

S P SETIA BERHAD
Company No: 197401002663 (19698-X)
(Incorporated in Malaysia)

Interim Financial Report
30 June 2024

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Interim Financial Report - 30 June 2024

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S P SETIA BERHAD
(Company No: 197401002663 (19698-X))
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2024
(The figures have not been audited)

| | (UNAUDITED) | (AUDITED) |
|--|-------------------|-------------------|
| | As At | As At |
| | 30/06/2024 | 31/12/2023 |
| | RM'000 | RM'000 |
| ASSETS | | |
| Non-current assets | | |
| Property, plant and equipment | 782,905 | 808,271 |
| Right-of-use - property, plant and equipment | 3,345 | 3,860 |
| Investment properties | 1,991,839 | 1,979,668 |
| Right-of-use - investment properties | 40,461 | 46,755 |
| Inventories - land held for property development | 12,579,091 | 12,356,946 |
| Intangible assets | 14,689 | 14,285 |
| Investments in joint ventures | 3,067,714 | 3,138,074 |
| Investments in associated companies | 588,361 | 583,116 |
| Other investments | 96 | 96 |
| Amounts owing by joint ventures | 69,785 | 69,785 |
| Trade receivables | 26,586 | 26,015 |
| Other receivables, deposits and prepayments | 91,508 | 90,258 |
| Deferred tax assets | 354,956 | 361,997 |
| | <u>19,611,336</u> | <u>19,479,126</u> |
| Current assets | | |
| Trade receivables | 1,011,902 | 926,137 |
| Contract assets | 606,856 | 971,601 |
| Other receivables, deposits and prepayments | 287,028 | 220,386 |
| Inventories - land held for sales | 40,137 | 340,303 |
| Inventories - property development costs | 2,104,373 | 2,159,019 |
| Inventories - completed properties and others | 1,521,934 | 1,766,143 |
| Contract cost assets | 304,105 | 480,770 |
| Amounts owing by joint ventures | 77,093 | 133,732 |
| Amounts owing by related parties | 3,072 | 579 |
| Current tax assets | 57,756 | 32,943 |
| Short-term deposits | 998,293 | 441,237 |
| Cash and bank balances | 1,937,646 | 2,054,402 |
| | <u>8,950,195</u> | <u>9,527,252</u> |
| TOTAL ASSETS | <u>28,561,531</u> | <u>29,006,378</u> |
| EQUITY AND LIABILITIES | | |
| EQUITY | | |
| Share capital | 9,046,091 | 8,722,775 |
| Share capital - RCPS-i A | 1,087,363 | 1,087,363 |
| Share capital - RCPS-i C | 395,432 | 718,748 |
| Reserves | | |
| Reserve on acquisition arising from common control | (1,295,884) | (1,295,884) |
| Exchange translation reserve | 243,113 | 222,158 |
| Retained earnings | 5,254,912 | 4,994,999 |
| Equity attributable to owners of the Company | <u>14,731,027</u> | <u>14,450,159</u> |
| Non-controlling interests | 1,239,535 | 1,212,622 |
| Total equity | <u>15,970,562</u> | <u>15,662,781</u> |
| LIABILITIES | | |
| Non-current liabilities | | |
| Redeemable cumulative preference shares | 38,006 | 38,268 |
| Other payables and accruals | 73,698 | 73,698 |
| Long-term borrowings | 6,904,494 | 7,101,911 |
| Lease liabilities | 3,133 | 2,962 |
| Deferred tax liabilities | 466,408 | 473,794 |
| | <u>7,485,739</u> | <u>7,690,633</u> |
| Current liabilities | | |
| Trade payables | 1,375,638 | 1,452,286 |
| Contract liabilities | 175,255 | 112,083 |
| Other payables and accruals | 791,206 | 939,268 |
| Short-term borrowings | 2,540,253 | 3,043,226 |
| Lease liabilities | 302 | 963 |
| Current tax liabilities | 222,198 | 104,762 |
| Amounts owing to related parties | 378 | 376 |
| | <u>5,105,230</u> | <u>5,652,964</u> |
| Total liabilities | <u>12,590,969</u> | <u>13,343,597</u> |
| TOTAL EQUITY AND LIABILITIES | <u>28,561,531</u> | <u>29,006,378</u> |
| Net assets per share attributable to owners of the Company | <u>2.78</u> | <u>2.90</u> |

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes in this report.)

