



TAMBUN INDAH LAND BERHAD

1Q19 CORPORATE UPDATE

MAY 2019

Strictly Private & Confidential

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OPERATIONS REVIEW

1Q19 OPERATIONS REVIEW

Achieved take-up rate of 71.7% on total GDV of RM 425.1 million... New sales of RM32.0 million as at 1Q19

Ongoing Gross Development Value (GDV)
@ 31-Mar 19

RM425.1 mil
(RM521.9 mil @ 31-Dec 18)

1Q19 New Sales
@ 31-Mar 19

RM32.0 mil
(RM133.8 mil for FY 31-Dec 18)

Average Take-up Rate
@ 31-Mar 19

71.7%
(69.5% @ 31-Dec 18)

Unbilled Sales
@ 31-Mar 19

RM20.4 mil
(RM23.4 mil @ 31-Dec 18)

ONGOING PROJECTS (@ 31-MAR 2019)



Pearl Saujana Permai the major contributor to revenue in 1Q19...

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	224.4	92.9%	97.9%	4.4
	2-storey gated terrace	208				
	Duplex Villas	104				
	2-storey semi-D	42				
	2-storey bungalow	4				
Pearl Saujana Permai	2-storey semi-D	20	111.5	61.1%	92.4%	5.0
	2-storey terrace	199				
Pearl Evergreen	2-storey semi-D	28	22.2	47.9%	97.0%	0.3
	2-storey bungalow	2				
Mutiara Indah	Low cost flat	279	15.4	22.7%	29.6%	2.4
	Shop	23				
Palma Residensi	2-storey terrace	90	51.6	27.3%	39.4%	8.3
	TOTAL	1,067	425.1	71.7%		20.4

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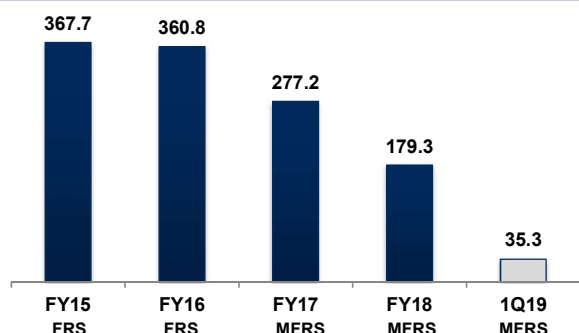


FINANCIAL HIGHLIGHTS

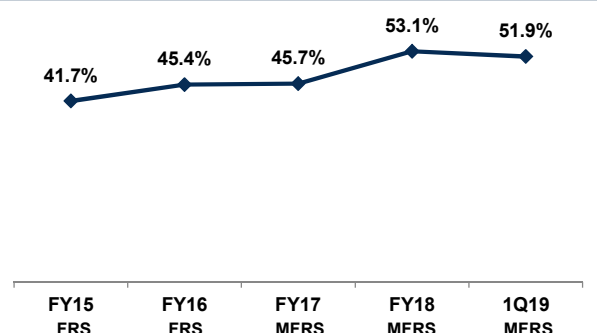
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REVENUE AND PROFIT TRENDS

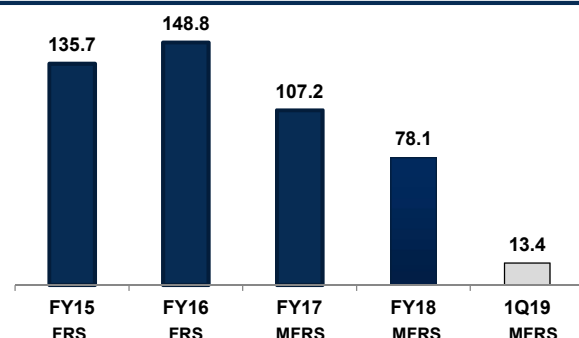
Group Revenue (RM'mil)



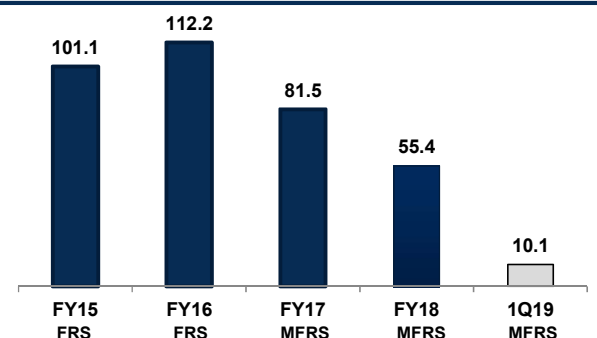
Group Gross Profit Margin (%)



