



Press Release

13 August 2020

For Immediate Release

SALES OF RM875 MILLION SECURED FOR 1ST HALF OF FY2020

KUALA LUMPUR - S P Setia Berhad today announced that the Group had achieved a revenue of RM1.03 billion and loss before tax of RM58.3 million for the first half-year ended 30 June 2020. The loss was largely due to a one-off impairment of RM145.9 million on completed inventories. Over the same period, the Group secured sales of RM875 million. Local projects contributed RM702 million, which represented approximately 80% of the total sales whilst the remaining RM173 million or approximately 20% were contributed largely by international projects such as *UNO Melbourne*, *Sapphire by the Gardens* and *Marque Residences* in Australia as well as *Daintree Residence* in Singapore. On the local front, sales were mainly from the Central region with RM502 million, aided by RM127 million contribution from the Southern region while Northern region contributed another RM73 million. The total sales secured were also complemented by the concerted effort in clearing inventories where RM179 million worth of inventories were monetised during this period.

“In addition to the sales secured, as at July 2020, the Group had also secured bookings of RM1.42 billion. The main focus will now be on the swift conversion of these bookings into sales,” said Dato’ Khor Chap Jen, President & CEO of S P Setia Berhad.

“Since the Movement Control Order and subsequent Recovery Movement Control Order (“MCO”) were imposed to contain the Covid-19 pandemic, activity in terms of new launches and transactions has generally been slower in the residential market. More emphasis was placed on the clearing of inventories and the careful rationalisation of launches,” Dato’ Khor continued.

S P Setia Berhad (19698-X)

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In order to provide additional policy stimulus to accelerate the pace of the economy, Bank Negara Malaysia has further reduced the Overnight Policy Rate (“OPR”) to a historic low rate of 1.75% in July 2020. With the lower OPR, buyers would have lower barriers to financing and owning properties with good location, therein incentivising residential purchases.

“As the purchase of property is a relatively safe and sound investment in the medium to longer-term, and coupled with several initiatives lined up under the National Economy Recovery Plan (PENJANA) 2020 to rejuvenate the economy by the Government, end-users and investors interests may emerge,” said Dato’ Khor.

Prior to the start of the MCO, the Group had launched projects worth approximately RM478 million of Gross Development Value, all in the Klang Valley area. These projects comprised of landed properties such as the 2-storey terraced house in *Alam Impian* priced from RM714,000 onwards, 2-storey terraced house in *Bandar Kinrara* priced from RM1.0 million onwards, 2-storey semi-detached house in *Setia Alam* priced from RM1.0 million onwards as well as a 2-storey terraced house in *Setia Safiro* priced from RM800,000 onwards. The Group had witnessed good responses from prospective buyers of these projects where the take-up rates had been most encouraging.

During the MCO period, the Group embraced various digitalisation initiatives to reach out to customers by marketing products through the Setia Digital Marketplace platform and launched two major campaigns under the digitally “Stay Home Stay Setia” and “Setia Now” campaigns respectively. Responses from these two campaigns were encouraging. Our workforce also effortlessly migrated to remote working from home through the digital platform when MCO was enforced.

“Looking ahead, the Group expects to pick up and ride on the momentum of the increase in real estate activities spurred by PENJANA initiatives. The Group continues to perform resiliently in this current financial year backed by an unbilled sales totalling RM9.68 billion which will tide the Group over for the next two years,” continued Dato’ Khor.

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Besides focusing on clearing the completed inventories, the Group will remain prudent with selective new launches concentrating on the mid-range landed units in established townships to cater to the demand of owner-occupiers. The Group had also put in place several cost rationalisation initiatives for better operational efficiency for this current financial year. The Group is also anchored by 48 on-going projects and an effective remaining landbank of 8,711 acres with a Gross Development Value of RM139.4 billion as at 30 June 2020.

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 twelve FIABCI World Gold Prix d'Excellence Awards by the International Real Estate Federation (FIABCI) and twelve FIABCI Malaysia Property Awards. In 2019, S P Setia was ranked No.1 in The Edge Malaysia Top Property Developers Awards for a record-breaking 12th 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 30 June 2020, the Group has 48 on-going projects, with an effective remaining landbank of 8,711 acres valued at a Gross Development Value of RM139.4 billion and total unbilled sales of RM9.68 billion.

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