TAMBUN INDAH LAND BERHAD

4Q18 CORPORATE UPDATE

FEBRUARY 2019

Strictly Private & Confidential

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OPERATIONS REVIEW

2H18 OPERATIONS REVIEW

Achieved take-up rate of 69.5% on total GDV of RM 521.9 million… New sales of RM133.8 million as at FY18

Ongoing Gross Development Value (GDV) @ 31-Dec 18	**RM521.9 mil** (RM849 mil @ 31-Dec 17)
12M18 New Sales @ 31-Dec 18	**RM133.8 mil** (RM146.3 mil @ 31-Dec 17)
Average Take-up Rate @ 31-Dec 18	**69.5%** (69.7% @ 31-Dec 17)
Unbilled Sales @ 31-Dec 18	**RM23.4 mil** (RM66.0 mil @ 31-Dec 17)

ONGOING PROJECTS (@ 31-DEC 2018)

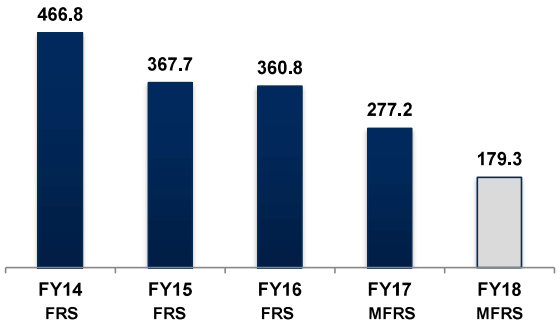
Raintree Park 2 the major contributor to revenue in FY18…

Projects Launched	Type	No. of Units	Est. GDV (RM'mil)	Take-Up Rate	Progress	Unbilled Sales (RM'mil)
Raintree Park 2	2-storey link semi-D	68	224.5	90.0%	96.0%	8.0
	2-storey gated terrace	208				
	Duplex Villas	104				
	2-storey semi-D	42				
	2-storey bungalow	4				
Avenue Garden	Serviced apartments	312	97.3	88.3%	97.9%	1.8
Pearl Saujana Permai	2-storey semi-D	20	112.2	47.2%	89.8%	5.2
	2-storey terrace	199				
Pearl Evergreen	2-storey semi-D	28	22.2	51.3%	96.8%	0.4
	2-storey bungalow	2				
Mutiara Indah	Low cost flat	279	13.9	11.4%	9.6%	1.4
	Shop	23				
Palma Residensi	2-storey terrace	90	51.8	17.3%	25.3%	6.6
	TOTAL	**1,379**	**521.9**	**69.5%**		**23.4**

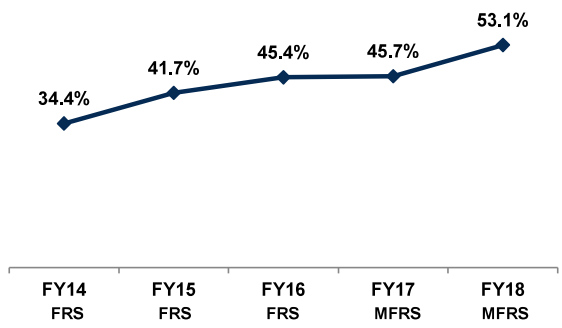
FINANCIAL HIGHLIGHTS

REVENUE AND PROFIT TRENDS

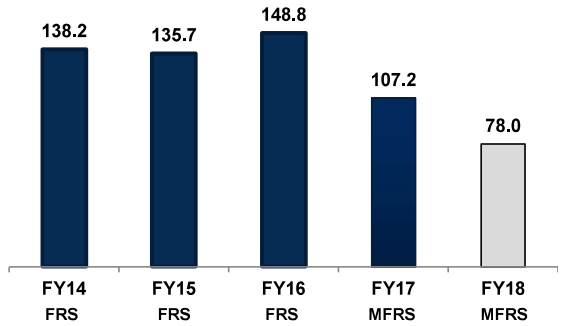
Group Revenue (RM'mil)



