



SIME DARBY PROPERTY BERHAD

46TH ANNUAL GENERAL MEETING

2 May 2019



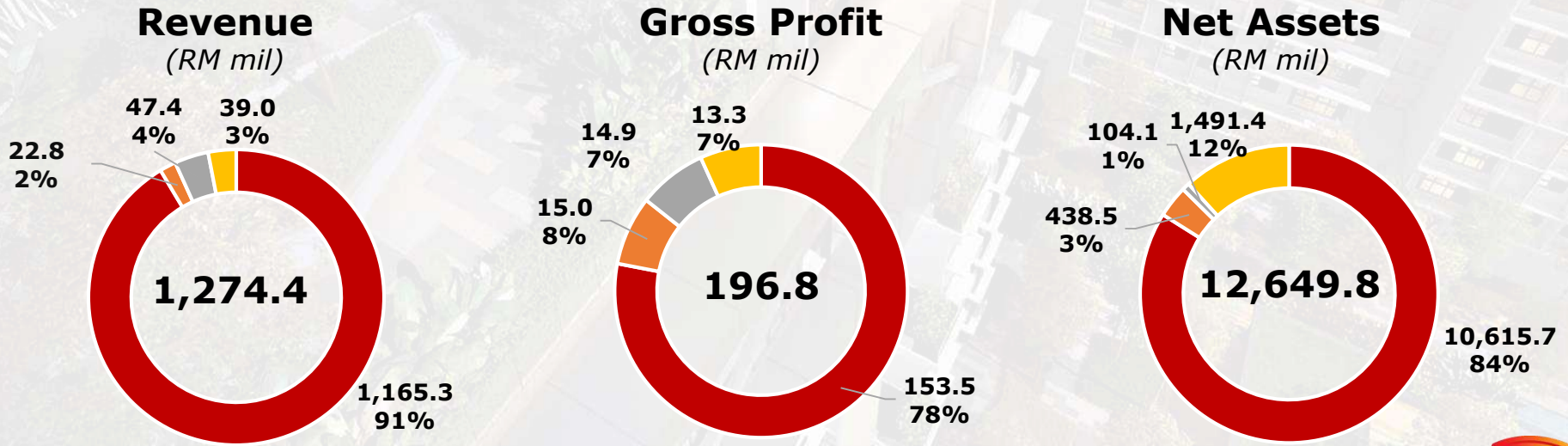
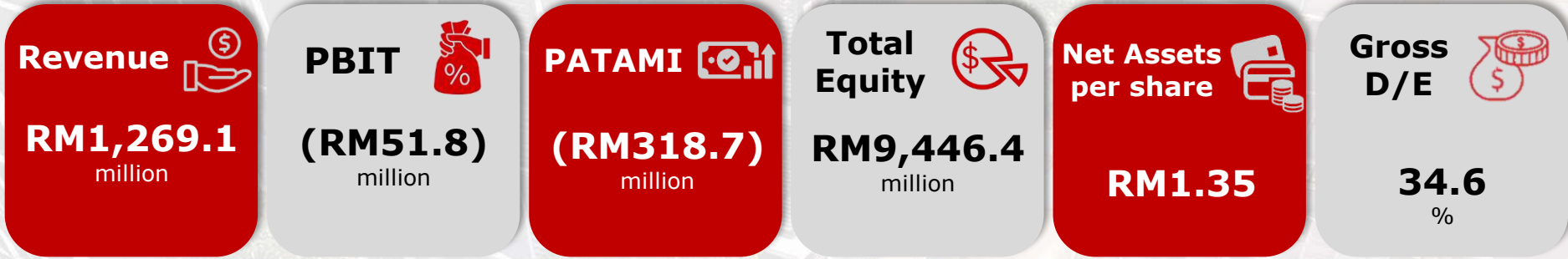
Financial Period 2018 (Jul – Dec 2018)

Actual picture of Bandar Bukit Raja
• Delivered 230 residential units in
FP2018



Property

Key Financial & Segment Highlights of FP2018 (Jul – Dec 2018)



■ Property Development
 ■ Property Investment
 ■ Leisure & Hospitality
 ■ Concession Arrangement



*Segmental results are before elimination

Firm Measures Taken Amidst Challenging Landscape

Prolonged softness of the economy and property market in the last 6 months...



