



FY2017/2018 Results Announcement Fourth Quarter ended 30 June 2018

28 August 2018



Property

FY2017/2018 Financial Performance



Financial Year Ended 30 June 2018

In RM'm	4QFY18	4QFY17	YOY %	FY2018	FY2017	YOY %
Revenue	617.4	1,139.5	(46)	2,353.1	2,610.9	(10)
Segment Results	45.8	421.3	(89)	364.9	719.2	(49)
PBIT	45.5	435.8	(90)	682.5	823.7	(17)
PBT	73.8	455.1	(84)	728.4	888.8	(18)
PATAMI	46.6	327.7	(86)	640.0	624.0	3
Basic EPS (sen)	0.7	8.4	(92)	11.1	16.5	(33)

COMMENTARY

4QFY2018 vs 4QFY2017

- Lower Revenue as 4QFY17 included:
 - Land sales - RM211m
 - Sales of 4 office blocks - RM343m
- Lower PBIT as 4QFY17 included gains on:
 - Land disposal - RM209m
 - Disposal of 4 office blocks - RM49m
- PBIT for 4QFY18 was affected by:
 - Share of losses of Battersea - RM9m (vs. profit of RM53m in 4QFY17)
 - Reversal of impairment on Serenity Cove's inventories - RM40m

FY2018 vs FY2017

- PBIT for FY2017 included gains on:
 - Land disposal - RM469m
 - Disposal of SD Property (Alexandra) - RM131m
 - Disposal of an investment property by SD REIT 1 - RM135m
- Lower effective tax rate at 14% due to gains on equity disposals not subjected to tax
- Higher minority interest in FY2017 attributable to disposal of Glengowrie land



Core Earnings Improvement

REVENUE

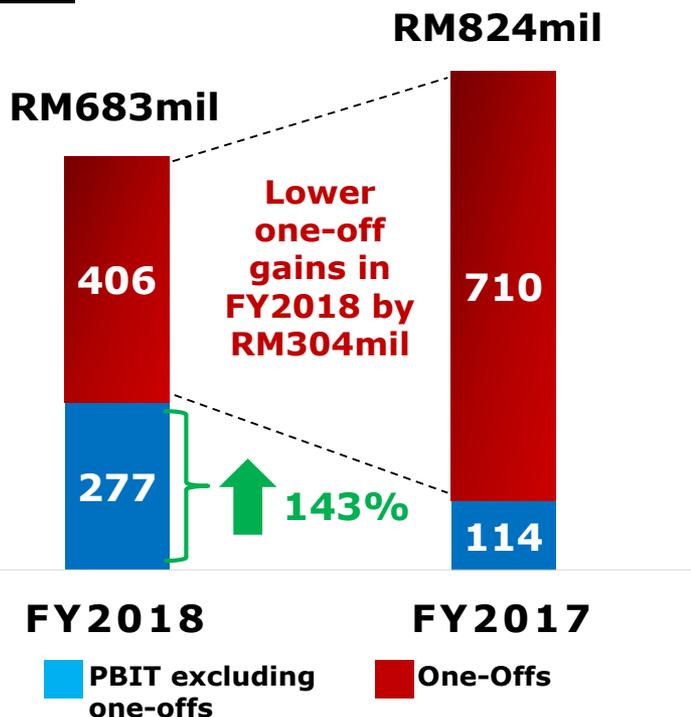
RM'm	FY2018	FY2017	
Reported revenue	2,353	2,611	↓10%
Land sales	(89)	(482)	
Revenue excluding land sales	2,264	2,129	↑6%

✓ Excluding one-off items of **RM406m** in FY2018, **core PBIT higher by ↑143%** driven by **higher sales and development activities** and profit from Concession Arrangement

One-off items in FY2018:

Land disposal gains	88
Gain on disposal of MLDC and Seriemas	318
Total one-off items (59% of total PBIT)	406

PBIT



FY2018 Core PBIT

277

One-off items in FY2017:

Compulsory acquisition / land disposal gains	469
Gain on disposal of SD Property (Alexandra)	131
Project abortive cost on the termination of Saizen REIT	(25)
Share of gains from the disposal of an investment property by SD REIT 1	135
Total one-off items (86% of total PBIT)	710

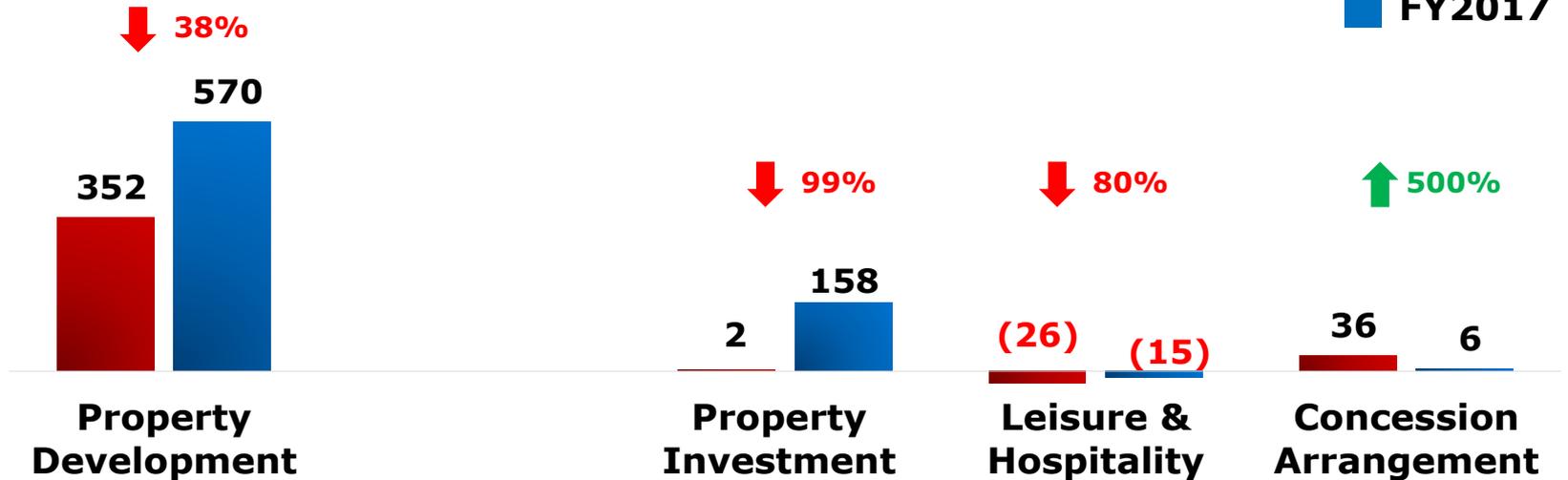
FY2017 Core PBIT:

