Setia

Press Release

23 August 2018

For Immediate Release

S P SETIA secured sales of RM2.11 billion for first half of FY2018

Positive to achieve its Sales Target of RM5.00 billion for the year

KUALA LUMPUR: S P Setia Berhad today announced that the Group achieved revenue of RM1.58 billion and profit before tax of RM629.4 million for the first half of FY2018. S P Setia's Board of Directors has recommended an interim dividend of 4 sen per share, which is consistent with prior years. The Board has also determined that the Dividend Reinvestment Plan ("DRP") will apply. This will provide an option for the shareholders of the Company to reinvest the interim dividend into new ordinary share(s). In respect of the Islamic Redeemable Convertible Preference Shares ("RCPS-i A") and ("RCPS-i B"), the Board declared an interim dividend for a 6 month period from 1st January 2018 to 30th June 2018 of 6.49% per annum and 5.93% per annum respectively.

Post GE-14, overall sentiment has improved, however clearer direction is awaited on the anticipated changes to the housing policy. On the international front, the protracted negotiation of Brexit is still on-going, with reported calls for a fresh referendum and this further increases the anxiety in UK and Europe. Over in Singapore, the market is adjusting to the surprised imposition of higher additional buyer's stamp duty. Despite these challenges, the Group secured sales of RM2.11 billion for the first half of FY2018. Local projects contributed RM1.41 billion, which is two-thirds of the total sales while International projects contributed RM705.3 million or one-third of the total sales. On the local front, the sales secured were largely from the Central region at RM880.1 million whereas the Southern and Northern regions contributed a combined sales of RM525.7 million. As for the International projects, the Australian market continued to lead and achieved sales of RM668.1 million with contributions largely from *UNO Melbourne*.

"Notwithstanding the reported oversupply and tighter lending policies in Australia, the contribution from *UNO Melbourne* proves that there are still demand for properties in the right locations and this reinforces the Group's presence as a prominent property player in Australia," said Dato' Khor Chap Jen, President and CEO of S P Setia Berhad.

For Malaysia, in the Central region, the sales were led by our flagship township of *Setia Alam* where the strategy to emphasise on smaller built-up landed units aptly termed 'Starter Home' series continued to receive good response. The interests in the *Starter Home* series remained strong, as they were within the affordability range of most first time homebuyers seeking landed homes in established townships. In addition, new launches in the second quarter ranging from apartments, terrace houses and semi-Ds to commercial shops, spreading across *Setia Eco Park, Bandar Baru Sri Petaling, Alam Damai, Alam Impian* and *Kota Bayuemas*, remained to be appealing to purchasers.

At the Southern region, the recent launches in *Setia Tropika, Bukit Indah, Setia Eco Gardens* and *Taman Rinting* have since chalked up an encouraging take-up rate, led by 93% take-up rate for the semi-Ds launched in *Taman Rinting.* This indicated that the underlying demand was also strong for landed properties in Iskandar Malaysia.

"The Group has performed reasonably well for the first half of 2018 given the current lackluster environment and this is a testament to the strategies that we have adopted and the resilience of Team Setia in ensuring we work towards achieving our RM5.00 billion sales target this year," stated Dato' Khor. "In addition, we are pleased to note that the on-going integration of I&P land banks and projects are making good progress, especially on the land banks where importance is placed on value enhancements for both the townships and mixed-use developments," he added.

Going into the second half of 2018, the Group's launches will focus more on the local market with emphasis given to the launches of mid-range landed properties in the Klang Valley. The planned major launches are in *Setia Alam, Setia Ecohill, Setia Ecohill 2, Setia Eco Templer, Setia Eco Glades, Setia Sky Seputeh (Tower B), Temasya Glenmarie, Setia Alamsari* and *Setia Alaman* with a combined GDV of RM2.23 billion.

Over at the Northern region, the much anticipated *Setia Fontaines* will be unveiled in the fourth quarter. The strategy is to launch more of the landed properties in the Group's flagship townships where the underlying demand for such properties by owner occupiers are still strong.

The local property market will continue to be subdued as the public adopts a wait and see approach pending a clearer direction from the authorities on housing policy matters. Nonetheless, the Group's prospects going forward remain positive with total unbilled sales of RM8.12 billion, anchored by 46 ongoing projects and effective remaining land bank of 9,587 acres with a GDV of RM155.94 billion as at 30 June 2018. Given the planned pipeline of launches, the sustained momentum and the strong sales achieved to-date, the Group remains positive of achieving the sales target of RM5.00 billion for the current financial year.

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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 ten 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 a record-breaking 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 30 June 2018, the Group has 46 ongoing projects, with an effective remaining land banks of 9,587 acres valued at a Gross Development Value of RM155.94 billion and total unbilled sales of RM8.12 billion.

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