

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

Interim Financial Report
31 March 2024

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Interim Financial Report - 31 March 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 31 MARCH 2024
(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	As At	As At
	31/03/2024	31/12/2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	801,433	808,271
Right-of-use - property, plant and equipment	3,623	3,860
Investment properties	1,991,007	1,979,668
Right-of-use - investment properties	43,608	46,755
Inventories - land held for property development	12,320,201	12,356,946
Intangible assets	14,626	14,285
Investments in joint ventures	3,173,946	3,138,074
Investments in associated companies	588,692	583,116
Other investments	96	96
Amounts owing by joint ventures	69,785	69,785
Trade receivables	28,164	26,015
Other receivables, deposits and prepayments	90,258	90,258
Deferred tax assets	354,122	361,997
	<u>19,479,561</u>	<u>19,479,126</u>
Current assets		
Trade receivables	618,586	926,137
Contract assets	1,168,030	971,601
Other receivables, deposits and prepayments	247,921	220,386
Inventories - land held for sales	156,268	340,303
Inventories - property development costs	1,954,854	2,159,019
Inventories - completed properties and others	1,655,731	1,766,143
Contract cost assets	410,997	480,770
Amounts owing by joint ventures	130,427	133,732
Amounts owing by related parties	2,513	579
Current tax assets	32,917	32,943
Short-term deposits	334,080	441,237
Cash and bank balances	2,312,834	2,054,402
	<u>9,025,158</u>	<u>9,527,252</u>
TOTAL ASSETS	<u>28,504,719</u>	<u>29,006,378</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	8,801,118	8,722,775
Share capital - RCPS-i A	1,087,363	1,087,363
Share capital - RCPS-i C	640,405	718,748
Reserves		
Reserve on acquisition arising from common control	(1,295,884)	(1,295,884)
Exchange translation reserve	226,449	222,158
Retained earnings	4,959,879	4,994,999
Equity attributable to owners of the Company	<u>14,419,330</u>	<u>14,450,159</u>
Non-controlling interests	1,229,071	1,212,622
Total equity	<u>15,648,401</u>	<u>15,662,781</u>
LIABILITIES		
Non-current liabilities		
Redeemable cumulative preference shares	37,795	38,268
Other payables and accruals	73,698	73,698
Long-term borrowings	6,803,292	7,101,911
Lease liabilities	3,166	2,962
Deferred tax liabilities	475,340	473,794
	<u>7,393,291</u>	<u>7,690,633</u>
Current liabilities		
Trade payables	1,341,522	1,452,286
Contract liabilities	88,611	112,083
Other payables and accruals	1,004,513	939,268
Short-term borrowings	2,905,973	3,043,226
Lease liabilities	529	963
Current tax liabilities	121,504	104,762
Amounts owing to related parties	375	376
	<u>5,463,027</u>	<u>5,652,964</u>
Total liabilities	<u>12,856,318</u>	<u>13,343,597</u>
TOTAL EQUITY AND LIABILITIES	<u>28,504,719</u>	<u>29,006,378</u>
Net assets per share attributable to owners of the Company	<u>2.85</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 31 MARCH 2024
(The figures have not been audited)