114



Segment Results for FY2018

■ FY2018
■ FY2017



Improved earnings from operation

- Higher sales and development activities at Elmina West, Elmina East, Serenia City and Bukit Jelutong townships and Cantara Residences and Sereni Melawati
- Serenity Cove, Australia contributed RM14.3m (+198%) from the sale of 21 plots of residential land

FY18 included:

- Land disposal gains: RM88m
- Reversal of write down on inventories: RM40m
- Share of results of Battersea: RM94m

FY17 included:

- Land disposal gains: RM469m
- Impairment on inventories: RM149m
- Share of results of Battersea: RM139m

Lower share of JVs / associates

- FY17 included the share of profit of RM135m from the disposal of a property by SD REIT 1

Higher operating losses

- Lower contribution from Sime Darby Convention Centre & TPC KL
- Reversal of an impairment of property, plant and equipment of RM16.1m in FY17

Strong performance

- Supply of teaching equipment profit recognised of RM30m (FY17: RM6m)
- Revenue from this segment consisted of facility and asset management services following the completion of the construction of the Pagoh Education Hub on 2 May 2017

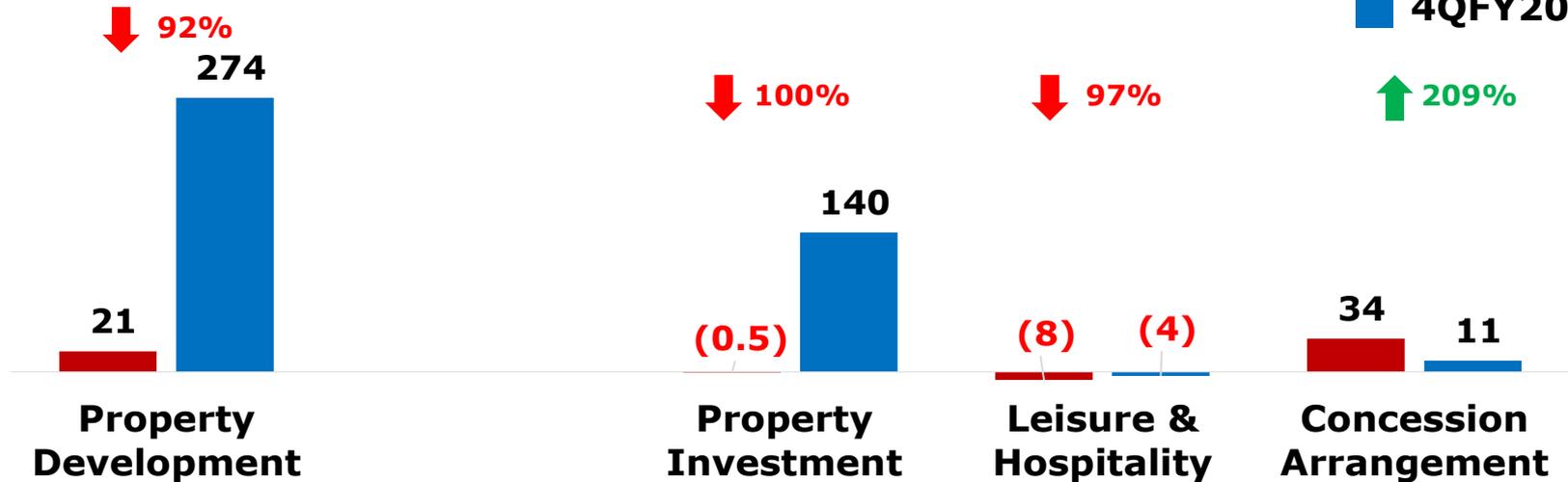


Segment Results for 4QFY2018

■ 4QFY2018

■ 4QFY2017

▲ 209%



Property Development

Lower operating profit

- Adversely affected by lower revenue from Elmina West, Denai Alam, Serini and Bandar Universiti Pagoh

4QFY18 included:

- Reversal of write down on inventories: RM40m
- Share of losses of Battersea: (RM9m)

4QFY17 included:

- Gain on disposal of Glengowrie Estate: RM209m
- Impairment on inventories: RM70m
- Share of profit of Battersea: RM53m

Property Investment

Largely due to one-off items in 4QFY2017

- Share of gain from the disposal of a property by SD REIT 1 of RM135m
- Gain on disposal of investment property in UK of RM14m

