



# TAMBUN INDAH LAND BERHAD

## 4Q17 CORPORATE UPDATE

- Operations Review
- Financial Highlights
- Growth Roadmap
- Investment Case
- Appendix



## OPERATIONS REVIEW

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# 4Q17 OPERATIONS REVIEW

Achieved take-up rate of 69.65% on total GDV of RM 0.85 billion... New sales of RM146.3 million as at 12M17

**Ongoing Gross Development Value (GDV)**  
@ 31-Dec 17

**RM0.85 bil**  
(RM1.4 bil @ 31-Dec 16)

**12M17 New Sales**  
@ 31-Dec 17

**RM146.3 mil**  
(RM229.1 mil @ 31-Dec 16)

**Average Take-up Rate**  
@ 31-Dec 17

**69.7%**  
(80.3% as at 31-Dec 16)

**Unbilled Sales**  
@ 31-Dec 17

**RM66.0 mil**  
(RM196.9 mil @ 31-Dec 16)

# ONGOING PROJECTS (@ 31-DEC 2017) (CONT'D)



Raintree Park the major contributors to revenue in FY17

Projects Launched (2014 - 2017)	Type	No. of Units	Est. GDV (RM'mil)	Take-Up Rate	Progress	Unbilled Sales (RM'mil)
Raintree Park 1	2-storey semi-D and linked semi-D	116	171.9	95.9%	93.1%	11.3
	2-storey gated terrace	166				
	Duplex Villas	56				
Raintree Park 2	2-storey link semi-D	68	224.6	68.3%	82.8%	26.4
	2-storey gated terrace	208				
	Duplex Villas	104				
	2-storey semi-D	42				
	2-storey bungalow	4				
Avenue Garden	Serviced apartments	312	97.2	77.5%	88.2%	8.9
Pearl Tropika	2-storey Homes	279	149.8	67.6%	89.6%	10.6
Pearl Saujana Permai	2-storey semi-D	20	110.8	17.4%	68.2%	6.0
	2-storey terrace	199				
Pearl Evergreen	2-storey semi-D	28	22.3	25.5%	86.8%	0.8
	2-storey bungalow	2				
Residensi Bukit Kecil	Gated and Non-gated link-homes	122	71.9	99.0%	97.2%	2.0
	<b>TOTAL</b>	<b>1,726</b>	<b>848.5</b>	<b>69.7%</b>		<b>66.0</b>