Cautious Consumer Sentiment

The fourth quarter MIER Consumer Sentiments Index dipped to below the optimism threshold (100 points) at 96.8 points



Broad Mismatch in Demand & Supply

Total unsold residential units in Malaysia in Q3 2018 stand at 127,267, marking an increase of 28% from 2017



Slowdown in House Prices

The Malaysian House Price Index showed a slow increase with 192.1 points as at 3Q 2018 compared to y-o-y 190.1 point in 3Q 2017



Continued Stringent Lending Conditions

The loan approval rate for purchase of residential properties in 2018 maintained at 42.9% (2017: 42.3%)

...warranted the re-pricing of inventories and review of launches resulting in write-down / write-off and impairment...

RM237 million

Write-down, write-off and impairment of aged inventories, development expenditure & receivables

...and additional measures to address other legacy-related matters.

RM24 million

Provision for obligation of an investment property

RM178 million

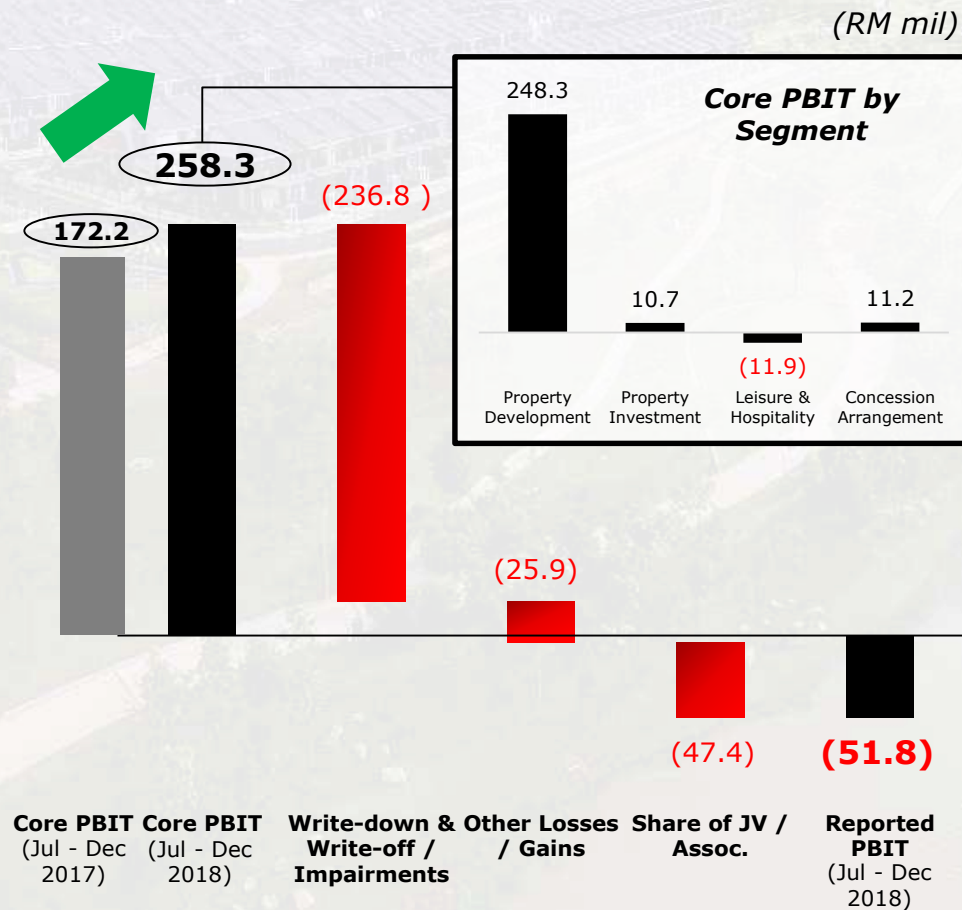
Additional Tax Provisions



Growth in Core Profit (excluding One-off Adjustments) Despite Weak Property Market

