

Sime Darby Property nine months profit jumps to RM481.7 million

Ara Damansara, 27 November 2019 – Sime Darby Property Berhad has reported a profit of RM481.7 million for the nine months ended 30 September 2019, mainly driven by its property development segment and one-off gains.

Revenue for the period under review increased 38.2 percent to RM2.29 billion compared with RM1.66 billion in the same period a year ago.

The Group recorded one-off gains mainly from the disposal of properties in Singapore amounting to RM208.8 million, and the disposal of non-strategic land of RM108.1 million.

The government's Home Ownership Campaign, which was extended until the end of the year, played a significant role in supporting the industry. For the period under review, Sime Darby Property has registered sales of RM2.3 billion, which is its target for the full year. As at 30 September 2019, total unbilled sales stood at RM1.6 billion.

"We have remained focused on delivering products that meet the demands of the market and this has translated into positive results. Despite the soft market, our series of marketing campaigns have been very well received," said Acting Group Chief Executive Officer Dato' Wan Hashimi Albakri W.A.A Jaffri.



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	YOY	3QFY2019	YOY	9MFY2019
	%	RM'mn	%	RM'mn
Revenue	77.0	850.0	38.2	2,291.1
Operating Profit	71.1	68.5	143.5	328.2
PBT	(22.5)	41.1	207.4	522.0
Profit for the period	(57.1)	15.4	208.5	481.7

- Excluding exceptional items, the Group recorded improved profits due to contributions from Denai Alam, City of Elmina, Bandar Bukit Raja, Nilai Utama, Serenia City and Cantara Residences in Ara Damansara.
- The Group achieved Sales of RM2.3 billion in 9MFY19.
- Total unbilled sales was RM1.6 billion, up from RM1.5 billion as at 31 December 2018.
- In the first nine months of FY2019, the Group launched a total of 2,320 units with a combined GDV of RM1.4 billion.

First nine-month period review

The Property Development segment registered a significant improvement in performance to RM299.9 million in the nine-month period ended 30 September 2019 as against RM85.0 million in the same period in 2018. The results included the gain on the Bukit Selarong land sale and compulsory land acquisitions of RM81.1 million and RM27.0 million respectively. This was offset mainly by provisions and impairments totalling RM70 million.

Results of the corresponding period ended 30 September 2018 included a gain on land sale of RM3.3 million, reversal of write-down of inventories of RM39.6 million in relation to the Group's project in Gold Coast, Australia, and other provisions totalling RM15.8 million.

Excluding these one-off items, the segment results have significantly improved mainly due to higher sales and development activities in Denai Alam, City of Elmina, Bandar Bukit Raja, Nilai Utama, Serenia City and Cantara Residences in Ara Damansara.



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The Group's share of losses from joint ventures and associates increased to RM35.4 million as against RM29.2 million in the corresponding period a year ago. This was mainly due to higher marketing expenses incurred by Battersea and lower share of profit from PJ Midtown.

The Property Investment segment posted a lower profit of RM8.9 million compared with RM47.0 million in the previous corresponding period. The strong performance in 2018 was mainly due to contribution from supply of teaching equipment of RM29.6 million from its concession arrangement.

Melawati Mall continues to do well. The Group's share of result in Sime Darby CapitaLand (Melawati Mall) Sdn Bhd has swung to a profit of RM1.1 million from a loss of RM1.2 million a year ago. The mall's occupancy rate stood at 86 percent compared with 80 percent in the previous corresponding period.

The Leisure and Hospitality segment registered a lower loss of RM14.9 million as against RM23.2 million in the corresponding period of the previous year. The improvement was mainly due to better revenue contribution from TPC, Kuala Lumpur.

Outlook for the rest of FY2019

During the period under review, the Group launched a total of 2,320 units with a combined gross development value (GDV) of RM1.4 billion. A series of successful marketing campaigns have yielded positive sales of new launches, on-going projects and completed inventories amounting to RM2.3 billion.

"We remain steadfast in our commitment to grow the core business segments and reduce inventories. We remain focused on affordable properties priced below RM500,000 and mid-range products priced between RM500,000 to RM800,000 per unit where demand is still firm," said Wan Hashimi.

The Group is also on track to expand into the growing industrial and logistics development market, focusing on build-to-suit and lease assets as well as managed industrial parks in City of Elmina and Bandar Bukit Raja.

Sime Darby Property expects its results for the financial year ending 31 December 2019 to be satisfactory, barring unforeseen circumstances.

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About Sime Darby Property Berhad

Sime Darby Property is Malaysia's largest property developer in terms of land bank with 20,067 acres of remaining developable land, equivalent to Gross Development Value of RM87.4 billion. On the back of a successful 46-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 RM5.54 billion as at 27 Nov 2019.

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

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