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For Immediate Release

Sime Darby Property Reports Higher Net Profit of RM640.0 million for FY2018

Ara Damansara, 28 August 2018 – Sime Darby Property Berhad has announced a net profit of RM640.0 million for the Financial Year ended 30 June 2018 (FY2018), a 2.6 percent increase from that of last year, driven by higher contribution from the concession arrangement segment amid lower one-off gains.

The Group reported a revenue of RM2.35 billion for the year under review, 10 per cent lower than what it registered last year.

“Our property development segment has shown marked improvement for the year under review despite the soft market. Demand is still firm for affordably priced quality products especially landed properties in good locations. We are also well positioned for growth in the industrial property market given the rising demand for logistic facilities driven by new technology and e-commerce growth,” said Group Managing Director Amrin Awaluddin.

	YOY	4QFY2018	YOY	FY2018
	%	RM'mn	%	RM'mn
Revenue	(46)	617.4	(10)	2,353.1
PBIT	(90)	45.5	(17)	682.5
PBT	(84)	73.8	(18)	728.4
PATAMI	(86)	46.6	3	640.0

- For the full year, the Group launched a total of 4,098 units with a combined gross development value of RM2.71 billion, mainly in Elmina East, Elmina West, Denai Alam, Bandar Bukit Raja and Serenia City.
- The Group has also locked in a Total Sales Value of RM2.3 billion, 78 percent of which came from projects in the City of Elmina, Bandar Bukit Raja and Serenia City.



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- There is strong demand for recent launches in Bandar Bukit Raja (Ayra: 78% booking rates, Azira: 92%, Athira: 77%) Elmina West (Elmina Green: 61%), Denai Alam (Semanea Hills: 98%) and Serenia City (Serenia Amani: 91%) in Selangor

Full year review

Contributions from the Property Development segment, the group's main earnings driver, was down by 38 percent. The exceptional items in FY2017 include land disposal gains of RM468.8 million and impairment of inventories of RM149.0 million. In FY2018, the Group registered lower gains from land disposals of RM87.6 million and a reversal of the write down on inventories of RM39.6 million.

Excluding the land disposal gains, the segment's core profit rose 161% percent mainly due to higher sales and development activities at Elmina West, Elmina East, Serenia City, Bukit Jelutong, Cantara Residences and Serenity Cove, Australia.

Serenity Cove contributed a profit of RM14.3million from the sale of 21 lots of residential land and a reversal of the write down on inventories of RM39.6 million provided in the previous year. The Group's share of profit from the Battersea Power Station project fell by a third to RM94.5 million during the year due to under provision of tax in the previous year and a higher administrative cost. The Group successfully handed over 522 units of Phase 1 in FY2018 compared with 338 units in FY2017.

The Group contracted a Sales Value of RM2.3 billion for the year, with the City of Elmina and Bandar Bukit Raja continuing to be key contributors or 70 percent of the total. Total unbilled sales were also 33 percent higher -at RM2.0 billion as at 30 June 2018, in comparison to RM1.5 billion as at 31 March 2018.

The Property Investment segment registered a profit of RM2.4 million despite the share of losses for Melawati Mall of RM7.9 million. The segment's results also accounted for a gain of RM8.7 million from the disposal of an investment property in the United Kingdom.

The Group also recorded a strong performance from its concession to manage the Pagoh Education Hub (PEH) in Johor. The segment profit jumped almost six-fold to RM36.5 million for the year under review with the supply of teaching equipment. The Group provides asset management services for PEH upon the completion of construction works in May 2017.

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Fourth quarter period review

The Group's performance in the quarter under review was mainly due to lower contributions from property development activities. The Property Development segment reported a profit of RM20.7 million in 4QFY2018 against RM274.4 million in the previous corresponding quarter. Previous year's results included the gain on disposal of Glengowrie Estate of RM209.0 million. The Group also accounted Battersea's share of losses of RM8.8 million as compared with the share of profit of RM53.0 million in 4QFY2017.

The Property Investment segment reported a loss of RM0.5 million against profit of -RM139.5 million largely due to the share of profit from SD REIT 1 of RM135 million recorded last year.

The Leisure and Hospitality segment incurred a loss of RM7.9 million as against a loss of RM4.0 million in the same period last year. This was mainly due to lower contributions from Sime Darby Convention Centre and TPC KL.

Outlook for 6 months Financial Year to Dec 31 2018

Sime Darby Property has announced the proposed change of its financial year-end to 31 December from 30 June currently. As such, the next financial year will be for the six-month period ending 31 December 2018, followed by the new financial year which will start on 1 January 2019.

The Group aims to launch about 1,500 units of properties with a combined gross development value of approximately RM1.1 billion in the six months to 31 December 2018.

"The removal of GST has lifted consumer sentiment. However, buyers appear to be taking a wait and see attitude ahead of other major government announcements such as the reintroduction of the Sales and Service Tax and the new national housing policy which is slated to be unveiled in September.

"We will stick to our focus of launching affordable and medium-range landed properties at townships such as Serenia City, Bandar Bukit Raja, Nilai Impian and the City of Elmina where demand for these properties is strong," Amrin said.

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About Sime Darby Property Berhad

Sime Darby Property is Malaysia's largest property developer in terms of land bank with 20, 695 acres of remaining developable land as at 31 December 2017. On the back of a successful 45-year track record of developing sustainable communities, Sime Darby Property has to date built 23 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 multiple 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 8th consecutive Gold at the Putra Brand Awards 2017 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 RM8.37 billion as at 27 August 2018.

For more information, log on to www.simedarbyproperty.com

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