



SIME DARBY PROPERTY BERHAD

45TH ANNUAL GENERAL MEETING

31 October 2018

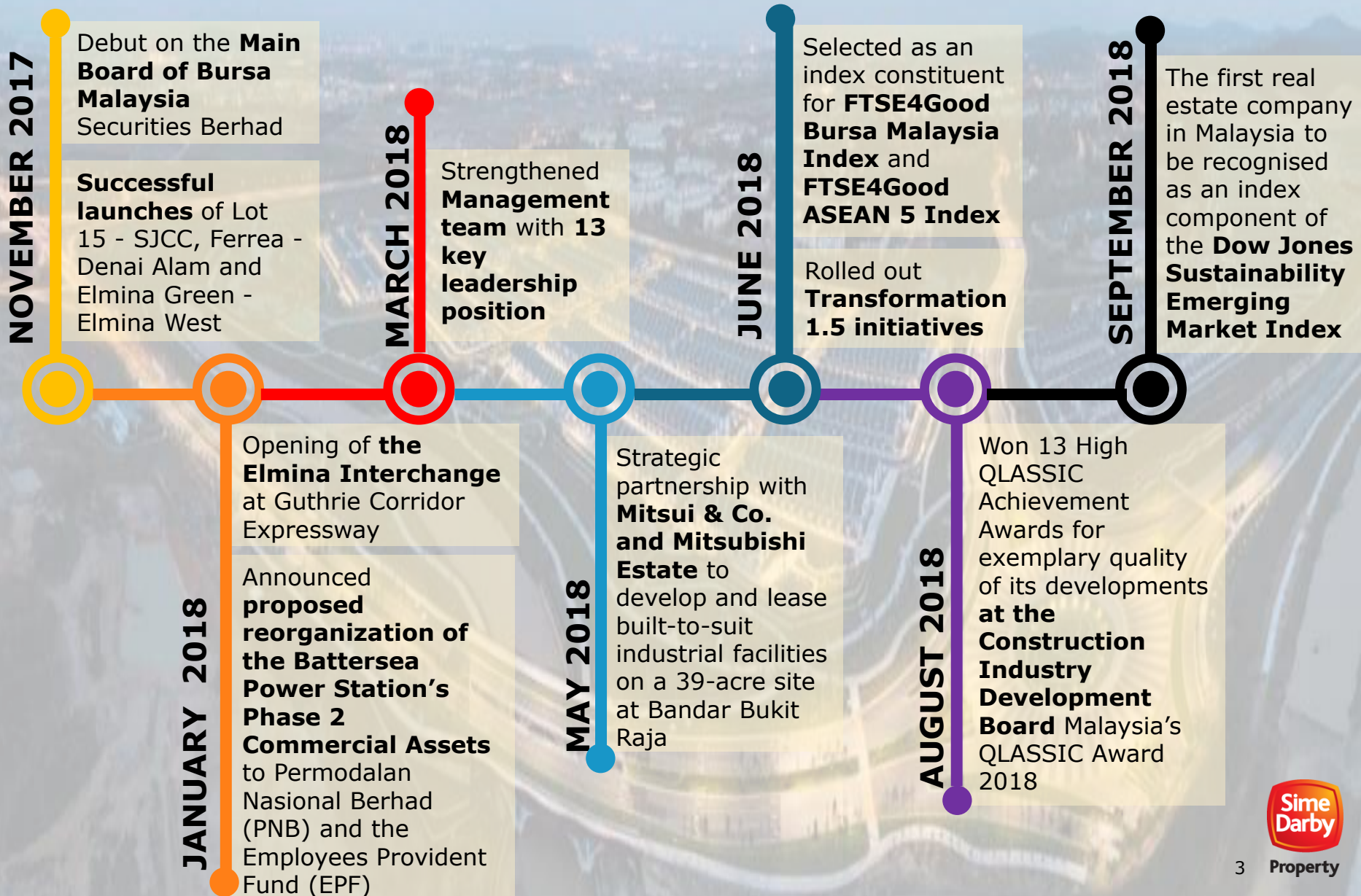


2017/18 Review



Actual picture of Elmina Valley
• Delivered 853 units of
Elmina Valley 1-3 in FY2018

