

Press Release

11 May 2017

For Immediate Release

ENCOURAGING PERFORMANCE FOR THE START OF FY2017

Optimistic to meet the sales target of RM4.00 billion for the year

KUALA LUMPUR - S P Setia Berhad today announced that the Group has achieved a revenue of RM940.2 million and profit before tax of RM174.4 million for the first quarter ended 31st March 2017. The Group secured sales of RM801.0 million over the first four (4) months of FY2017. For the first quarter ended 31st March 2017, the Group secured sales of RM426.8 million out of which, local sales contributed RM351.4 million representing approximately 82% of the total sales while international projects contributed RM75.4 million, which represented the remaining 18% of the total sales.

“The sales achieved were within expectations, which is consistent with the lower sales typically experienced during the Chinese New Year period and the shorter month of February,” said Dato’ Khor Chap Jen, President & CEO of S P Setia Berhad.

During the first quarter, 2,587 units of properties with Gross Development Value (“GDV”) of RM571.0 million were launched. The upcoming launches in FY2017 for the Group include the following:

- Setia Alam with GDV of RM292.0 million;
- Setia EcoHill with GDV of RM204.0 million;
- Setia EcoHill 2 with GDV of RM294.0 million;
- Setia Eco Park with GDV of RM147.0 million;
- Setia Eco Glades with GDV of RM67.0 million;
- Setia Eco Templer with GDV of RM73.0 million;
- Setia Sky Seputeh (Tower B) with GDV of RM478.0 million;
- KL Eco City with GDV of RM615.0 million;
- Setia Seraya Residences with GDV of RM278.0 million;
- Setia Tropika in Johor with GDV of RM123.0 million;
- Setia Business Park II in Johor with GDV of RM74.0 million;
- Aeropod in Sabah with GDV of RM177.0 million;
- Prahran in Melbourne, Australia with GDV of AUD38.0 million; and
- Exhibition Street in Melbourne, Australia with GDV of AUD478.0 million.

“We are confident that the market will be pleased with our upcoming launches as we have meticulously crafted offers to suit the needs of today’s property buyers. Designs and functionality of our properties offered have to be relevant to the needs of our discerning buyers and that’s where Setia will continue to innovate and provide the best possible value-for-money offerings,” Dato’ Khor said.

The Group is constantly on the look-out for opportunities to expand its land banks and to stay ahead as the leading township developer in Malaysia. On 14th April 2017, the Group entered into a non-binding Memorandum of Intent (“MOI”) with Permodalan Nasional Berhad (“PNB”) and Amanahraya Trustees Berhad (as trustee for Amanah Saham Bumiputera) (“ATR-ASB”) to commence negotiations on the proposed acquisition by the Group of the entire equity interest of I&P Group Sdn Berhad (“I&P Group”), which has 4,263 acres of remaining land banks (“Proposed I&P Acquisition”). The indicative price for the Proposed I&P Acquisition is expected to be within the range of RM3.50 billion to RM3.75 billion. The final purchase price will only be determined and agreed upon after taking into consideration the necessary due diligence results and the completion of independent appraisal of all the land banks, on-going projects and investment properties of I&P Group by the independent property valuers appointed by the Group. As at 31st December 2016, I&P Group’s net asset value (“NAV”) stood at RM3.16 billion.

“Upon successful completion of this acquisition, besides significantly increasing our prime land banks in Central Klang Valley and Johor Bahru, we will be able to enhance and unlock the value of the synergy between Team Setia and I&P Group by delivering the best team, with the right expertise in one synergised approach. Together we are bigger, stronger and more capably positioned to offer properties and services that meet the needs of all of our valued customers,” he continued.

Also on 14th April 2017, the Group entered into a conditional sale and purchase agreement with Seriemas Development Sdn Berhad, an indirect subsidiary of PNB to acquire a parcel of freehold land measuring approximately 342.5 acres located in Bangi, Selangor known as Bangi Estate (“Bangi Land”) for a purchase price of RM447.5 million, equivalent to RM30.00 per square foot, plus a share of the future audited profit before taxation from the development, up to a maximum of RM3.00 per square foot. Bangi Land is located within a 5km radius from the Group’s existing two townships, namely Setia EcoHill and Setia EcoHill 2. Bangi Land will be developed into a mixed development township with a potential GDV of approximately RM2.74 billion. With the addition of the Bangi Land, the Group will have a dominant presence in the Bangi-Kajang-Semenyih corridor.

Four days later, on 18th April 2017, the Group won the tender for a parcel of leasehold land along Toh Tuck Road, Singapore (“Toh Tuck Road Land”) measuring approximately 4.6 acres for a purchase consideration of SGD265.0 million from the Urban Redevelopment Authority (“URA”), Singapore. Having completed two (2) successful developments in Singapore, i.e. 18 Woodville and Eco Sanctuary, the Toh Tuck Road Land will accord the Group with a quick turnaround project to strengthen the Setia brand in the Singapore property market. The Toh Tuck Road Land will have an allowable development of 327 units of condominium with an expected GDV of approximately SGD457.0 million.

The Group’s prospects going forward remain positive with total unbilled sales of RM7.84 billion, anchored by 30 ongoing projects and effective remaining land banks of 5,141 acres with a GDV of RM75.72 billion as at 31st March 2017 and we are optimistic to meet the sales target of RM4.00 billion for the current financial year.



About S P Setia Berhad

Since its incorporation in 1974, S P Setia has been a household name in the property development industry. The Group is recognised as one of Malaysia's leading listed real estate players with a portfolio that encompasses townships, eco-sanctuaries, luxury enclaves, high-rise residences, commercial and retail developments.

S P Setia was ranked No.1 in The Edge Malaysia Top Property Developers Awards for the **9th** time in 2016, the only developer to have achieved this feat since the inception of the awards. S P Setia is also the only Malaysian developer to have received **7** FIABCI Prix d'Excellence Awards by the International Real Estate Federation (FIABCI) and **9** FIABCI Malaysia Property Awards.

The Group is well-established in the three key economic centres of Malaysia, namely Klang Valley, Johor Bahru and Penang and also has a project in Sabah. Its international reach now includes five countries which are Vietnam, Australia, Singapore, China and the United Kingdom.

As of 31 March 2017, the Group has 30 ongoing projects, with an effective stake of 5,141 acres in undeveloped land banks remaining and RM75.72 billion in Gross Development Value.

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