

Press Release

14 August 2024

For Immediate Release

S P Setia YTD Q2 2024 Net Profit After Tax increased to RM404 million and further debt reduction of RM700 million

Key Highlights:

- **Profit increased:** Net profit after tax **has increased** to **RM404 million** in YTD Q2 2024 compared to RM121 million in the same period last year, benefitting from successful strategic land deals in Johor and Klang Valley, as well as completion of S P Setia's 50% equity stake disposal in Taman Ikan Emas, Cheras partnership redevelopment project.
- **52% of FY2024 sales target achieved, launches phasing underway:** With RM2.30 billion in sales driven by robust **industrial** segment's performance in the Central region and **favourable demand conditions** in the Southern region, the remaining phases of launches are in the pipeline progressively throughout the rest of the year.
- **Successful De-gearing strategies:** From RM10.1 billion borrowings in Q4 2023, it has declined significantly **by RM700 million** within 6 months to **RM9.4 billion** as of Q2 2024. **Net gearing ratio** has **consistently strengthened** over the past few quarters to **0.41x** per Q2 2024, compared to 0.49x in Q4 2023 due to the effectiveness of the Group's debt management and capital allocation strategies.
- **Steady progress of inventories clearance:** Achieved **RM244 million** reduction of stocks compared to Q4 2023 level, representing ~15% clearance progressively taking place through a concerted effort throughout the Group.
- **Setia Brand refresh – "Shaping Spaces That Shape Us All":** In its 50th year, in honouring decades of excellence, S P Setia celebrates its enduring legacy and unwavering commitment to quality and innovation in real estate development with new marketing campaigns aimed to enhance future sales.

Kuala Lumpur - S P Setia Berhad ("Setia" or "Group") announced for the six months ended 30 June 2024, the Group's total net profit after tax reached RM404 million, an increase from last year's profit of RM121 million, as it gained RM361 million profit from strategic monetisation of its landbanks in Taman Pelangi Indah 2, Johor and Glengowrie, Semenyih. The completion of these land deals marks a strong financial milestone for the Group.

In Q2 2024, the Group concluded the disposal of its 50% equity stake in Retro Highland Sdn Bhd to MMC Land Sdn Bhd pertaining to Taman Ikan Emas, Cheras redevelopment project under the Public-Private Strategic Partnership with

Dewan Bandaraya Kuala Lumpur. The settlement was via a full cash consideration, that resulted in a RM56 million profit for the Group during the period.

Total land and development sales achieved for YTD Q2 2024 was RM2.30 billion, surpassing more than 50% the Group's FY2024 target of RM4.4 billion. Local projects contributed approximately 96% of the Group's development sales, with the Central region dominating the development sales (60%) mainly from Setia Alaman industrial park's contribution. In Johor, the Southern region's robust sale performance accounts for approximately 35% of the Group's development sales, with further growth potential expected from the RTS Link infrastructure development and Special Economic Zone (SEZ) establishment towards the later part of the year.

"We are optimistic on our operations and financial outlook for the rest of the financial year. This performance underscores our strategic focus on the Malaysian market, particularly in the Southern and Central regions," Datuk Choong Kai Wai, President & CEO of S P Setia Berhad said.

Leveraging on the rising market demand for industrial development, "We continue exploring feasible investment opportunities and potential strategic partnerships for our lands currently earmarked for industrial park development particularly in Setia Alaman and the Southern Region," said Datuk Choong.

The Group is poised to unveil major projects such as the first phase of Setia Federal Hill in Jalan Bangsar, Kuala Lumpur with an estimated GDV of RM1.4 billion.

Reflecting on the Group's financial health and prospects, Datuk Choong stated, "Our strategic portfolio management and project launches are setting a strong foundation for sustainable growth. We have demonstrated consistency of crucial financial improvements in the past few quarters, we shall ramp up our efforts to capitalise on market opportunities and deliver more value to our shareholders in the long run."

In conjunction with S P Setia's 50th anniversary in 2024, a series of high-energy sales and marketing campaigns and customers engagement programs have been launched and set to be rolled out throughout the year, run in collaboration with the Group's various strategic partners. These efforts are expected to strengthen the Group's refreshed brand positioning and boost sales. The Group's refreshed brand narrative, "Shaping Spaces That Shape Us All," reflects its dedication to not just building structures but continue to shaping and inspiring communities/individuals to thrive in every aspect of life — live, learn, work, and play. To mark the occasion, a mega event at Setia City Oval Lawn in its crown jewel township, Setia Alam in Shah Alam was held, where more than 5,000 guests attended the event featuring Dato' Awie and Ella, Malaysia's King of Rock and Rockqueen. Guests were treated to an array of activities anchored on its refreshed brand theme of "Shaping Spaces that Shape Us All".

END

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, industrial parks, 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. To date, 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.

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.

As of 30 June 2024, the Group boasts a portfolio of 41 ongoing projects, supported by a robust land bank of 5,261 acres valued at a Gross Development Value (GDV) of RM106.69 billion. Furthermore, S P Setia's total unbilled sales stand at a notable RM4.16 billion.

For media inquiries, please contact:

Adelene Wong
Head, Group Brand Marketing & Communications
S P Setia Berhad
M: +6012 212 1303
E: adelene.wong@spsetia.com