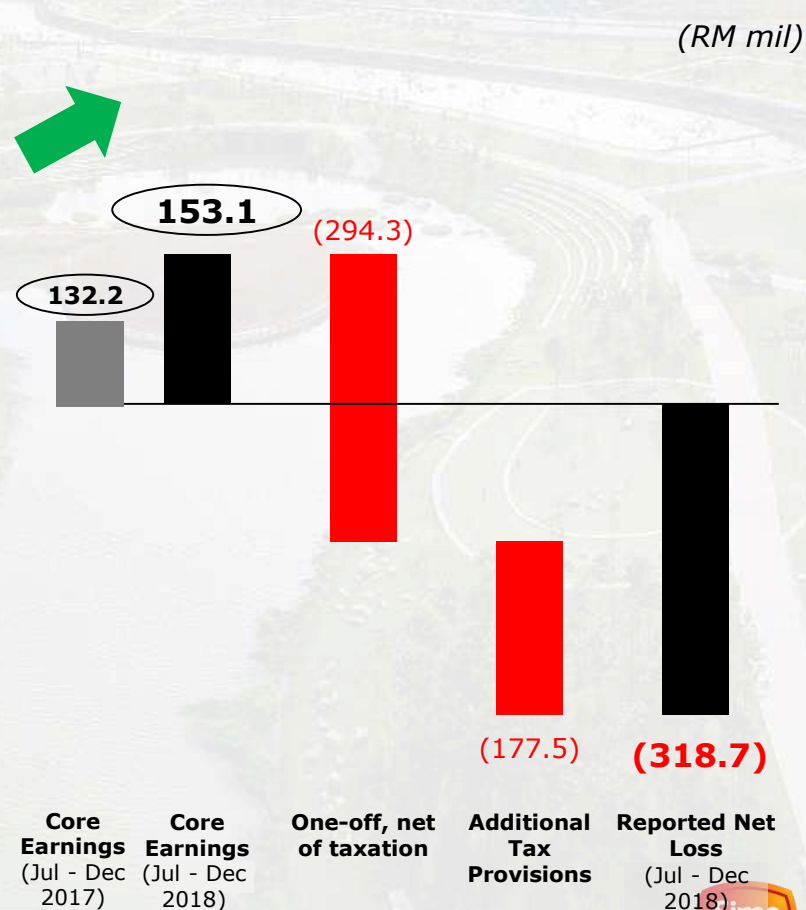
50%

YOY INCREASE IN CORE PBIT

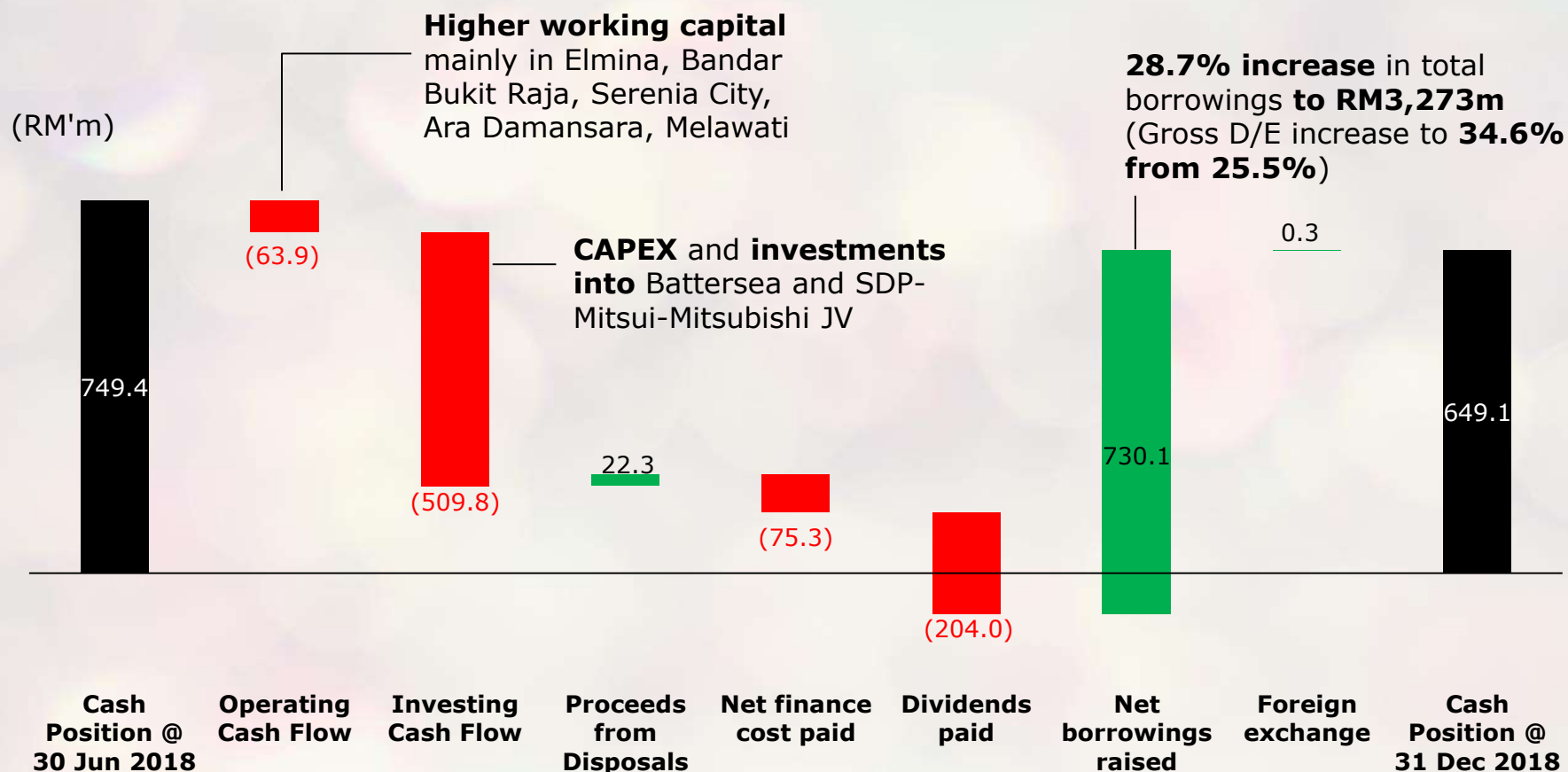


16%

YOY INCREASE IN CORE EARNINGS



Cash and Debt Position as at 31 December 2018



Management of debt levels to be supported by:

- 1. No further equity injection** into Phase 2 of Battersea development following the sale of Phase 2 Commercial assets
- 2. Proceeds from continuous non-strategic asset disposals** (e.g. Bukit Selarong – RM88.9m and Darby Park Executive Suites Singapore – SGD93.0m)
- 3. Operational cost review** and **improve operational efficiency**



Strong Sales and Unbilled Sales Performances in FP2018

