

PRESS RELEASE

For Immediate Release

**Sime Darby Property Pre-Tax Profit Rises 13% to RM182 million
in 2Q FY2018**

Ara Damansara, 27 February 2018 – Sime Darby Property Berhad recorded a pre-tax profit of RM182 million for the Second Quarter ended 31 December 2017 (2Q FY2018), representing an increase of 13 percent compared with the same period in the last financial year.

Net profit from continuing operations for the second quarter was almost flat at RM138 million although revenue jumped 65 percent to RM677 million.

“Notwithstanding the subdued consumer sentiment and a competitive industry environment, there remains a resilient demand for products at strategic locations and at the pricing sweet spots. Our key advantage is our strategic landbank and we will continue to offer mid-range products at townships like City of Elmina and Bandar Bukit Raja (BBR),” said Group Managing Director Amrin Awaluddin.

	YOY	2QFY2018	YOY	1HFY2018
Continuing Operations	%	RM'mn	%	RM'mn
Revenue	65	677.0	34	1,140.8
Operating Profit	12	179.6	40	281.2
PBIT	10	176.9	80	597.2
PBT	13	181.5	80	600.6
PATAMI	(3)	138.1	101	558.8

- The Group posted a resilient financial performance in the quarter under review, partly supported by an asset disposal, despite a challenging operating environment.
- The property development segment, the core contributor to Group earnings, posted improved performance of RM191 million, an increase of 16 percent.
- The Group registered a gross sales value of RM1 billion for the first six months, a 21 percent jump from the same period in the previous year.



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- The Group will continue to prioritise developments based on market demand, focusing on its core strength of township development and improving operational efficiency and process to achieve higher performance and earnings.
- The Group plans to unlock the value of its land through partnerships and joint ventures, especially for industrial products.

Second quarter period review

The Group posted a resilient financial performance in the quarter under review, partly supported by an asset disposal, despite a challenging operating environment and lower contribution from the Battersea Power Station Project.

Excluding the one-off gain, the property development segment, the core contributor to Group earnings, posted improved performance of RM191 million, an increase of 16 percent. This was largely due to higher stages of completion for the Serini high rise development in Taman Melawati, higher stages of completion and landed units sold for Viana and Tiana in Elmina East and also the sale of 10.8 acre-Cipta Serenia South industrial lots in Serenia City.

In the quarter under review, the Group disposed of a piece of freehold land measuring 298 acres in New Lunderston Estate land in Hulu Langat, Selangor, which registered a gain of RM84 million.

First six months review

For the First Half of FY2018 (1H FY2018), excluding discontinuing operations, Sime Darby Property reported a profit before interest and tax of RM597 million, an 80 percent jump from RM331 million in 1H FY2017. Net profit stood at RM559 million for the first half period, which is a two-fold increase over that posted in the first half of FY2017. Revenue for the first six months was RM1.14 billion, a 34 percent increase from the same period last year.

The better performance for the first six months was also attributable to the share of profit of RM112 million from the Battersea Power Station Phase 1 project in the United Kingdom. To date, a total of 832 units have been fully handed over to buyers. There was also higher contribution from Elmina West, Elmina East, Serenia City, Taman Melawati and Serenity Cove, Australia.

As part of the continuing asset monetisation strategy, the Group realised a total gain of RM318 million from the disposal of its 40 percent equity interest in Seriemas



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Development Sdn Bhd and the wholly-owned subsidiary Malaysia Land Development Company Berhad.

Sime Darby Property has an unbilled sales of RM1.6 billion as at 31 December 2017. It registered a gross sales value of RM1 billion for the first six months, a 21 percent jump from the same period in the previous year.

Outlook for rest of FY2018

For the second half of the financial year, the Group will continue to prioritise developments based on market demand, focusing on its core strength of township development and improving operational efficiency and process to achieve higher performance and earnings.

“We will continue to harness the superior location and connectivity of our land bank. Elmina enjoys the Guthrie Corridor Expressway while BBR will benefit from the West Coast Expressway that runs right through it. We’re very excited for Bandar Bukit Raja. This mixed development township, with its excellent connectivity, is a sought-after location for industrial developments, and could potentially grow into a strong economic hub,” Amrin said.

The Group will focus on launches in City of Elmina, BBR and Serenia City in Selangor and Bandar Universiti Pagoh in Johor for townships. For high rise products the focus will be on Subang Jaya and KL East.

“Another part of our strategy to unlock the value of our land is through partnerships and joint ventures. We expect to welcome some international partners who will bring value to our developments, especially for our industrial products,” added Amrin.

The Board of Directors has recommended an interim dividend of 2 sen per share for the six-month period ended 31 December 2017.

*****ENDS*****

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.



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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 RM9.2 billion as at 26 February 2018.

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

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