



Property

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For Immediate Release

Sime Darby Property Net Profit Jumps to RM33.7 million in 3Q FY2018

Ara Damansara, 25 May 2018 – Sime Darby Property Berhad reported a net profit from continuing operations of RM33.7 million for the Third Quarter ended 31 March 2018 (3Q FY2018), a five-fold increase from the same period last year, supported by contributions from property development.

This brings the Profit After Tax and Minority Interest (PATAMI) from continuing operations for the first nine months of FY2018 to RM592.5 million, double the PATAMI of RM284.4 million recorded in the corresponding period.

“We are working to accelerate the value enhancements of future projects, especially in our flagship townships. Notwithstanding the cautious market sentiment, the Group is embarking on transformation initiatives to improve operational efficiencies and financial performance,” said Group Managing Director Amrin Awaluddin.

	3QFY2018	3QFY2017	YOY	9MFY2018	9MFY2017	YOY
Continuing Operations	RM'mn	RM'mn	%	RM'mn	RM'mn	%
Revenue	550.7	585.8	(6)	1,691.4	1,439.5	18
PBIT	36.6	61.8	(41)	633.9	393.2	61
PBT	41.0	71.50	(43)	641.6	405.3	58
PATAMI	33.7	6.2	446	592.5	284.4	108

- The Group’s performance in 9MFY2018 was resilient, partly supported by the gains on disposals despite a lower set of earnings in 3QFY2018 against the same period last year.
- For the first nine months, the Group launched a total of 3,558 units with a combined gross development value of RM2.26 billion, mainly in the City of Elmina, Bandar Bukit Raja, Serenia City and Subang Jaya in Selangor.
- The Group has also registered a Gross Sales Value of RM1.3 billion, 60 percent of which came from projects in the City of Elmina and Bandar Bukit Raja in 9MFY2018.



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- There is strong demand for recent launches in Serenia City and Bandar Bukit Raja in Selangor

Third quarter period review

The Group's performance in the quarter under review has been challenging as the local property market continues to be soft with buyers staying cautious.

The property development segment remained the core contributor to Group's PBIT with RM28.8 million compared with RM110.9 million last year, which included a gain on disposal of Glengowrie land of RM201.8 million and a provision for inventories impairment. Excluding these items, segment PBIT in 3QFY2018 would have been higher by more than 300 percent.

The Property Investment segment registered an improved performance due to a gain of RM8.7 million following the disposal of an investment property in the United Kingdom while the better earnings from the Leisure and Hospitality segment were mainly due to lower losses as a result of the disposal of MLDC Group and the reversal of Harvard Golf Resort impairment of RM1.3 million.

First nine months review

For the First Nine Months of FY2018 (9M FY2018), excluding discontinuing operations, Sime Darby Property reported a PBIT of RM633.9 million, a 61 percent jump from RM393.2 million in 9M FY2017. Net profit doubled to RM592.5 million for the first three quarters. Revenue for the first nine months was RM1.69 billion, an 18 percent increase from the same period last year.

The Group registered a Gross Sales Value of RM1.3 billion, 60 percent of which came from projects in the City of Elmina and Bandar Bukit Raja. The Glades in Putra Heights also recorded sales of RM52.0 million as a result of a focused drive to reduce inventory.

Property development led earnings contribution for the nine-month period. Excluding one off items, core profit for the period under review surged 119 percent mainly due to higher sales and development activities at Elmina West, Elmina East, Serenia City, Taman Melawati and Serenity Cove, Australia.

The Group also had a higher share of profit from the Battersea Project Holding Company Limited following the handover of 494 units of Phase 1 compared with 338 units in the corresponding period of last year.

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Outlook for rest of FY2018

Sime Darby Property aims to launch 709 units of properties with a combined gross development value of approximately RM632 million in the last quarter of financial year 2018. This will complement the sales of units launched in the preceding quarters. It is also driving to reduce its unsold inventories through active sales promotions and campaigns.

“The overall market sentiment may be somewhat cautious but our recent launches of landed properties in Serenia City, Bandar Bukit Raja and Nilai Impian certainly give cause for optimism,” Amrin said.

The Group is cautiously optimistic of the sector’s medium to longer term prospects given the strategic locations of its land bank in key economic growth corridors and multi-modal transportation hubs.

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About Sime Darby Property Berhad

Sime Darby Property is Malaysia’s largest property developer in terms of land bank with 20,743 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 groups 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 5th 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 RM9.8 billion as at 24 May 2018.

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

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