S P SETIA BERHAD
 (Company No.: 197401002663 (19698-X))
 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024
(The figures have not been audited)

| | 3 MONTHS ENDED | | 6 MONTHS ENDED | |
|--|----------------------|----------------------|----------------------|----------------------|
| | 30/06/2024 RM'000 | 30/06/2023 RM'000 | 30/06/2024 RM'000 | 30/06/2023 RM'000 |
| Revenue | 1,494,562 | 942,717 | 2,970,512 | 1,910,382 |
| Cost of sales | (836,588) | (631,427) | (1,975,460) | (1,332,478) |
| Gross profit | <u>657,974</u> | <u>311,290</u> | <u>995,052</u> | <u>577,904</u> |
| Other operating income | 70,422 | 61,169 | 131,616 | 111,654 |
| Selling and marketing expenses | (7,983) | (13,845) | (20,741) | (27,796) |
| Administrative and general expenses | (123,460) | (107,505) | (229,696) | (203,563) |
| Operating profit | <u>596,953</u> | <u>251,109</u> | <u>876,231</u> | <u>458,199</u> |
| Gain/(loss) on foreign exchange | | | | |
| - Realised | (414) | 378 | 388 | 607 |
| - Unrealised | (9,159) | (17,532) | (4,153) | (12,811) |
| Share of results of joint ventures | (101,013) | (22,687) | (121,767) | (46,561) |
| Share of results of associated companies | 8,044 | 2,904 | 12,093 | 7,080 |
| Finance costs | (83,928) | (94,095) | (171,113) | (170,482) |
| Other gains | 56,346 | - | 56,346 | - |
| Profit before tax | <u>466,829</u> | <u>120,077</u> | <u>648,025</u> | <u>236,032</u> |
| Taxation | (156,544) | (61,958) | (243,880) | (114,981) |
| Profit for the period | <u>310,285</u> | <u>58,119</u> | <u>404,145</u> | <u>121,051</u> |
| Other comprehensive income, net of tax: | | | | |
| Item that may be reclassified to profit or loss in subsequent periods: | | | | |
| - Exchange differences on translation of foreign operations | 14,847 | 236,529 | 29,658 | 285,420 |
| - Net gain/(loss) on net investment hedge | 1,717 | (38,858) | (8,887) | (52,885) |
| Total comprehensive income for the period | <u>326,849</u> | <u>255,790</u> | <u>424,916</u> | <u>353,586</u> |
| Profit attributable to: | | | | |
| Owners of the Company | 295,033 | 43,064 | 372,360 | 98,513 |
| Non-controlling interests | 15,252 | 15,055 | 31,785 | 22,538 |
| | <u>310,285</u> | <u>58,119</u> | <u>404,145</u> | <u>121,051</u> |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 311,697 | 241,132 | 393,315 | 331,429 |
| Non-controlling interests | 15,152 | 14,658 | 31,601 | 22,157 |
| | <u>326,849</u> | <u>255,790</u> | <u>424,916</u> | <u>353,586</u> |
| Earnings per share attributable to owners of the Company | | | | |
| - Basic earnings per share (sen) | <u>6.30</u> | <u>1.06</u> | <u>7.03</u> | <u>1.42</u> |
| - Diluted earnings per share (sen) | <u>5.70</u> | <u>1.06</u> | <u>6.34</u> | <u>1.42</u> |

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes in this report.)

S P SETIA BERHAD
(Company No.: 197401002663 (19698-X))
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024
(The figures have not been audited)