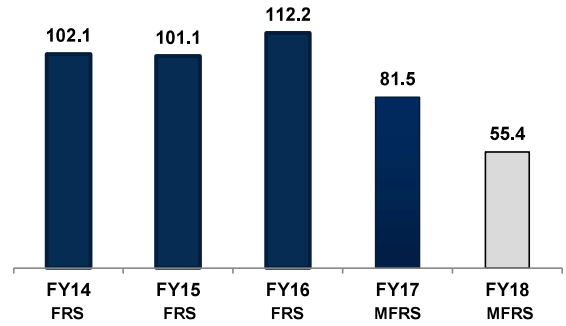
Group Gross Profit Margin (%)



Group PBT (RM'mil)



Group PATMI (RM'mil)

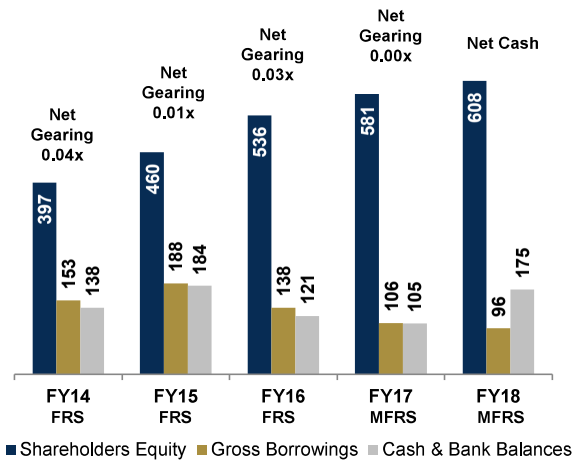


Note: PBT: Profit Before Tax; PATMI: Profit After Tax and Minority Interests
Note 2: In conjunction with the adoption of Malaysian Financial Reporting Standards ("MFRS") framework by the Group with effect from 1st January 2018, the above information for FY2017 onwards have been prepared in accordance with MFRS, whereas information for FY 2014 to FY 2016 have been prepared in accordance with Financial Reporting Standards ("FRS").

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-18 MFRS	Restated as at 31-Dec-17 MFRS
Non-Current Assets	308.3	313.0
Current Assets	428.0	435.8
Current Liabilities	80.1	97.0
Non-Current Liabilities	47.1	68.5
Shareholders' Equity	607.8	581.4
Non-Controlling Interest	1.3	1.9
Borrowings (ST + LT)	95.8	106.4
Cash & Bank Balances	175.4	105.3
Net Gearing Ratio (x)	Net Cash	0.00x
Net Assets / Share (RM) [1]	1.40	1.34
Return on Average Shareholders Equity [2]	9.3%	15.7%

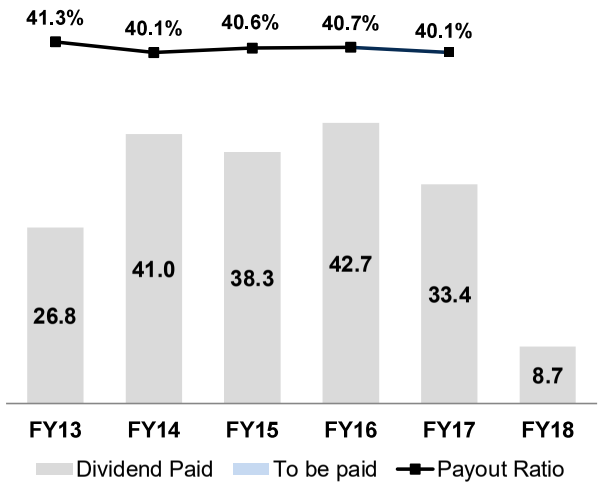
(1) Based on 433.4 mil (2017: 433.3 mil) ordinary shares
(2) Trailing 12 months

Note: In conjunction with the adoption of Malaysian Financial Reporting Standards ("MFRS") framework by the Group with effect from 1st January 2018, the above information for FY2017 onwards have been prepared in accordance with MFRS, whereas information for FY 2014 to FY 2016 have been prepared in accordance with Financial Reporting Standards ("FRS").

