



**Financial Period 2018 (FP2018)
Results Announcement
Second Quarter Ended 31 December 2018
28 February 2019**



Financial Period 2018 (FP2018) Financial Performance



Second Quarter of FP2018 and Six Months Ended 31 December 2018

In RM'm	6 Months 31 Dec'18	6 Months 31 Dec'17	YOY %	2QFP18	2QFY17	YOY %
Revenue	1,269.1	1,176.2	7.9	788.8	703.6	12.1
Segment Results	(25.9)	283.8	(>100)	(64.7)	180.5	(>100)
PBIT	(51.8)	599.8	(>100)	(90.8)	177.6	(>100)
PBT	(38.1)	611.6	(>100)	(91.1)	183.4	(>100)
PATAMI	(318.7)	559.8	(>100)	(347.5)	138.1	(>100)
Basic EPS (sen)	(4.7)	11.9	(>100)	(5.1)	2.5	(>100)

C O M M E N T A R Y

a) Revenue increased YoY mainly from:

- Sale of land to Mitsui JV for RM154.1m vs. land sale in 6M Dec'17 of RM85.5m

b) Segment results impacted by:

- Impairment of aged inventories and write-off of capitalized development expenditure of RM110.8m and RM99.8m respectively, totaling RM210.6m
- Impairment of long outstanding receivables of RM26.0m
- Share of Battersea loss of RM7.7m vs. RM112.1m profit in 6M Dec'17 (2QFP18: RM2.0m loss vs. RM25.3m profit in 2QFY18)

c) Lower PBIT due to:

- Provision on obligation for an investment property of RM24.1m vs. total gain on disposal of subsidiary / associate totaling RM317.8m in 6M Dec'17

d) Lower PATAMI compounded by:

- Additional tax provisions for prior years of RM177.5m

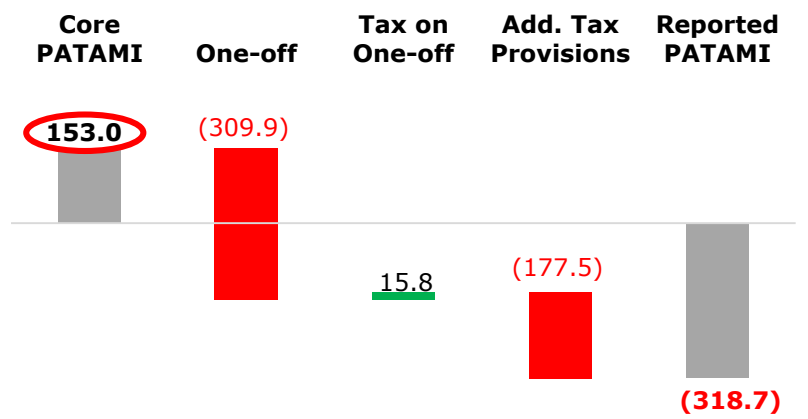
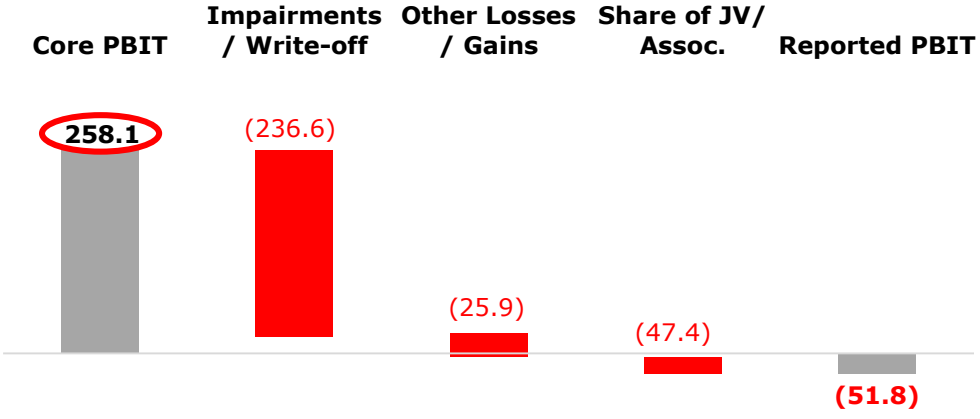


Resilient Core Earnings Despite One-off Adjustments

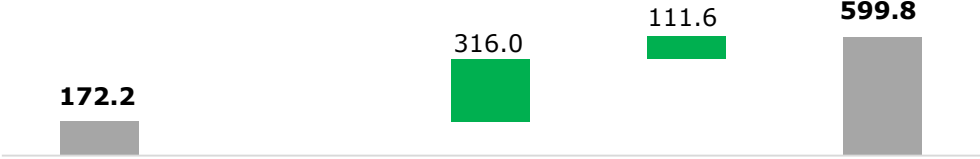
CORE PBIT  50% YoY

CORE PATAMI  16% YoY

6M Dec'18



6M Dec'17



Impairments / Write-off

- Impairments and write-off totalling **RM236.6m** :
 - **Re-pricing of aged inventories** (i.e. East Residence, Alya) – RM110.8m
 - **Review of development expenditures** on long deferred pipeline launches (revise / replan to align to market demand) – RM99.8m
 - **Long outstanding receivables** – RM26.0m