Group PBT (RM'mil)



Group PATMI (RM'mil)



Note 1: PBT: Profit Before Tax; PATMI: Profit After Tax and Minority Interests

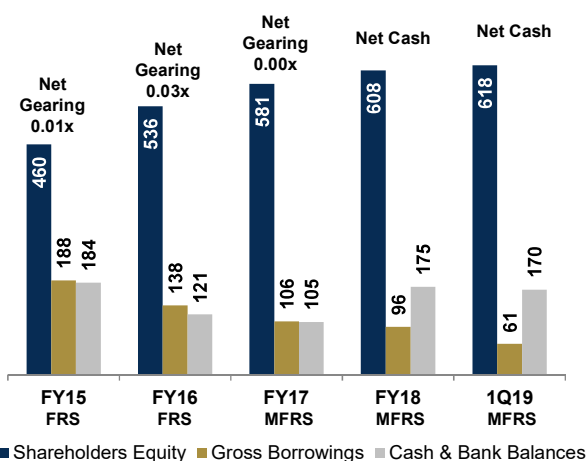
Note 2: In conjunction with the adoption of Malaysian Financial Reporting Standards ("MFRS") framework by the Group with effect from 1st January 2018, the above information for FY2017 onwards have been prepared in accordance with MFRS, whereas information for FY 2015 to FY 2016 have been prepared in accordance with Financial Reporting Standards ("FRS").

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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-Mar-19 MFRS	As at 31-Dec-18 MFRS
Non-Current Assets	309.8	308.3
Current Assets	403.5	428.0
Current Liabilities	58.8	89.7
Non-Current Liabilities	35.1	37.5
Shareholders' Equity	618.1	607.8
Non-Controlling Interest	1.3	1.3
Borrowings (ST + LT)	61.5	95.8
Cash & Bank Balances	170.3	175.4
Net Gearing Ratio (x)	Net Cash	Net Cash
Net Assets / Share (RM) ⁽¹⁾	1.43	1.40
Return on Average Shareholders Equity ⁽²⁾	8.9%	9.3%

(1) Based on 433.4 mil (2018: 433.4 mil) ordinary shares

(2) Trailing 12 months

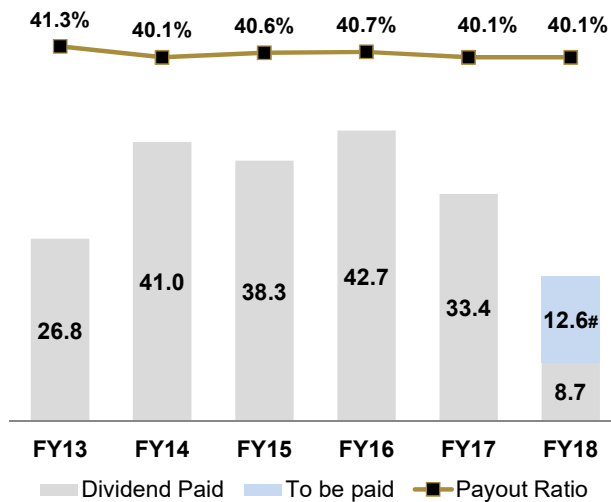
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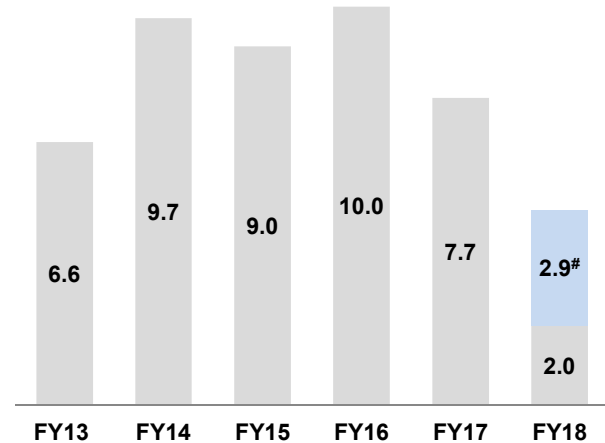
DIVIDEND HISTORY

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 approved by shareholders at AGM 2019.