	3 MONTHS ENDED	
	31/03/2024	31/03/2023
	RM'000	RM'000
Revenue	1,475,950	967,665
Cost of sales	(1,138,872)	(701,051)
Gross profit	<u>337,078</u>	<u>266,614</u>
Other income	61,194	50,485
Selling and marketing expenses	(12,758)	(13,951)
Administrative and general expenses	(106,236)	(96,058)
Gain on foreign exchange		
- Realised	802	229
- Unrealised	5,006	4,721
Share of results of joint ventures	(20,754)	(23,874)
Share of results of associated companies	4,049	4,176
Finance costs	(87,185)	(76,387)
Profit before tax	<u>181,196</u>	<u>115,955</u>
Taxation	(87,336)	(53,023)
Profit for the period	<u>93,860</u>	<u>62,932</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	14,811	48,891
- Net loss on net investment hedge	(10,604)	(14,027)
Total comprehensive income for the period	<u>98,067</u>	<u>97,796</u>
Profit attributable to:		
Owners of the Company	77,327	55,449
Non-controlling interests	16,533	7,483
	<u>93,860</u>	<u>62,932</u>
Total comprehensive income attributable to:		
Owners of the Company	81,618	90,297
Non-controlling interests	16,449	7,499
	<u>98,067</u>	<u>97,796</u>
Earnings per share attributable to owners of the Company		
- Basic earnings per share (sen)	<u>0.56</u>	<u>0.36</u>
- Diluted earnings per share (sen)	<u>0.47</u>	<u>0.36</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 31 MARCH 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	-	-	-	-	-	14,895	-	14,895	(84)	14,811
Net change on hedge of net investments	-	-	-	-	-	(10,604)	-	(10,604)	-	(10,604)
Profit for the period	-	-	-	-	-	-	77,327	77,327	16,533	93,860
Transactions with owners:										
RCPS-i A preferential dividends declared	-	-	-	-	-	-	(35,327)	(35,327)	-	(35,327)
RCPS-i C preferential dividends declared	-	-	-	-	-	-	(17,446)	(17,446)	-	(17,446)
Dividends declared	-	-	-	-	-	-	(59,674)	(59,674)	-	(59,674)
Conversion of RCPS-i C into ordinary shares	78,343	-	(78,343)	-	-	-	-	-	-	-
Balance at 31.03.2024	8,801,118	1,087,363	640,405	-	(1,295,884)	226,449	4,959,879	14,419,330	1,229,071	15,648,401
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	-	-	-	-	-	48,875	-	48,875	16	48,891
Net change on hedge of net investments	-	-	-	-	-	(14,027)	-	(14,027)	-	(14,027)
Profit for the period	-	-	-	-	-	-	55,449	55,449	7,483	62,932
Transactions with owners:										
RCPS-i A preferential dividends declared	-	-	-	-	-	-	(35,327)	(35,327)	-	(35,327)
RCPS-i C preferential dividends declared	-	-	-	-	-	-	(5,310)	(5,310)	-	(5,310)
Dividends declared	-	-	-	-	-	-	(59,910)	(59,910)	-	(59,910)
Share-based payment under Employee Long Term Incentive Plan ("LTIP")	-	-	-	644	-	-	-	644	-	644
Balance at 31.03.2023	8,499,642	1,087,363	937,201	58,532	(1,295,884)	23,199	4,758,798	14,068,851	1,246,543	15,315,394

(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)

S P SETIA BERHAD
 (Company No.: 197401002663 (19698-X))
 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024
(The figures have not been audited)

	3 MONTHS ENDED	
	31/03/2024	31/03/2023
	RM'000	RM'000
Operating Activities		
Profit before tax	181,196	115,955
Adjustments for:-		
Non-cash items	22,813	22,488
Non-operating items	47,991	47,893
Operating profit before changes in working capital	252,000	186,336
Changes in inventories - property development costs and contract cost assets	550,292	208,785
Changes in inventories - completed properties and others	127,162	86,882
Changes in contract assets/liabilities	(218,873)	(12,530)
Changes in receivables	311,529	127,828
Changes in payables	(89,889)	(235,612)
Cash generated from operations	932,221	361,689
Rental received	3,339	2,085
Interest received	14,970	7,919
Interest paid on lease liabilities	(40)	(12)
Net tax paid	(60,123)	(53,684)
Net cash generated from operating activities	890,367	317,997
Investing Activities		
Additions to inventories - land held for property development	(134,570)	(62,383)
Deposits and part consideration paid for acquisition of development land	(34,398)	-
Additions to property, plant and equipment	(4,246)	(7,282)
Additions to investment properties	(2,281)	(1,265)
Additions to intangible asset	(573)	-
Proceeds from disposal of property, plant and equipment	231	232
Proceeds from disposal of investment properties	5,554	-
Proceeds from repatriation of capital from joint ventures	-	43,491
Repayment from an associated company	-	377
Repayment from joint ventures	4,420	2,580
Withdrawal of sinking fund, debt service reserve, escrow accounts and short-term deposits	23,575	3,243
Interest received	4,899	4,765
Rental received	13,576	12,464
Net cash used in investing activities	(123,813)	(3,778)
Financing Activities		
Drawdown of bank borrowings	79,026	597,817
Repayment of bank borrowings	(555,619)	(1,097,322)
Repayment of lease liabilities	(237)	(239)
Interest paid	(95,629)	(101,633)
Payment of transaction cost on borrowings	-	(39)
Redeemable cumulative preference share dividends paid to non-controlling interests	(684)	(684)
Dividends paid to non-controlling interests	(40,000)	(543)
Net cash used in financing activities	(613,143)	(602,643)