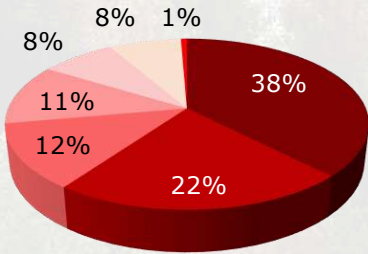
Net Sales Value

(RM'm)

Unbilled Sales

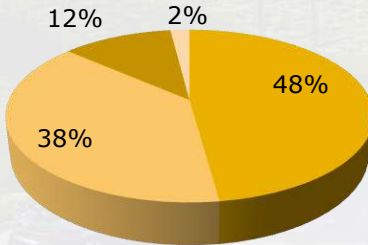
(RM'm)

Greater Klang Valley



- Serenia City
- Putra Heights
- KL East & Tmn Melawati
- Others
- Ara Damansara
- KLGCC
- SJCC

Along Guthrie Corridor Expressway



- Elmina West
- Denai Alam & Bukit Subang
- Elmina East
- Bukit Jelutong

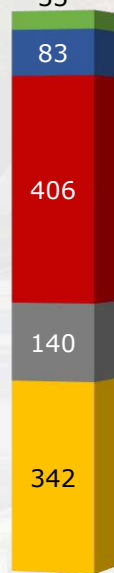
1,338



FP2018
(Jul - Dec 2018)

33%

1,004



1HFY2018
(Jul - Dec 2017)

2,182



FP2018
(Jul - Dec 2018)

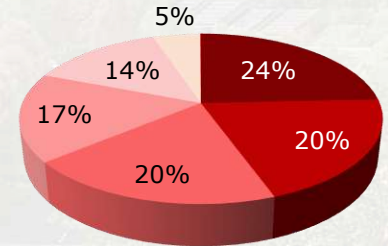
37%

1,594



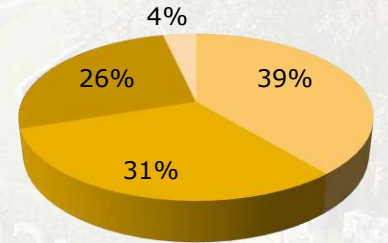
1HFY2018
(Jul - Dec 2017)