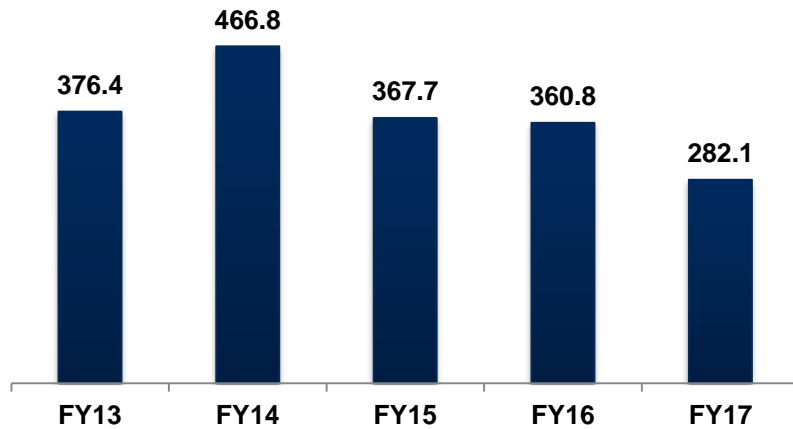


## FINANCIAL HIGHLIGHTS

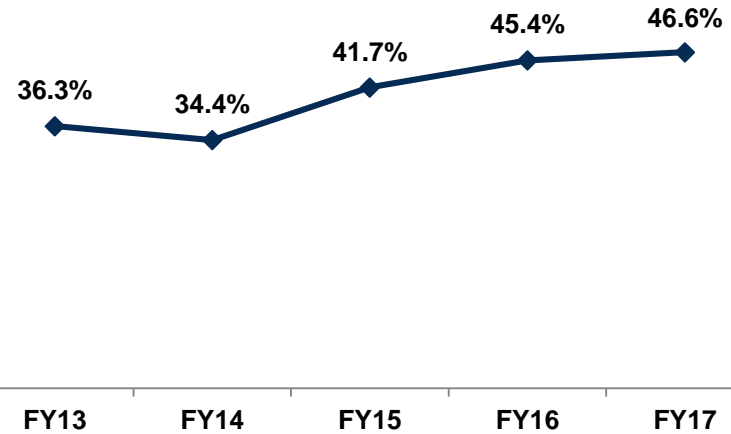
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# REVENUE AND PROFIT TRENDS

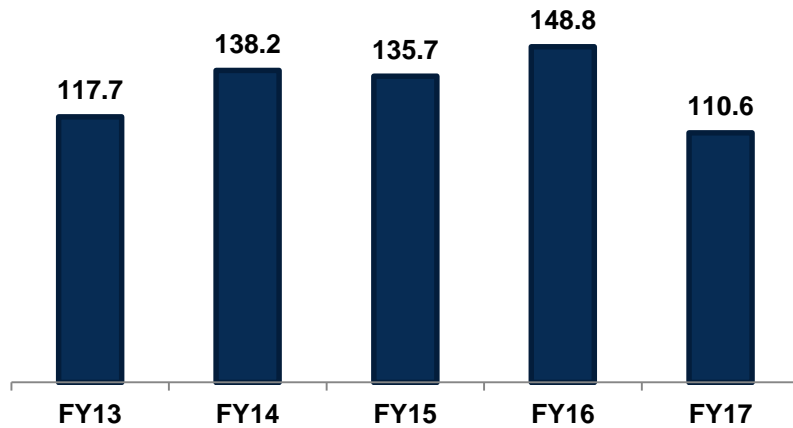
## Group Revenue (RM'mil)



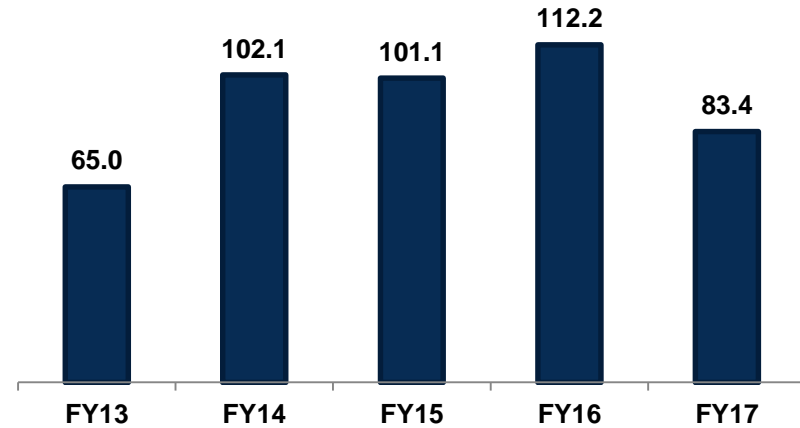
## Group Profit Margin (%)