S P SETIA BERHAD
 (Company No.: 197401002663 (19698-X))
 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2024
(The figures have not been audited)

	3 MONTHS ENDED	
	31/03/2024	31/03/2023
	RM'000	RM'000
Net changes in cash and cash equivalents	153,411	(288,424)
Effect of exchange rate changes	(1,363)	2,242
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>2,406,699</u>	<u>2,173,156</u>
Cash and cash equivalents comprise the following:		
Short-term deposits	334,080	901,196
Cash and bank balances	2,312,834	1,481,834
Bank overdrafts	(31,643)	(39,549)
	<u>2,615,271</u>	<u>2,343,481</u>
Less: Amount restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	(208,572)	(170,325)
	<u>2,406,699</u>	<u>2,173,156</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 31 March 2024.

4. Material Changes in Estimates

There were no material changes in estimates for the financial period ended 31 March 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 206,163,407 RCPS-i C to 98,466,101 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 31 March 2024	Property Development RM'000	Construction, Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	1,407,173	68,777	-	1,475,950
Inter-segment revenue	34,590	5,198	(39,788)	-
Total revenue	1,441,763	73,975	(39,788)	1,475,950
Gross profit	322,997	14,081	-	337,078
Other income	57,723	3,471	-	61,194
Operating expenses	(109,951)	(9,043)	-	(118,994)
Gain/(loss) on foreign exchange				
- Realised	277	525	-	802
- Unrealised	5,221	(215)	-	5,006
Share of results of joint ventures	(22,082)	1,328	-	(20,754)
Share of results of associated companies	4,049	-	-	4,049
Finance costs	(77,460)	(9,725)	-	(87,185)
Profit before tax	180,774	422	-	181,196
Taxation	(70,466)	(16,870)	-	(87,336)
Profit/(Loss) for the period	110,308	(16,448)	-	93,860

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	1,267,353	153,931	78,575
International	208,597	27,265	15,285
	1,475,950	181,196	93,860

Period ended 31 March 2023	Property Development RM'000	Construction, Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	895,769	71,896	-	967,665
Inter-segment revenue	36,432	25,448	(61,880)	-
Total revenue	932,201	97,344	(61,880)	967,665
Gross profit	262,981	3,633	-	266,614
Other income	47,774	2,711	-	50,485
Operating expenses	(99,659)	(10,350)	-	(110,009)
Gain/(loss) on foreign exchange				
- Realised	16	213		229
- Unrealised	6,618	(1,897)		4,721
Share of results of joint ventures	(24,574)	700	-	(23,874)
Share of results of associated companies	4,176	-	-	4,176
Finance costs	(66,909)	(9,478)	-	(76,387)
Profit/(Loss) before tax	130,423	(14,468)	-	115,955
Taxation	(44,506)	(8,517)	-	(53,023)
Profit/(Loss) for the period	85,917	(22,985)	-	62,932

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	808,964	89,926	53,115
International	158,701	26,029	9,817
	967,665	115,955	62,932

8. Material Events Subsequent to the End of Financial Period

There were no material transactions or events subsequent to the financial period ended 31 March 2024 until 9 May 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 31 March 2024.

10. Contingent Liabilities

There were no contingent liabilities in respect of the Group for the financial period ended 31 March 2024.

