

**PRESS RELEASE**

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**Sime Darby Property beats sales target, reports improved profit for 2019**

*Group achieves sales of RM3.1 billion, 35 percent higher than target*

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**Ara Damansara, 26 February 2020** – Sime Darby Property Berhad has exceeded its sales target for 2019, achieving total sales of RM3.1 billion for the year, 35 percent higher than its target of RM2.3 billion.

Sime Darby Property launched 2,917 units with a combined gross development value (GDV) of RM2.3 billion in the year. Total unbilled sales was RM1.6 billion as at 31 December 2019.

The Group reported an improved net profit of RM598.5 million for the year, mainly due to higher contributions from its core business of property development and one-off gains.

Revenue for 2019 rose 30.0 percent to RM3.2 billion compared with RM2.4 billion in the same period a year ago. The Group registered one-off gains of RM245.5 million from the disposal of properties.



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	YOY	4QFY2019	YOY	FY2019
	%	RM'mn	%	RM'mn
Revenue	12.7	888.9	30.0	3,180.0
Operating Profit	471.9	97.4	292.0	425.6
PBT	257.6	143.6	746.3	665.7
Net Profit	129.6	103.0	351.0	598.5

- Property Development was the main driver for the improved performance in 2019 due to contributions from City of Elmina, Bandar Bukit Raja, Serenia City, Putra Heights, KL East and Cantara Residences.
- Total unbilled sales was RM1.6 billion, up 4.9 percent from RM1.5 billion as at 31 December 2018.
- In 2019, the Group launched 2,917 units with a combined GDV of RM2.3 billion.

### **Full year segment review**

The Property Development segment continued to be the major contributor with results of RM416.9 million for the year ended 31 December 2019, an improvement of 597.6 percent. The results also included gains of RM138.2 million from compulsory acquisition and non-strategic land sales.

Excluding these one-offs, the segment results improved 33.2 percent, driven by higher sales and development activities in Denai Alam, Bukit Jelutong, Nilai Utama, Bandar Bukit Raja, Serenia City, Putra Heights, KLGCC Resort and Cantara Residences.

The Group's share of losses from joint ventures and associates increased to RM31.4 million as against RM26.8 million in the same period a year ago. This was mainly due to higher marketing expenses incurred by Battersea and lower share of profit from PJ Midtown. Losses in 2018 included the share of RM12.0 million impairment in the Sime Darby Sunrise joint venture.

Profit for the Property Investment segment fell to RM5.0 million from RM54.4 million in 2018. The strong performance in 2018 was mainly due to the higher contribution from concession arrangement.



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The Group's share of result in Sime Darby CapitaLand (Melawati Mall) Sdn Bhd has improved to a profitable position from a loss of RM1.2 million a year ago, thanks to a better occupancy rate of 86 percent versus 81 percent in the previous year.

### ***Outlook for FY2020***

The property market is expected to remain soft in 2020 due to the prevailing overhang situation and expiry of the Home Ownership Campaign at the end of last year. The market could weaken further due to the impact of the Covid-19 virus outbreak which may affect consumer sentiment. The government's plan to unveil a stimulus package to mitigate the adverse economic impact should contribute towards maintaining investor confidence and market sentiment.

The Group will focus on growing its core development business despite the challenges. It will continue to offer properties within the affordable and mid-range price points in strategic locations.

The Group will also continue to monetise low-yielding assets to unlock value and channel the capital into business opportunities with better returns. It will expand further into industrial and logistic developments to increase recurring income.

Sime Darby Property expects its results for the financial year ending 31 December 2020 to be satisfactory.

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### **About Sime Darby Property Berhad**

Sime Darby Property is Malaysia's largest property developer in terms of land bank with 19,978 acres of remaining developable land, equivalent to Gross Development Value of RM86.9 billion. With an over 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 10th consecutive Gold at the Putra Brand Awards 2019 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 RM5.2 billion as at 26 February 2020.

For more information, log on to [www.simedarbyproperty.com](http://www.simedarbyproperty.com)

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