



## TAMBUN INDAH LAND BERHAD

### 3Q17 CORPORATE UPDATE

NOVEMBER 2017

Strictly Private & Confidential

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- Operations Review
- Financial Highlights
- Growth Roadmap
- Investment Case
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## OPERATIONS REVIEW

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### 3Q17 OPERATIONS REVIEW

Achieved take-up rate of 75.0% on total GDV of RM1.2 billion... New sales of RM116.1 million as at 9M17

Ongoing Gross Development Value (GDV)  
(RM1.4 bil @ 31-Dec 16)

RM1.2 bil  
@ 30-Sep 17

9M17 New Sales  
(RM229.1 mil @ FY2016)

RM116.1 mil  
@ 30-Sep 17

Average Take-up Rate  
(80.3% as at 31-Dec 16)

75.0%  
@ 30-Sep 17

Unbilled Sales  
(RM196.9 mil @ 31-Dec 16)

RM95.0 mil  
@ 30-Sep 17

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## ONGOING PROJECTS (@ 30-SEP 2017)



High take-up rates reflecting sustained demand for affordable properties despite challenging environment

Projects Launched (2012 - 2013)	Type	No. of Units	Est. GDV (RM'mil)	Take-Up Rate	Progress	Unbilled Sales (RM'mil)
Straits Garden	Business Suites	230	246.0	97.5%	96.7%	8.0
	Condominiums	183				
	Apartments	36				
	Low-medium cost	83				
	<b>Subtotal</b>	<b>532</b>	<b>246.0</b>			<b>8.0</b>

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## ONGOING PROJECTS (@ 30-SEP 2017) (CONT'D)



Raintree Park projects the major contributors to revenue in FY17... new launches also seeing healthy demand

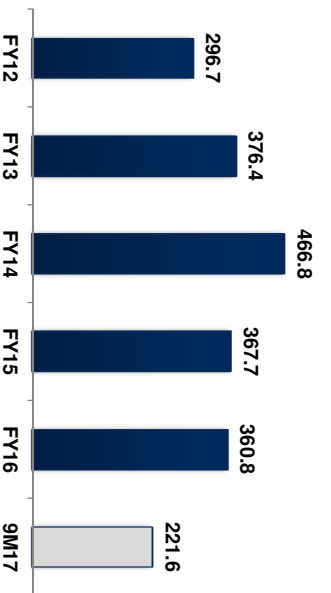
Projects Launched (2014 - 2017)	Type	No. of Units	Est. GDV (RM'mil)	Take-Up Rate	Progress	Unbilled Sales (RM'mil)
Camellia Park	Apartments	121	45.2	96.9%	97.2%	1.2
Permai Residence	2-storey Homes	51	25.0	94.7%	99.9%	-
Bukit Residence	Gated & Non-gated Link-Homes	122	71.9	99.0%	91.2%	6.3
Raintree Park 1	2-storey semi-D and linked semi-D	116	172.2	93.2%	91.9%	13.1
	2-storey gated terrace	166				
	Duplex Villas	56				
	2-storey link semi-D	68				
Raintree Park 2	2-storey gated terrace	208	224.4	64.5%	78.7%	30.7
	Duplex Villas	104				
	2-storey semi-D	42				
	2-storey bungalow	4				
	2-storey semi-D	312				
Avenue Garden	Serviced apartments	312	97.2	75.9%	77.1%	16.9
Pearl Tropika	2-storey Homes	279	149.6	63.9%	87.5%	12.0
Pearl Saujana – Phase 1	2-storey semi-D	20	109.9	12.8%	56.9%	6.1
	2-storey terrace	199				
	2-storey semi-D	28				
Pearl 28	2-storey bungalow	2	22.3	22.4%	85.0%	0.7
	<b>Subtotal</b>	<b>1,898</b>	<b>917.7</b>			<b>87.1</b>
	<b>TOTAL</b>	<b>2,430</b>	<b>1,163.7</b>	<b>75.0%</b>		<b>95.0</b>