Other Losses / Gains & Share of Profit

- **Other Losses & Gains:**
 - Includes a provision on obligation for an investment property of **RM24.1m** (**6M Dec'17**: Includes gains from disposal of subsidiaries and an associate of **RM317.8m**)
- **Share of Results from JV/Associates:**
 - Includes share of Battersea **loss of RM7.7m** vs. **RM112.1m profit** in 6M Dec'17
 - Includes elimination of **RM46.6m**

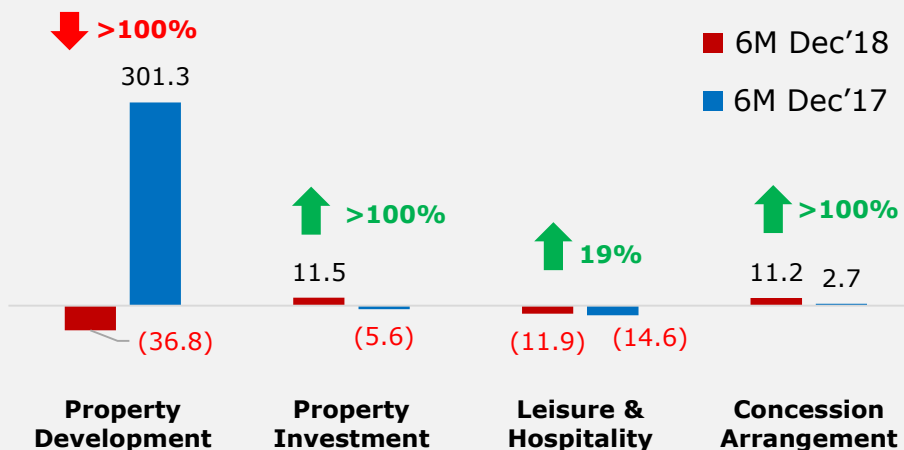
Additional Tax Provisions

- Relates to tax audits by Inland Revenue Board (IRB)
- Additional provision of **RM177.5m** based on **management's judgement and purely for the purposes of complying** with the relevant accounting standards
- **Currently engaging with IRB** on their preliminary findings

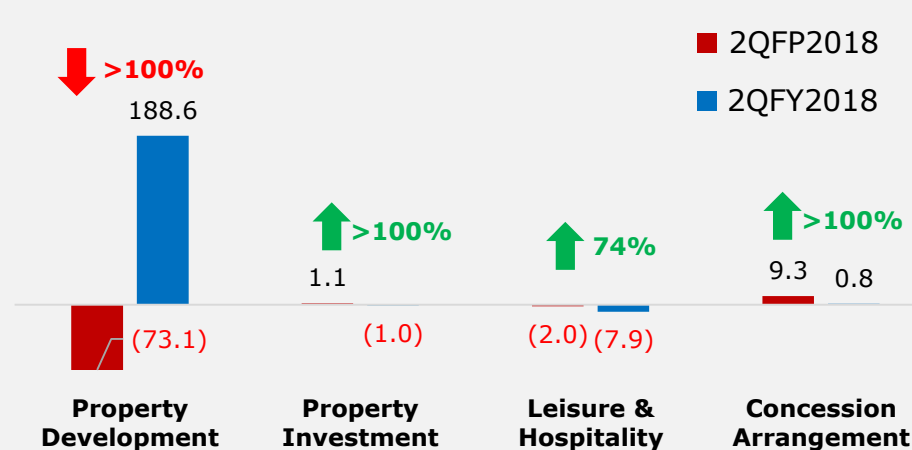


Segment Results

Financial Period Ended 31 Dec'18 vs 31 Dec'17



Quarter Ended 31 Dec'18 vs 31 Dec'17



Property Development

- **Impairments and write-off totaling RM236.6m**, which include impairment of aged inventories and receivables of RM110.8m and RM26.0m respectively and write off of development expenditures of RM99.8m
- **Share of Battersea loss** of RM7.7m (Dec'17: profit of RM112.1m) (2QFP18: RM2.0m loss vs. RM25.3m profit in 2QFY18)
- **Profit from land sale** of RM76.1m (net of elimination) (Dec'17: RM84.3m)
- **Higher contribution** by Bandar Bukit Raja 2 & 3, Denai Alam, Cantara Residences and Melawati