Leisure & Hospitality

Higher operating losses

- Lower contribution from Sime Darby Convention Centre & TPC KL

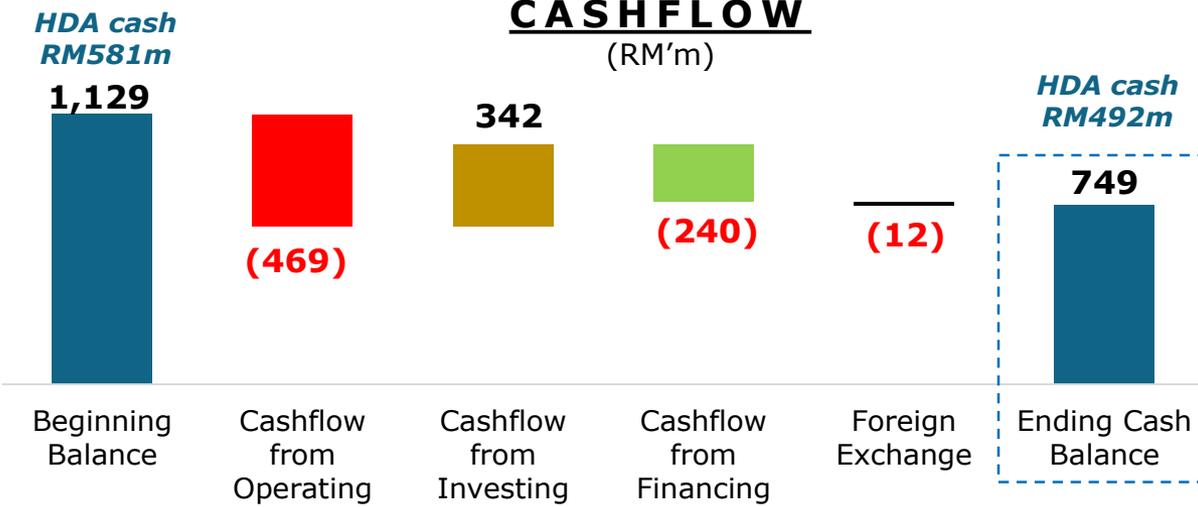
Concession Arrangement

Strong performance

- Supply of teaching equipment profit recognized of RM34m (4QFY17:RM11m)

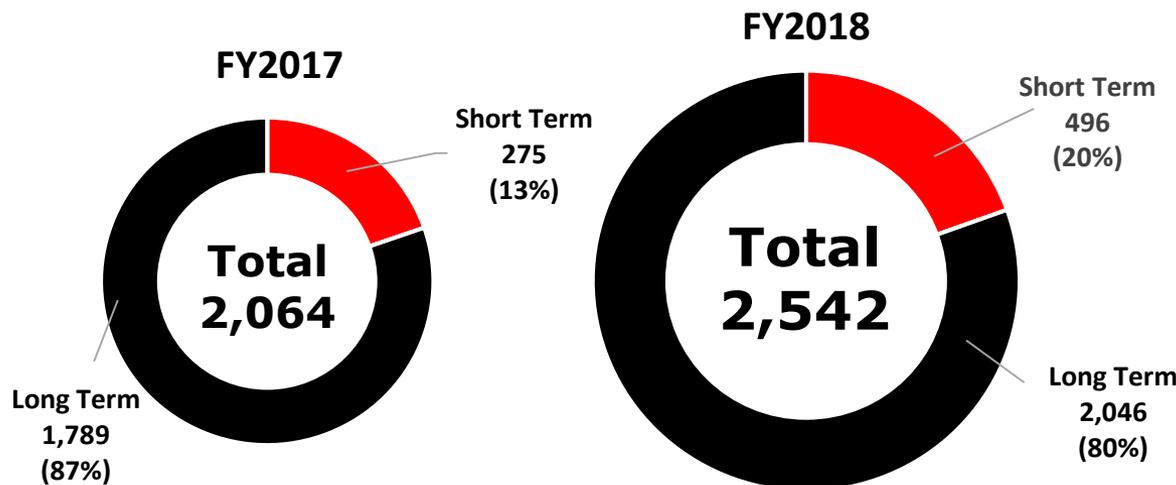


Cash and Debt Position as at 30 June'18



- Negative operating cash flow largely due to **high working capital of RM651m** (FY17: RM154m)
 - Higher payments to contractors and trade and other payables due to increased development activities
- Higher outflow from **Financing Activities** due to:
 - Repayments to related companies of **RM333m**

TOTAL BORROWINGS (RM'm)



- Borrowings** rose **↑ 23%** mainly to **fund the acquisition of MVV land of RM690m** in November 2017
- Healthy D/E ratio**

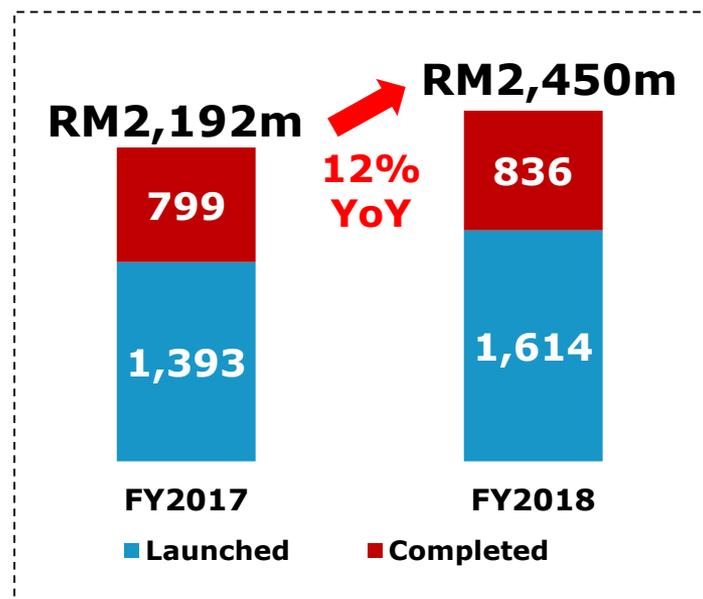
26%
Gross D/E Ratio
(FY17:33%)

18%
Net D/E Ratio
(FY17:15%)



Breakdown of Inventory

Completed and Launched Inventory



Key Completed Projects

RM'm	Alya KL	The Glades	KL East	Tmn. Melawati	Chemara East	Planters' Haven	Elmina West	Others
Carrying Value:	378	101	62	59	53	46	28	109
Units:	104	39	54	51	58	67	53	222

Key Ongoing Launched Projects

RM'm	Oasis Ara D'sara	Bdr. Ainsdale	Elmina	KL East & Tmn. Melawati	Ara D'sara	B. Jelutong & Denai Alam
Carrying Value:	253	243	234	186	158	136

RM'm	Alya KL	SJCC	Serenia City	Pagoh	Others
	68	64	45	43	184

- ~57% of the completed inventories are from the Alya and The Glades developments
- Higher launched inventories of RM1.6b vs RM1.4b due to higher number of **newly launched developments**

Inventory (Property Development Expenditure)

RM'm	FY17	FY18	Change	Notes
Current	2,385	2,431	↑ 2%	• Mainly for Bandar Bukit Raja and Elmina
Non-current	1,227	1,897	↑ 55%	• Due to the acquisition of MVV land for RM690m