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
 # Final dividend of 2.9 sen/share subject to shareholders' approval

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 2021	55.1	425.1
Future Projects	2019-2023	379.9	2,827.5
Investment purposes	2015-2023	63.4*	-
TOTAL		498.4	3,252.6

* 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

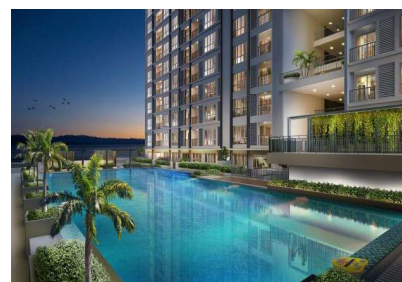
- Planned project launches in 2019 with RM243 million GDV
- Palm Garden – 18 storey apartment block with facilities, comprising 335 units of serviced apartments
- Begonia Villa – a landed gated and guarded residential development comprising 187 units of terraces and town houses
- Permai Residency – a landed dated and guarded residential development comprising 90 units of terraces in Kota Permai, Bukit Mertajam

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

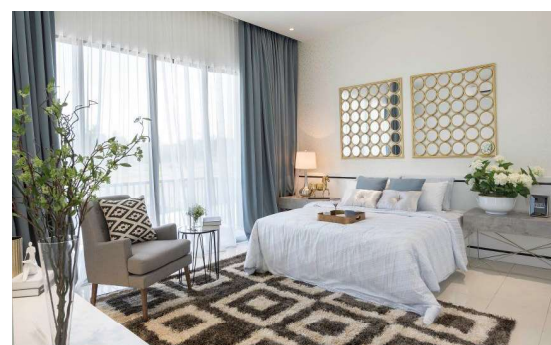
- Total number of units : 335
- Build-up area : 831 sq ft – 1228 sq ft
- Estimated GDV : RM106 million



Begonia Villa

Gated and guarded landed terrace homes and town houses in Pearl City

- Total number of units : 187 units
(comprised of 95 units of 2-storey terrace and 92 units of townhouse)
- Estimated GDV: RM84 million



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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	end 2019/early 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

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INVESTMENT CASE

VALUATION

Proxy to the rapid development in Mainland Penang...



Share price @ 16-May 2019
 Market Cap @ 16-May 2019¹
 Trailing PE ratio
 Price to book ratio²
 FY18 Dividend Yield³

RM0.76
 RM329.4 mil
 6.08x
 0.53x
 6.4%

¹ Based on 433.4 mil shares

² Based on NTA per share of RM1.43 as at 31-Mar-2019

³ Based on FY18 dividend of 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 RM2.8 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

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THANK YOU

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APPENDIX

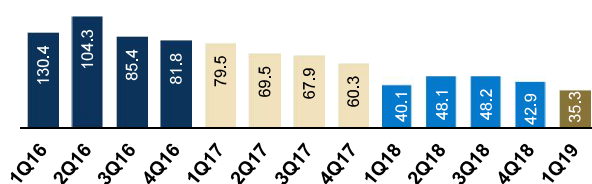
INCOME STATEMENT

1Q19 MFRS	1Q18 MFRS	Change	RM'000	FY18 MFRS	FY17 MFRS	Change
35,322	40,079	(11.9%)	Revenue	179,302	277,173	(35.3%)
18,333	21,721	(15.6%)	Gross Profit	95,240	126,600	(24.8%)
51.9%	54.2%	(2.3 pt)	Gross Margin	53.1%	45.7%	7.4 pt
13,365	16,932	(21.1%)	PBT	78,070	107,207	(27.2%)
37.8%	42.2%	(4.4 pt)	PBT Margin	43.5%	38.7%	4.9 pt
10,147	11,356	(10.6%)	PATMI	55,404	81,457	(32.0%)
28.7%	28.3%	0.4 pt	Net Margin	30.9%	29.4%	1.5 pt
2.34	2.62	(10.7%)	Basic EPSⁱ (sen)	12.79	18.88	(32.3%)

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

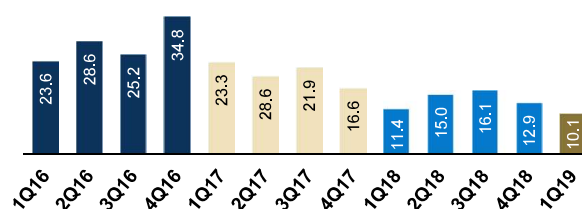
Quarterly Group Revenue

FY2016 – 1Q2019 (RM 'mil)



Quarterly Group Net Profit

FY2016 – FY2018 (RM 'mil)



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 2016 has been prepared in accordance with Financial Reporting Standards ("FRS").