Property Investment

- **One-off income recognition** on commencement of tenancy of Wisma Zuellig of RM6.9m in 1QFP18
- **Gain on disposal** of investment properties in the U.K. totaling RM5.6m (Dec'17: RM1.3m) (2QFP18: RM3.0m vs. RM1.0m in 2QFY18)
- **Share of Melawati Mall** loss of RM1.1m (Dec'17: loss of RM7.9m) (2QFP18: RM0.07m profit vs RM2.4m loss in 2QFY18)
- **Pre-commencement cost** incurred for Galleria, KL East of RM6.0m

Leisure & Hospitality

- **Include gain on disposal** of Darby Park Serviced Residence, Margaret River of RM3.2m

Concession Arrangement

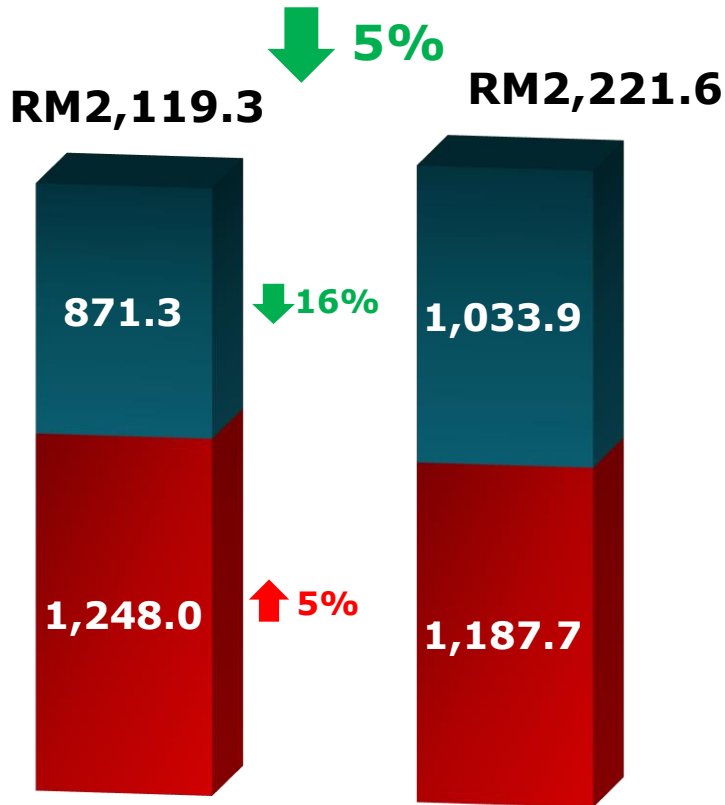
- **Contribution from supply of teaching equipment** of RM7.1m (Dec'17: nil)



Current Inventories as at 31 Dec' 2018

Carrying Value

(RM'm)