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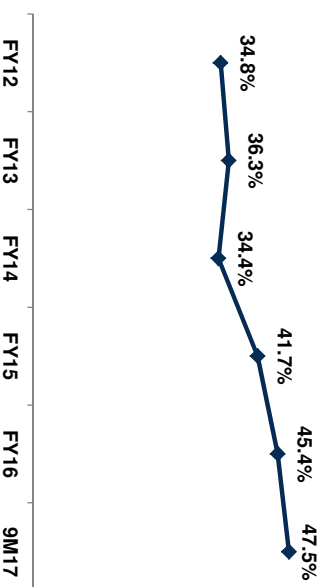
## FINANCIAL HIGHLIGHTS

## REVENUE AND PROFIT TRENDS

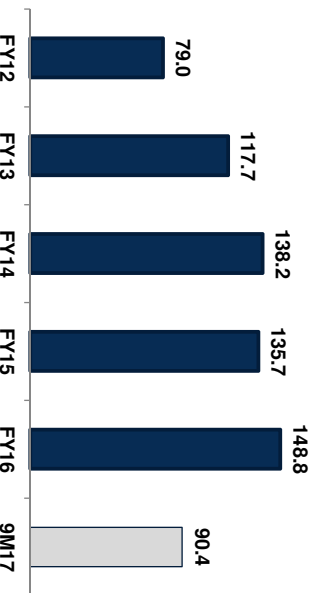
Group Revenue (RM'mil)



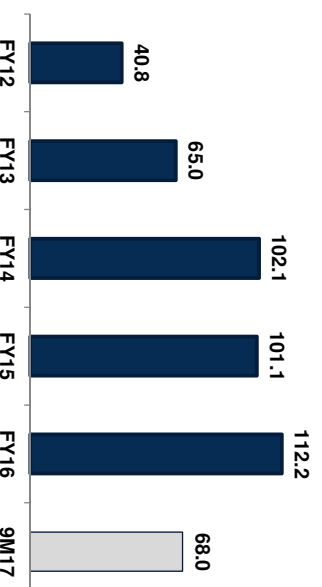
Group Gross Margin (%)



Group PBT (RM'mil)



Group PATMI (RM'mil)



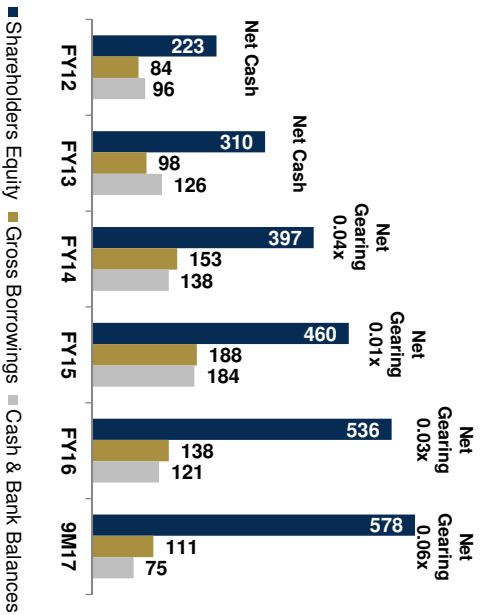
Note: PBT: Profit Before Tax; PATMI: Profit After Tax and Minority Interests

## BALANCE SHEET



Robust balance sheet... well positioned to finance potential landbank expansion

### Group Gearing Level (RM'mil)



### Balance Sheet (Snapshot)

(RM' mil)	As at 30-Sep-17	Audited as at 31-Dec-16
Non-Current Assets	318.6	329.0
Current Assets	429.1	420.2
Current Liabilities	92.0	112.8
Non-Current Liabilities	75.8	97.4
Shareholders' Equity	578.1	536.4
Non-Controlling Interest	1.9	2.6
Borrowings (ST + LT)	110.6	138.2
Cash & Bank Balances	75.2	120.8
Net Gearing Ratio (x)	0.06x	0.03x
Net Tangible Assets / Share (RM) <sup>(1)</sup>	1.33	1.26
Return on Average Assets <sup>(2)</sup>	16.3%	22.5%
Return on Average Total Assets	12.1% <sup>(2)</sup>	14.7%