A Year of Transformation With Several Key Milestones



Resilient Financial Deliverables in the First Year of Listing



Revenue

RM2,353.1
million



PBIT

RM682.5
million



PATAMI

RM640.0
million

Return on
Avg. SF
8.0%

Net assets
per share
RM1.40



Shareholders'
Fund (SF)

RM9,734.6
million



Gross D/E Ratio
25.5%



Total Dividend
Payout
RM340.0
million

Dividend
Payout Ratio
53.1%

Dividend
Yield
4.2%



Net Sales Value

RM2,250.0m

Surpassing target of RM2.0bn

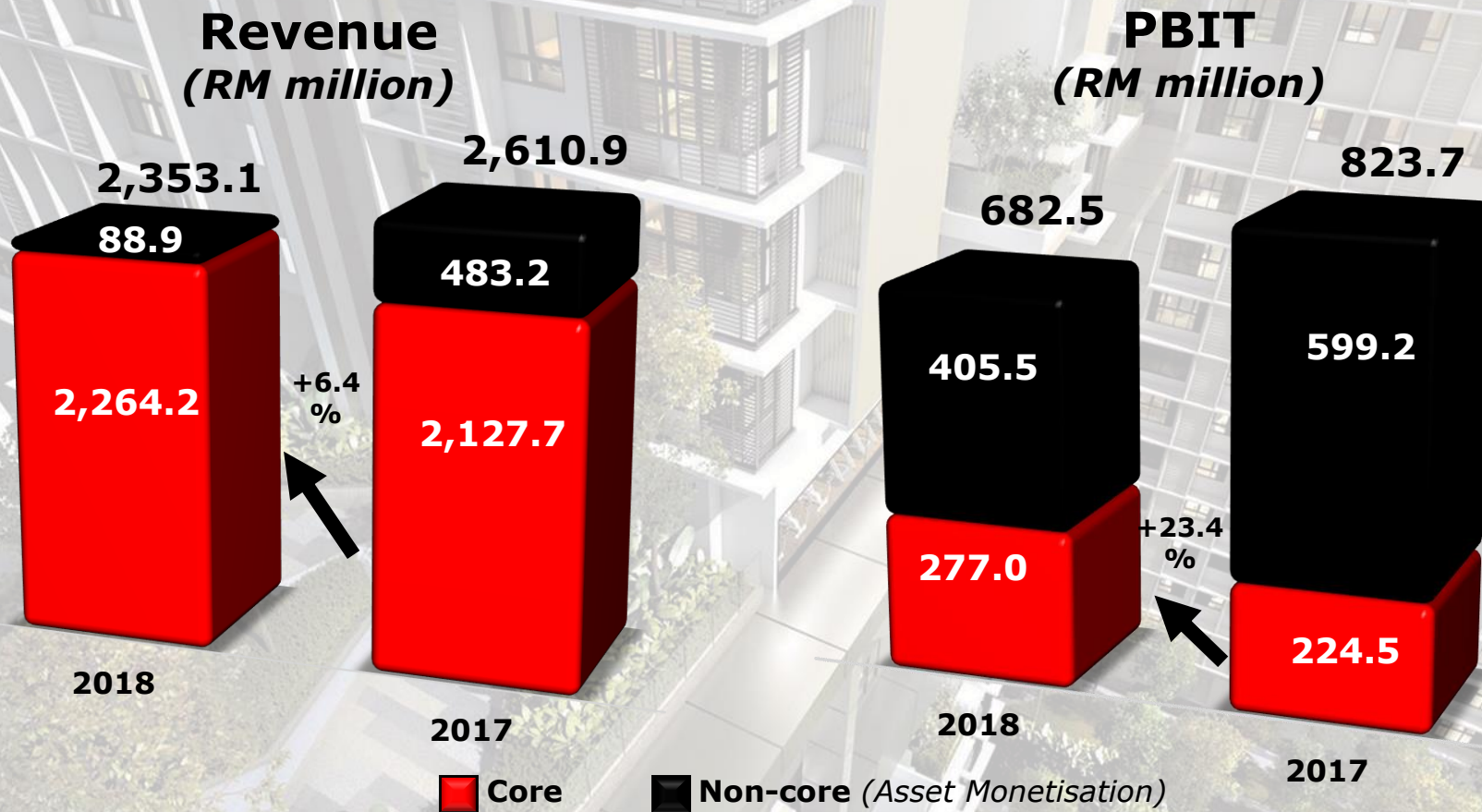
Unbilled Sales