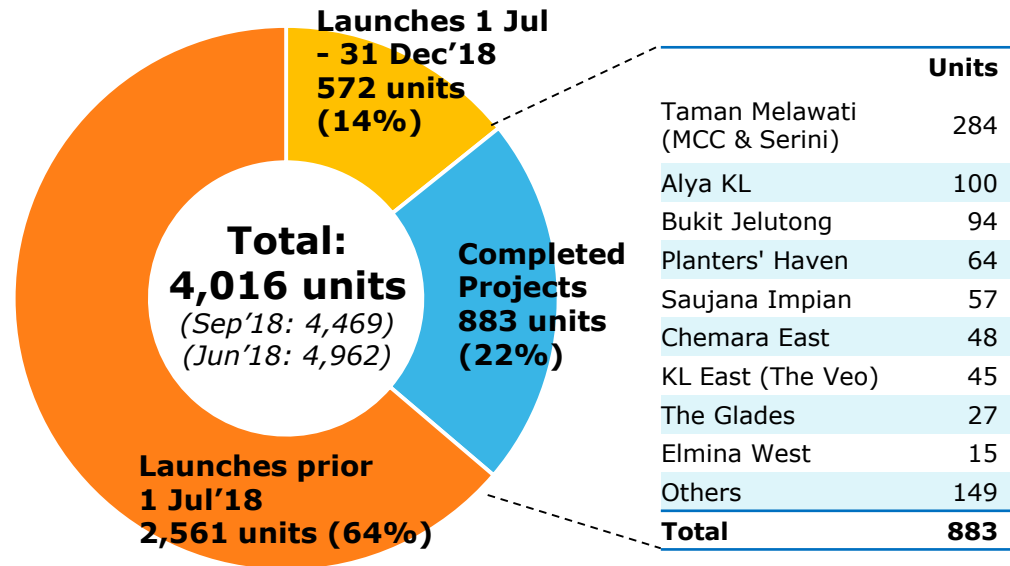
31-Dec-18

30-Sep-18

Launched Inventories

Completed Inventories

Units



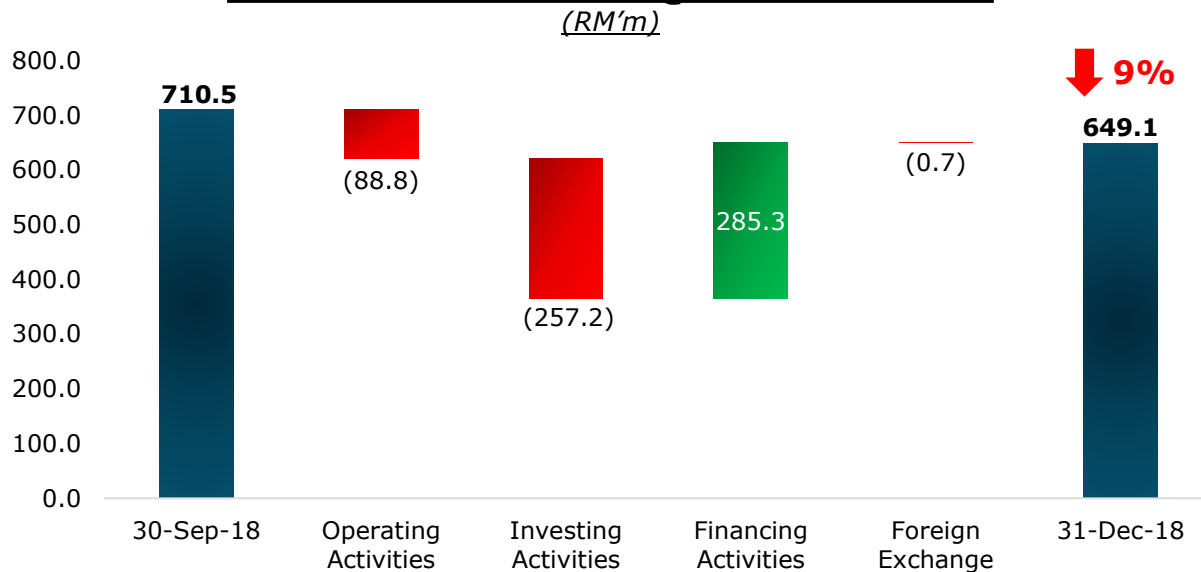
❑ **Completed units: ↓ 6% QoQ (vs. 935 units)** due to higher sales from: Elmina Valley 3 (Elmina West), Redup (Bandar Ainsdale), Serini (Taman Melawati), Rimbun Sanctuary (Bukit Jelutong)

❑ **Launches prior to FP2018: ↓ 22% QoQ (vs 3,267 units)** due to higher sales from: Semanea Hills (Denai Alam), Elmina Green 1 (Elmina West), Serenia Amani (Serenia City), Harmoni 1 (Putra Heights)



Cash and Debt Position as at 31 Dec'18

CASH & CASH EQUIVALENTS



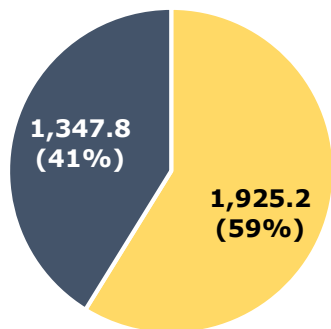
- **Higher net cash used in operating activities** due to higher working capital mainly in:
 - Bandar Bukit Raja
 - Senada
 - Melawati
- **Higher net cash used in investing** mainly due to higher CAPEX and subscription of shares in Battersea Project Company Holding (RM239m)
- **Net cash used in financing activities** include finance costs paid (RM34m) and repayments of long-term borrowings (RM6m)

GROUP BORROWINGS

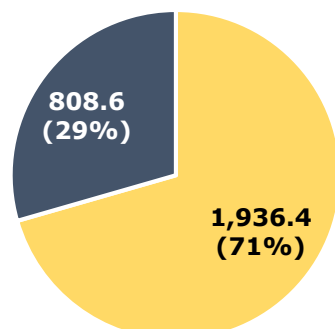
(RM'm)

Total Borrowings: **3,273.0**

2,745.0



31-Dec-18



30-Sep-18

Long Term
Short Term

Gross D/E Ratio

34.6%

(30 Sep':27.8%)