Greater Klang Valley



- Serenia City
- KLGCC
- SJCC
- Others
- Putra Heights
- Ara Damansara
- KL East & Tmn Melawati

Along Guthrie Corridor Expressway



- Denai Alam & Bukit Subang
- Elmina West
- Elmina East
- Bukit Jelutong

■ Along GCE ■ Klang ■ Greater Klang Valley ■ N.Sembilan ■ Johor ■ Kedah

UNITS SOLD
1,793: +56% YoY



Healthy Pipeline of Launches Support Commitment in Delivering Homes in FP2018

801 units launched worth **RM675.5 million**

14 projects completed with total delivery of **2,012 units**

Landed: 779 units

Serenia Adiva, Serenia City



Unit: 176
GDV: RM105.4m

99% SOLD!

Elmina Green 1, Elmina



Unit: 181
GDV: RM137.2m

93% SOLD!

Ayra 1, Bandar Bukit Raja



Unit: 120
GDV: RM90.2m

84% SOLD!

Ayra 2, Bandar Bukit Raja



Unit: 160
GDV: RM122.3m

73% SOLD!

Anggerik, Nilai Utama



Unit: 142
GDV: RM76.3m

62% SOLD!

Industrial: 22 units



C3, Serenia City
Unit: 22
GDV: RM144.1m

45% SOLD!



Key Projects

Elmina Valley 4, Elmina



Unit: 278
GDV: RM242.6m

Persada 1 & 2, BBR 2 & 3



Unit: 230
GDV: RM161.8m

Serini, Taman Melawati



Unit: 528
GDV: RM365.2m



Battersea Power Station - Phase 2 (The Power Station)

THE BOILER HOUSE	
No. of Units	31
GDV (£ mil)	276
Take-up	71%
Expected Completion	2021