| | ← Attributable to owners of the Company → | | | | | | | | | |
|--|---|--|--|---|---|--|--------------------------------|-------------------|--|---------------------------|
| | ← Non-Distributable → | | | | | Distributable | | | | |
| | Share Capital RM'000 | Share Capital - RCPS-i A RM'000 | Share Capital - RCPS-i C RM'000 | Share- Based Payment Reserve RM'000 | Reserve on Acquisition Arising from Common Control RM'000 | Exchange Translation Reserve RM'000 | Retained Earnings RM'000 | Total RM'000 | Non- controlling Interests RM'000 | Total Equity RM'000 |
| Balance at 01.01.2024 | 8,722,775 | 1,087,363 | 718,748 | - | (1,295,884) | 222,158 | 4,994,999 | 14,450,159 | 1,212,622 | 15,662,781 |
| Total other comprehensive income for the period represented | | | | | | | | | | |
| by exchange differences on translation of foreign operations | - | - | - | - | - | 29,842 | - | 29,842 | (184) | 29,658 |
| Net change on hedge of net investments | - | - | - | - | - | (8,887) | - | (8,887) | - | (8,887) |
| Profit for the period | - | - | - | - | - | - | 372,360 | 372,360 | 31,785 | 404,145 |
| Transactions with owners: | | | | | | | | | | |
| RCPS-i A preferential dividends paid | - | - | - | - | - | - | (35,327) | (35,327) | - | (35,327) |
| RCPS-i C preferential dividends paid | - | - | - | - | - | - | (17,446) | (17,446) | - | (17,446) |
| Dividends paid and payable | - | - | - | - | - | - | (59,674) | (59,674) | (4,688) | (64,362) |
| Conversion of RCPS-i C into ordinary shares | 323,316 | - | (323,316) | - | - | - | - | - | - | - |
| Balance at 30.06.2024 | 9,046,091 | 1,087,363 | 395,432 | - | (1,295,884) | 243,113 | 5,254,912 | 14,731,027 | 1,239,535 | 15,970,562 |
| Balance at 01.01.2023 | 8,499,642 | 1,087,363 | 937,201 | 57,888 | (1,295,884) | (11,649) | 4,803,896 | 14,078,457 | 1,239,044 | 15,317,501 |
| Total other comprehensive income for the period represented | | | | | | | | | | |
| by exchange differences on translation of foreign operations | - | - | - | - | - | 285,801 | - | 285,801 | (381) | 285,420 |
| Net change on hedge of net investments | - | - | - | - | - | (52,885) | - | (52,885) | - | (52,885) |
| Profit for the period | - | - | - | - | - | - | 98,513 | 98,513 | 22,538 | 121,051 |
| Transactions with owners: | | | | | | | | | | |
| Issuance of ordinary shares | | | | | | | | | | |
| - Vesting of Employee Share Grant Plan ("ESGP") | 4,680 | - | - | (4,680) | - | - | - | - | - | - |
| RCPS-i A preferential dividends paid | - | - | - | - | - | - | (35,327) | (35,327) | - | (35,327) |
| RCPS-i C preferential dividends paid | - | - | - | - | - | - | (5,310) | (5,310) | - | (5,310) |
| Dividends paid and payable | - | - | - | - | - | - | (59,910) | (59,910) | (4,900) | (64,810) |
| Share-based payment under Employee Long Term Incentive Plan | - | - | - | (53,208)* | - | - | 53,894 | 686 | - | 686 |
| Balance at 30.06.2023 | 8,504,322 | 1,087,363 | 937,201 | - | (1,295,884) | 221,267 | 4,855,756 | 14,310,025 | 1,256,301 | 15,566,326 |

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes in this report)

*This is stated net of the effect of reversal of share-based payment relating to lapsed entitlements

S P SETIA BERHAD
(Company No.: 197401002663 (19698-X))
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024
(The figures have not been audited)

| | 6 MONTHS ENDED | |
|--|-----------------------|-------------------|
| | 30/06/2024 | 30/06/2023 |
| | RM'000 | RM'000 |
| Operating Activities | | |
| Profit before tax | 648,025 | 236,032 |
| Adjustments for:- | | |
| Non-cash items | 69,662 | 68,079 |
| Non-operating items | 90,907 | 105,869 |
| Operating profit before changes in working capital | 808,594 | 409,980 |
| Changes in inventories - property development costs and contract cost assets | 868,934 | 332,283 |
| Changes in inventories - completed properties and others | 302,454 | 189,240 |
| Changes in contract assets/liabilities | 433,074 | 13,503 |
| Changes in receivables | (134,668) | 151,828 |
| Changes in payables | (167,470) | (235,632) |
| Cash generated from operations | 2,110,918 | 861,202 |
| Rental received | 7,533 | 1,943 |
| Interest received | 31,577 | 18,620 |
| Interest paid on lease liabilities | (2) | (22) |
| Net tax paid | (151,248) | (107,661) |
| Net cash generated from operating activities | 1,998,778 | 774,082 |
| Investing Activities | | |
| Additions to inventories - land held for property development | (561,363) | (170,408) |
| Deposits and part consideration paid for acquisition of development land | (35,562) | - |
| Additions to property, plant and equipment | (6,075) | (28,414) |
| Additions to investment properties | (6,536) | (4,859) |
| Additions to intangible asset | (937) | - |
| Proceeds from disposal of property, plant and equipment | 23,748 | 268 |
| Proceeds from disposal of investment properties | 6,677 | - |
| Proceeds from disposal of a joint venture | 59,071 | - |
| Proceeds from repatriation of capital from joint ventures | - | 43,491 |
| Repayment from an associated company | - | 630 |
| Repayment from joint ventures | 57,678 | 3,315 |
| Withdrawal/(Placement) of sinking fund, debt service reserve, escrow accounts and short-term deposits | 30,664 | (6,145) |
| Dividends received from associated companies | 7,350 | 7,765 |
| Interest received | 9,181 | 10,643 |
| Rental received | 25,931 | 27,920 |
| Net cash used in investing activities | (390,173) | (115,794) |
| Financing Activities | | |
| Proceeds from issuance of Sukuk Wakalah | - | 1,000,000 |
| Drawdown of bank borrowings | 896,947 | 1,503,995 |
| Repayment of bank borrowings | (1,629,234) | (2,343,504) |
| Repayment of lease liabilities | (553) | (486) |
| Interest paid | (258,543) | (275,694) |
| Redeemable cumulative preference share dividends paid to non-controlling interests | (1,734) | (684) |
| Dividends paid to non-controlling interests | (40,000) | (543) |
| Dividends paid | (59,674) | (59,910) |
| RCPS-i A preferential dividends paid | (35,327) | (35,327) |
| RCPS-i C preferential dividends paid | (17,446) | (5,310) |
| Net cash used in financing activities | (1,145,564) | (217,463) |

