



## Press Release

17 August 2017

For Immediate Release

### **S P SETIA secured sales of RM2.07 billion for first half of FY2017**

*On track to achieve its Sales Target of RM4.00 billion for the year-in-review*

KUALA LUMPUR: S P Setia Berhad today announced that the Group achieved sales of RM2.07 billion for the first half year of FY2017 ended 30 June 2017. Revenue and PBT for the first half of FY2017 were RM1.73 billion and RM358.3 million respectively. S P Setia's Board of Directors has recommended an interim dividend of 4 sen per share in respect of the financial year ending 31 December 2017, which is consistent with prior years. The Board has also determined that the Dividend Reinvestment Plan ("DRP") will apply to this interim dividend and shareholders of the Company will be given an option to elect to reinvest the entire interim dividend in new ordinary share(s) under the next DRP. In respect to the Islamic Redeemable Convertible Preference Shares ("RCPS-i A"), the Board declared a maiden interim dividend of 6.49% per annum for the period from the issue date of 2<sup>nd</sup> December 2016 till 30<sup>th</sup> June 2017.

"The sales achieved reflect an increased demand for the Group's projects in the second quarter of FY2017. This is encouraging as it validates the strategy we have adopted," stated Dato' Khor Chap Jen, President and CEO of S P Setia Berhad.

Local projects contributed RM1.08 billion whereas RM996.5 million was derived from International projects. The local sales secured were largely from the Central region with RM797.3 million, Southern and Northern regions contributed RM278.9 million.

Strong sales in Australia of RM799.0 million were mainly contributed by the *Sapphire By The Gardens* project in Melbourne. Comprising a residential tower of 345 apartment units with a GDV of AUD376 million (RM1.24 billion based on an exchange rate of 3.30), *Sapphire By The Gardens* witnessed a strong take-up rate of 70% during the launch weekend on 17<sup>th</sup> June 2017. The apartments are adjacent to the tower which is home to the five-star Shangri-La Hotel. Other

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International projects from United Kingdom's Battersea Power Station, Vietnam and Singapore, contributed the balance of RM197.5 million.

“The strong take up of *Sapphire By The Gardens* bears testament to the trust the purchasers have in the Setia brand, and this reinforces the Group's presence as a prominent property player in Australia,” Dato' Khor added.

Moving forward into the second half of FY2017, the Group will focus on the local market especially in the Central region. “There is strong underlying demand for owner occupied mid-range landed properties in strategic locations with good infrastructure, secured and self-sustained townships especially Klang Valley. Hence, we will be emphasising the launches of mid-range landed properties in the Group's flagship townships of Setia Alam, Setia EcoHill, Setia EcoHill 2, Setia Eco Templer and Setia Eco Glades in the next half year of FY2017,” he continued.

On 22<sup>nd</sup> June 2017, the Group entered into a conditional share purchase agreement to acquire the entire equity interest of I&P Group Sdn Berhad (“I&P Group”) for a cash consideration of RM3.65 billion from Permodalan Nasional Berhad and Amanahraya Trustees Berhad (as trustee for Amanah Saham Bumiputera) which is at a discount of approximately 39% to the adjusted unaudited net asset of I&P Group of RM6.01 billion (“Proposed I&P Acquisition”).

“This synergistic acquisition will further strengthen Setia's brand presence in Malaysia and help pave the way for the creation of greater shareholder value for S P Setia. I&P's land banks totalling 4,276 acres are located in Klang Valley and Johor Bahru, mainly in the growth areas where S P Setia had established a stronghold with its Setia brand. The combined undeveloped land banks would total up to 9,728 acres making S P Setia the third largest property developer in Malaysia by the size of its enlarged land banks. The I&P brand will facilitate S P Setia to access wider market segments,” said Dato' Khor.

Also on 22<sup>nd</sup> June 2017, the Group announced its fund raising proposal to finance the Proposed I&P Acquisition. The Group proposed a renounceable rights issue of new ordinary shares to raise gross proceeds of up to RM1.20 billion, a renounceable rights issue of a new Class B Islamic Redeemable Convertible Preference Shares (“RCPS-i B”) to raise gross proceeds of up

to RM1.20 billion and a private placement of new shares to raise up to RM1.20 billion (collectively referred as “Proposed Fund Raising”).

The Proposed I&P Acquisition and Proposed Fund Raising are subject to shareholders’ approval targeted to be held in an Extraordinary General Meeting (“EGM”) to be convened later and are expected to be completed in the fourth quarter of FY2017.

On the international front, the Group signed an agreement on 16<sup>th</sup> June 2017 to acquire a 1,714 square metre site of 111 A’Beckett Street, Melbourne, its sixth acquisition in Melbourne, Australia for a purchase price of AUD61 million. The site is located opposite Fulton Lane, the Group’s maiden development project in Melbourne and came with planning approval. This allows the Group to launch 632 units of apartments with a GDV of AUD419 million quickly.

“Our outlook on the property market in Australia remains positive, and we will continue to look out for more acquisition opportunities,” said Dato’ Khor.

Prospects for the current year remain positive for the Group with total unbilled sales of RM8.0 billion, anchored by 31 ongoing projects and an effective remaining land banks of 5,452 acres with a GDV of RM80.0 billion as at 30<sup>th</sup> June 2017.

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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 seven FIABCI Prix d’Excellence Awards by the International Real Estate Federation (FIABCI) and nine FIABCI Malaysia Property Awards. In 2016, S P Setia was ranked No.1 in The Edge Malaysia Top Property Developers Awards for the 9th 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 2017, the Group has 31 ongoing projects, with an effective remaining land banks of 5,452 acres valued at a Gross Development Value of RM80.0 billion and total unbilled sales of RM8.0 billion.

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