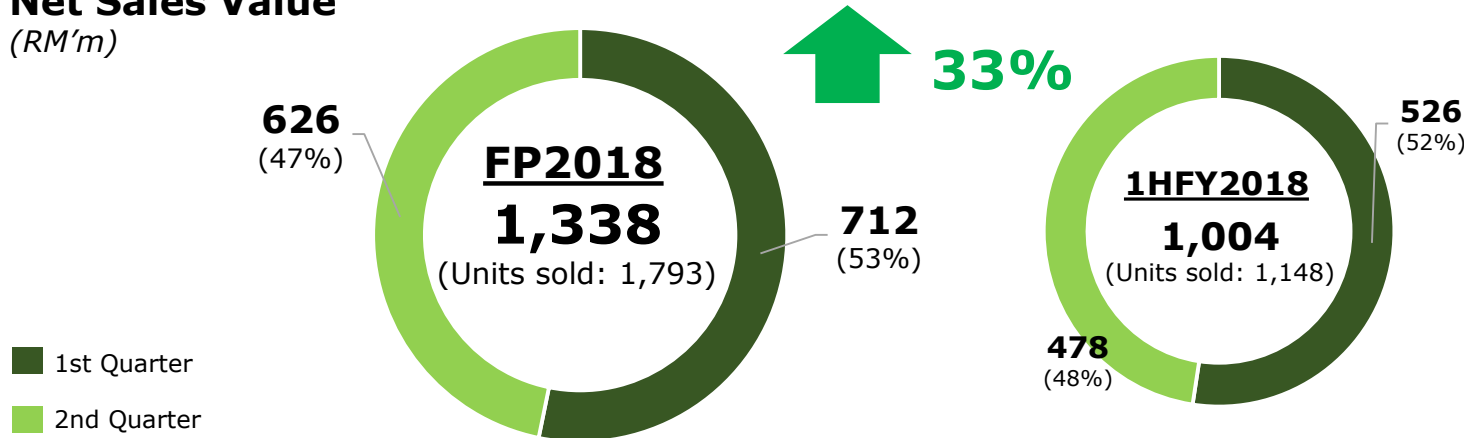


Second Quarter of FP2018 Operational Highlights



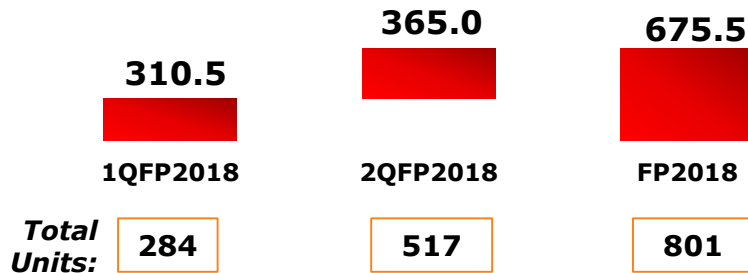
Sales achieved exceeds RM1.0bn target and is 33% higher YoY...

Net Sales Value (RM'm)



- **31% of sales** originated from Bandar Bukit Raja township, followed by townships along the Guthrie Corridor (**30%**) and Greater Klang Valley (**27%**)
- **RM88.9m** attributed to land sales at Bukit Selarong, Kedah

...supported by strategic launches in FP2018.



Resilient demand for products launched in FP2018

Serenia City (Adiva) (2-storey house)

No. of Units : 176 units
Value : RM105.4 million
Launch Date : 6 Oct 18



Bandar Bukit Raja (Ayra) (2-storey house)

No. of Units : 120 units
Value : RM90.2 million
Launch Date : 28 July 18



Elmina West (Elmina Green 1) (2-storey house)