S P SETIA BERHAD
 (Company No.: 197401002663 (19698-X))
 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2024
(The figures have not been audited)

| | 6 MONTHS ENDED | |
|---|-----------------------|-------------------|
| | 30/06/2024 | 30/06/2023 |
| | RM'000 | RM'000 |
| Net changes in cash and cash equivalents | 463,041 | 440,825 |
| Effect of exchange rate changes | (2,756) | 31,730 |
| Cash and cash equivalents at beginning of the period | 2,254,651 | 2,459,338 |
| Cash and cash equivalents at end of the period | <u>2,714,936</u> | <u>2,931,893</u> |
| Cash and cash equivalents comprise the following: | | |
| Short-term deposits | 998,293 | 886,839 |
| Cash and bank balances | 1,937,646 | 2,249,658 |
| Bank overdrafts | (19,520) | (24,890) |
| | <u>2,916,419</u> | <u>3,111,607</u> |
| Less: Amount restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits | (201,483) | (179,714) |
| | <u>2,714,936</u> | <u>2,931,893</u> |

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2023 and the accompanying explanatory notes in this report.)

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim financial report has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report is unaudited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2023.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2023 except for the adoption of the following MFRS and amendments to MFRSs:

| | |
|-----------------------------------|---|
| Amendments to MFRS 101 | Classification of Liabilities as Current or Non-current |
| | Non-current Liabilities with Covenants |
| Amendments to MFRS 16 | Lease Liability in a Sale and Leaseback |
| Amendments to MFRS 107 and MFRS 7 | Disclosure of Supplier Finance Arrangements |

The adoption of the above amendments to MFRSs do not have significant financial impact to the Group in this interim financial period.

2. Seasonal or Cyclical Factors

The business operations of the Group during the financial period under review have not been materially affected by any seasonal or cyclical factors.

3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items for the financial period ended 30 June 2024.

4. Material Changes in Estimates

There were no material changes in estimates for the financial period ended 30 June 2024.

5. Debts and Equity Securities

Save for the following, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period-to-date:

- Conversion of 850,831,633 RCPS-i C to 406,367,326 ordinary shares with the conversion ratio of thirty-two (32) new S P Setia Berhad shares for sixty-seven (67) RCPS-i C held.

6. Dividends Paid

a) Dividend in respect of the financial year ended 31 December 2023

A single-tier dividend, in respect of the financial year ended 31 December 2023 of 1.34 sen per ordinary share amounting to RM59,674,246 was paid in cash on 23 April 2024.

b) Islamic Redeemable Convertible Preference Shares (“RCPS-i A”) preferential dividend in respect of the financial period from 1 July 2023 to 31 December 2023

A semi-annual RCPS-i A preferential dividend of RM35,326,945, in respect of the financial period from 1 July 2023 to 31 December 2023 was declared on 29 February 2024 and paid in cash on 23 April 2024.

c) Islamic Redeemable Convertible Preference Shares (“RCPS-i C”) preferential dividend in respect of the financial period from 1 July 2023 to 31 December 2023

A semi-annual RCPS-i C preferential dividend of RM17,445,735 in respect of the financial period from 1 July 2023 to 31 December 2023 was declared on 29 February 2024 and paid in cash on 23 April 2024.

7. Segmental Reporting

The segmental analysis are as follows:

| Period ended 30 June 2024 | Property Development RM'000 | Construction, Investment Holding & Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|--|-----------------------------------|--|------------------------|------------------------|
| External revenue | 2,833,472 | 137,040 | - | 2,970,512 |
| Inter-segment revenue | 91,474 | 225 | (91,699) | - |
| Total revenue | 2,924,946 | 137,265 | (91,699) | 2,970,512 |
| Gross profit | 970,535 | 24,517 | - | 995,052 |
| Other income | 126,724 | 4,892 | - | 131,616 |
| Operating expenses | (227,373) | (23,064) | - | (250,437) |
| Gain/(loss) on foreign exchange | | | | |
| - Realised | 209 | 179 | - | 388 |
| - Unrealised | (1,289) | (2,864) | - | (4,153) |
| Share of results of joint ventures | (122,814) | 1,047 | - | (121,767) |
| Share of results of associated companies | 12,093 | - | - | 12,093 |
| Finance costs | (151,213) | (19,900) | - | (171,113) |
| Other gains | - | 56,346 | - | 56,346 |
| Profit before tax | 606,872 | 41,153 | - | 648,025 |
| Taxation | (214,610) | (29,270) | - | (243,880) |
| Profit/(Loss) for the period | 392,262 | 11,883 | - | 404,145 |