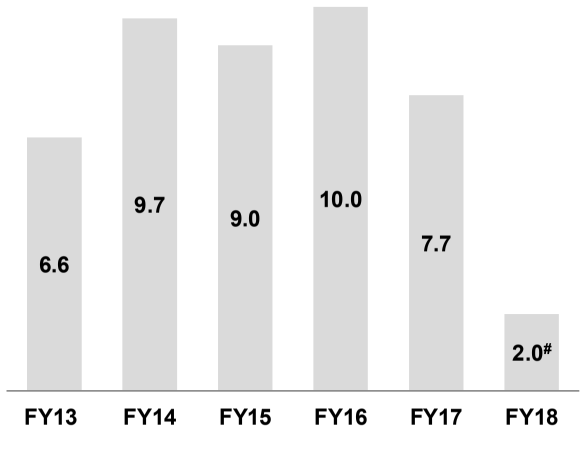
DIVIDEND HISTORY

Progressive dividend policy that pays 40% to 60% of net profit*… first interim dividend of 2.0 sen/share in respect of FY18 paid in February 2019, 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 2 sen/share (paid on 19 February 2019)*

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	57.6	521.9
Future Projects	2019-2023	379.9	2,827.5
Investment purposes	2019-2023	63.4*	-
	TOTAL	**500.9**	**3,349.4**

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

GROWTH STRATEGIES

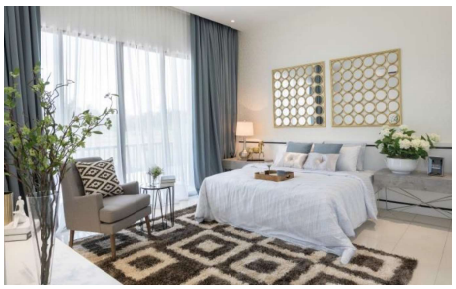
Building up recurring income stream… sustain growth through strategic landbanking

To launch new projects in Year 2019

- Planned project launches in 2019 with RM190 million GDV
  - Palm Garden – 18 storey apartment block with facilities, comprising 335 units of serviced apartments
  - Begonia Villa – a landed gated and guarded residential development comprising 187 units of terraces and town houses

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

Palm Garden

- 18 storey apartment block with facilities in Pearl City
- Total number of units : 335
- Estimated GDV : RM106 million

Begonia Villa

- Gated and guarded landed terrace homes and town houses in Pearl City
- Total number of units :187
- Estimated GDV : RM84 million

PIPELINE PROJECTS

Pipeline projects of RM2.8 billion GDV

Projects	Type	Expected commencement	Est. GDV (RM' mil)
Palm Garden @ Pearl City	Residential units	2019	105.7
Begonia Villa @ Pearl City	Residential units	2019	84.3
Permai Residency @ Kota Permai	Residential units	2020	53.0
Kota Permai – Other Phases	Residential units	2021 - 2022	150.0
Pearl City – Other Phases	Residential units	2020 - 2023	2,434.5
TOTAL			**2,827.5**

INVESTMENT CASE

VALUATION

Proxy to the rapid development in Mainland Penang…

Share price @ 15-Feb 2019	RM0.765
Market Cap @ 15-Feb 2019[1]	RM331.5 mil
Trailing PE ratio	5.99x
Price to book ratio[2]	0.55x
FY17 Dividend Yield[3]	10.1%

[1] Based on 433.4 mil shares
[2] Based on NTA per share of RM1.40 as at 31-Dec-2018
[3] Based on FY17 dividend of 7.7 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 to be sustained by existing and pipeline projects of approximately RM3.3 billion** supported by land banking 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

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APPENDIX

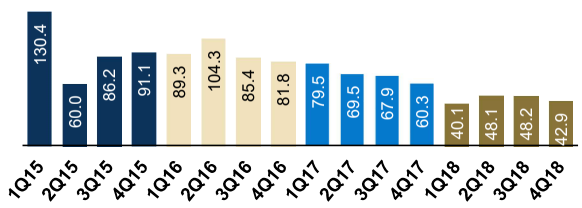
INCOME STATEMENT

4Q18 MFRS	4Q17 MFRS	Change	RM'000	FY18 MFRS	FY17 MFRS	Change
42,868	60,312	(28.9%)	**Revenue**	179,331	277,173	(35.3%)
20,489	25,574	(19.9%)	**Gross Profit**	95,270	126,600	(24.7%)
47.8%	***42.4%***	***5.4 pt***	***Gross Margin***	***53.1%***	***45.7%***	***7.4 pt***
17,573	20,906	(15.9%)	**PBT**	78,024	107,216	(27.2%)
41.0%	***34.7%***	***6.3 pt***	***PBT Margin***	***43.5%***	***38.7%***	***4.8 pt***
12,856	16,602	(22.6%)	**PATMI**	55,359	81,467	(32.0%)
30.0%	***27.5%***	***2.5 pt***	***Net Margin***	***30.9%***	***29.4%***	***1.5 pt***
2.97	3.83	(22.5%)	**Basic EPS[i] (sen)**	12.78	18.88	(32.3%)