RM2,034.0m

Met target of RM2.0bn



Improvement in Core Earnings



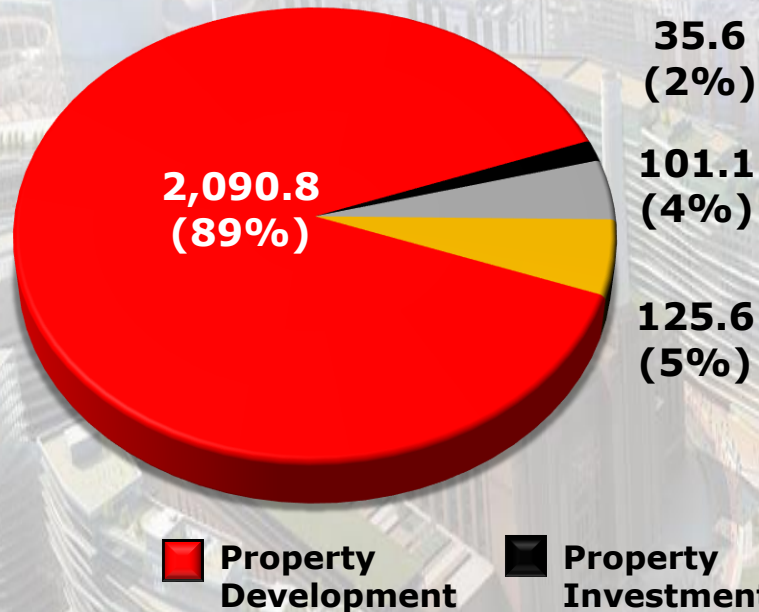
❑ Lower non-core revenue YoY attributable to:

- Strategic land sale in New Lunderston Estate and Glengowrie Estate of RM88m
- Sale of equity interest in MLDC and Seriemas Development Sdn Bhd to PNB Development Sdn Bhd of RM318m

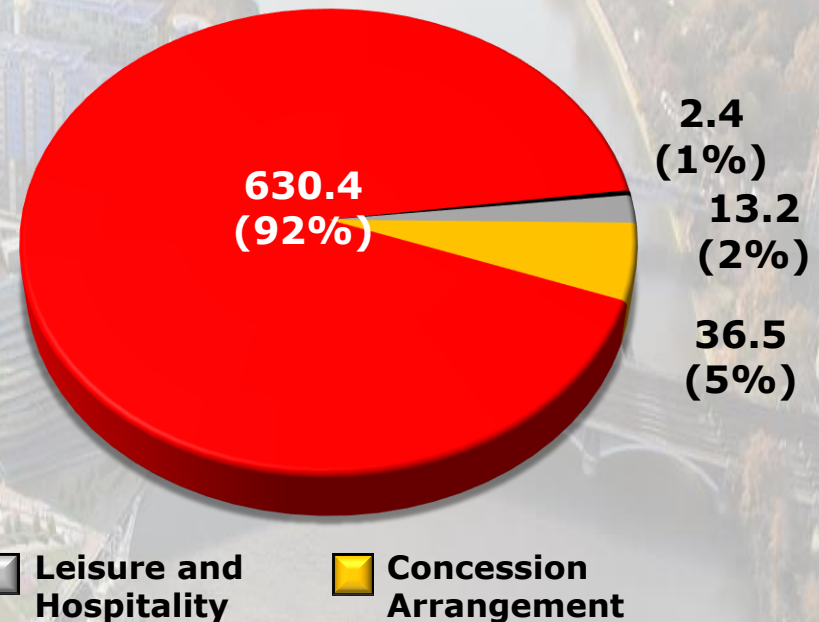
❑ The Group's **core revenue and core PBIT higher YoY by 6.4% and 23.4% respectively**, excluding the contributions from asset monetisation