## Group PBT (RM'mil)



## Group PATMI (RM'mil)



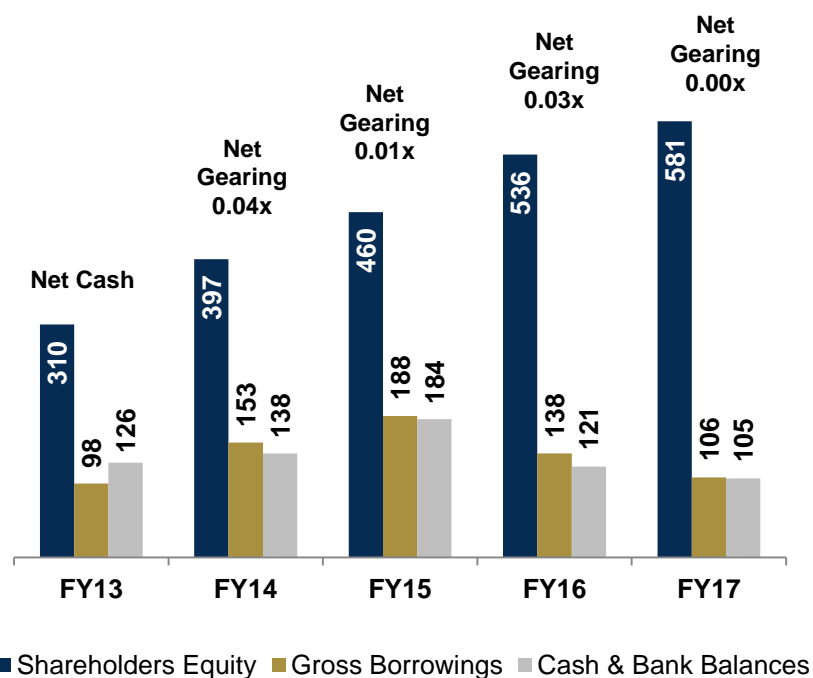
Note: PBT: Profit Before Tax; PATMI: Profit After Tax and Minority Interests

# BALANCE SHEET



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

## Group Gearing Level (RM'mil)



## Balance Sheet (Snapshot)

(RM' mil)	As at 31-Dec-17	Audited as at 31-Dec-16
Non-Current Assets	312.6	329.0
Current Assets	435.6	420.2
Current Liabilities	97.2	112.8
Non-Current Liabilities	68.5	97.4
Shareholders' Equity	580.6	536.4
Non-Controlling Interest	1.9	2.6
Borrowings (ST + LT)	106.4	138.2
Cash & Bank Balances	105.3	120.8
<b>Net Gearing Ratio (x)</b>	<b>0.00x</b>	<b>0.03x</b>
Net Tangible Assets / Share (RM) <sup>(1)</sup>	1.34	1.26
Return on Average Shareholders Equity	14.9%	22.5%
Return on Average Total Assets	11.1%	14.7%