FY2017/2018 Operational Highlights



Sales Performance

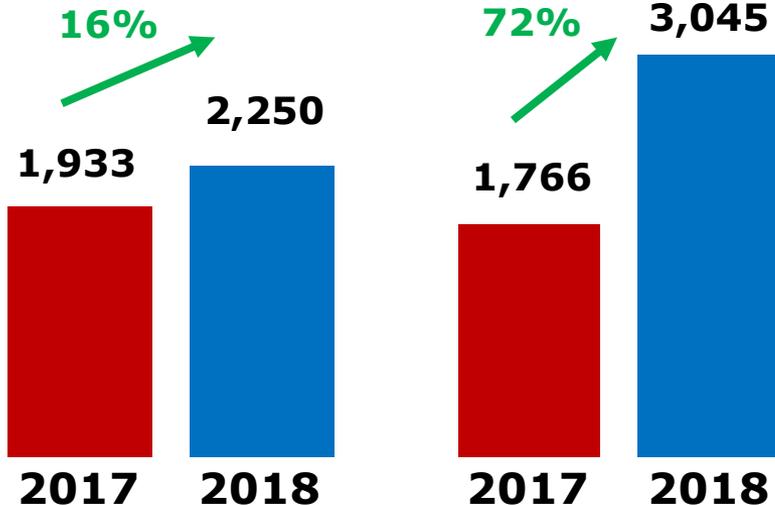
FY2018 Year-on-Year Performance

- **FY2018 Sales Value: RM2.3bn** ↑ **16%**
- **Units sold: 3,045** ↑ **72%** (includes 731 statutory units with GSV of RM150m)
- Units sold **excl. statutory: 2,314** ↑ **74%**

Gross Sales Value

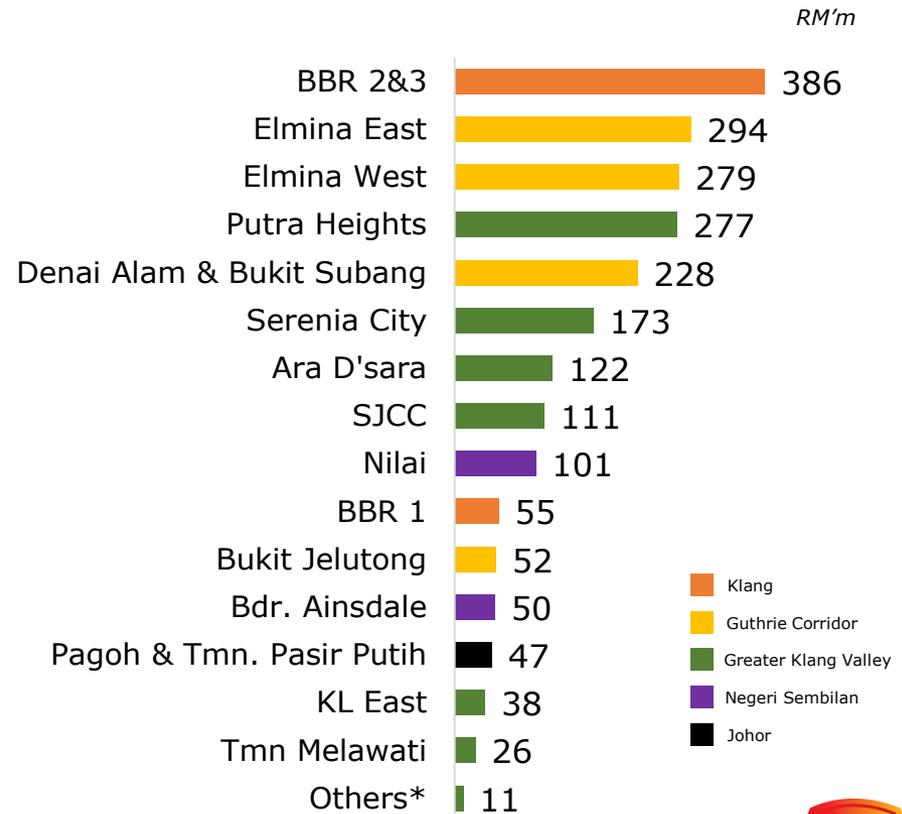
RM'm

Units Sold



FY2018 Sales Breakdown by Township

- **91% of sales** originated from Selangor, followed by Negeri Sembilan (7%) and Johor (2%)