Property Development remained the main contributor (~90%) to the Group's total revenue and PBIT

REVENUE RM2,353.1 million



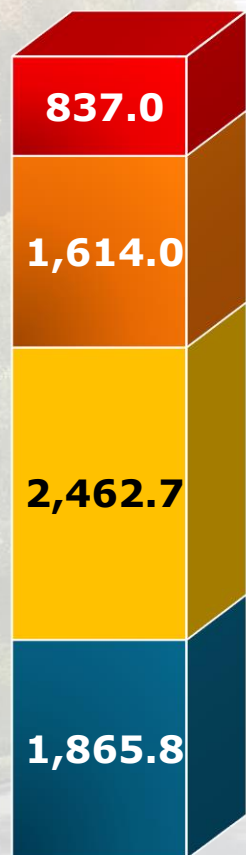
PBIT RM682.5 million



- ❑ **Higher PBIT in Property Development** driven by higher sales and development activities from flagship projects
- ❑ **Significant gains in Property Investment and Leisure and Hospitality** from the disposal of stakes in MLDC and Seriemas
- ❑ **PBIT of Concession Arrangement jumped almost sixfold** from RM6.1 million to RM36.5 million in FY2018

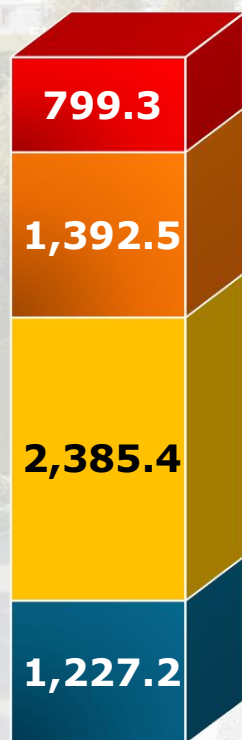
Group's Inventories as at 30 June 2018

**RM6,779.4
million**



2018

**RM5,806.7
million**



2017

17%

Completed: +5%

- ~57% are from the Alya and Glades developments

PDC - Launched: +16%

- Increased activities at Elmina East, Elmina West and Bandar Bukit Raja

PDC - Not Yet Launched: +3%

- Costs incurred on infrastructure at new townships such as Serenia City and Bandar Universiti Pagoh

Land Held for PD: +52%

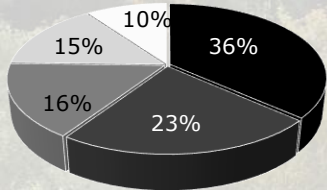
- Included RM689.6 million from the acquisition of MVV land measuring 1,880 acres