(1) Based on 433.3 mil (2016: 427.4 mil) ordinary shares

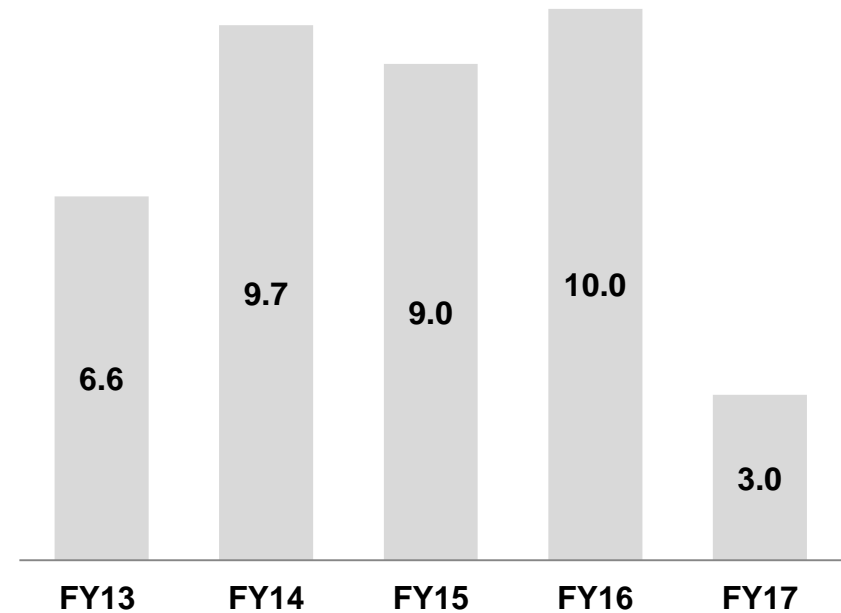
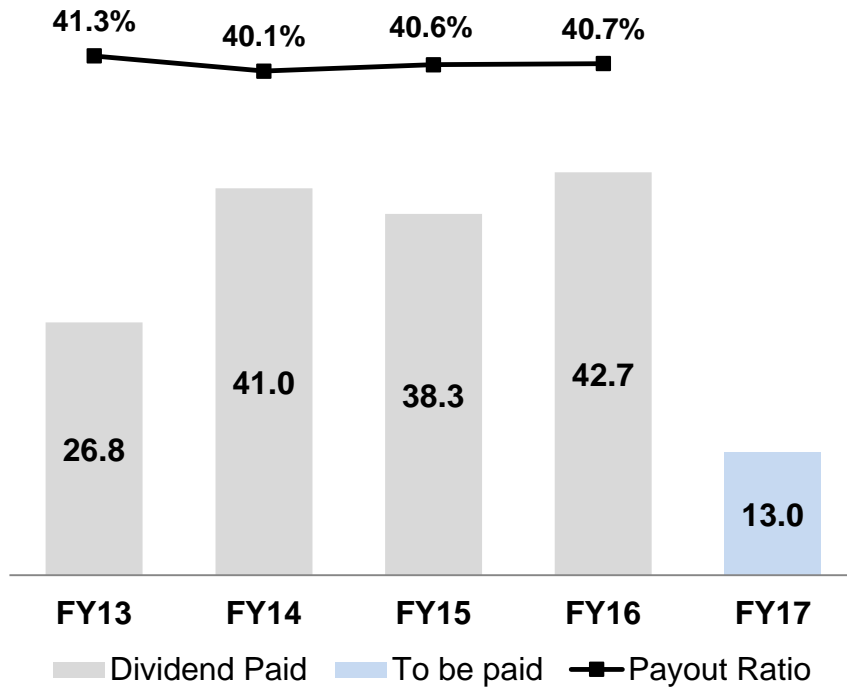


# DIVIDEND HISTORY

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

## 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 (paid on 12 February 2018)*



# GROWTH ROADMAP

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# 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	102.8	848.5
Future Projects	2018-2023	389.2	2,962.5
Investment purposes	2015-2023	63.4*	-
<b>TOTAL</b>		<b>555.4</b>	<b>3,811.0</b>

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

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

### To launch new projects 2018

- Planned project launch in 2018 with RM158 million GDV
- Palma Residency – a landed gated and guarded residential development comprising 90 units of terraces
- Palm Garden - 18-storey apartment block with facilities, comprising 335 units of serviced apartments



### 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: RM48 million
- Estimated launch: 1H 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' mil)
Palma Residency, Alma	Residential units	1H 2018	48.0
Palm Garden @ Pearl City	Residential units	End 2018 / Early 2019	110.0
Begonia Villa @ Pearl City	Residential units	2019	80.1
Camellia Park - Commercial	Commercial units	2019	4.0
Permai Residency @ Kota Permai	Residential units	2019	53.0
Kota Permai – Other Phases	Residential units	2020 - 2021	150.0
Pearl City – Other Phases	Residential units	2020-2023	2,519.6
<b>TOTAL</b>			<b>2,964.7</b>

