Press Release

27 February 2018

For Immediate Release

ENLARGED S P SETIA SECURED SALES OF RM4.92 BILLION FOR FY2017

Extend Dominance as the Premier Township Developer in Malaysia

KUALA LUMPUR: S P Setia Berhad today announced its financial results for the year ended 31 December 2017 ("FY2017") where the Group closed the year with a strong set of numbers despite a soft property market.

On 1 December 2017, S P Setia successfully completed the acquisition of I&P Group Sdn Berhad ("I & P Group"). As the Group has applied the principles of pooling of interests method, this resulted in the enlarged Group achieving total sales of RM4.92 billion for FY2017, of which RM859 million of sales were derived from I&P Group throughout the year.

On its own, S P Setia achieved total sales of RM4.06 billion which surpassed the sales target of RM4.00 billion. Local projects contributed RM2.55 billion or approximately 63% of the total sales while the international projects contributed RM1.51 billion or 37% of the total sales. On the local front, the sales secured were largely from the Central region with RM1.89 billion whereas Southern and Northern regions combined, contributed RM663 million of sales. As for the international projects, Sapphire By The Gardens in Melbourne continued to outperform with strong sales amounting to RM1.07 billion, representing a strong take-up rate of 91%.

The Group recorded a profit before taxation ("PBT") of RM1.27 billion, on the back of revenue totalling RM4.52 billion and with that, the Group achieved profit attributable to shareholders of RM932.9 million. In line with the strong financial performance, the Group is pleased to declare a final dividend of 11.5 sen per share. This would bring the total FY2017 dividend payout to 15.5 sen, representing a payout ratio of 70.1%. In respect to the Class A Redeemable Convertible Preference Shares-i, the Group declared a preferential dividend of 6.49% per annum for the financial period from 1 July 2017 till 31 December 2017.

“We are delighted to have once again delivered a good set of results despite the on-going sluggish property market. We attribute our robust performance to the versatility of Team Setia and the agility of the Group to respond to the ever-changing market environment. The results achieved also validates the strategy we have adopted,” stated Dato’ Khor Chap Jen, President and CEO of S P Setia Berhad.

The swift acquisition of I&P Group augurs well with S P Setia’s expansion plan as the 4,276 acres additional land banks derived from the acquisition are in prime locations. Most are synergistically located within the growth areas of Klang Valley and Johor Bahru, where the “Setia” brand has established a stronghold. This will entrench the Group’s position as the leading township developer in Malaysia and propel the Group to greater heights. To fund the development of on-going and future property development projects, the Group successfully placed out 325 million new placement shares which received positive response from both local and foreign investors. With an enlarged balance sheet, this successful fundraising exercise will sustain the Group’s expansion plan.

Moving into FY2018, the Group will continue to adopt the strategy of launching more mid-priced landed properties where the demand for these products offering has been strong. Given the general market conditions, there will be limited launches on high rise properties on the local front. On the international front, the Group plans to launch UNO Melbourne located at the central business district of Melbourne with a GDV of RM1.14 billion and Daintree Residence at Toh Tuck Road, Singapore with a GDV of RM1.45 billion. In view of the versatile range of products offering and RM7.07 billion worth of projects launching planned for FY2018, the Group has set a sales target of RM5.00 billion, of which it expects approximately 80% to come from local projects.

“We are setting a sales target of RM5.00 billion for FY2018. There is strong underlying demand for landed starter homes and mid-range properties in strategic locations with good infrastructure. Hence, we will be emphasising on the launches of mid-range landed properties in Setia Alam, Salak Tinggi, Alam Impian, TemasyaGlenmarie, Alam Sari, Temasya Putra, Setia EcoHill and Kota Bayuemas in FY2018," he continued.

Underpinned by an unbilled sales pipeline of RM7.72 billion, 44 ongoing projects and effective remaining land banks of 9,606 acres with a GDV of RM128.37 billion as at 31 December 2017, the Group's prospects going forward remain positive.

The Board is confident that S P Setia, given its strengthened balance sheet, strong branding and corporate culture, will perform resiliently in the current financial year ending 31 December 2018, against prevailing market challenges and uncertainties.

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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 is the only Malaysian developer to have received seven FIABCI Prix d'Excellence Awards by the International Real Estate Federation (FIABCI) and ten FIABCI Malaysia Property Awards. In 2017, S P Setia was ranked No.1 in The Edge Malaysia Top Property Developers Awards for the 10th time, the only developer to have achieved this feat since the inception of the 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 December 2017, the Group has 44 ongoing projects, with an effective remaining land bank of 9,606 acres valued at a Gross Development Value of RM128.37 billion and total unbilled sales of RM7.72 billion.

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