7. Segmental Reporting (continued)

Geographical segmentation analysis of the Group for the current financial period is as follows:

| Geographical Segment | Revenue RM'000 | Profit before tax RM'000 | Profit after tax RM'000 |
|-----------------------------|---------------------------|-------------------------------------|------------------------------------|
| Domestic | 2,627,149 | 707,473 | 480,381 |
| International | 343,363 | (59,448) | (76,236) |
| | 2,970,512 | 648,025 | 404,145 |

| Period ended 30 June 2023 | Property Development RM'000 | Construction, Investment Holding & Others RM'000 | Eliminations RM'000 | Consolidated RM'000 |
|--|--|---|--------------------------------|--------------------------------|
| External revenue | 1,766,426 | 143,956 | - | 1,910,382 |
| Inter-segment revenue | 81,482 | 53,374 | (134,856) | - |
| Total revenue | 1,847,908 | 197,330 | (134,856) | 1,910,382 |
| Gross profit | 566,108 | 11,796 | - | 577,904 |
| Other income | 105,548 | 6,106 | - | 111,654 |
| Operating expenses | (222,985) | (8,374) | - | (231,359) |
| Gain/(loss) on foreign exchange | | | | |
| - Realised | (15) | 622 | - | 607 |
| - Unrealised | 182 | (12,993) | - | (12,811) |
| Share of results of joint ventures | (46,913) | 352 | - | (46,561) |
| Share of results of associated companies | 7,080 | - | - | 7,080 |
| Finance costs | (150,118) | (20,364) | - | (170,482) |
| Profit/(Loss) before tax | 258,887 | (22,855) | - | 236,032 |
| Taxation | (100,118) | (14,863) | - | (114,981) |
| Profit/(Loss) for the period | 158,769 | (37,718) | - | 121,051 |

Geographical segmentation analysis of the Group for the preceding financial period is as follows:

| Geographical Segment | Revenue RM'000 | Profit before tax RM'000 | Profit after tax RM'000 |
|-----------------------------|---------------------------|-------------------------------------|------------------------------------|
| Domestic | 1,540,598 | 185,928 | 99,084 |
| International | 369,784 | 50,104 | 21,967 |
| | 1,910,382 | 236,032 | 121,051 |

8. Material Events Subsequent to the End of Financial Period

There were no material transactions or events subsequent to the financial period ended 30 June 2024 until 7 August 2024 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report).

9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 June 2024 except for the following:

- (i) Incorporation of a wholly owned subsidiary of S P Setia Berhad by the name of Setia Square Ventures Sdn Bhd on 05 March 2024 with a capital contribution of RM2.00; and
- (ii) Disposal of Retro Highland Sdn Bhd, a 50% owned joint venture of S P Setia Berhad.

10. Contingent Liabilities

There were no contingent liabilities in respect of the Group for the financial period ended 30 June 2024.

11. Capital Commitments

| | As at 30 June 2024 RM'000 |
|--|--|
| <i>Commitments of subsidiary companies:</i> | |
| Contractual commitments for construction of investment properties | 2,192 |
| Contractual commitments for construction and acquisition of property, plant and equipment | 2,112 |
| Contractual commitments to purchase development land | <u>523,808</u> |

In addition, the Group's estimated commitment to joint ventures pursuant to the respective shareholders' agreements on joint venture, and/or as approved by the Board of Directors are as follows:

| | As at 30 June 2024 RM'000 |
|----------------------------------|--|
| <i>Joint ventures:</i> | |
| Setia City Healthcare Sdn Bhd | 980 |
| Setia MF SFH Development Sdn Bhd | <u>134,132</u> |

12. Significant Related Party Transactions

| | 1 January 2024 To 30 June 2024 RM'000 |
|--|--|
| <i>Transactions with joint ventures:</i> | |
| (i) Management fee received and receivable | 1,480 |
| (ii) Event and marketing fee received and receivable | 29 |
| (iii) Staff secondment fee received and receivable | 176 |
| (iv) Interest received and receivable | <u>4,154</u> |
| <i>Transactions with related company:</i> | |
| (i) Management fee received and receivable | <u>1,420</u> |
| <i>Transactions with associates:</i> | |
| (i) Dividend received and receivable | <u>7,350</u> |
| <i>Transactions with director(s) of the subsidiary company:</i> | |
| (i) Sale of development property to a director of a subsidiary company | <u>2,386</u> |