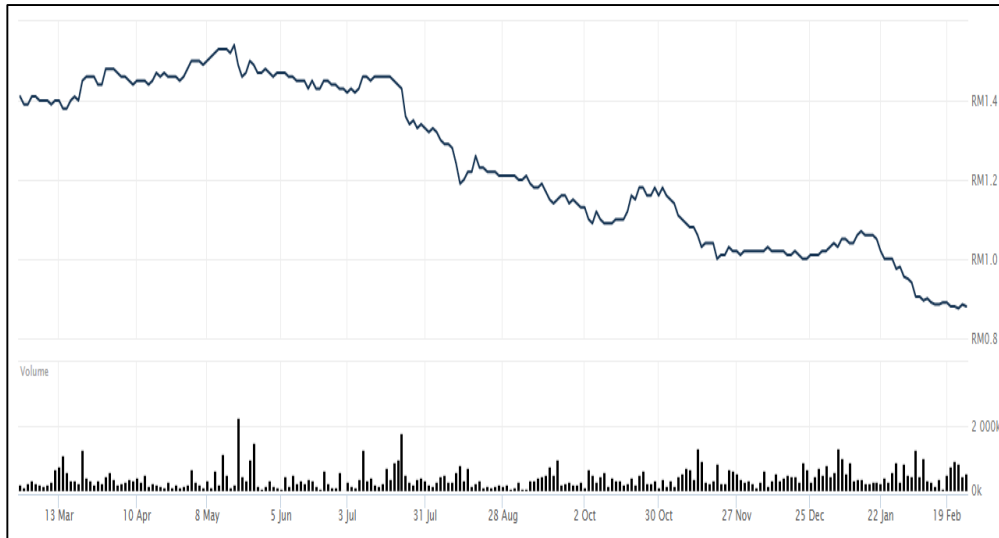
## INVESTMENT CASE

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# VALUATION



## Proxy to the rapid development in Mainland Penang...



Share price @ 26-February 2018  
Market Cap @ 26-February 2018<sup>1</sup>  
Trailing PE ratio  
Price to book ratio<sup>2</sup>  
FY17 interim Dividend Yield<sup>3</sup>

RM0.88  
RM381.3 mil  
4.57x  
0.66x  
3.4%

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

<sup>2</sup> Based on NTA per share of RM0.88 as at 26-Feb-2018

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



# 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 RM3.0 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**

# THANK YOU

## IR Contacts:

Ms. Roselyn Tan

T: 04-3240088

[roselyn.tan@tambunindah.com](mailto:roselyn.tan@tambunindah.com)

Mr. Steve Neoh

T: 04-3240088

[steveneoh@tambunindah.com](mailto:steveneoh@tambunindah.com)

Mr. Terence Loo

T: 03-27111391 / 012-6295 618

[terence@aquilas.com.my](mailto:terence@aquilas.com.my)

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# APPENDIX

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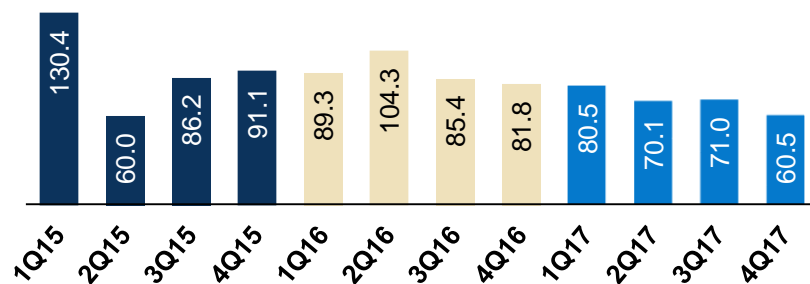
# INCOME STATEMENT

4Q17	4Q16	Change	RM'000	FY17	FY16	Change
60,535	81,754	(26.0%)	Revenue	282,099	360,836	(21.8%)
26,081	38,641	(32.5%)	Gross Profit	131,341	163,913	(19.9%)
<b>43.1%</b>	<b>47.3%</b>	<b>(4.2 pt)</b>	Gross Margin	<b>46.6%</b>	<b>45.4%</b>	<b>1.2 pt</b>
20,220	40,347	(49.9%)	PBT	110,610	148,765	(25.6%)
<b>33.4%</b>	<b>49.4%</b>	<b>(16.0 pt)</b>	PBT Margin	<b>39.2%</b>	<b>41.2%</b>	<b>(2.0 pt)</b>
15,417	34,793	(55.7%)	PATMI	83,388	112,203	(25.7%)
<b>25.5%</b>	<b>42.6%</b>	<b>(17.1 pt)</b>	Net Margin	<b>29.6%</b>	<b>31.1%</b>	<b>(1.5 pt)</b>
3.56	8.15	(56.3%)	Basic EPS <sup>i</sup> (sen)	19.33	26.36	(26.7%)

