



Press Release

27 February 2019

For Immediate Release

S P SETIA Surpassed Sales Target for FY2018

Strengthened Position As The Leading Developer In Malaysia

KUALA LUMPUR: S P Setia Berhad (“S P Setia”) today announced its financial results for the year ended 31 December 2018 (“FY2018”) where the Group achieved RM5.12 billion of sales, surpassing its sales target of RM5.00 billion. The Group’s revenue stands at RM3.59 billion, and profit before tax at RM990.5 million respectively. With that, the Group achieved profit attributable to shareholders’ of RM671.0 million. The Group is pleased to declare a final dividend of 4.55 sen per share. This would bring the total dividend payout to 8.55 sen, representing a payout ratio of 70.1% for FY2018. In respect to the Islamic Redeemable Convertible Preference Shares A and Islamic Redeemable Convertible Preference Shares B, the Group also declared a preferential dividend of 6.49% per annum and 5.93% per annum respectively for the financial period from 1 July 2018 till 31 December 2018.

Local projects contributed RM4.12 billion or approximately 80% of sales while the international projects contributed RM1.00 billion or approximately 20% of sales. On the local front, the sales secured were largely from Central region with RM3.11 billion whereas the Southern region contributed RM805.1 million while Northern and Eastern regions combined, contributed RM206.6 million of sales. As for the international projects, *UNO Melbourne* continued to outperform with sales of RM653.6 million while *Sapphire by the Gardens* added on another RM65.5 million of sales.

“We are pleased with this sales achievement as it demonstrated the resilience and versatility of Team Setia in navigating the various headwinds in a subdued property market,” said Dato’ Khor Chap Jen, President and CEO of S P Setia.

S P Setia Berhad (19698-X)

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On 14 December 2018, S P Setia achieved a significant milestone with Battersea Phase 2 Holding Company Limited signing a Sale and Purchase Agreement (“SPA”) with PNB-Kwasa International 2 Limited (“JVCo”), a joint venture company formed by Permodalan Nasional Berhad (“PNB”) and the Employees Provident Fund Board (“EPF”) to undertake the acquisition of the commercial assets in Phase 2 of *Battersea Power Station* (“BPS”) development for a base consideration of £1.58 billion or approximately RM8.33 billion. As S P Setia owns 40% stake in Battersea Phase 2 Holding Company Limited, it will enable S P Setia to recognise £0.63 billion or approximately RM3.33 billion sales from this transaction. If this sale is taken into consideration, it would add up to a remarkable achievement of a total sales of RM8.45 billion for FY2018.

In FY2019, S P Setia plans to launch RM6.80 billion worth of properties, comprising RM6.66 billion from local launches while international launches comprised of new phases in *Eco Lakes* and *Eco Xuan* in Vietnam amounting to RM139.0 million. The local launches will be concentrated in the Central region with planned launches of RM4.98 billion. This includes new projects from I & P land banks such as *Setia Alaman* (as an extension of *Setia Alam*), *Setia Mayuri* in Semenyih, *Setia Tropicale* in Salak Tinggi and newly acquired land banks in Cyberjaya known as *Setia Safiro*.

In addition, S P Setia will continue to launch new phases in the Group’s established developments such as *Setia Alam*, *Bandar Kinrara*, *KL Eco City* and *Setia Ecohill 2* as well as rebranded projects of *Setia Alamsari*, *Alam Sutera* and *Kota Bayuemas* in the Central region. Launches from Southern region is planned at RM1.17 billion, largely from *Setia Tropika*, *Bukit Indah*, *Setia Indah*, *Setia Eco Gardens* and *Taman Industri Jaya*.

As for the Northern region, the planned launches is RM349.3 million while the planned launches from *Aeropod* in Eastern region is RM163.5 million. In the Northern region, there will not be any new launches on the island but on the mainland of Penang where *Setia Fontaines* will launch its maiden residential properties priced at RM330,000 onwards, following the well-received launch of the shop offices in FY2018.

The Malaysia Budget 2019 focuses on promoting home ownership with many initiatives in place to help home buyers. S P Setia hopes that these initiatives may be a strong catalyst to revive the property market.

“With the versatile range of products offering that the Group plans to launch, S P Setia has set a sales target of RM5.65 billion for FY2019, of which it expects that approximately 89% to be derived from the local projects. This represents a sales growth of about 10% and will further solidify S P Setia’s position as the leading property developer in Malaysia,” Dato’ Khor announced.

Underpinned by an unbilled sales pipeline of RM12.32 billion, 45 ongoing projects and effective remaining land banks of 9,516 acres with a Gross Development Value of RM149.70 billion as at 31 December 2018, the Group is expected to perform resiliently against prevailing market challenges and the outlook going forward remain positive.

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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 eleven FIABCI Malaysia Property Awards. In 2018, S P Setia was ranked No.1 in The Edge Malaysia Top Property Developers Awards for a record-breaking 11th 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 six countries which are Vietnam, Australia, Singapore, China, the United Kingdom and Japan.

As of 31 December 2018, the Group has 45 ongoing projects, with an effective remaining land banks of 9,516 acres valued at a Gross Development Value of RM149.70 billion and total unbilled sales of RM12.32 billion.

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