**ADDITIONAL INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF
BURSA MALAYSIA SECURITIES BERHAD**

1. Review of Group Performance

The performance of the respective operating business segments for the current quarter (“Q2”) and financial period-to-date are analysed as follows:

| | 3 MONTHS ENDED | | 6 MONTHS ENDED | |
|---|-----------------------|-------------------|-----------------------|-------------------|
| | 30/06/2024 | 30/06/2023 | 30/06/2024 | 30/06/2023 |
| | RM’000 | RM’000 | RM’000 | RM’000 |
| Revenue | | | | |
| Property Development | 1,426,299 | 870,657 | 2,833,472 | 1,766,426 |
| Construction, Investment Holding and Others | 68,263 | 72,060 | 137,040 | 143,956 |
| | <u>1,494,562</u> | <u>942,717</u> | <u>2,970,512</u> | <u>1,910,382</u> |
| Profit/(Loss) before tax (“PBT/LBT”) | | | | |
| Property Development | 426,098 | 128,464 | 606,872 | 258,887 |
| Construction, Investment Holding and Others | 40,731 | (8,387) | 41,153 | (22,855) |
| | <u>466,829</u> | <u>120,077</u> | <u>648,025</u> | <u>236,032</u> |

(a) Performance of the current quarter against the same quarter in the preceding year (Q2 2024 vs Q2 2023)

Property Development

The Group’s property development segment achieved revenue of RM1.43 billion in Q2 2024 which is RM555.6 million or 64% higher than Q2 2023 mainly due to the contribution from land sales in Taman Pelangi Indah 2. The land sale revenue in Q2 2024 amounted to RM564 million (Q2 2023: RM86 million).

PBT of RM426.1 million achieved in Q2 2024 is higher than Q2 2023 by RM297.6 million mainly contributed by the higher gross profit from the land sales (RM367 million favourable variance) and partially reduced by higher share of loss from Battersea Power Station (RM84 million adverse variance).

Under construction and completed projects which contributed to the results include *Setia Alam*, *Setia Eco Park*, *Precinct Arundina*, *Setia AlamImpian* and *Temasya Glenmarie* in Shah Alam, *Setia EcoHill*, *Setia EcoHill 2* and *Setia Mayuri* in Semenyih, *Setia Eco Glades* and *Setia Safiro* in Cyberjaya, *Setia Eco Templer* in Rawang, *Setia Warisan Tropika* in Sepang, *Setia Alamsari North and South* in Bangi, *Bandar Kinrara* in Puchong, *Setia Bayuemas* and *Trio by Setia* in Klang, *Setia Sky Seputeh* in Seputeh, *KL Eco City* at Jalan Bangsar, *Bukit Indah*, *Setia Indah*, *Setia Tropika*, *Setia Eco Cascadia*, *Setia Business Park I & II*, *Setia Eco Gardens*, *Setia Sky 88*, *Taman Rinting*, *Taman Pelangi*, *Taman Pelangi Indah* and *Taman Industri Jaya* in Johor, *Setia Sky Vista*, *Setia V Residences*, *Setia Sky Ville*, *Setia Greens* and *Setia Fontaines* in Penang, *Exo Xuan* in Vietnam and *UNO Melbourne* and *Sapphire by the Gardens* in Australia.

1. Review of Group Performance (continued)

(a) Performance of the current quarter against the same quarter in the preceding year (Q2 2024 vs Q2 2023) (continued)

Construction, Investment Holding and Others

Revenue from other operations mainly consist of manufacturing and investment properties such as office towers, retail malls, convention centres and hotels.

The profit before tax of RM40.7 million in Q2 2024 was mainly contributed by the gain on disposal of the shares in Retro Highland Sdn Bhd.

(b) Performance of the six (6) months ended 30 June 2024 vs six (6) months ended 30 June 2023

Property Development

The Group's revenue and PBT from the property development segment are RM2.83 billion and RM606.9 million respectively, higher than the corresponding period in the preceding year. Revenue and profit contributions from land sales in Glengowrie and Taman Pelangi Indah totalling RM956 million and RM476 million respectively have contributed significantly to the current period's financial performance. Additionally, higher revenue from both Central and Southern Regions also contributed to the overall improved performance of the Group. Total revenue and profit from land sales in the corresponding period in the preceding year total RM124 million and RM91 million respectively.