Strong Sales and Unbilled Sales Performances

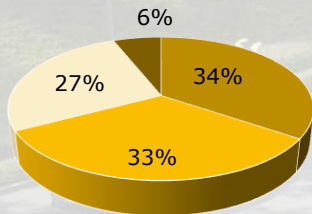
UNITS SOLD
3,045: +72% YoY

Greater Klang Valley



■ Putra Heights
■ Serenia City
■ Ara D'sara
■ SJCC
■ Others

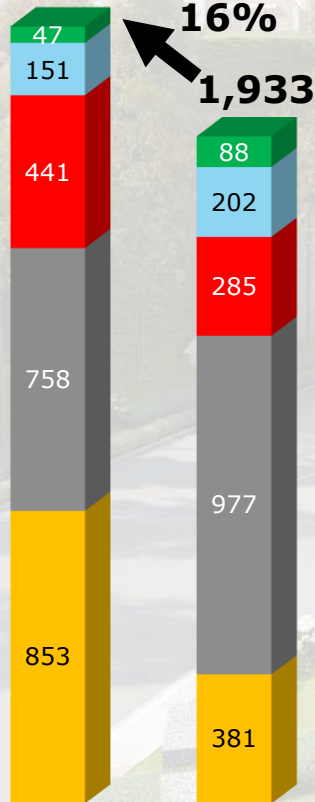
Along Guthrie Corridor



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

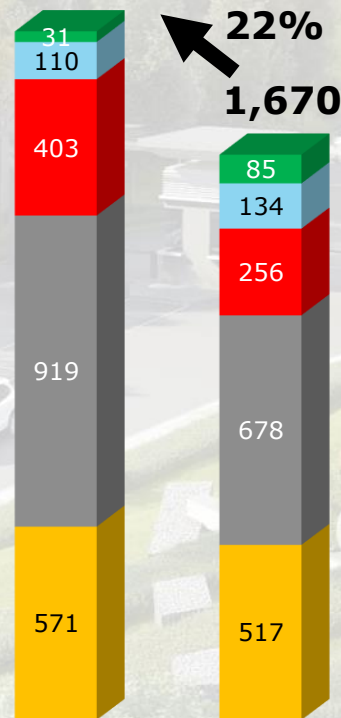
Net Sales Value
(RM'm)

2,250



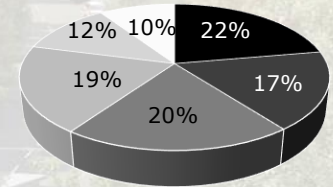
Unbilled Sales
(RM'm)

2,034



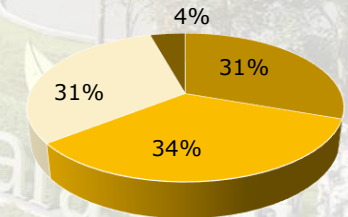
UNITS COMPLETED
2,305: +88% YoY

Greater Klang Valley



■ Putra Heights
■ Serenia City
■ Ara D'sara
■ ALYA
■ SJCC
■ Others

Along Guthrie Corridor



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

2018

2017

2018

2017

■ Along GCE ■ Greater Klang Vally ■ Klang ■ N.Sembilan ■ Johor



Healthy Launches in Various Product Lines

4,098 units launched worth RM2,709m

+139% YoY (1,717 units in FY2017)



Landed: 1,775 units

Ferrea, Denai Alam



Unit: 228
GDV: RM197m

Semanea, Denai Alam



Unit: 162
GDV: RM192m

Elmina Green, Elmina



Unit: 398
GDV: RM304m

Serenia Amani, Serenia



Unit: 302
GDV: RM174m

Azira, Bandar Bukit Raja



Unit: 166
GDV: RM142m



Affordable: 1,700 units

Harmoni 1, Putra Heights



Unit: 1,700
GDV: RM389m



High-Rise: 532 units



Lot 15, SJCC
Unit: 361
GDV: RM277m



Senada B, Alya
Unit: 170
GDV: RM167m



Commercial: 91 units



Laman Nadina, Elmina
Unit: 14
GDV: RM28m



Saujana Promenade, Pagoh
Unit: 35
GDV: RM33m



Moving Forward



Battersea Power Station, London
• Handed over 855 units of Phase 1
over 2 years in FY2017 & FY2018

Malaysia's Property Market Remains Weak and Challenging

Re-introduction of Sales and Service Tax (SST)

- Uncertainty on housing prices
- Buyers adopt "wait and see" approach
- Expect moderation in sales

Oversupply of high-rise medium range properties

- Industry is producing faster than the absorption rate
- High number of unsold condominium/apartment units in Selangor priced below RM1 million (~8,500 units) and Kuala Lumpur (~20,400 units) as at June'18 may affect the sales volume of ongoing / new launches



National Housing Policy

- Clear scope and parameters of proposed policy
- Streamline effort to deliver affordable houses