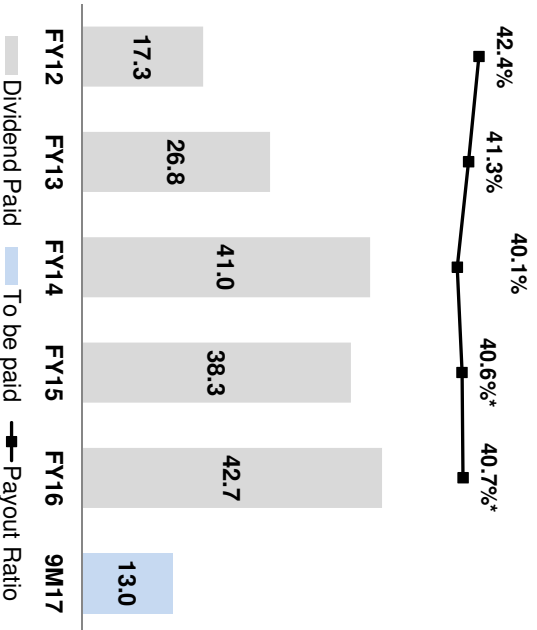
<sup>(1)</sup> Based on 433.3 mil (2016: 427.4 mil) ordinary shares  
<sup>(2)</sup> Annualised

## DIVIDEND HISTORY

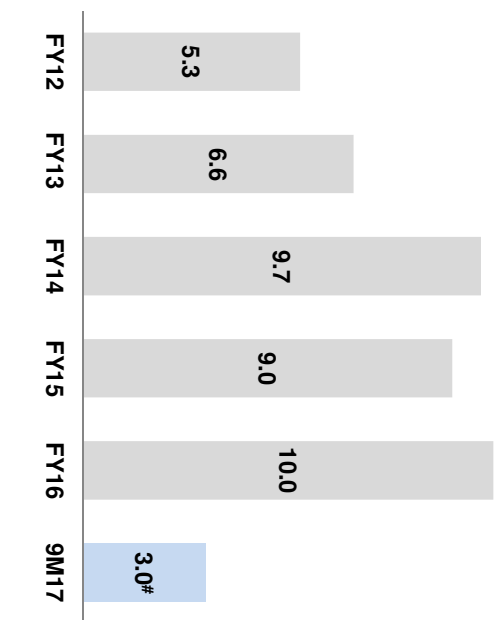


Progressive dividend policy that pays 40% to 60% of net profit\*... first interim dividend of 3 sen/ share in respect of FY17 to be paid in February 2018

### Dividend Payout (RM'mil)



### Dividend Per Share (sen)

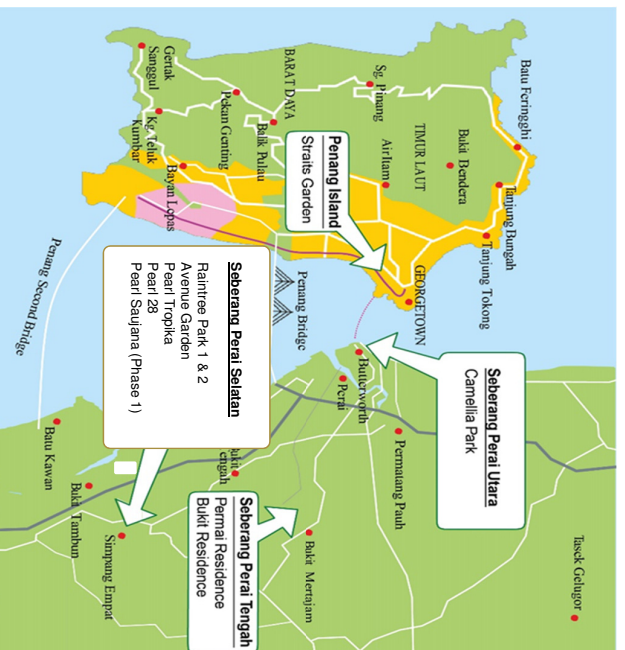


\* Dividend Policy: 40% to 60% of net profit excluding any valuation gain or loss on investment properties for the financial year  
# First Interim dividend of 3 sen/share (payable on 12 February 2018, ex-date: 22 January 2018)

## GROWTH ROADMAP

## PROJECT PROFILE BY LOCATION

Developments strategically located near developed infrastructure...