<sup>i</sup>Based on weighted average no. of ordinary shares issued for each period

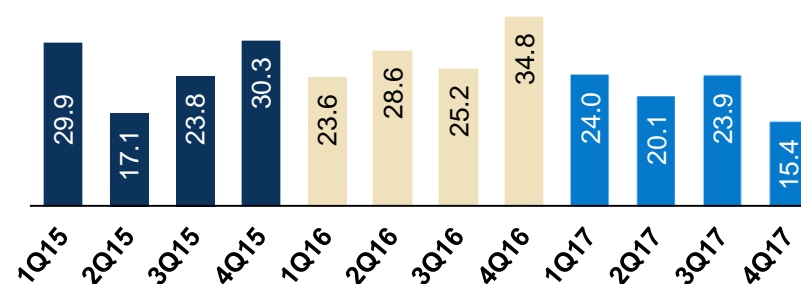
## Quarterly Group Revenue

FY2015 – FY2017 (RM 'mil)



## Quarterly Group Net Profit

FY2015 – FY2017 (RM 'mil)



# FY17 SALES OVERVIEW



FY17 achieved 69.7% take-up rate... new launches and ongoing projects driving sales

Project Name	Launch Date	Total No. of Units sold in FY17	Total (RM' mil)	Total No. of Units sold in FY16	Total (RM' mil)
Pearl Tropika (@ Pearl City)	Mar-16	76	41.0	122	60.3
Avenue Garden (@ Pearl City)	Jan-16	49	15.5	195	59.8
Raintree Park 2 (@ Pearl City)	Dec-15	50	27.3	133	70.7
Pearl Saujana Permai (@ Pearl City)	May-17	40	19.3	-	-
Raintree Park 1 (@ Pearl City)	Dec-14	33	18.9	12	6.8
Pearl Evergreen (@ Pearl City)	Apr-17	8	5.7	-	-
Bukit Residence	May-14	6	3.6	12	7.2
Completed Projects		27	15.0	40	24.3
<b>TOTAL</b>		<b>289</b>	<b>146.3</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 shoplots) contributing positively

	FY17		FY16	
	RM' mil	% Group Revenue	RM' mil	% Group Revenue
<b>Property Development &amp; Management</b>				
<b><u>Pearl City launches:</u></b>				
- Raintree Park 1	39.14	13.9%	70.10	19.4%
- Raintree Park 2	65.42	23.2%	58.62	16.2%
- Pearl Tropika	52.31	18.5%	38.40	10.6%
- Pearl Avenue 2	3.17	1.1%	26.21	7.3%
- Avenue Garden	44.59	15.8%	21.85	6.1%
- Pearl Harmoni	14.07	5.0%	12.94	3.6%
- Pearl Evergreen	4.93	1.7%	-	-
- Pearl Saujana Permai	13.16	4.7%	-	-
- Pearl Residence	5.22	1.9%	22.96	6.4%
- Pearl Impian	-	-	8.97	2.5%
- Pearl Square 1	0.78	0.3%	-	-
- Pearl Indah 1, 2 & 3	-	-	4.68	1.3%
Straits Garden	22.90	8.2%	52.16	14.5%
Bukit Residence	8.52	3.0%	13.44	3.7%
Camellia Park	1.98	0.7%	12.70	3.5%
Permai Residence	0.63	0.2%	5.06	1.4%
Completed Projects	0.36	0.1%	8.30	2.3%
Property Management	0.03	0.0%	0.16	0.0%
<b>Sub Total</b>	<b>277.21</b>	<b>98.3%</b>	<b>356.55</b>	<b>98.8%</b>
<b><u>Other Revenue</u></b>				
Construction, Rental, Car parks, etc	4.89	1.7%	4.29	1.2%
<b>Total</b>	<b>282.10</b>	<b>100.0%</b>	<b>360.84</b>	<b>100.0%</b>