11. Capital Commitments

	As at 31 March 2024 RM'000
<i>Commitments of subsidiary companies:</i>	
Contractual commitments for construction of investment properties	3,737
Contractual commitments for construction and acquisition of property, plant and equipment	2,590
Contractual commitments to purchase development land	<u>773,156</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 31 March 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
31 March 2024
RM'000

Transactions with joint ventures:

(i) Management fee received and receivable	640
(ii) Event and marketing fee received and receivable	14
(iii) Staff secondment fee received and receivable	88
(iv) Interest received and receivable	736
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Transactions with related company:

(i) Management fee received and receivable	642
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Transactions with director of the Company:

(i) Advisory services rendered by a Director of the Company	15
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**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 (“Q1”) are analysed as follows:

	3 MONTHS ENDED	
	31/03/2024	31/03/2023
	RM’000	RM’000
Revenue		
Property Development	1,407,173	895,769
Construction, Investment Holding and Others	68,777	71,896
	1,475,950	967,665
Profit/(Loss) before tax (“PBT/LBT”)		
Property Development	180,774	130,423
Construction, Investment Holding and Others	422	(14,468)
	181,196	115,955

Property Development

The Group’s property development segment achieved revenue of RM1.41 billion in Q1 2024 which is RM511.4 million or 57.1% higher than Q1 2023 mainly due to the higher contribution from Vietnam with the handover of Eco Xuan and higher domestic property development revenue during the current quarter. The land sale revenue in Q1 2024 amounted to RM424.2 million (Q1 2023: RM38.4 million).

PBT of RM180.8 million achieved in Q1 2024 is higher than Q1 2023 by RM50.4 million or 38.6% mainly contributed by higher gross profit and partially reduced by higher financing cost.

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)

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 RM0.4 million in Q1 2024 was mainly due to reduced loss from construction segment and higher contribution from investment properties and hotel operations as compared to RM14.5 million loss in Q1 2023.

2. Material Changes in the Quarterly Results (“Q1 2024”) compared to the results of the Preceding Quarter (“Q4 2023”)

The Group’s PBT for Q1 2024 of RM181.2 million is lower than the preceding quarter of RM284.0 million. This is mainly due to the lower contribution from certain development township in Klang Valley in Q1 2024 and lesser contribution from our Australia operations upon the handover of UNO Melbourne (Phase 2) in Q4 2023.

3. Prospects for the Current Financial Year

Sales have remained strong, with a total of RM1.42 billion sales achieved in the quarter mainly contributed by the Southern and Central region domestically in Malaysia.

With new projects launched during the quarter with a combined GDV of RM146.2 million and favourable market uptake, the Group's projections for continued upward momentum look secure. The Group's strong unbilled sales and 41 active projects spread across its strategically positioned landbanks underpin its measured approach in balancing capital allocation decisions and growth expansion plans.

Bolstered by the 4% to 5% projected economic growth in 2024, supported by resilient domestic demand and improvement in external demand outlook by Bank Negara Malaysia⁽¹⁾, the Group is on track to meeting its RM4.40 billion sales target for the year.

In conjunction with S P Setia’s 50th anniversary in 2024, various sales and marketing campaigns and customers engagement programs have been carried out and set to be rolled out throughout the year. These efforts are expected to further boost sales for the Group.

The Group is navigating the challenges presented by a volatile global economy with a measured and strategic approach that keeps us at the forefront of industry innovation and market leadership.

Source: (1) Bank Negara Malaysia Economic and Monetary Review 2023, 20 Mar 2024

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Taxation

	3 MONTHS ENDED	
	31/03/2024	31/03/2023
	RM'000	RM'000
Income tax:		
- current period	77,182	52,034
- under provision in prior years	419	1,097
Deferred tax:		
- current period	(5,868)	3,859
- under/(over) provision in prior years	15,603	(3,967)
	87,336	53,023

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 proposals as announced by the Company have not been completed as at 9th May 2024 (being the latest practicable date which is not earlier than 7 days from the announcement date of this Interim Financial Report):