* Others: USJ Heights and Saujana Impian



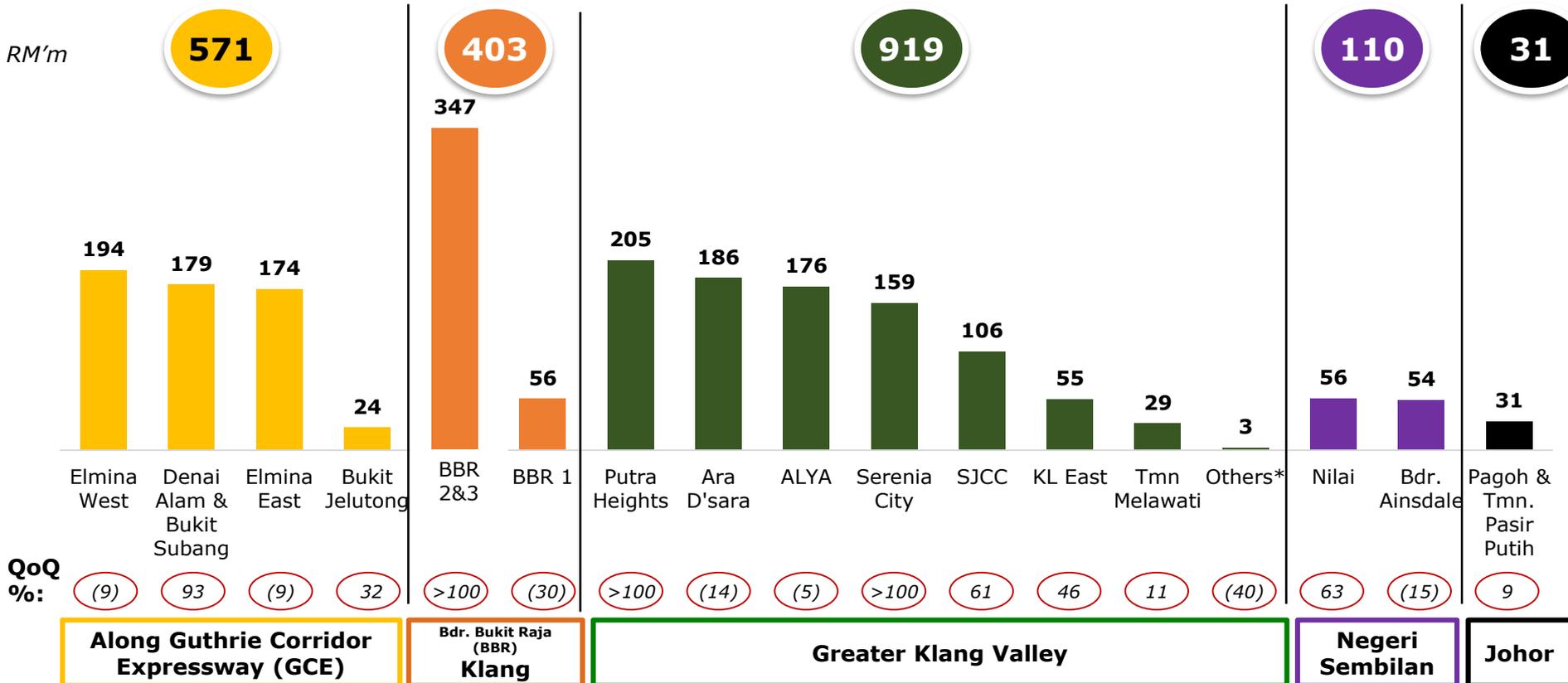
Unbilled Sales

FY2018: RM2,034 million

↑ 33% QoQ (31 Mar'18: RM1,531 million)

↑ 22% YoY (30 Jun'17: RM1,670 million)

FP2018 (Jul-Dec'18) Targets:
Sales: RM1,000 million
Unbilled Sales: RM2,200 million



* Others: USJ Heights and Saujana Impian



Overview of Launches in FY2018

GSV of Launches: RM2,709mn

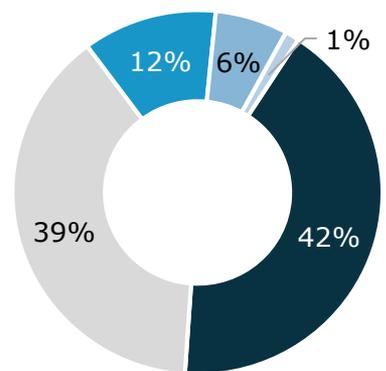
RM'm	1QFY18	2QFY18	3QFY18	4QFY18	FY2018	FY2017
681	1,176	358	494	2,709 ↑ 101%	1,346	
Residential	667 (98%)	841 (71%)	325 (91%)	494 (100%)	2,327 (86%)	1,088 (81%)
Industrial	-	300 (26%)	-	-	300 (11%)	125 (9%)
Commercial	14 (2%)	35 (3%)	33 (9%)	-	82 (3%)	133 (10%)
Total Units	1,983	995	580	540	4,098	1,717 ↑ 139%
Take-Up Rates	52%	68%	83%	69%	63%	59%

Note: Includes the launch of Rumah Selangorku of 1,700 apartments at Putra Heights in 1QFY18

Breakdown by Location

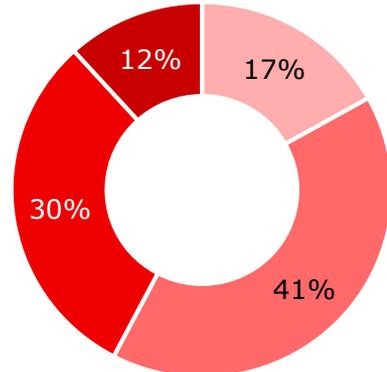
- Launches along GCE and Greater Klang Valley make-up **81% of total launches:**
 - **26%** from Elmina East and West
 - **15%** from Denai Alam
 - **15%** from Putra Heights
 - **10%** from SJCC
 - **8%** from Serenia City

- Along Guthrie Corridor
- Greater Klang Valley
- Klang
- Negeri Sembilan
- Johor



Breakdown by Price (Residential only)

- **17%** : 1,700 RSKU units (~RM228,800 per unit)
- **41%** of RM400k - 800k price range from Elmina (EG1), BBR (Azira), Serenia City (Serenia Amani), SJCC (Lot 15), Bandar Ainsdale (Redup) & Nilai Impian (Orkid)



- RSKU (<RM250k)
- RM400k - RM800k
- RM800k - RM1.2mn
- >RM1.2mn

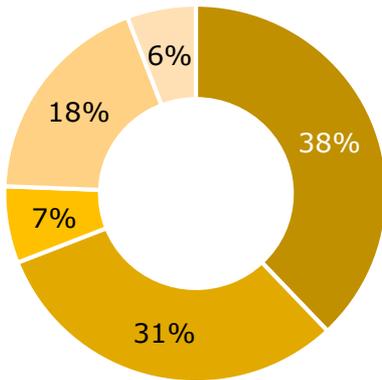


Target Launches (Jul'18 – Dec'19)

**GDV of Launches
RM3.5 bil – RM4.5 bil**

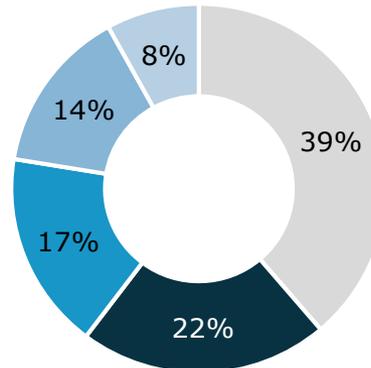
**Total Estimated Units
4,000 – 5,000**

Breakdown by Type



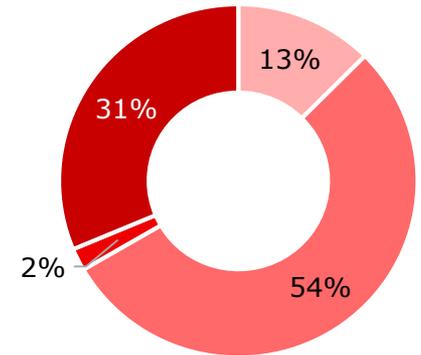
- DSLH
- Condo / Apartment
- Semi D / Superlink / Bungalow
- Industrial
- Commercial