- Pearl City developments made up **86.1%** of FY17 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 shoplots at Straits Garden, Penang commenced operations since mid 2016



# CORPORATE PROFILE

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# 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

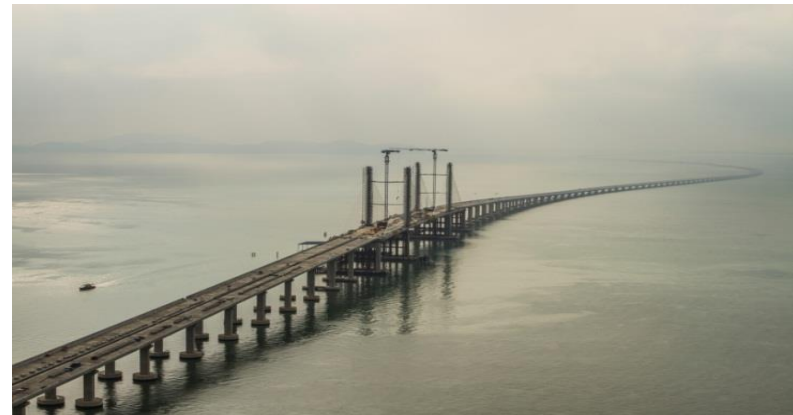




# PENANG GROWTH CATALYSTS

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

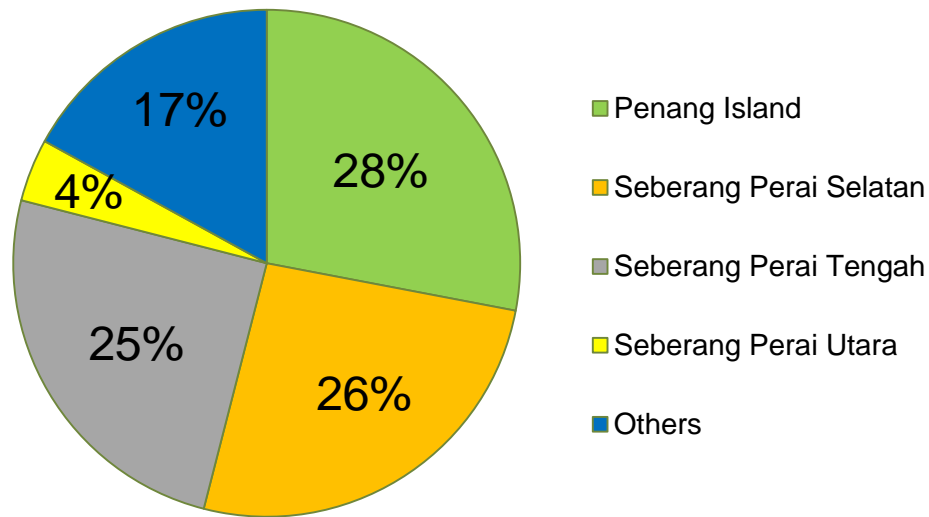
- **Combined approved manufacturing investments of more than RM30.0 billion since 2010** *[Source: MIDA]*
- Significant domestic and foreign direct investments (DDI and FDI) include:
  - Aviatron
  - Boon Siew Honda
  - VAT
  - Phison Electronics
  - Bose
  - Malaysia Automotive Lighting
  - Haemonetics 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