- (a) On 19 June 2023, the Company's indirect wholly-owned subsidiary, Petaling Garden Sdn Bhd entered into three (3) inter-conditional sale and purchase agreements ("SPAs") with the following three (3) wholly-owned subsidiaries of Mah Sing Group Berhad to dispose of approximately 500 acres of freehold land situated in Mukim Beranang, Daerah Ulu Langat, Selangor for a sale consideration of RM392,040,000.00:
- (i) Mestika Bistari Sdn Bhd to dispose approximately 110 acres of land forming part of Lot 41 Land held under GRN 46222;
 - (ii) Grand Prestige Development Sdn Bhd to dispose approximately 93 acres of land forming part of Lot 41 Land held under GRN 46222; and
 - (iii) Elite Park Development Sdn Bhd to dispose approximately 237 acres of land forming part of Lot 41 Land held under GRN 46222 and the entire land of Lot 1807 Land measuring approximately 60 acres in area.

The conditions precedent of the SPAs were met on 21st March 2024, but the legal completion of the SPAs is pending full settlement of the sale consideration. The estimated timeframe for the legal completion is by the 2nd quarter of 2024.

- (b) 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 of 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 were met on 18th April 2024, but the legal completion of the SPA is pending full settlement of the sale consideration. The estimated timeframe for the legal completion is by the 3rd quarter of 2024.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 March 2024 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings - Islamic	416,395	1,030,935	1,447,330
Short-term borrowings - Conventional	939,746	518,897	1,458,643
Long-term borrowings - Islamic	1,575,914	3,560,697	5,136,611
Long-term borrowings - Conventional	673,830	992,851	1,666,681
Redeemable cumulative preference shares	-	37,795	37,795
	3,605,885	6,141,175	9,747,060

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Malaysian Ringgit	3,371,667	4,314,733	7,686,400
Great British Pound	-	1,364,585	1,364,585
Australian Dollar	200,148	307,897	508,045
United States Dollar	-	153,960	153,960
Japanese Yen	34,070	-	34,070
	3,605,885	6,141,175	9,747,060

8. Material Litigation

The Group was not engaged in any material litigation as at 9 May 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

No interim dividend has been declared in respect of the financial period ended 31 March 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	
	31/03/2024	31/03/2023
	'000	'000
Profit attributable to owners of the Company (RM)	77,327	55,449
- 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)	24,554	14,812
Number of ordinary shares at beginning of the period	4,354,837	4,075,488
Weighted average effect of shares issued pursuant to:		
- Conversion of RCPS i-C into ordinary shares	51,703	-
Number of ordinary shares in issue	4,406,540	4,075,488
Basic earnings per share (sen)	0.56	0.36

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 that would have been in issue upon full exercise of the remaining options under the LTIP granted, 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	
	31/03/2024	31/03/2023
	'000	'000
Profit attributable to owners of the Company (RM)	77,327	55,449
- 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)	24,554	14,812
Weighted average number of ordinary shares as per Basic Earnings Per Share	4,406,540	4,075,488
Effect of potential exercise of LTIP	-	4,781
Effect of potential exercise of RCPS-i C	807,628	-
Weighted average number of ordinary shares	5,214,168	4,080,269
Diluted earnings per share (sen)	0.47	0.36

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	
	31/03/2024	31/03/2023
	RM'000	RM'000
Interest income	19,869	18,715
Other income including investment income	39,231	31,566
Interest expense	(87,185)	(76,387)
Depreciation and amortisation	(11,207)	(9,800)
Provision of doubtful debts for trade and other receivables	(211)	(13)
Reversal of write-down in value of completed inventories	25	-
Net gain on disposal of quoted or unquoted investments or properties	2,094	195
Write off of property, plant and equipment	(3)	(8)
Fair value adjustment on investment properties	-	9
Fair value adjustment of right-of-use - investment properties	(3,147)	(3,078)
Net foreign exchange gain	5,808	4,950

Other than the above, there were no exceptional items and gain or loss on derivatives is not applicable.

12. Auditors' Report on Preceding Annual Financial Statements

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