Projects	Timeline to completion	Land size (acres)	Est. GDV (RM'mil)
Ongoing (launched)	Current to 2019	113.0	1,163.7
Future Projects	2017-2023	389.2	2,962.5
Investment purposes	2015-2023	63.4*	-
	<b>TOTAL</b>	<b>565.6</b>	<b>4,126.2</b>

\* Includes the land area of Pearl City Mall-Phase 1 (completed in 2016) and GEMS International School-Phase 1 (completed in 2015)

## GROWTH STRATEGIES



Building up recurring income stream... sustain growth through strategic landbanking

### To launch new projects in 2017 and 2018

- Planned project launch in end-2017/early 2018 with RM50 million GDV
- Palma Residency – a landed gated and guard residential development comprising 90 units of terraces



### To establish recurring income stream through investment properties

- Recurring income stream from investment properties such as GEMS International School, Pearl City Mall and Straits Garden Commercial Lots
- To further develop and promote Pearl City Business Park to enhance recurring income stream



### To identify and expand strategic landbank in and outside Penang to sustain growth

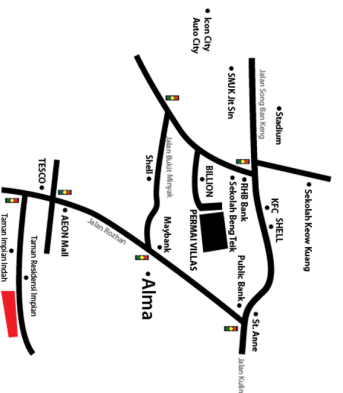
- To leverage on township development experience and duplicate success in potential landbanks
- To fully utilize the group's balance sheet when opportunities arise for landbanking

## UPCOMING PROJECTS



### Palma Residency

- Gated and guarded landed terrace homes in Alma, Bukit Mertajam
- Total number of units: 90
- Estimated GDV: RM50 million
- Estimated launch: End- 2017 / early 2018
- Key highlights:
  - Low density development
  - 10 minutes to North-South highway and 20 minutes to Penang Bridge/Second Link
  - Close to various amenities such as shopping mall, schools, banks, F&B outlets and others



## PIPELINE PROJECTS



Pipeline of RM3.0 billion GDV to sustain growth momentum...

Projects	Type	Expected commencement	Est. GDV (RM' mill)
Palma Residency, Alma	Residential units	end-2017 / early 2018	50.0
Permai Residency @ Kota Permai	Residential units	2018	53.0
Palm Garden @ Pearl City	Residential units	2018	110.0
Begonia Villa @ Pearl City	Residential units	2019	80.1
Camellia Park - Commercial	Commercial units	2019	4.0
Kota Permai – Other Phases	Residential units	2019 - 2021	150.0
Pearl City – Other Phases	Residential units	2020-2023	2,515.4
<b>TOTAL</b>			<b>2,962.5</b>

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## INVESTMENT CASE

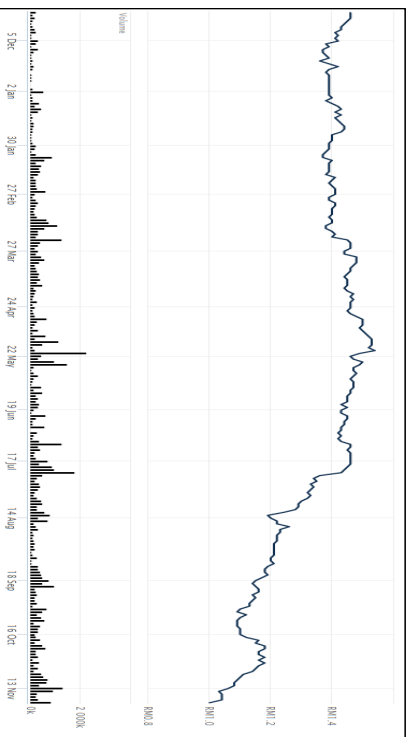
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## VALUATION



Proxy to the rapid development in Mainland Penang...



Share price @ 20-November 2017  
Market Cap @ 20-November 2017<sup>1</sup>  
Trailing PE ratio  
Price to book ratio<sup>2</sup>  
FY17 Interim Dividend Yield<sup>3</sup>

RM1.00  
RM433.3 mil  
4.65x  
0.75x  
3.0%

<sup>1</sup> Based on 433.3 mil shares

<sup>2</sup> Based on NTA per share of RM1.33 as at 30-Sep-2017

<sup>3</sup> Based on FY17 1<sup>st</sup> Interim dividend of 3.0 sen per share

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## INVESTMENT MERITS



Attractive proxy to the fast-growing Mainland Penang property market...