However, the profit from property development was reduced by the higher share of loss from a joint venture (RM84 million adverse variance).

Construction, Investment Holding and Others

The Group's construction, investment holding and others segment has recorded revenue of RM137.0 million and profit before tax of RM41.2 million in six (6) months ended 30 June 2024.

The segment's profit before tax was mainly attributable to the gain on disposal of the shares in Retro Highland Sdn Bhd and contributions from investment properties and hotel operations which have improved in the current period as compared to an operating loss in six (6) months ended 30 June 2023.

2. Material Changes in the Quarterly Results ("Q2 2024") compared to the results of the Preceding Quarter ("Q1 2024")

The Group's PBT for Q2 2024 of RM466.8 million is higher than the preceding quarter of RM181.2 million. This is mainly due to the contribution from land sales in Taman Pelangi Indah 2.

3. Prospects for the Current Financial Year

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.

The Group is optimistic on its development operations and financial outlook for the rest of the financial year. This performance underscores the Group's strategic focus on the Malaysian market, particularly in the Southern and Central regions.

Leveraging on the rising market demand for industrial development, the Group continues 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.

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.

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.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Taxation

| | 3 MONTHS ENDED | | 6 MONTHS ENDED | |
|---|-----------------------|-------------------|-----------------------|-------------------|
| | 30/06/2024 | 30/06/2023 | 30/06/2024 | 30/06/2023 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Income tax: | | | | |
| - current period | 162,073 | 66,414 | 239,255 | 118,448 |
| - under/(over) provision in prior years | 4,465 | (511) | 4,884 | 586 |
| Deferred tax: | | | | |
| - current period | (9,507) | (2,350) | (15,375) | 1,509 |
| - under/(over) provision in prior years | (487) | (1,595) | 15,116 | (5,562) |
| | 156,544 | 61,958 | 243,880 | 114,981 |

The Group's effective tax rate (excluding share of results of joint ventures and associated companies) for the financial period is higher than the statutory tax rate mainly due to certain non-tax deductible expenses and non-recognition of deferred tax assets arising from certain loss making entities.

6. Status of Corporate Proposals

The following corporate proposal as announced by the Company have not been completed as at 7th August 2024 (being the latest practicable date which is not earlier than 7 days from the announcement date of this interim financial report):

On 23 November 2023, the Company announced that Bandar Setia Alam Sdn Bhd (“**BSA**”), its direct wholly owned subsidiary, entered into a conditional sale and purchase agreement (“**SPA**”) with KSL Bestari Sdn Bhd (“**KSL Bestari**”) to dispose approximately 17.99 acres of freehold land in Mukim of Bukit Raja, District of Petaling, Selangor for a cash consideration of RM228,800,000.00.

The conditions precedent of the SPAs was met on 18th April 2024, but the completion of the SPA is pending full settlement of the sale consideration. The estimated timeframe for the completion will be by the 3rd quarter of 2024.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 30 June 2024 were as follows:

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|---|---------------------------|-----------------------------|-------------------------|
| Short-term borrowings - Islamic | 334,599 | 1,011,632 | 1,346,231 |
| Short-term borrowings - Conventional | 710,305 | 483,717 | 1,194,022 |
| Long-term borrowings - Islamic | 1,543,277 | 3,326,208 | 4,869,485 |
| Long-term borrowings - Conventional | 1,038,098 | 996,911 | 2,035,009 |
| Redeemable cumulative preference shares | - | 38,006 | 38,006 |
| | 3,626,279 | 5,856,474 | 9,482,753 |

Currency exposure profile of group borrowings and debt securities were as follows:

| | Secured RM'000 | Unsecured RM'000 | Total RM'000 |
|----------------------|---------------------------|-----------------------------|-------------------------|
| Malaysian Ringgit | 3,042,087 | 4,336,203 | 7,378,290 |
| Great British Pound | - | 1,169,795 | 1,169,795 |
| Australian Dollar | 552,299 | 312,720 | 865,019 |
| United States Dollar | - | 37,756 | 37,756 |
| Japanese Yen | 31,893 | - | 31,893 |
| | 3,626,279 | 5,856,474 | 9,482,753 |

8. Material Litigation

The Group was not engaged in any material litigation as at 7 August 2024 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report).

9. Dividends Declared

- (a) On 14 August 2024, the Board of Directors has declared preferential dividends in respect of the financial period from 1 January 2024 to 30 June 2024, for the RCPS-i A and RCPS-i C.
- (i) Preferential dividend rate
 - RCPS-i A : 6.49% per annum
 - RCPS-i C : 5.43% per annum
 - (ii) Previous corresponding financial period
 - RCPS-i A : 6.49% per annum
 - RCPS-i C : 5.43% per annum
 - (iii) Date payable : To be determined later
 - (iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later.
- (b) No dividend has been declared in respect of ordinary share for the financial period ended 30 June 2024.

