

From the Desk of Our President and Chief Executive Officer

Dear Shareholders,

Despite a complex operating environment shaped by global volatility, trade uncertainties, domestic policy recalibration and shifting demand across property segments, our strong performance in 2025 underscores the resilience of our business and reinforces our foundations for continued growth. Having assumed the role of President and Chief Executive Officer in October 2025, I am proud to continue our mandate of creating spaces that shape better lives. Guided by disciplined execution and a clear strategic focus, we remain well-positioned to accelerate our transformation into an integrated real estate player, anchored by catalytic townships, green industrial parks and a growing international presence.

DATUK ZAINI YUSOFF

President and Chief Executive Officer



From the Desk of Our President and Chief Executive Officer

2025 HIGHLIGHTS

Over the year, our performance reflected a sustained focus on disciplined execution, strategic expansion and financial strength, supported by targeted actions and collaborations that enhance long-term value and business sustainability.

Sales Performance

We achieved total sales of RM5.11 billion, exceeding our RM4.8 billion target by 6%, driven by disciplined project launches aligned with prevailing market demand.

Financial Position

De-gearing remained a priority, with borrowings reduced to RM8.0 billion (2024: RM8.6 billion) as part of our ongoing debt-reduction strategy.

Optimised Land Bank Strategy

Through targeted land monetisation and portfolio optimisation, we generated additional cash flow to support developments across strategic growth corridors.

Township Development Excellence

Consistent and quality delivery across our township development portfolio sustained our performance, with established developments maintaining momentum and catalytic townships reinforcing long-term value creation.

Industrial Expansion

We continued to unlock value from our industrial ecosystems, integrating ESG-aligned features to differentiate offerings and attract global investment, while sparking new collaborations to accelerate development activity in high-demand regions.

Regional Growth

Our international portfolio progressed steadily, supported by strong sales at ATLAS Melbourne and the groundbreaking of Setia Edenia at EcoXuan in Ho Chi Minh City.

Strategic Collaborations and Synergy

Targeted partnerships, including collaboration with Mitsui Fudosan at Setia EcoHill and Setia Federal Hill, strengthened our execution capabilities while capital commitments were carefully managed.

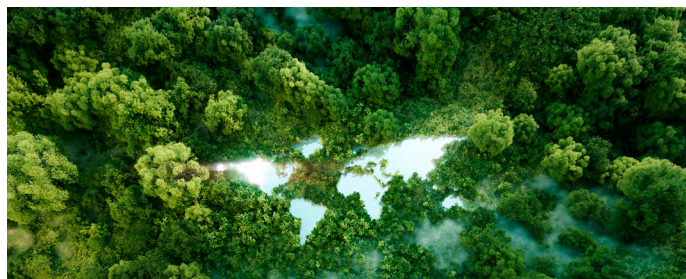
Sustainability and Digitalisation

Sustainability and digitalisation were embedded across our developments through certified green projects, lower-impact planning and the wider application of digital tools across construction, delivery and community engagement.

OPERATING ENVIRONMENT AND MACRO TRENDS

Malaysia's economy performed above expectations to achieve GDP growth of between 4.7% and 5.0% in 2025, supported by resilient domestic demand and broad-based activity across key sectors. Consumer spending remained firm, aided by income-related measures and targeted social assistance programmes such as Sumbangan Tunai Rahmah (STR) and Sumbangan Asas Rahmah (SARA). Headline and core inflation averaged 1.4% during the year, reflecting easing cost pressures and improved supply-side conditions.

Within this environment, labour market adjustments — including minimum wage increases and revisions to civil service salaries — contributed to higher household incomes and supported residential demand across selected market segments. These conditions translated into a measured expansion in Malaysia's property sector, with total transaction value rising 12.5% year-on-year to approximately RM64.39 billion, signalling sustained demand for well-located, higher-quality assets.



Commercial activity remained stable, while industrial activity strengthened, recording growth of 8.5% in the first half of the year. Demand was driven by logistics, warehousing and manufacturing requirements across Johor, Selangor and Penang, reinforcing the structural shift towards industrial-led development across key corridors.

In policy developments, Budget 2025 measures, including housing loan interest relief and the Step-Up Financing scheme under the Housing Credit Guarantee Scheme (SJGP), provided targeted support for residential demand. In parallel, allocations for industrial park infrastructure, automation and ESG-related investments further reinforced demand for industrial land and facilities.

While financing conditions eased following a 25-basis-point reduction in the Overnight Policy Rate by Bank Negara Malaysia, affordability and cost considerations continued to influence market dynamics, notably due to the implementation of the sales and service tax on the construction sector.

From the Desk of Our President and Chief Executive Officer

INDUSTRY TRENDS AND POLICIES THAT SHAPED OUR STRATEGY

Policies regulatory and structural forces continued to reshape the operating landscape across property sector during the year, reinforcing the importance of alignment with national development priorities to drive long-term value creation.