Enhancement in People Management

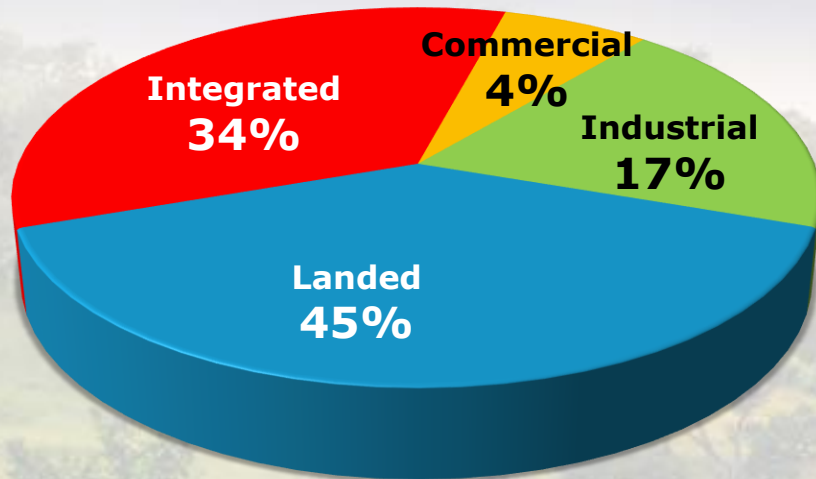
- Upskilling and sourcing of capabilities in the Integrated Team
- Reduce operating expenditure

Slower economic growth in Malaysia

- Revised 2018 GDP growth forecast of 4.9% from 5.4%
- Expect an austere 2019 Budget

Sustainable Pipeline of Launches in 2019

Breakdown by GDV



4,000 - 4,500 units to be launched, worth GDV of RM4 billion

Elmina 19%

Nilai 16%

Bukit Raja 13%

Serenia City 8%

Key Launches

Landed



Elmina West
(2-storey house)
No. of Units : 780
Est. GDV : RM581.4mn



Bukit Raja
(2-storey house)
No. of Units : 725
Est. GDV : RM428.5mn



Serenia City
(2-storey house)
No. of Units : 628
Est. GDV : RM347.4mn

Integrated



Putra Heights
(Serviced apartment)
No. of Units : 1,120
Est. GDV : RM340.2mn



SJCC
(Serviced apartment)
No. of Units : 234
Est. GDV : RM170.6mn

Industrial



Nilai Impian
(2 & 3-storey factory)
No. of Units : 149
Est. GDV : RM543.8mn



We are committed to grow via a focused transformation plan

Our **SHIFT20 Transformation Plan** comprises **20 initiatives** which we have identified based on **5 Strategic Priorities** to transform the Group over the next five years.