[i]Based on weighted average no. of ordinary shares issued for each period

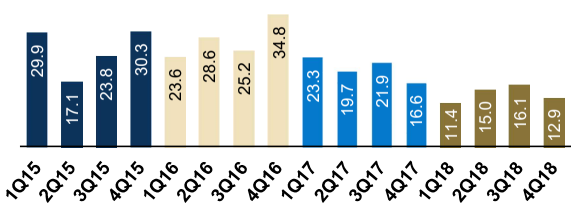
Quarterly Group Revenue

FY2015 – FY2018 (RM 'mil)



Quarterly Group Net Profit

FY2015 – FY2018 (RM 'mil)



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2H18 SALES OVERVIEW

Ongoing projects in Pearl City driving sales

Project Name	Launch Date	Total No. of Units sold in FY18	Total (RM' mil)
Avenue Garden (@ Pearl City)	Jan-16	33	10.5
Raintree Park 2 (@ Pearl City)	Dec-15	89	48.7
Pearl Saujana Permai (@ Pearl City)	May-17	69	33.7
Pearl Evergreen (@ Pearl City)	Apr-17	8	5.7
Mutiara Indah (@ Pearl City)	Dec-18	38	1.6
Palma Residensi (@ Bukit Mertajam)	Dec-18	16	9.0
Completed Projects		46	24.6
TOTAL		**299**	**133.8**

REVENUE ANALYSIS BY PROJECT

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

	FY18 MFRS		FY17 MFRS	
	RM' mil	% Group Revenue	RM' mil	% Group Revenue
Property Development & Management				
Pearl City launches:				
- Raintree Park 1	15.48	8.6%	39.14	14.1%
- Raintree Park 2	66.02	36.8%	64.77	23.4%
- Pearl Tropika	28.59	15.9%	52.32	18.9%
- Avenue Garden	17.35	9.7%	44.18	15.9%
- Pearl Harmoni	-	-	14.07	5.1%
- Pearl Evergreen	5.85	3.3%	4.71	1.7%
- Pearl Saujana Permai	33.06	18.4%	12.69	4.6%
- Mutiara Indah	0.15	0.1%	-	-
- Pearl Residence	-	-	5.22	1.9%
- Pearl Square 1	-	-	0.78	0.3%
- Pearl City completed projects	0.95	0.5%	-	-
Straits Garden	1.07	0.6%	22.89	8.3%
Bukit Residence	2.01	1.0%	8.52	3.0%
Disposal of land	0.97	0.5%	-	-
Camellia Park	0.41	0.2%	1.98	0.7%
Palma Residensi	2.22	1.2%	-	-
Permai Residence	-	-	0.63	0.2%
Completed Projects	-	-	0.35	0.1%
Property Management	0.18	0.1%	0.03	0.0%
Sub Total	**174.31**	97.2%	**272.28**	98.2%
Other Revenue				
Construction, Rental, Carparks, etc	5.02	2.8%	4.89	1.8%
Total	**179.33**	**100.0%**	**277.17**	**100.0%**

- **Pearl City developments made up 93.4% of FY18 group revenue**
  - Compared to 85.9% of FY17 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

Note : In conjunction with the adoption of Malaysian Financial Reporting Standards ("MFRS") framework by the Group with effect from 1st January 2018, the above information for FY2017 onwards have been prepared in accordance with MFRS