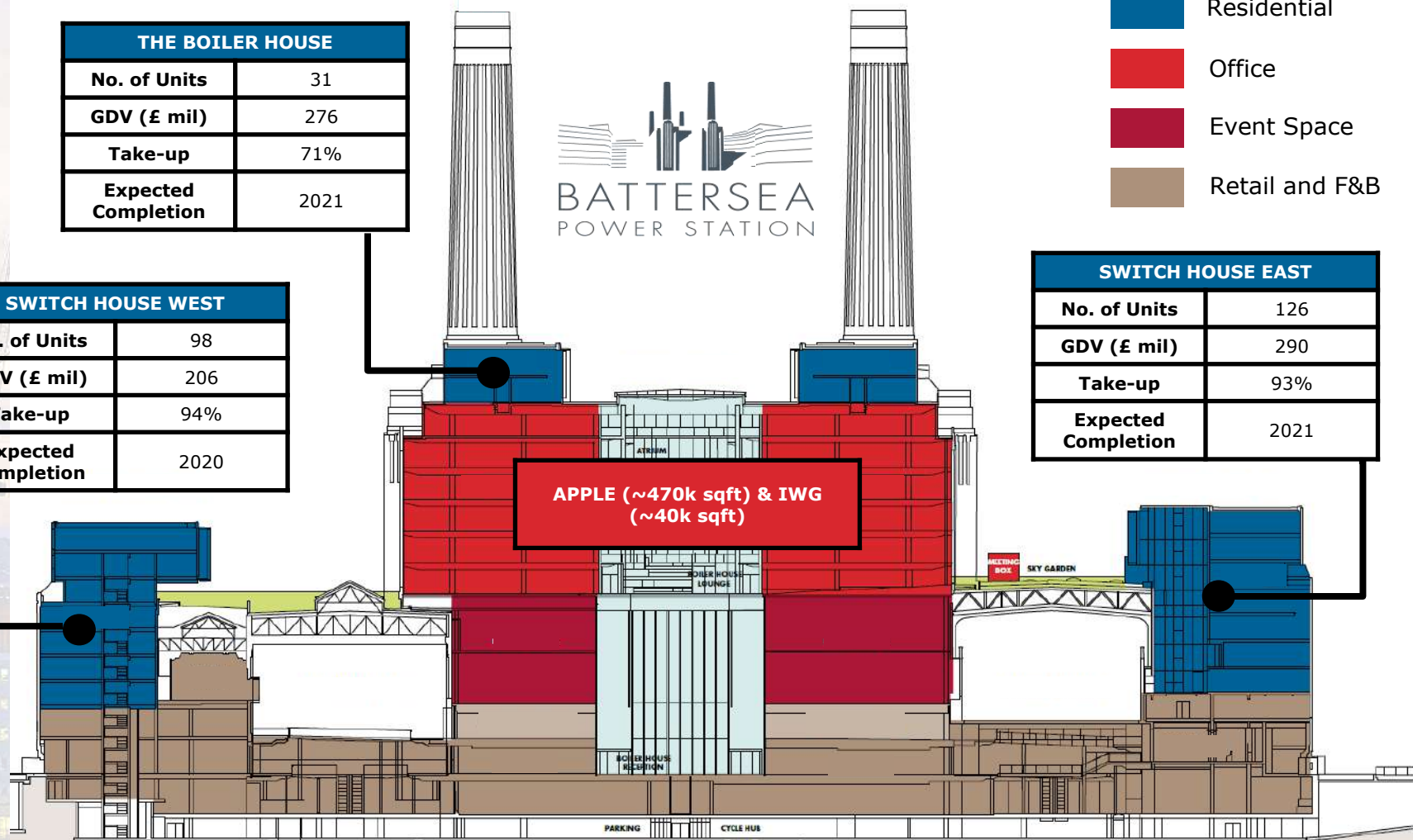


- Residential
- Office
- Event Space
- Retail and F&B

SWITCH HOUSE WEST	
No. of Units	98
GDV (£ mil)	206
Take-up	94%
Expected Completion	2020

SWITCH HOUSE EAST	
No. of Units	126
GDV (£ mil)	290
Take-up	93%
Expected Completion	2021

APPLE (~470k sqft) & IWG (~40k sqft)



14 March 2019
 Completion of Disposal of Phase 2
 Commercial Assets to PNB & EPF for Base
 Consideration of £1.583bil (RM8.33 bil)

2021
 Expected Opening of Northern Line
 Extension



Phase 3A (The Electric Boulevard) & 4A (Affordable Homes)

Phase 3A

67% take-up of residential units

- **542 total residential units** (GDV of £920 mil)
- Expected completion in 2021



Phase 4A

Completion of Phase 4A Sale Agreement to Peabody in March 2019

- **Delivery of 386 affordable homes**, ranging from 1 to 4 bedroom properties, designed by award-winning architects Patel Taylor
- **Expected completion in 2022**
- There will be a **range of homes available to rent and buy** at discounts of up to 70% depending on applicants' individual circumstances



Key Concerns Surrounding Brexit in the United Kingdom



Muted consumer sentiment and “wait-and-see” approach due to uncertainty of Brexit may affect purchase of big-ticket items



Migration of business operations and residents may lead to temporary disruptions in operations and affect demographic mix of home buyers



Displacement of foreign funds in the capital markets may affect liquidity of domestic U.K. market

Notwithstanding the above, the Battersea Power Station project continues to maintain:

- **Strong local & foreign interest** for residential and commercial components
- **Support** from local authorities and financial institutions
- **Active review and monitoring** of costs and progress of its developments

Moving Forward into 2019



Melawati Mall
• Achieved Occupancy of 85% in December 2018 (Dec 17: 70%)



Corporate Initiatives in FP2018 to be Realised in FY2019 and Beyond



Darby Park Executive Suites, Singapore

Sale and purchase agreement signed in November 2018

- Completed on **31 January 2019**
- Consideration of SGD93.0 million. Gain to be accounted in **Q1 FY2019**



300 acres of land in Bukit Selarong, Kedah

Entered into Sale and Purchase Agreement in November 2018

- Consideration of **RM88.9 million**
- Expected to complete by **Q2 FY2019**



KL East Mall

Target Opening by Q4 FY2019

- **First 100% owned** retail mall
- Gross build-up of approximately **1.2 million sq ft**
- **Addition** to existing mall portfolio - Melawati Mall



MVV 2.0

Launched in December 2018

Unveiling of:

- Comprehensive Development Plan (CDP)
- MVV 2045 Local Plan



JV with Mitsui & Co. Ltd. and Mitsubishi Estate Co. Ltd

JV Operational Execution On-Track

- Obtained all regulatory approvals in **December 2018** and is in execution phase
- Received strong interest from local and foreign players

Sime Darby Property's Outlook Remains Promising, Having Taken Firm Measures and Supported by Positive Economic and Market Catalysts