No. of Units : 181 units
Value : RM137.2 million
Launch Date : 26 Oct 18



Resilient Unbilled Sales

FP2018: RM2,182 million

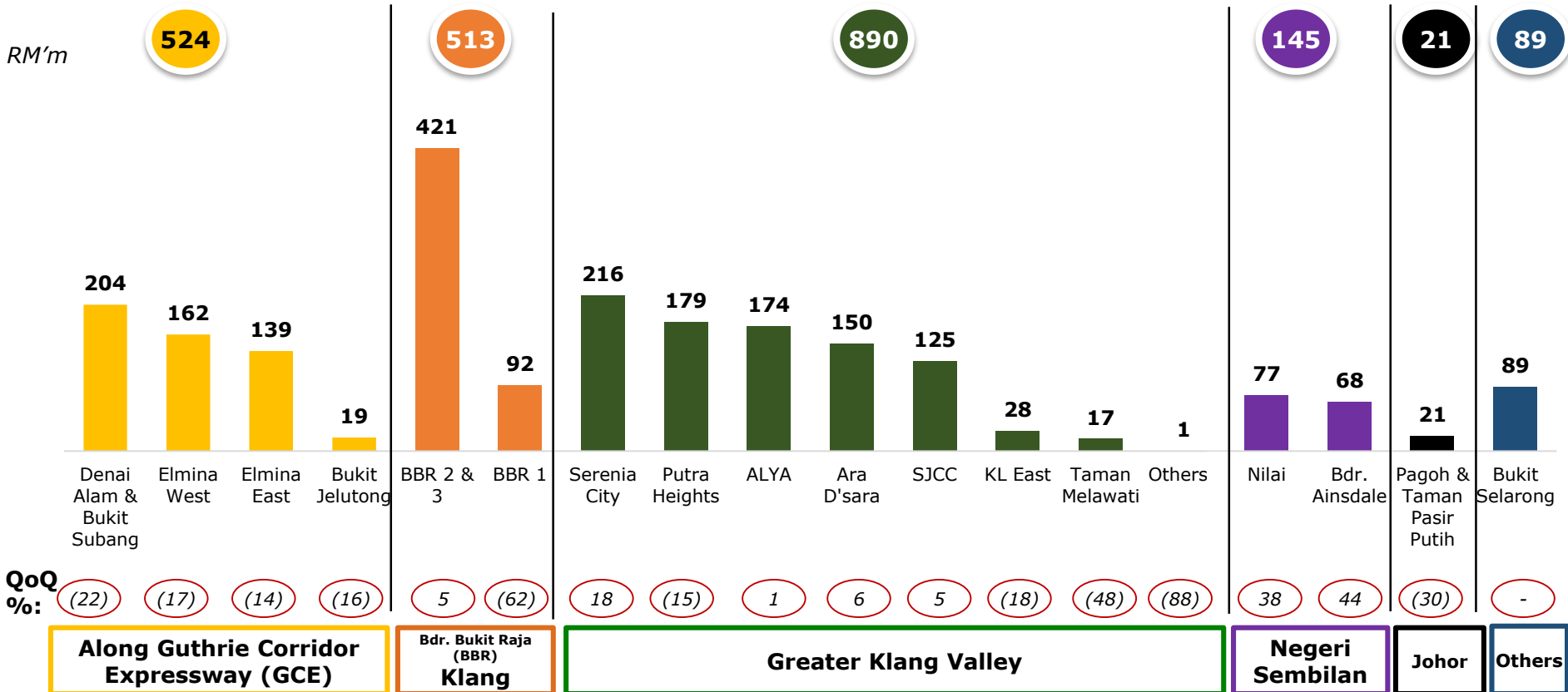
↓ 6% QoQ (30 Sept'18: RM2,319 million)

↑ 37% YoY (31 Dec'17: RM1,594 million)

FY2019 (Jan-Dec'19) Targets:

Sales: RM2.3 billion

Unbilled Sales: RM2.0 billion



FY2019 – Key Focus & Strategic Plans



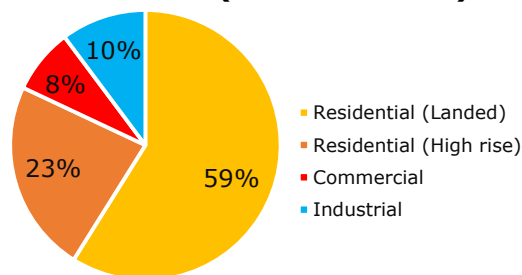
Strategic Launch Plans in FY2019

Value: RM1.5 – 2.5 bn

Units: 2,000 – 3,000

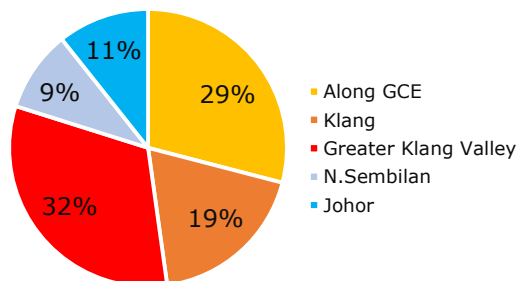
BY TYPE

Landed residential launches will continue to make-up the **majority of launches (~60% of total)**



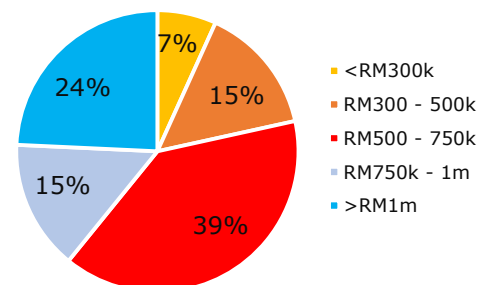
BY LOCATION

Launches along GCE and Klang will make-up about **half of total launches**



BY PRICE

~60% of residential launches will be **priced below RM750k**



Residential - Landed



Elmina West (EV5)
(2-storey House)

No. of Units : 168 units
Est. GDV : RM134.3 mil



Serenia City (Adiva 2)
(2-storey House)

No. of Units : 226 units
Est. GDV : RM125.1 mil

Affordable



Elmina West (Harmoni 1)
(Apartment)

No. of Units : 562 units
Est. GDV : RM135.4 mil

Commercial



Bandar Universiti Pagoh (C8-2)
(Landed Office)

No. of Units : 38 units
Est. GDV : RM33.8 mil

Aligned to Key Strategies and Focus for FY2019

1

Demand-driven Launches

Products launched are **aligned to market demand in relation to price, type, location and timing** to ensure high take-up of new launches. Focus on affordable-mid range products (RM500k – RM800k) in Elmina, Bandar Bukit Raja and Serenia City.