CORPORATE PROFILE

CORPORATE OVERVIEW

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

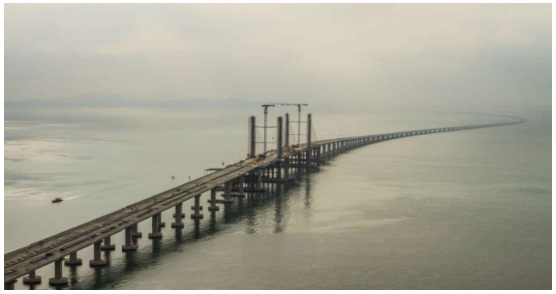
- Founded in 1994, Tambun Indah is reputable in Mainland Penang for high-quality, modern design projects at relatively affordable prices
  - Many of our developments are enjoying full take-up rates & high prices in secondary home market
  - Pioneered Penang's first-ever gated & guarded landed community – 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 9,000 units with total GDV of approximately RM3.4 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



PEARL CITY

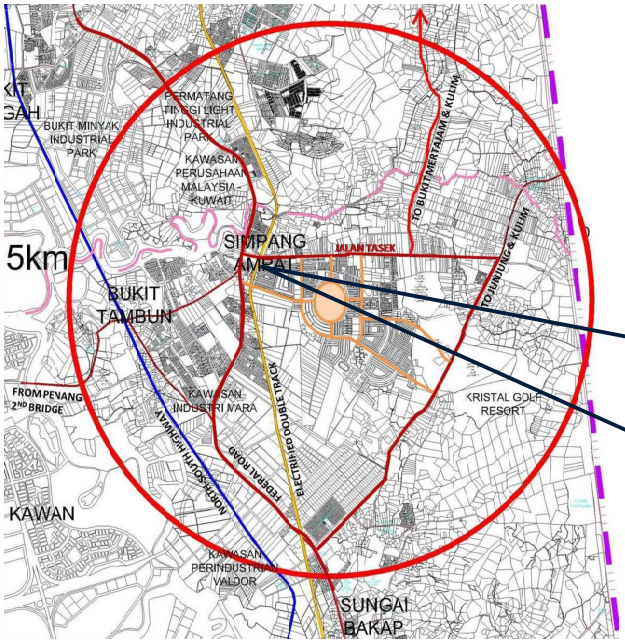
Pearl City: Group's flagship development to meet growing demand for residential properties in Mainland Penang

- 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…

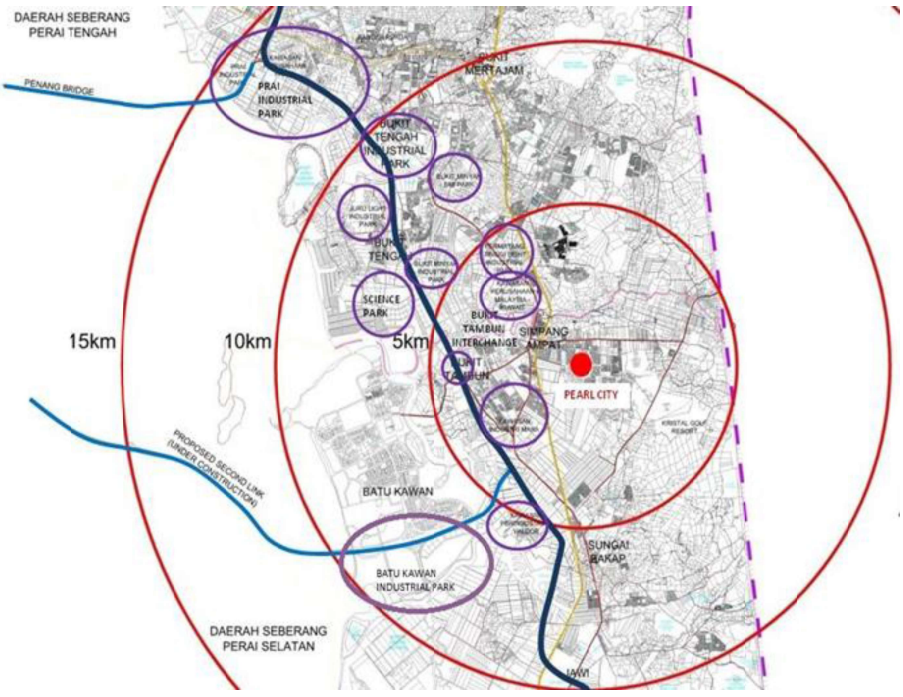


Pearl City

- 5-min drive from North-South Highway
- 15-min to 20-min drive from 1st & 2nd 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