

**PRESS RELEASE**

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**For Immediate Release**

**Sime Darby Property Reports Improved Operating Profit for Q1**

*Net profit eases on absence of disposal gains and share of Battersea profit*

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**ARA DAMANSARA, 27 November 2018** – Sime Darby Property Berhad reported an improved operating profit of RM42.7 million for the first quarter ended 30 September 2018, an increase of 126.9 per cent Year-on-Year (YoY) mainly driven by the property development and property investment segments amid a continued softness in the real estate sector.

The Group's net profit eased to RM28.8 million in the first quarter from RM421.7 million previously as last year's corresponding quarter included total gains on disposal of the 100% equity in Malaysia Land Development Company Berhad and the 40% equity stake in Seriemas Development Sdn Bhd for RM318.8 million and a higher share of results of joint ventures and associates of RM84.6 million.

The performance was achieved on the back of RM480.3 million in revenue for the quarter under review, 1.6 per cent higher than what it registered last year. The marginal increase was mainly due to higher sales and development activities and the provision of maintenance and facilities management services at Pagoh Education Hub.

"Our operating figures remained healthy despite a challenging environment. The market continued to be soft but there are pockets of demand for landed properties. We also continue to focus on reducing inventories both for those completed and under construction," said Group Managing Director Amrin Awaluddin.

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	<b>YOY</b>	<b>1QFP2018</b>
	%	RM'mn
Revenue	<b>1.6</b>	<b>480.3</b>
Operating Profit	<b>126.9</b>	<b>42.7</b>
PBT	<b>(87.6)</b>	<b>53.0</b>
PATAMI	<b>(93.2)</b>	<b>28.8</b>

- For the first quarter, the Group launched a total of 284 units with a combined gross development value of RM310.5 million, mainly in Bandar Bukit Raja, Serenia City and Nilai Impian.
- The Group achieved a Net Sales Value of RM712.1 million, an increase of 35 per cent YoY, of which 79 per cent of the total sales were generated from the City of Elmina and Bandar Bukit Raja.
- Total unbilled sales improved to RM2,318.8 million, 14 per cent higher from RM2,034.3 million as at 30 June 2018.

***First quarter period review***

Results from the Property Development segment softened by 67.8 per cent to RM36.3 million for the quarter under review from RM112.7 million the year before mainly due to the lower share of profits from Battersea as the Phase 1 development was completed in December 2017 and as at 30 June 2018, 855 units have been handed over to buyers.

Excluding the share of results of joint ventures and associates, property development's results jumped 69.6 percent mainly due to higher sales and development activities at Serenia City and Denai Alam townships, and Cantara Residences and Melawati Corporate Centre. This is despite lower contributions from Bukit Jelutong, Bandar Bukit Raja, Elmina and Bandar Universiti Pagoh townships.

The Property Investment segment reported a profit of RM10.4 million compared to a loss of RM4.5 million in the previous year. The strong performance was mainly due to the commencement of a tenancy of an investment property and a gain on disposal of a United Kingdom property of RM2.6 million.



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Melawati Mall also boosted the segment's performance as it posted lower losses of RM1.2 million compared with a loss of RM5.4 million in the same quarter last year. The mall's occupancy rate has improved to 80% compared with 60% in September 2017.

The Leisure and Hospitality segment posted higher losses of RM9.8 million as against RM6.6 million in the previous year mainly due to the lower occupancy rates achieved across all hospitality units.

Contribution from the concession arrangement segment improved by 1.4 percent to RM1.9 million during the quarter under review. The segment also contributed a higher billing of availability charges of RM25.5 million this quarter as compared to RM23.1 million the same period last year.

### ***Outlook for remaining 3 months of Financial Period Ending 31 December 2018 (FP2018)***

Sime Darby Property is on track to meet its targets of Sales and Unbilled Sales for FP2018 of RM1.0 billion and RM2.2 billion, respectively. A total of 800 – 1,150 property units with a combined estimated GDV of about RM600 – RM650 million are targeted to be launched for the remaining three months of FP2018, comprising mainly properties within the affordable to medium price range.

"The recent Budget 2019 announcement contained measures that have provided more clarity on the property market and affordability aspect. This included stamp duty exemptions for residential properties priced between RM300,000 to RM1 million and financing assistance for first-time home buyers from Bank Negara Malaysia.

"We are cautiously optimistic on the sector's outlook as the Budget measures will also benefit our potential buyers; about 58% of our launches in FY2018 were priced strategically in the range of RM200,000 to RM800,000 per unit, mainly from the Rumah Selangorku project at Putra Heights and double-storey landed properties at Elmina West, Bandar Bukit Raja and Serenia City," 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 20,572 acres of remaining developable land. 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 9th consecutive Gold at the Putra Brand Awards 2018 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 RM6.73 billion as at 27 November 2018.

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

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