- ▶ **Respected brand name** in the Penang property market with an established track record as an innovative and quality developer
- ▶ **Strong growth catalysts in Penang** that will continue to spur property demand, boosted by foreign direct investment and infrastructure projects
  - ❖ Tambun Indah is a good proxy to the Penang Second Bridge's economic impact, with its iconic Pearl City township development
- ▶ **Earnings growth to be sustained by existing and pipeline projects of approximately RM4.5 billion** supported by aggressive landbanking to diversify outside of Penang if the opportunity arises
- ▶ Committed to creating shareholders' value by constantly seeking market re-rating
  - ❖ Dividend policy of 40% to 60% of net profit excluding any valuation gain or loss on investment properties for the financial year

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## THANK YOU

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## APPENDIX

# INCOME STATEMENT

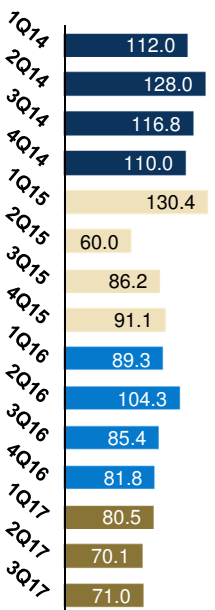


	3Q17	3Q16	Change	RM'000	9M17	9M16	Change
	70,973	85,435	(16.9%)	Revenue	221,564	279,082	(20.6%)
	36,632	37,219	(1.6%)	Gross Profit	105,260	125,272	(16.0%)
	<b>51.6%</b>	<b>43.6%</b>	<b>8.0 pt</b>	Gross Margin	<b>47.5%</b>	<b>44.9%</b>	<b>2.6 pt</b>
	31,830	32,174	(1.1%)	PBT	90,390	108,418	(16.6%)
	<b>44.8%</b>	<b>37.7%</b>	<b>7.1 pt</b>	PBT Margin	<b>40.8%</b>	<b>38.8%</b>	<b>2.0 pt</b>
	23,886	25,225	(5.3%)	PATMI	67,971	77,410	(12.2%)
	<b>33.7%</b>	<b>29.5%</b>	<b>4.2 pt</b>	Net Margin	<b>30.7%</b>	<b>27.7%</b>	<b>3.0 pt</b>
	5.51	5.92	(6.9%)	Basic Eps (sen)	15.78	18.21	(13.3%)

*Based on weighted average no. of ordinary shares issued for each period*

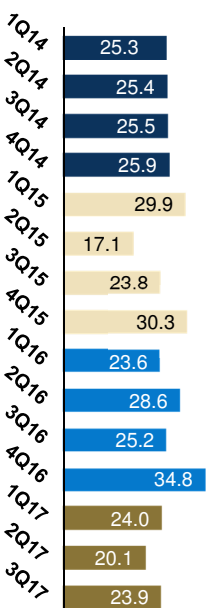
## Quarterly Group Revenue

FY2014 – FY2017 (RM 'mil)



## Quarterly Group Net Profit

FY2014 – FY2017 (RM 'mil)



# 1H17 SALES OVERVIEW



9M17 achieved 75.0% take-up rate... new launches and ongoing projects driving sales

Project Name	Launch Date	Total No. of Units sold in 9M17	Total (RM' mil)	Total No. of Units sold in FY16	Total (RM' mil)
Pearl Tropika (@ Pearl City)	Mar-16	66	35.3	122	60.3
Avenue Garden (@ Pearl City)	Jan-16	44	14.0	195	59.8
Raintree Park 2 (@ Pearl City)	Dec-15	33	18.6	133	70.7
Pearl Saujana - Phase 1 (@ Pearl City)	May-17	29	14.1	-	-
Raintree Park 1 (@ Pearl City)	Dec-14	26	14.5	12	6.8
Straits Garden	Oct/Nov-12	16	8.7	10	4.9
Pearl 28 (@ Pearl City)	Apr-17	7	5.0	-	-
Bukit Residence	May-14	6	3.6	12	7.2
Camellia Park	Mar-14	-	-	7	3.3
Permal Residence	Mar-14	-	-	6	3.5
Completed Projects		5	2.3	17	12.6
<b>TOTAL</b>		<b>232</b>	<b>116.1</b>	<b>514</b>	<b>229.1</b>