Breakdown by Location



- Greater Klang Valley
- Along Guthrie Corridor
- Negeri Sembilan
- Johor
- Klang

**Breakdown by Price
(Residential only)**



- <RM400k
- RM400k - RM800k
- RM800k - RM1.2m
- >RM1.2m

Landed

Elmina West (EG4)
(2-storey house)

No. of Units : 194 units
Est. GDV : RM137.7mn



Serenia City (A3)
(2-storey house)

No. of Units : 176 units
Est. GDV : RM97.5mn



Highrise

Putra Heights (HT5T4)
(Condominium)

No. of Units : 72 units
Est. GDV : RM80.3mn



SJCC (Lot 61714)
(Serviced Apartment)

No. of Units : 234 units
Est. GDV : RM170.6mn



Affordable

Elmina West (Harmoni 1)
(Apartment)

No. of Units : 562 units
Est. GDV : RM131.0mn



Unlock Value from Battersea Project



TOTAL RESIDENTIAL UNITS LAUNCHED

867

Take-up: 99%



Phase 1

253

Take-up: 90%



Phase 2

539

Take-up: 71%



Phase 3A

- ❑ Successful **completion and handover** of Phase 1
 - **FY17: 321 units, FY18: 534 units**
- ❑ Total **share of profit** recognized

FY17	RM140m
FY18	RM94m
RM234m	
- ❑ Remaining **12 units of high-end** penthouses left
 - 4 exchanged and 5 sold pending legal documents
 - 3 unsold

The Power Station Phase Two Commercial Assets

100% of commercial space taken up



- ❑ **Total ~1 million sq. ft. of Net Lettable Area comprising:**
 - 90 retail units
 - A fashion hub
 - 40,000 sq. ft. of F&B outlets
 - 580,000 sq. ft. office spaces
- ❑ Main tenants: Apple ~470k sq. ft. and IWG International Workplace Group ~40k sq. ft.
- ❑ **Target to sign with PNB and EPF** for Proposed Disposal of Power Station **by 30 Sept'18**

Northern Line Extension

Target completion by end-2020



Pagoh Education Hub (PEH)

A strategic decision to retain this Concession Arrangement

60:40

Concession Agreement between Sime Darby Property and Tunas Selatan Construction

4

Major Institutions

10,800

Maximum student capacity with 7,200 current student population

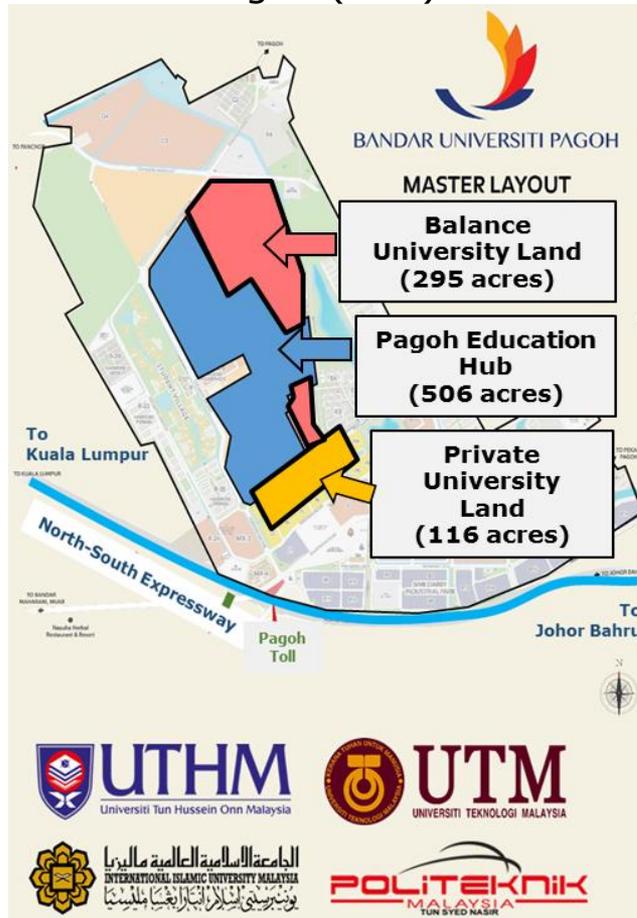
506

Acres of development

2017

Year of completion

1st integrated multi-
varsity education hub in the country situated within Bandar Universiti Pagoh (BUP)



Key Proposition

1

Stable Recurring Cash Flow in the Next 19 Years

2

Facilities Management Services (FM)

- Estimated average annual revenue of ~RM30 mil to ~RM50 mil over the 19 years
- Potential to grow the FM business as part of the recurring income strategy

3

The education hub as a key Catalyst to BUP

4

Financial Performance FY2018

	RM'm
PBIT	36.5
Accretion of interest	92.6 (availability charges)
Interest income	2.5
Finance Costs	(65.6)
Profit Before Tax	66.0



Key Highlights in FY2018

1 Sime Darby Property's Inclusion into FTSE4Good Index



FTSE4Good

- Successfully selected as an index constituent for
 - 1. FTSE4Good Bursa Malaysia Index**
 - 2. FTSE4Good ASEAN 5 Index**
- For the period of **Jul'18 to Jun'19**
- Highlights Sime Darby Property's commitment in **ensuring only the highest standards in ESG practices**

2 1st Anniversary of Melawati Mall on 26 July 2018



Since the Mall started operations in July 2017:

- **180** local and international brands
- **8** million shoppers over time
- **83%** occupancy rate



3 Strategic JV and Sale of Industrial Components



- **39** acres of industrial land across 10 plots to be jointly developed for built-to-suit industrial facilities via **50:50 JV with Mitsui**
- **50** acres of industrial land sold to **Vinda Group**