1Q19 SALES OVERVIEW



Ongoing projects in Pearl City driving sales

Project Name	Launch Date	Total No. of Units sold in 1Q19	Total (RM' mil)
Raintree Park 2 (@ Pearl City)	Dec-15	12	6.3
Pearl Saujana Permai (@ Pearl City)	May-17	31	15.2
Pearl Evergreen (@ Pearl City)	Apr-17	-1	-0.7
Mutiara Indah (@ Pearl City)	Dec-18	45	1.9
Palma Residensi (@ Bukit Mertajam)	Dec-18	9	5.1
Completed Projects		11	4.2
TOTAL		107	32.0

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REVENUE ANALYSIS BY PROJECT



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

	1Q19 MFRS		FY18 MFRS	
	RM' mil	% Group Revenue	RM' mil	% Group Revenue
Property Development & Management				
<u>Pearl City launches:</u>				
- Raintree Park 1	-	-	15.48	8.7%
- Raintree Park 2	9.88	28.0%	66.02	36.8%
- Pearl Tropika	-	-	28.59	16.0%
- Avenue Garden	3.90	11.1%	17.35	9.7%
- Pearl Evergreen	-0.64	-1.8%	5.85	3.3%
- Pearl Saujana Permai	14.76	41.8%	33.05	18.4%
- Mutiara Indah	0.88	2.5%	0.15	0.1%
- Pearl City completed projects	1.67	4.7%	0.95	0.5%
Straits Garden	-	-	1.07	0.6%
Bukit Residence	-	-	2.01	1.1%
Disposal of land	-	-	0.97	0.5%
Camellia Park	-	-	0.41	0.2%
Palma Residensi	3.19	9.0%	2.22	1.2%
Completed Projects	0.37	1.0%	-	-
Property Management	0.07	0.2%	0.18	0.1%
Sub Total	34.08	96.5%	174.30	97.2%
Other Revenue				
Construction, Rental, Carparks, etc	1.24	3.5%	5.00	2.8%
Total	35.32	100.0%	179.30	100.0%

- Pearl City developments made up 86.2% of 1Q19 group revenue

- Compared to 93.4% of FY18 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

CORPORATE OVERVIEW

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

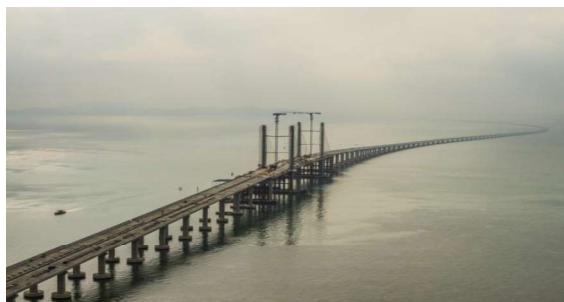
- Founded in 1994, Tambun Indah is reputable in Mainland Penang for high-quality, modern design projects at relatively affordable prices
 - Many of our developments are enjoying full take-up rates & high prices in secondary home market
 - Pioneered Penang's first-ever gated & guarded landed community – 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 RM4.5 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

