

Highlight

SP Setia achieves RM918.3m net profit in 14-month period, plans 19 sen dividend

By [Tan Siew Mung](#) / [theedgemarkets.com](#) | February 25, 2016 : 6:30 PM MYT

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KUALA LUMPUR (Feb 25): SP Setia Bhd achieved a net profit of RM208.28 million or 7.92 sen a share for the two months ended Dec 31, 2015 on revenue of RM1.14 billion, mainly contributed by the completion and handovers of various projects.

For the 14-month financial period ended Dec 31, 2015, the group achieved a net profit of RM918.26 million.

Pre-tax profit was at RM1.4 billion, up 88% from the preceding 12-month financial period, supported by a 74% increase in revenue to RM6.75 billion, compared with the preceding 12-month financial year.

The group also declared a final dividend of 19 sen per share. If approved, the dividends payout for the year will be 23 sen per share, which represents a dividend payout ratio of 65.8% of net profit.

It said the second-quarter performance was mainly supported by projects such as Setia EcoHill in Semenyih, Setia Eco Glades in Cyberjaya, Setia Alam in Shah Alam and Setia Tri-Angle in Penang.

In a statement today, SP Setia said despite the difficult market conditions, the group achieved RM4.3 billion sales for the 14-month period. Approximately 67% of the overall sales performance was derived from the local market, while the remaining was derived from international sales, of which, RM1.2 billion came from the Battersea Power Station in London, the UK.

"While the current economic environment is challenging, it also offers opportunities [for] companies to acquire strategic land banks at reasonable prices. We are therefore on an active look-out to grow our land banks, both locally and abroad," said its acting president and chief executive officer Datuk Khor Chap Jen in the statement.

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The group is confident of performing well in the current financial year ending Dec 31, 2016 (FY16), underpinned by the group's sales achieved in the 14-month financial period ended Dec 31, 2015 of RM4.3 billion, unbilled sales of RM9.2 billion, 27 ongoing projects and effective remaining land bank of 3,907 acres with a gross development value (GDV) of RM70.6 billion.

"This large pipeline of unbilled sales that will be delivered within the next few years, provides good profit visibility for the group and augurs well with the challenging market conditions we are facing," Khor said.

With the group's strong brand name and large pipeline of unbilled sales, he added that the board is confident prospects will remain positive, with execution and timely delivery being the group's key focus areas during the next few years.

In a separate statement today, SP Setia said Tan Sri Dr Wan Mohd Zahid Mohd Noordin has been appointed interim non-executive chairman of the group, replacing Tun Zaki Azmi who has resigned.

SP Setia shares closed unchanged at RM2.89 today, for a market capitalisation of RM7.6 billion.