2

Manage Inventory Levels

Careful review of launches, taking into account existing inventories. **Manage inventories at sustainable levels and focus on completed unsold products** (883 units remaining) to manage working capital.



Key Transactions / Catalysts

1

Completion of Disposal of Darby Park Executive Suites, Singapore

- Sale and purchase agreement was signed on 1 November 2018 and **completed on 31 January 2019** for a **consideration of SGD93.0 million**.
- Registered a **gain on disposal of SGD67.3 million (RM204.3 million)** to be accounted in **Q1 FY2019**.

2

Sale of 300 acres of land in Kedah

- Entered into **sale and purchase agreement on 29 November 2018** with Zhejiang XSD Holding Group Co., Ltd for a **consideration of RM88.9 million**.
- Transaction expected to be **completed by Q2 FY2019**.

3

SD-Mitsui JV Operational Execution On-Track & Opening of Galleria Mall

- **Obtained all regulatory approvals on 18 December 2018** and is **now in execution phase**. Received strong interest from local and foreign logistics players.
- **Galleria, KL East mall expected to commence operations in Q4 FY2019**. Galleria will add to existing mall portfolio - Melawati Mall, occupancy increased from 70% to 85% in Dec'18.

Aligned to Key Strategies and Focus for FY2019

3

Unlock Value from Low-yielding Assets and Non-core Land

Complete timely disposal of low-yielding hospitality and leisure assets, and non-core land to **generate cash and better capital management**.

4

Expand Recurring Income Base - Capitalise on Strong Demand in Industrial Segment

Leverage on strategic location of land bank and partnerships to expand further into industrial segment.



Silver Lining for the Property Market



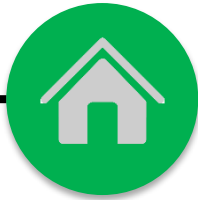
Stamp Duty Waiver

Waiver of stamp duties for 6 months until June 2019 for residential properties valued from RM300,001 to RM1 million per unit for first-time home buyers



Bank Negara Malaysia's RM1 billion fund

Fund to assist the financing of homes for low income groups for property prices up to RM150,000 at financing rate of up to 3.5%. The fund will be available for two years from January 2019 or until the fund is fully utilized



National Home Ownership Campaign

Expo on the 1-3 March 2019, promoting more than 30,000 unsold units worth RM22.5 billion, priced between RM300,000 – RM1 million per unit



Affordable Homes Commitment

Commitment by the Government to deliver 1 million affordable homes over 10 years

THANK YOU

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Email Address : investor.relations@simedarbyproperty.com

Telephone : +(603) 7849 5000

Website : <https://www.simedarbyproperty.com/investor-relations>

APPENDIX

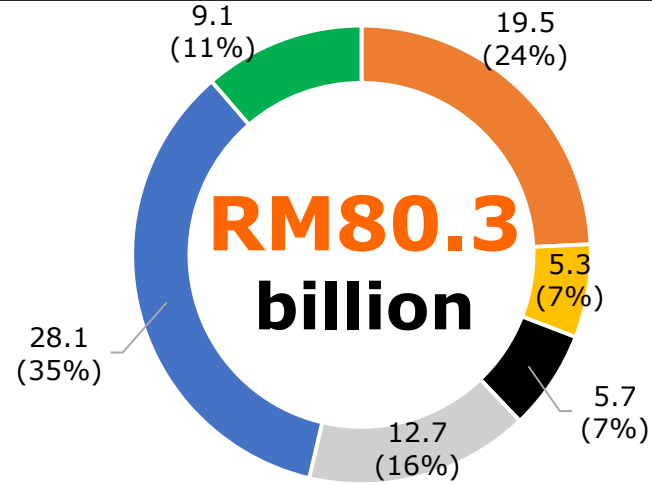
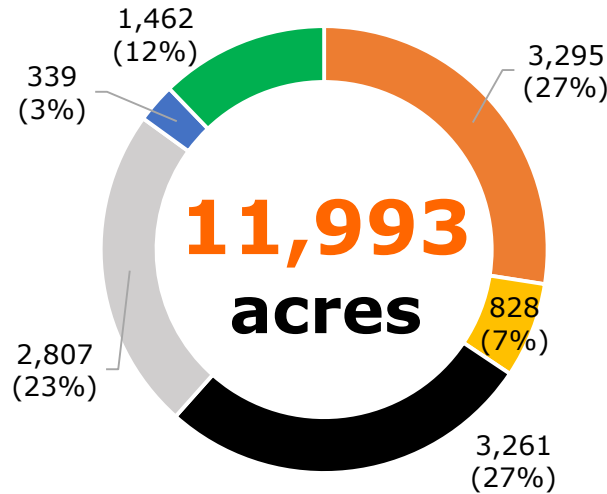