## REVENUE ANALYSIS BY PROJECT



Pearl City township major contributor to Group revenue... Recurring income (GEMS International School & Straits Garden shoppots) contributing positively

	9M17		FY16	
	RM' mil	% Group Revenue	RM' mil	% Group Revenue
<b>Property Development &amp; Management</b>				
<i>Pearl City Launches:</i>				
- Raintree Park 1	32.95	14.9%	70.10	19.4%
- Raintree Park 2	52.31	23.6%	58.62	16.2%
- Pearl Topika	45.26	20.4%	38.40	10.6%
- Pearl Avenue 1 & 2	3.17	1.4%	26.21	7.3%
- Avenue Garden	35.01	15.8%	21.85	6.1%
- Pearl Harmoni	14.07	6.4%	12.94	3.6%
- Pearl 28	4.24	1.9%	-	-
- Pearl Saujana (Phase 1)	8.02	3.6%	-	-
- Pearl Residence	5.22	2.4%	22.96	6.4%
- Pearl Implan	-	-	8.97	2.5%
- Pearl Indah 1, 2 & 3	-	-	4.68	1.3%
Straits Garden	11.70	5.3%	52.16	14.5%
Bukit Residence	4.24	1.9%	13.44	3.7%
Camellia Park	0.76	0.3%	12.70	3.5%
Pernal Residence	0.60	0.3%	5.06	1.4%
Completed Projects	0.36	0.2%	8.30	2.3%
Property Management	0.01	0.0%	0.16	0.0%
<b>Sub Total</b>	<b>217.92</b>	<b>98.4%</b>	<b>356.55</b>	<b>98.8%</b>
<b>Other Revenue</b>				
Construction, Rental, Carparks, etc	3.64	1.6%	4.29	1.2%
<b>Total</b>	<b>221.56</b>	<b>100.0%</b>	<b>360.84</b>	<b>100.0%</b>

- Pearl City developments made up **90.4% of 9M17 group revenue**
- Compared to 73.4% of FY16 group revenue
- Investment Properties
  - **GEMS International School**, Mainland Penang's first international school commenced operations in September 2015
  - The shoppots at Straits Garden, Penang commenced operations since mid 2016



## CORPORATE PROFILE

## CORPORATE OVERVIEW



An established reputation for developing modern, relatively affordable projects... pioneering many firsts in Mainland Penang

- Founded in 1994, Tambun Indah is reputable in Mainland Penang for high-quality, modern design projects at relatively affordable prices
  - Many of our developments are enjoying full take-up rates & high prices in secondary home market
  - Pioneered Penang's first-ever gated & guarded landed community – Taman Tambun Indah (launched in 1994)
  - Also unveiled Seberang Prai's first strata-landed gated community, Palm Villas (launched in 2007)
- Has launched more than 8,600 units with total GDV of approximately RM3.3 bil since inception
- Now developing the first integrated township in Mainland Penang at Simpang Ampat, Pearl City
  - Iconic flagship with an estimated GDV of RM4.6 bil
  - Slated for completion by 2023
- Tambun Indah was included in FORBES ASIA's 200 "Best Under a Billion" list for 2013, 2014 and 2015



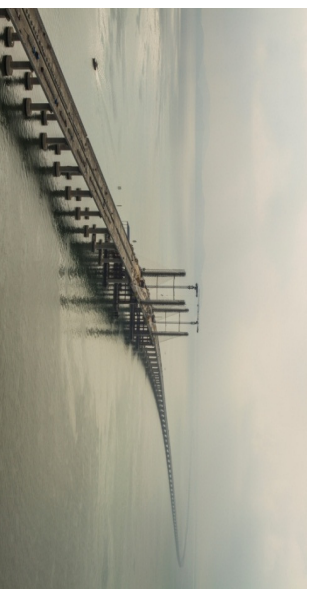
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## PENANG GROWTH CATALYSTS



Penang economy increasingly robust... strategies in place to keep the momentum going

- **Combined approved manufacturing investments of more than RM30.0 billion since 2010** [Source: MIDA]
  - Significant domestic and foreign direct investments (DDI and FDI) include:
    - Aviatron
    - Boon Siew Honda
    - VAT
    - Phison Electronics
    - Bose
    - Malaysia Automotive Lighting
    - Haemonetics Corporation
    - Hewlett Packard
    - Seagate
    - Sandisk Corporation
    - Inari Amertron
    - VITROX Corporation
  - Shared Services Hub (MOU with Temasek):
    - Business Process Outsourcing
    - Penang International Technology Park
- **Expansion of Batu Kawan Industrial Park** to generate new manufacturing activities & employment opportunities
- **Tourism and medical tourism** seen as future growth drivers
  - **Penang Second Bridge** to spur further economic growth by improving transportation network