Clean Slate for FY2019 and Beyond

- One-off write-down and write-off as a result of re-pricing of inventories and re-planning of launches to ensure alignment of products to market demand

Steady Economic Outlook

- Malaysian economy expected to expand 4.7% in 2019, higher than the global growth forecast of 3.3% for 2019
- Private sector demand is expected to remain the main driver of growth

Supportive Regulatory Developments

- Home Ownership Campaign 2019 to assist in generating sales and clearing inventories
- National Housing Policy 2018 – 2025 with focus on improving affordability and accessibility of quality housing
- Bank Negara Malaysia's RM1 billion fund to assist the financing of homes for low income groups

Strategic Focus and Initiatives in FY2019

Key Strategic Focus

Demand-driven Launches

- **Products aligned to market demand** - right price, type, location and timing - to ensure high take-up
- Careful review of launches, **taking into account existing inventories**



The Future of Property Buying

Strategic Initiatives

- Launch of **Primetime 8 Campaign**
- Introduction of **dto**, an innovative consumer-driven, co-creation platform
- Focus on **affordable-mid range products** in Elmina, Bandar Bukit Raja and Serenia City

Unlock Value of Sizeable Land Bank & Non-core Assets

Complete timely disposal of non-core assets and **opening of new townships**

- **Complete continuous disposal** of non-core assets (e.g. Bukit Selarong and Darby Park Executive Suites Singapore)
- **Opening of Kota Elmina** township

Expand Industrial Segment

Capitalize on strong demand of industrial segment

- **Earmark strategic locations** for industrial development within key townships (e.g. Bandar Bukit Raja, Nilai, Serenia City)
- **Leverage on partnerships** to expand further into industrial segment

Review Costs & Improve Operational Efficiency

- **Constant review of costs** across all business segments to drive improvement in margins

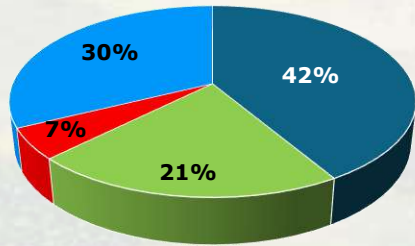
RM2.3 billion Sales Target Supported by Healthy Pipeline of Launches in FY2019

RM2.0 – 2.5 bn

Launch Target

Launches By Type

Landed residential launches will continue to make-up the **majority of launches (~40% of total)**



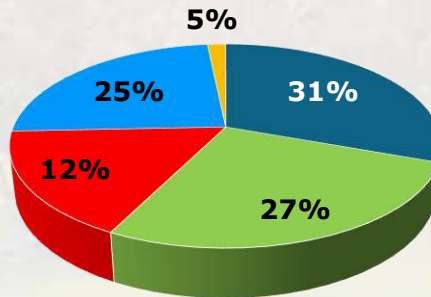
- Residential (Landed)
- Residential (High Rise)
- Commercial
- Industrial

RM2.3 bn

Sales Target

Launches By Location

Launches along **GCE and Greater Klang Valley** will make-up more than **half of total launches**



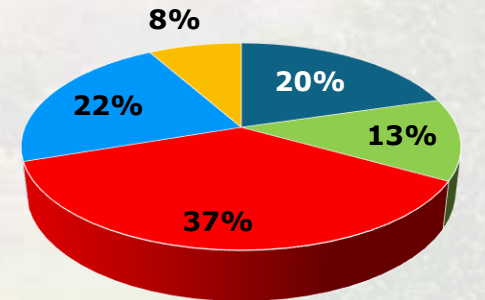
- Along GCE
- Greater Klang Valley
- N.Sembilan
- Klang
- Johor

RM2.0 bn

Unbilled Sales Target

Launches By Price Range

>**50%** of residential launches will be **priced below RM700k**



- <RM300k
- RM300k - 500k
- RM500k - 700k
- RM700k - RM1m
- >RM1m

Launches to date (Jan'19 – Apr'19)

881 units launched worth **RM728 million**

Key Launches

Elmina Valley 5, Elmina



Unit: 168
GDV:RM168.6 m

98% SOLD!

Elsa, Bandar Bukit Raja



Unit: 165
GDV:RM91.9 m

95% SOLD!

Serenia Adiva 2, Serenia City



Unit: 226
GDV:RM145.2 m

73% SOLD!



THANK YOU



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