Sustainable Growth with Remaining Developable Period of 10 to 25 years

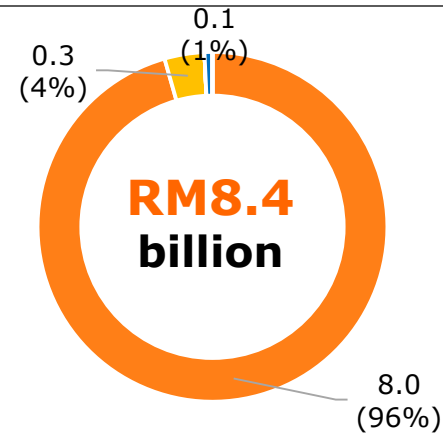
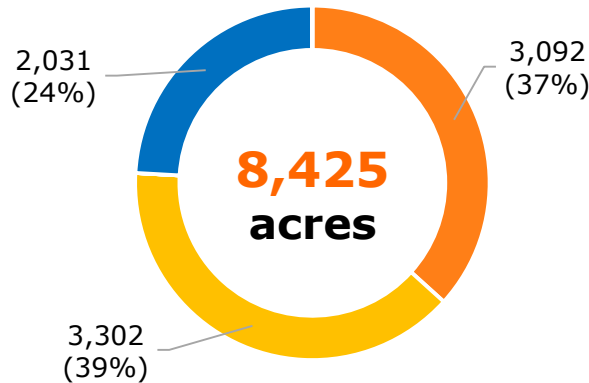
By Remaining Developable Land

By Remaining Gross Development Value (GDV)

O N G O I N G



F U T U R E



- Legend**
- Guthrie Corridor
 - Negeri Sembilan
 - Johor
 - Klang
 - Greater Klang Valley & Others
 - Serenia City

- Notes:**
- Township categorisation:
 - Guthrie Corridor: (Ongoing) Elmina, Denai Alam, Bukit Subang and Bukit Jelutong, (Future) Kota Elmina & Lagong
 - Negeri Sembilan: (Ongoing) Nilai, Bandar Ainsdale, Planters' Haven & Chemara, (Future) MVV and others
 - Johor: Bandar Universiti Pagoh and Taman Pasir Putih
 - Greater Klang Valley & Others:
 - (Ongoing) Ara Damansara, ALYA, Putra Heights, KL East, USJ Heights, Taman Melawati, Saujana Impian, SJCC and SJ7
 - (Future) Jalan Acob, Victoria Estate and others
 - Future remaining GDV is preliminary and currently includes Kota Elmina, Lagong and Planters' Haven West



Land Bank Status as at 31 Dec 2018

~20k acres of remaining developable land bank with a remaining GDV of RM88.7bn

Township/Development Name	Total Area (Acres)	Remaining Developable Area (Acres)	Remaining GDV (RM'bn)
Niche / Integrated			
ALYA, Kuala Lumpur	62	50.5	7.2
Chemara Hills, Seremban	44	3.0	0.04
USJ Heights, Subang Jaya	375	11.1	0.2
SJ 7, Subang Jaya	35	34.6	5.3
SJCC, Subang Jaya	30	28.1	3.6
KL East	160	50.8	2.2
Township			
City of Elmina: Elmina West, Shah Alam	2,661	2,440.8	15.1
City of Elmina: Elmina East, Shah Alam	1,089	556.5	2.4
City of Elmina: Denai Alam & Bukit Subang	1,250	143.9	1.0
Bandar Bukit Raja 2 & 3, Klang	2,820	2,646.6	11.5
Bandar Bukit Raja 1, Klang	1,513	160.6	1.2
Serenia City, Dengkil, Sepang	2,370	1,462.0	9.1
Putra Heights, Subang Jaya	1,796	77.4	3.4
Ara Damansara, Petaling Jaya	693	80.3	6.0
Bukit Jelutong, Shah Alam	2,205	154.2	1.1
Saujana Impian, Kajang	600	4.1	0.03
Taman Melawati, Ulu Klang	880	2.3	0.2
Nilai Impian 2, Nilai	546	426.0	3.1
Nilai Impian 1, Nilai	1,263	157.6	1.0
Bandar Ainsdale, Seremban	562	157.7	1.1
Planters' Haven, Nilai	250	83.6	0.1
Bandar Universiti Pagoh, Muar	4,099	3,245.0	5.4
Taman Pasir Putih, Pasir Gudang	356	16.3	0.2
TOTAL ONGOING DEVELOPMENT	25,659	11,993	80.3
TOTAL FUTURE DEVELOPMENT		8,425	8.4¹
GRAND TOTAL		20,418	88.7

Note: 1. Future remaining GDV is preliminary and currently excludes MVV

