2% of GDP and the reduction of the Overnight Policy Rate for the third time this year by 50 basis points, bringing the benchmark interest rate to 2.0%. These policy actions are expected to support the domestic economic activities.

The Company's immediate priorities for the year will be on cashflow management, active marketing and sales campaigns, inventory management, and cost reduction. We will prioritise key projects that deliver value to the stakeholders and focus on launching products that are priced competitively, in meeting customers' needs.

In line with the Government's incremental lifting of the MCO, the Company is in the midst of commencing construction works. Construction sites will be activated in phases, in compliance with relevant regulatory requirements. Strict operating guidelines including the social distancing etiquette have been adopted to ensure seamless operations. The Company, as a leading industry player will work in tandem with the Ministry of Housing & Local Government as well as other relevant agencies on industry matters, including the securing of Extension of Time (EOT) for the handover of ongoing projects.

"Moving forward, the Company will streamline its efforts to promote the right product launches as well as improve on processes and systems. This would enable us to become more agile and adaptable to respond to the fast-paced challenges of these current times," said Group Managing Director Dato' Azmir Merican.

He further added, “We will also prioritise our areas of focus to what will make a difference for 2020, in particular strengthening our resilience against the global and domestic macroeconomic headwinds and the market uncertainties brought by the pandemic, which is unprecedented in its magnitude”.

The Company foresees that the coming months in the current financial year will be adversely affected by the spillover effects of the pandemic on consumers’ purchasing power thereby resulting in a moderation of property sales. Sime Darby Property will continue to monitor the situation and will revise our financial targets, including announcement of latest sales estimates, once there is more clarity of the situation.

In weathering the storm, the Company remains confident in its financial position, as reflected by its strong track record and a robust balance sheet. As at 31 March 2020, unbilled sales in hand remained at a healthy RM1.5 billion, coupled with a targeted pipeline of new launches. The Company’s bank balances also stood at RM925.5 million with solid cashflow from operations at RM120.5 million, while its net gearing ratio remained low at 0.26x.

*Stay updated on Sime Darby Property activities and developments at [simedarbyproperty.com](http://simedarbyproperty.com), Facebook ([facebook.com/SimeDarbyProperty](https://facebook.com/SimeDarbyProperty)), Instagram ([instagram.com/SimeDarbyProperty](https://instagram.com/SimeDarbyProperty)) and the Sime Darby Property Mobile App (available for download via the App Store and Google Play).*

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### **About Sime Darby Property Berhad**

Sime Darby Property is Malaysia’s largest property developer in terms of land bank with 19,977 acres of remaining developable land. With over 47 years of successful track record of developing sustainable communities, Sime Darby Property has to date built 24 active townships/developments with a global reach that encompasses assets and operations across the Asia Pacific region and the United Kingdom. In the UK, as part of a Malaysian consortium, Sime Darby Property is the developer of the iconic Battersea Power Station project in central London.

Sime Darby Property is a multi-award winning property group with numerous local and international accolades. It is the first Malaysian property developer to be awarded the International FIABCI Prix d’Excellence Awards twice for its Subang Jaya and UEP Subang Jaya townships. The company bagged its 10th consecutive Gold at the Putra Brand Awards 2019 and its 6th consecutive Top 10 Developers Awards at the BCI Asia 2015. Sime Darby Property has also been recognised as among the top developers in Malaysia in the annual The Edge Top Property Developers Awards, a recognition which the company consistently receives since 2009.

The company has a market capitalisation of RM4.63 billion as at 21 May 2020.

For more information, log on to [www.simedarbyproperty.com](http://www.simedarbyproperty.com)

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