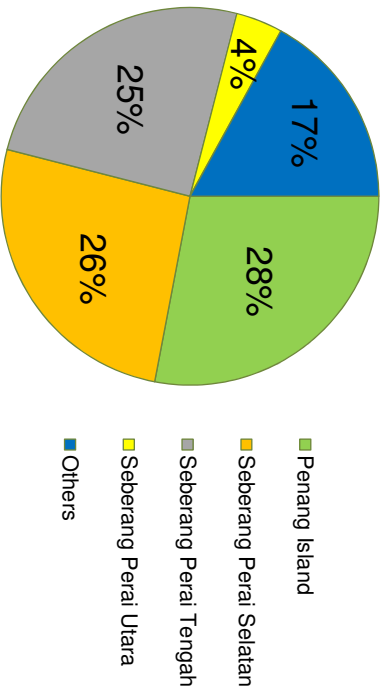
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## POPULATION SHIFT

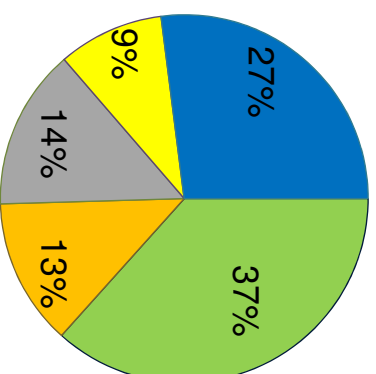


Mainland Penang property market has seen an increased influx of buyers from the island as well as out-of-state buyers...

Pearl Garden (Launched 2009)



Pearl Residence (Launched 2013)



- **Increasing movement from Penang Island to Mainland** spurred by growing job opportunities, improved transportation network and relatively more affordable homes
- External migration drawn by Penang's economic success

## PEARL CITY



**Pearl City: Group's flagship development to meet growing demand for residential properties in Mainland Penang**

- Mixed Development in Simpang Ampat; Seberang Perai Selatan
- To gain complete exposure and benefit from completion of Penang Second Bridge
- Upon completion, Pearl City will be a well-integrated city complemented with:
  - Public amenities
  - Recreation facilities
  - Healthcare facilities
  - Retail amenities
  - >15,000 residential housing units



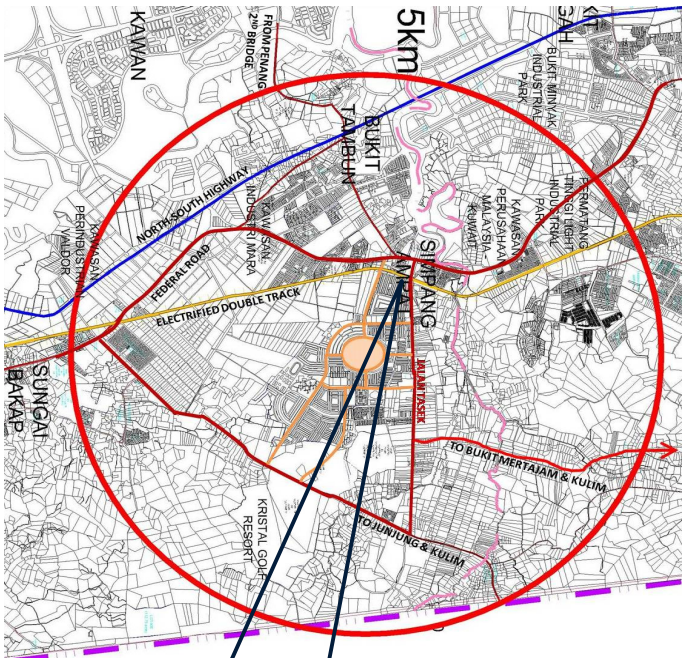
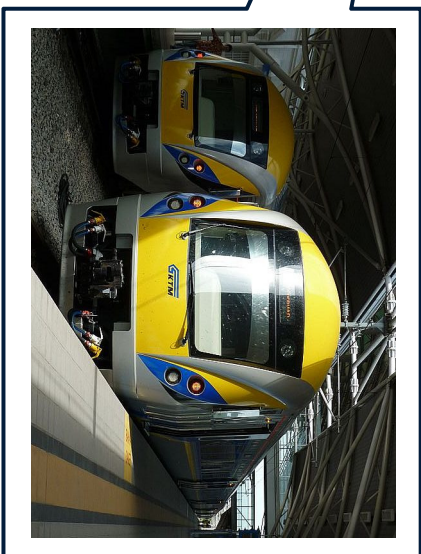
Pearl City with locations of impending and existing developments