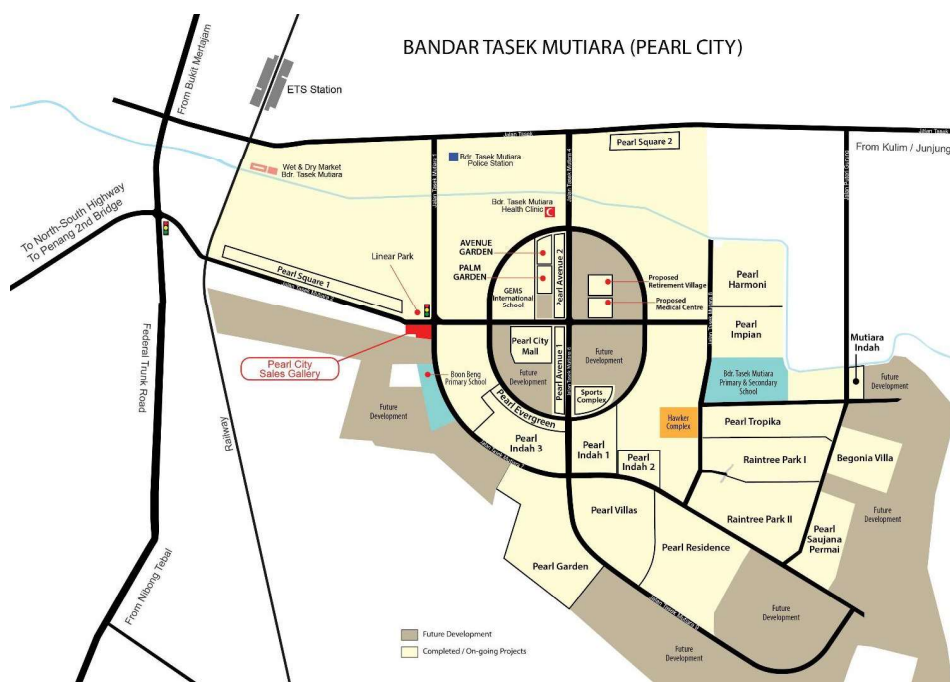
- **Combined approved manufacturing investments of more than RM30.0 billion since 2010** [Source: MIDA]
- Significant domestic and foreign direct investments (DDI and FDI) include:
 - Aviatron
 - Boon Siew Honda
 - VAT
 - Phison Electronics
 - Bose
 - Malaysia Automotive Lighting
 - Haemonetics Corporation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

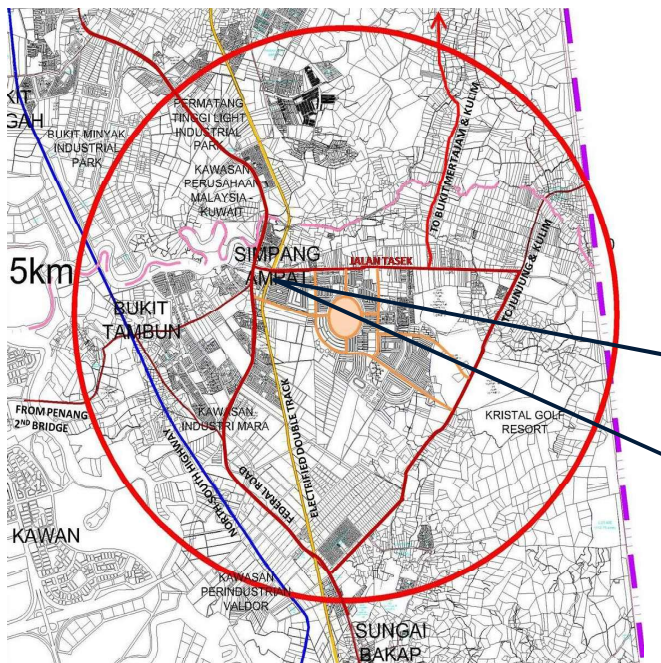
- Mixed Development in Simpang Ampat, Seberang Perai Selatan
- To gain complete exposure and benefit from completion of Penang Second Bridge
- Upon completion, Pearl City will be a well-integrated city complemented with:
 - Public amenities
 - Recreation facilities
 - Healthcare facilities
 - Retail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



Pearl City with locations of impending and existing developments

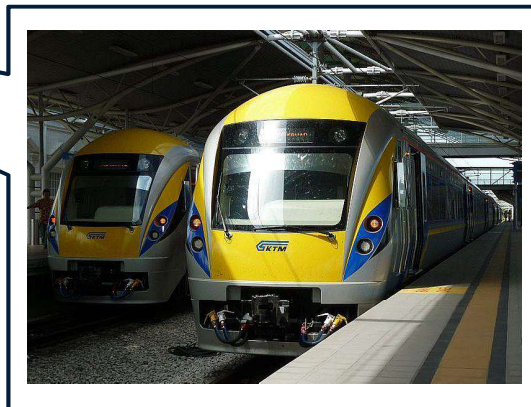
PEARL CITY TRANSPORT INFRASTRUCTURE

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