10. Earnings Per Share Attributable To Owners of The Company

Basic Earnings Per Share

The basic earnings per share for the period is calculated by dividing the Group's profit attributable to owners of the Company adjusted for the effects of RCPS-i A and RCPS-i C preferential dividends declared during the period, divided by the weighted average number of shares in issue, as follows:

| | 3 MONTHS ENDED | | 6 MONTHS ENDED | |
|--|-----------------------|-------------------|-----------------------|-------------------|
| | 30/06/2024 | 30/06/2023 | 30/06/2024 | 30/06/2023 |
| | '000 | '000 | '000 | '000 |
| Profit attributable to owners of the Company (RM) | 295,033 | 43,064 | 372,360 | 98,513 |
| - RCPS-i A preferential dividends (RM) | - | - | (35,327) | (35,327) |
| - RCPS-i C preferential dividends (RM) | - | - | (17,446) | (5,310) |
| Adjusted profit attributable to owners of the Company (RM) | <u>295,033</u> | <u>43,064</u> | <u>319,587</u> | <u>57,876</u> |
| Number of ordinary shares at beginning of the period | 4,453,303 | 4,075,488 | 4,354,837 | 4,075,488 |
| Weighted average effect of shares issued pursuant to: | | | | |
| - Vesting of ESGP | - | 4,203 | - | 2,113 |
| - Conversion of RCPS i-C into ordinary shares | 226,054 | - | 188,112 | - |
| Number of ordinary shares in issue | <u>4,679,357</u> | <u>4,079,691</u> | <u>4,542,949</u> | <u>4,077,601</u> |
| Basic earnings per share (sen) | <u>6.30</u> | <u>1.06</u> | <u>7.03</u> | <u>1.42</u> |

Diluted Earnings Per Share

The diluted earnings per share for the period is calculated by dividing the Group's profit attributable to owners of the Company adjusted for the effects of RCPS-i A and RCPS-i C preferential dividends declared during the period, divided by the weighted average number of shares upon full conversion of RCPS i-C at the conversion ratio of thirty two (32) ordinary shares for sixty seven (67) RCPS-i C, calculated as follows:

| | 3 MONTHS ENDED | | 6 MONTHS ENDED | |
|--|-----------------------|-------------------|-----------------------|-------------------|
| | 30/06/2024 | 30/06/2023 | 30/06/2024 | 30/06/2023 |
| | '000 | '000 | '000 | '000 |
| Profit attributable to owners of the Company (RM) | 295,033 | 43,064 | 372,360 | 98,513 |
| - RCPS-i A preferential dividends (RM) | - | - | (35,327) | (35,327) |
| - RCPS-i C preferential dividends (RM) | - | - | (17,446) | (5,310) |
| Adjusted profit attributable to owners of the Company (RM) | <u>295,033</u> | <u>43,064</u> | <u>319,587</u> | <u>57,876</u> |
| Weighted average number of ordinary shares as per Basic Earnings Per Share | 4,679,357 | 4,079,691 | 4,542,949 | 4,077,601 |
| Effect of potential exercise of RCPS-i C | 499,726 | - | 499,726 | - |
| Weighted average number of ordinary shares | <u>5,179,083</u> | <u>4,079,691</u> | <u>5,042,675</u> | <u>4,077,601</u> |
| Diluted earnings per share (sen) | <u>5.70</u> | <u>1.06</u> | <u>6.34</u> | <u>1.42</u> |

The effects of conversion of RCPS-i A have not been included in the computation of the dilutive earnings per share of the Group as they do not have a dilutive effect.

11. Notes to the Statement of Comprehensive Income

| | 3 MONTHS ENDED 30/06/2024 RM'000 | 6 MONTHS ENDED 30/06/2024 RM'000 |
|--|---|---|
| Interest income | 20,888 | 40,757 |
| Other income including investment income | 37,353 | 76,584 |
| Interest expense | (83,928) | (171,113) |
| Depreciation and amortisation | (11,230) | (22,437) |
| Provision of doubtful debts for trade and other receivables | - | (211) |
| Reversal of write-down in value of completed inventories | - | 25 |
| Net gain on disposal of quoted or unquoted investments or properties | 67,873 | 69,967 |
| Fair value adjustment of right-of-use - investment properties | (3,147) | (6,294) |
| Net foreign exchange loss | (9,573) | (3,765) |

Other than the above, there were no write-off of property, plant and equipment and exceptional items. The gain or loss on derivatives is not applicable to the Group.

12. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 31 December 2023 was unqualified.