## PEARL CITY TRANSPORT INFRASTRUCTURE

Strategically located near existing and future transportation infrastructure...

### Pearl City

- 5-min drive from North-South Highway
- 15-min to 20-min drive from 1<sup>st</sup> & 2<sup>nd</sup> Penang bridges; and
- 1-min drive from Electrified Double Track Commuter Train station

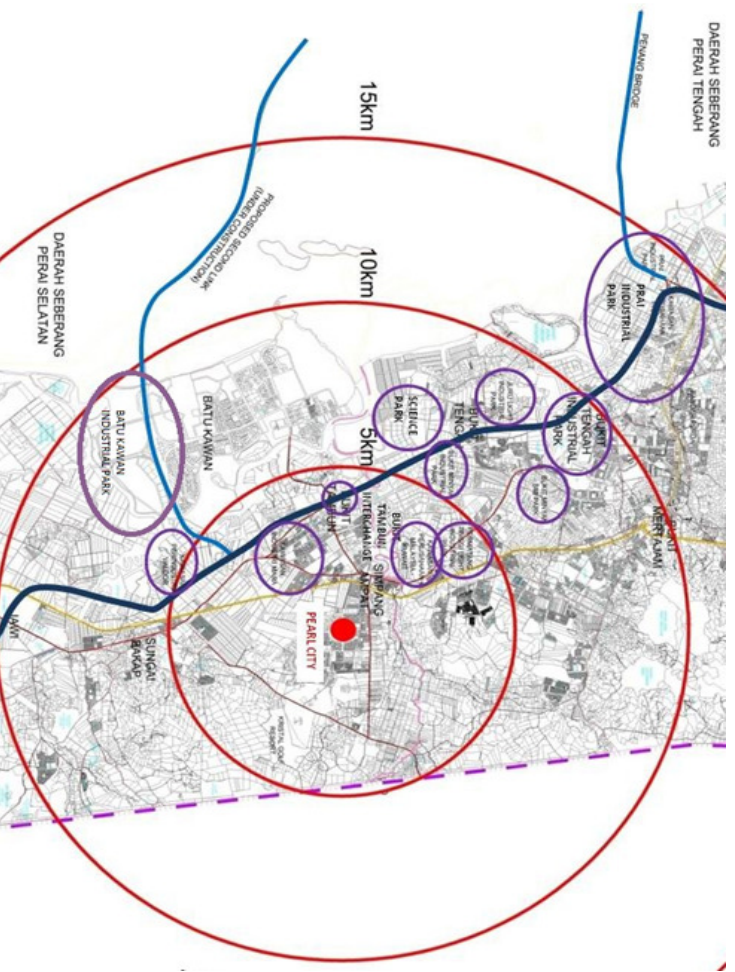


## PEARL CITY CATCHMENT AREA

Well-placed to tap into the existing and future industrial developments in Mainland Penang...

### Pearl City

- 12 industrial parks located within a 15km radius from the project
- These include:
  - Prai Industrial Estate
  - Penang Science Park
  - Bukit Minyak Industrial Estate
  - Bukit Tengah Industrial Estate
  - Batu Kawan Industrial Park
- Surrounding industrial parks capable of generating abundant employment opportunities



## UPCOMING PROJECTS (CONT'D)

### Permai Residency

- Gated and guarded landed homes with swimming pool facility at Kota Permai
- Total number of units: 92
- Estimated GDV: RM53 million
- Estimated launch date: September 2018
- Key highlights:
  - Low density development
  - 10 minutes from Penang Bridge,
  - 6km from Auto-City and the Juru toll
  - Close proximity to various other housing communities, shopping, eateries, schools and many other key destinations