Maximising

Stakeholder Value

Enhancing and Developing

Human Capital and Capabilities

Driving

Innovation and Operational Excellence

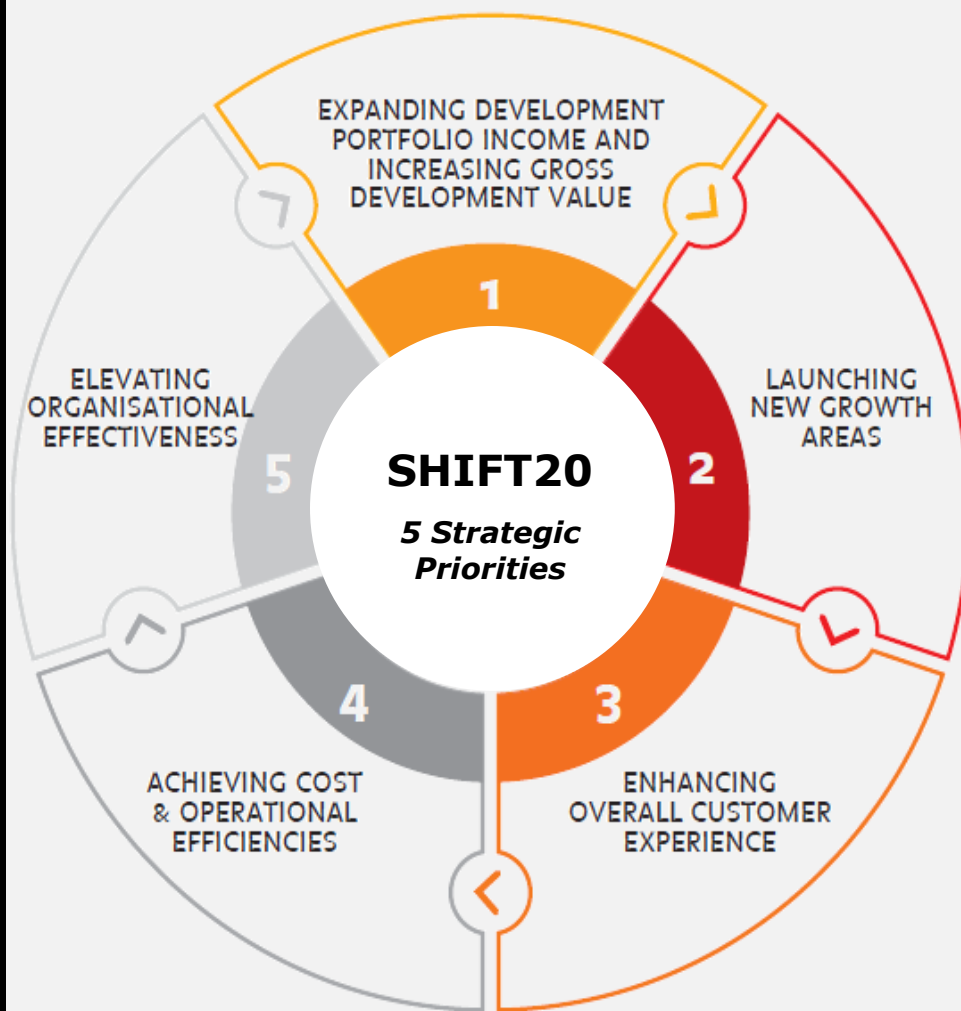
Strengthening

Fundamentals and Business Focus
Organisational

Transformation towards Sustainable
Growth

By executing

20 strategic initiatives to achieve our
Goals



Property Development: Maintain the leadership position as a reputable township developer in Malaysia

Key Strategic Priorities



Prioritise on Reducing Completed & Launched Ongoing Inventories



Focus on Launches in Low to Mid-range Segment to Meet Demand



Establish New Segment for Industrial & Logistics Developments



Embark on First Phase of MVV Development

Identified Initiatives

Strategic **execution plan** to reduce **inventories** with carrying value of **RM2.5bn**, mainly from Alya, Planters' Haven, The Glades, KL East & Ara Damansara

Launches below RM800,000 segment, including Rumah Selangorku units in Elmina (below RM300,000)

400 acres of industrial land identified for sale or development with an estimated GDV of ~RM5.1bn to be realised over the next 5 years

Focus on **Parcel A** measuring **2,838 acres** and have **constant engagement** with State and Federal Government

Key Targets



RM2.2 billion in Unbilled Sales



5% Increase from FY2018 Customer Satisfaction Index



Property Investment and Asset Monetisation: Grow recurring income and maintain a steady portfolio

Key Strategic Priorities



Generate Investment Income from Industrial Segment



Monetise Non-Strategic Land bank



Rationalise Low-yielding, Non-core Assets

Identified Initiatives

Embark on **Built-to-Suit & Lease model** in **Bandar Bukit Raja, Elmina and Serenia City**, with focus on 39 acres in Bandar Bukit Raja for 10 industrial plots with target commencement of construction in early 2019

Target disposal of ~1,700 acres of non-strategic land bank located in Northern Peninsula and East Malaysia

Target completion of divestment of hospitality assets in Singapore, Australia and Vietnam

Key Targets



Achieve 10% PBIT contribution by 2023



Grow a steady investment asset portfolio and unlock value from divestment of non-core assets by 2019

Concession Arrangement: Focus on growth and expansion of Pagoh Education Hub

Key Strategic Priorities



Management of Pagoh Education Hub



Explore Opportunities for Expansion of Pagoh Education Hub

Identified Initiatives

Pagoh Education Hub as a source of recurring income via availability charges and facilities management

Balance surrounding land area of ~400 acres which is **earmarked for future expansion** of education facilities

Key Targets



Stable and Consistent

Cash Flows for the next 19 years



Catalyst

to Property Development Profitability in Bandar Universiti Pagoh

THANK YOU



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