

Press Release

23 November 2023

For Immediate Release

**S P SETIA BERHAD REPORTS 25% HIGHER REVENUE
FOR Q3 2023**

**Demonstrates Strong Performance Amid Challenging
Economic Conditions**

Key Highlights:

- **25% increase in Q3 2023 revenue to RM1.08 billion** and **23% increase in gross profit to RM291.7 million**, as the Malaysian property market's recovery is underway.
- **Sales for nine months ended 30 September 2023 totalling RM3.89 billion surpassed last year's level**, arising from land sales and strong demand for the Group's offerings.
- During the period, the Group makes its **maiden foray into Sydney, Australia** with an acquisition of a prime land, reinforces its commitment to regional growth and contributes to the future revenue pipeline for the Group.
- De-gearing programme is on-track, **further reduction of net gearing ratio to 0.53x** reported in Q3 2023 through effective capital management discipline throughout the Group.

Kuala Lumpur - S P Setia Berhad has released its financial results for the third quarter of 2023 today, showcasing excellent sales achievements and sustained growth. The Group's net profit stands at RM51.8 million in the third quarter ended 30 September 2023. Its revenue grew 25% to RM1.08 billion from RM860.9 million QoQ.

The Group secured total sales of RM3.89 billion for the nine months ended 30 September 2023. Local projects contributed RM3.37 billion, or approximately 87% of the sales, while the remaining RM523.0 million or approximately 13%, were generated from international sales. The Central region accounted for 54% of local sales, followed by the Southern region with a 40% sales contribution. The Group cleared completed inventories, with RM804.0 million sold during this period. As of 30 September 2023, the Group has secured a total booking of RM450.0 million.

During Q3FY2023, the Group launched a range of projects, including RM498.7 million of landed properties in the Central and Southern regions and 2-storey commercial retail and office units of the Setia Fontaines City Centre Business Hub in Penang. The take-up rate for these new developments has been encouraging, with a 97% occupancy rate observed in the new phase of landed residential units in Bandar Kinrara and approximately 60% of units sold in townships such as Setia Bayuemas and Setia Fontaines.

S P Setia expanded internationally by acquiring a prime land site in St Leonards, Sydney, Australia. With a land area of 1,374 sqm, this acquisition marks the company's first venture into New South Wales. It aims to establish a prominent presence in the highly sought-after Sydney property market. This strategic move reinforces S P Setia's commitment to regional growth and contributes to the future revenue pipeline for the Group.

It has also just announced the sale of 17.99 acres of land in Setia City, Selangor, as part of its landbank strategy. The sale aims to unlock value for the township and aligns with the Group's vision. The land will be sold to KSL Bestari Sdn Bhd for RM228.8 million, boosting the development of Setia City and contributing to the Group's bottom line. Proceeds will fund new projects and reduce debt, positively affecting profits, net assets, and cash balance.

S P Setia remains focused on maintaining a sustainable overall performance. With 44 ongoing projects and unbilled sales of RM6.76 billion as of 30 September 2023, the Group demonstrates positive earnings visibility in the short to mid-term despite the challenging economic conditions and market headwinds. On the international front, UNO Melbourne (Stage 2) development project in Australia has been completed in September 2023 and is expected to significantly contribute to the final quarter's results.

The Group remains vigilant in balancing its capital structure and effectively manage de-gearing program in pursuits of a sustainable overall performance. The net gearing ratio at the end of Q3 2023 stood at 0.53x, reduced from 0.57x as at 31 December 2022.

Additionally, S P Setia holds an effective remaining land bank of 5,549 acres with an estimated GDV of RM113.11 billion, ensuring a strong foundation for future growth.

Datuk Choong Kai Wai, President & CEO of S P Setia Berhad, expressed his satisfaction with the Q3 performance. He stated, "We are pleased with our robust sales performance and progress in expanding our presence locally and internationally. This has been possible due to our ability to anticipate market changes, continued brand loyalty among our customers, and our commitment to quality in our projects. We remain optimistic about the future of the Malaysian property market and will continue to pursue growth opportunities both in Malaysia and overseas."

Datuk Choong added, "We remain vigilant in managing our capital structure and effectively pursuing de-gearing initiatives, which will significantly improve our financial flexibility and contribute to our overall performance."

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About S P Setia

With a rich history from 1974, S P Setia Berhad has established itself as a dominant force in the property development industry. As one of Malaysia's leading listed real estate players, the Group has built an impressive portfolio encompassing a diverse range of projects, including townships, eco-sanctuaries, luxury enclaves, high-rise residences, and commercial developments.

Setting the bar for excellence, S P Setia is the proud recipient of 17 FIABCI World Gold Prix d'Excellence Awards, making it the only Malaysian developer to achieve such recognition from the esteemed International Real Estate Federation (FIABCI). Additionally, the Group has garnered 17 FIABCI Malaysia Property Awards to date. In 2022, S P Setia secured the coveted No.1 spot in The Edge Malaysia Top Property Developers Awards for an unprecedented 14th time, a testament to its unwavering commitment to delivering exceptional projects.

Harnessing its expertise, S P Setia has cemented its presence in Malaysia's key economic centres, namely the Klang Valley, Johor Bahru, Penang, and Sabah. Moreover, the Group has expanded its international footprint, with notable projects in Vietnam, Australia, Singapore, China, the United Kingdom, and Japan.

As of 30 September 2023, the Group boasts a portfolio of 44 ongoing projects, supported by a robust land bank of 5,549 acres valued at a Gross Development Value (GDV) of RM113.11 billion. Furthermore, S P Setia's total unbilled sales stand at a notable RM6.76 billion.

With a steadfast commitment to excellence and an unwavering focus on delivering quality developments, S P Setia Berhad continues to lead the industry, driving growth and setting new benchmarks for success.

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