4 Delivery of completed units in FY2018: 2,305

Township	Units
Elmina	853
Taman Melawati & KL East	459
Putra Heights	340
Taman Pasir Putih	292
Nilai	178
Bandar Bukit Raja	84
Others	99



City of Elmina: Award-Winning Township



300 acres of Central Park

90km cycling and jogging track

Existing 2,700 acres of forest reserve

Elmina Interchange on Guthrie Corridor Expressway

Handover of Elmina Valley 1 to 3 in 2018

853 units
between **Apr'18**
to **Aug'18**



Central Park

- ✓ **Quality homes** cater for multi-generational living
- ✓ **Up to 300Mbps of complimentary TIME Fibre**
Home Broadband for **2 years**

An Award-Winning Township



1. Winner in **Best Landscape Architectural Design**
2. Highly Commended in **Best Township Development**
3. Winner in Best **Universal Design Development**



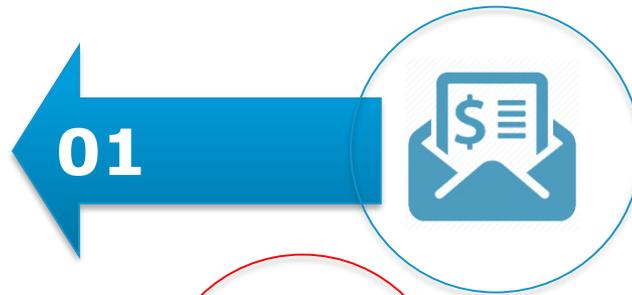
Moving Forward



Headwinds in 2018 - 2019

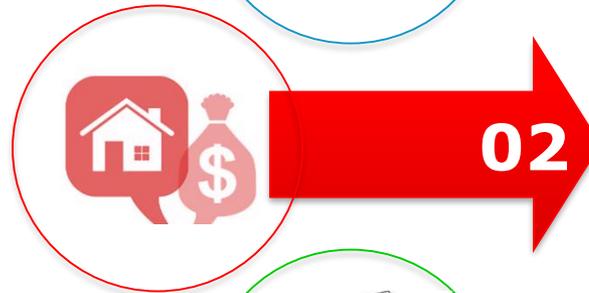
Re-introduction of Sales and Service Tax (SST)

- **Clarity** on the details and **uncertainty on the effect** of the implementation
- Buyers adopt **“wait and see”** approach
- Expect **moderation** in sales performance



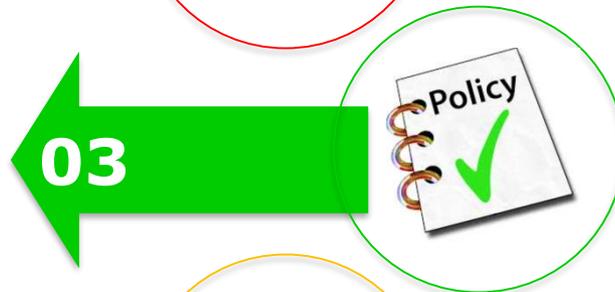
Oversupply of high-rise medium range properties

- Industry is producing faster than the absorption rate
- High number of **unsold inventory** in Selangor may affect the **sales volume** of ongoing / new launches



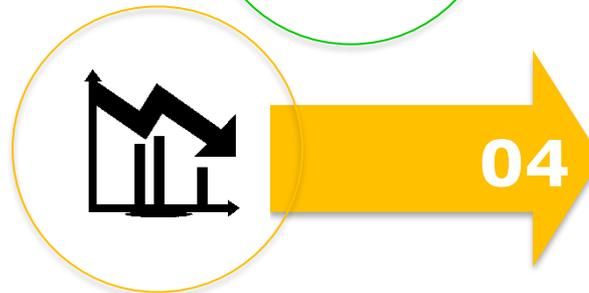
National Housing Policy

- **Catalyst** to ease the **affordability** of home buyers
- Waiting for **clear scope and parameters** of proposed policy
- Streamline effort to deliver affordable houses



Slowdown in Malaysian economy

- Revised GDP growth forecast of **5%** from 5.5%



Strategy Moving Forward

- Actively looking for **strategic partnership** to plan, develop and operate **Industrial Business Parks**

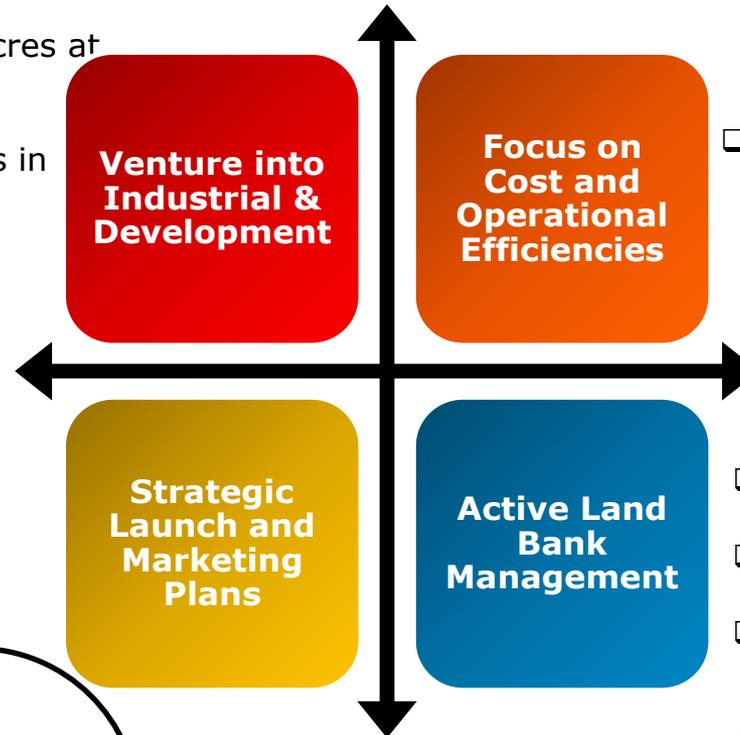
- ✓ **JV with Mitsui** on 39-acres at BBR is on track