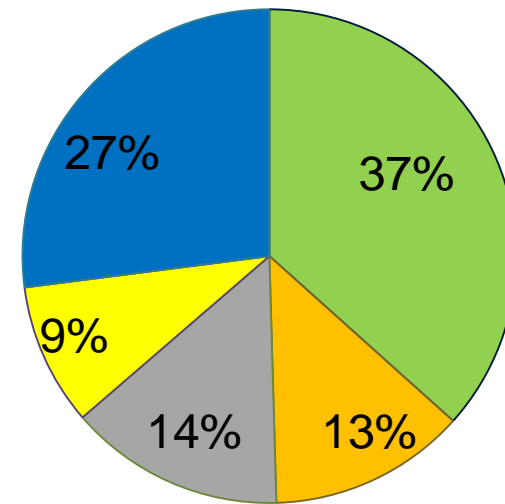
# POPULATION SHIFT

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: Group’s flagship development to meet growing demand for residential properties in Mainland Penang

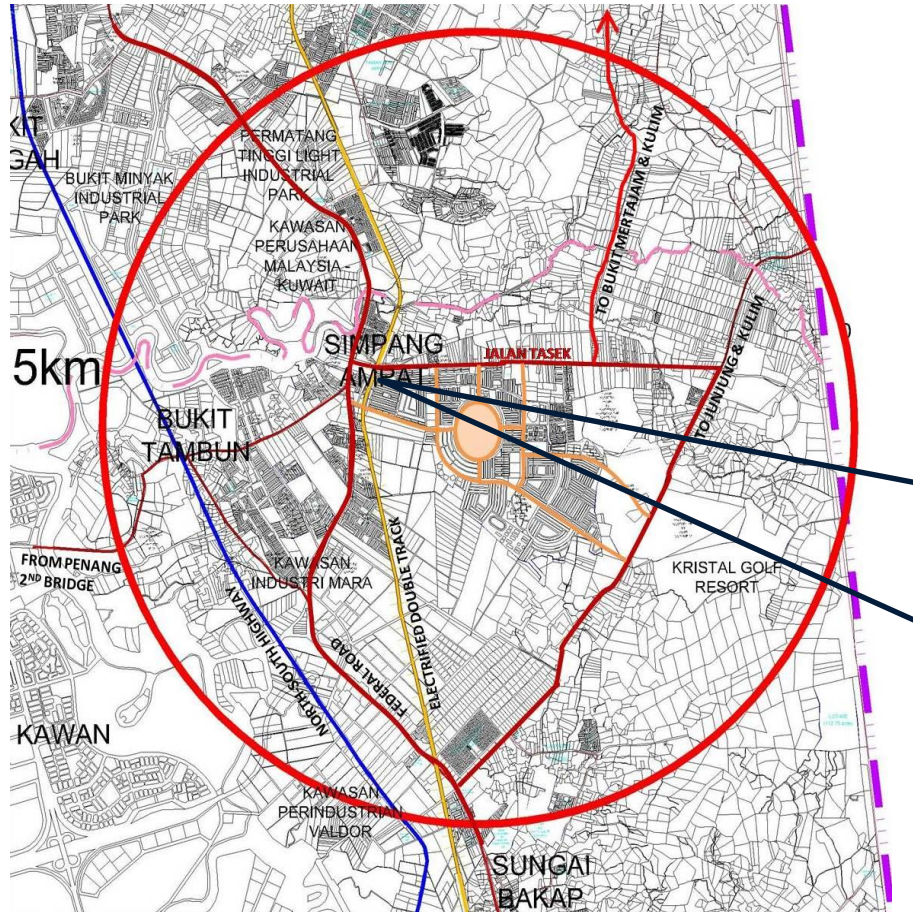
- Mixed Development in Simpang Ampat; Seberang Perai Selatan
- To gain complete exposure and benefit from completion of Penang Second Bridge
- Upon completion, Pearl City will be a well-integrated city complemented with:
  - Public amenities
  - Recreation facilities
  - Healthcare facilities
  - Retail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