- **Potential areas:** 253 acres in Elmina East, BBR and Serenia City

- Major operational **challenges** around **cost and quality issues**

- ✓ Address key challenges in Integrated Developments

- Rigorous focus to **reduce overhead costs** and achieve cost efficiencies



- Expand Role of **Master Developer**
- Develop/sell/acquire land based on **strategic focus**
- Accelerate disposal of non-core development land by **end-FY2020**
- Enhance **GDV of key ongoing and new townships** such as Serenia City, Kota Elmina and Lagong and **review strategic masterplan**



THANK YOU

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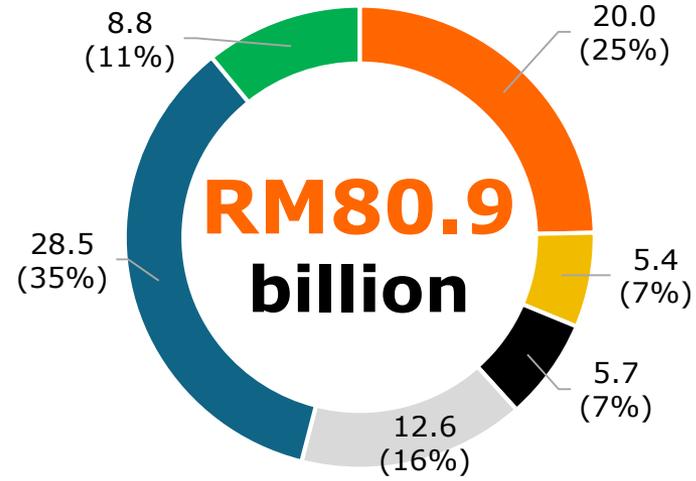
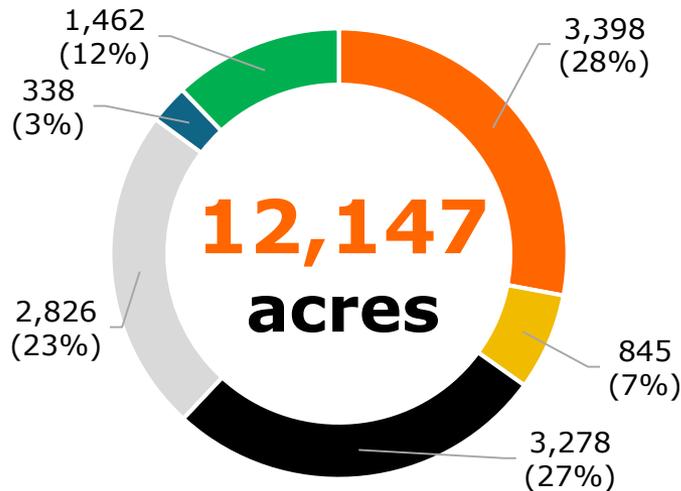
APPENDIX

Sustainable Growth with Remaining Developable Period of 10 to 25 years

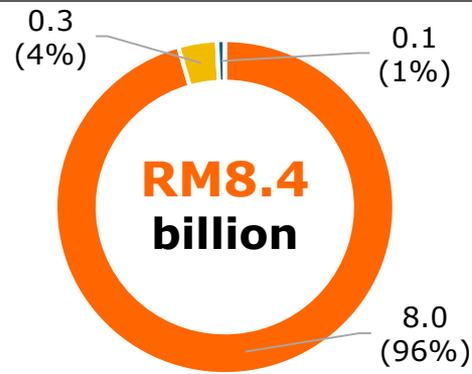
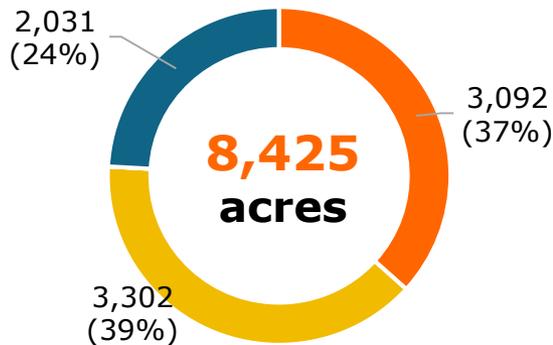
By Remaining Developable Land

By Remaining Gross Development Value (GDV)

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Legend

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

Notes:

1. Township categorisation:
 - Guthrie Corridor: (Ongoing) Elmina West, Elmina East, 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
2. Future remaining GDV is preliminary and currently excludes MVV



Land Bank Status as at 30 June 2018

~21k acres of remaining developable land bank with a remaining GDV of RM89.3bn

Township/Development Name	Total Area (Acres)	Remaining Developable Area (Acres)	Remaining GDV (RM'bn)
Niche / Integrated			
ALYA, Kuala Lumpur	62	50.5	7.1
Chemara Hills, Seremban	44	3.0	0.04
USJ Heights, Subang Jaya	375	11.1	0.2
SJ 7, Subang Jaya	40	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	2,511.5	15.4
City of Elmina: Elmina East, Shah Alam	1,089	583.2	2.5
City of Elmina: Denai Alam & Bukit Subang	1,250	143.9	1.0
Bandar Bukit Raja 2 & 3, Klang	2,820	2,665.0	11.5
Bandar Bukit Raja 1, Klang	1,513	160.6	1.2
Serenia City, Dengkil, Sepang	2,370	1,462.0	8.8
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	159.6	1.2
Saujana Impian, Kajang	600	4.1	0.03
Taman Melawati, Ulu Klang	880	1.0	0.6
Nilai Impian 2, Nilai	546	426.0	3.1
Nilai Impian 1, Nilai	1,263	163.5	1.0
Bandar Ainsdale, Seremban	562	169.3	1.2
Planters' Haven, Nilai	250	83.6	0.1
Bandar Universiti Pagoh, Muar	4,099	3,262.0	5.5
Taman Pasir Putih, Pasir Gudang	356	16.3	0.2
TOTAL ONGOING DEVELOPMENT	25,664	12,147	80.9
TOTAL FUTURE DEVELOPMENT		8,425	8.4¹
GRAND TOTAL		20,572	89.3

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