Industrial Development Expansion

Industrial development remained a key driver shaping investment decisions, underpinned by sustained demand from e-commerce, logistics and data centre operators. This momentum is aligned with the National Industrial Master Plan (NIMP), which emphasises high-value, technology-driven industries and the development of integrated industrial ecosystems. Within this context, Johor further strengthened its position as a regional hub for hyperscale facilities, underscoring the growing importance of well-connected industrial ecosystems. These ecosystems increasingly require infrastructure readiness, digital capability and ESG considerations to be embedded across established growth corridors areas where we continue to build strategic depth.

Johor - Singapore Special Economic Zone (JS-SEZ)

In southern Malaysia, development momentum was further reinforced by continued progress in infrastructure initiatives, with the Johor-Singapore Special Economic Zone emerging as a significant catalyst shaping development activity. Planned public infrastructure enhancements, including the Johor Bahru-Singapore Rapid Transit System Link, the Elevated Automated Rapid Transit and the Electric Train Service extension, are expected to strengthen regional connectivity and enhance Johor's position within regional manufacturing and supply chain networks.



Setia Eco Gardens, Johor Bahru, Johor

13th Malaysia Plan (13MP)

At the national level, policy direction became clearer with the tabling of the 13th Malaysia Plan in 2025. The Plan set out the Government's medium-term priorities for the property sector, with increased emphasis on sustainability, infrastructure-led growth and structural reform. These policy signals have shaped expectations for future development standards and capital allocation, particularly in areas aligned with low-carbon growth, resilience and long-term economic competitiveness.

From the Desk of Our President and Chief Executive Officer

FINANCIAL, OPERATIONAL AND SUSTAINABILITY PERFORMANCE HIGHLIGHTS

In 2025, we further strengthened our market leadership by unlocking greater value across our development and land management activities, while continuing to advance sustainability and accelerate digital innovation across the Group. Despite a competitive operating environment, total sales reached RM5.11 billion, exceeding the RM4.8 billion target set for the year. Unbilled sales of RM4.50 billion further reflect sustained market demand for our offerings and reinforce confidence in our development pipeline and near-term earnings visibility.

Financial Position

In 2025, we delivered resilient performance, surpassing our sales target while maintaining financial discipline to optimise cash flow and preserve liquidity for growth priorities. We also undertook strategic land monetisation transactions to redeploy capital into future development phases across priority corridors.



Sustainability, Digitalisation and Innovation

Anchored by the Setia Green Roadmap and Setia Sustainability Policy, sustainability considerations and circular design principles were embedded across the planning, financing and execution of our property developments and industrial parks, reinforcing responsible development practices. The establishment of our Sustainability Financing Framework in 2025 marked an important milestone in aligning funding structures with sustainability priorities, embedding environmental considerations more directly into capital planning. In parallel, we leveraged digital solutions, including artificial intelligence, to simplify homebuying journeys and strengthen construction oversight — supporting improved consistency, safety and build quality across our projects.



Operational Execution and Portfolio Progress

During the year, we launched projects with a total Gross Development Value (GDV) of RM5.14 billion. These launches were concentrated within established growth corridors where infrastructure readiness and connectivity support stronger delivery certainty. Internationally, our projects in Vietnam and Australia achieved key milestones, consistent with a phased, capital-disciplined approach anchored in market demand.



From the Desk of Our President and Chief Executive Officer

DRIVING SUSTAINABLE GROWTH

Against a backdrop of policy adjustments and a fluid economic environment, our strategic focus remained centred on earnings quality, capital efficiency and long-term value creation. Our regional approach is anchored to long-term market prospects: we are deepening engagement in established Central region markets, pursuing measured expansion in the Southern region supported by infrastructure-led demand, and positioning early in the Northern region ahead of catalysts such as the LRT Laluan Mutiara in Penang Island.

Accelerating Township Developments

During the year, progress across catalytic townships continued, with more focused land deployment across key growth corridors resulting in project launches with a total GDV of RM5.14 billion.

Execution remained closely aligned with market demand, supported by steady progress across established townships including Setia Alam, Bandar Kinrara, Setia AlamImpian, Setia EcoHill and Setia Alamsari. Key launches in the Central region and Southern recorded encouraging take-up, reflecting disciplined timing and product alignment with market demand.



Casa D'Arcadia, Setia AlamImpian, Shah Alam, Selangor

At the same time, our township ecosystem continued to evolve, with greater emphasis on liveability, quality finishes and the systematic rollout of green features. Residential offerings incorporated smart home elements, while community planning prioritised live-work-play environments, connectivity and curated amenities to support long-term vibrancy.

Strategic partnerships continue to play an important role in scaling quality developments while preserving balance sheet flexibility. In Semenyih, we marked our second collaboration with Mitsui Fudosan (Asia) Malaysia Sdn Bhd through a joint venture to develop a 45.7-hectare freehold residential project with an estimated GDV of RM1.3 billion in the Setia EcoHill township.

Driving Industrial Expansion

Industrial expansion continues to gain momentum as an increasingly important contributor to earnings visibility, while reducing our exposure to more cyclical residential demand. Progress across key corridors was driven by a combination of development activity and recurring income streams, supported by infra-ready plot sales, selective build-to-lease partnerships and retained industrial assets.



Setia Alaman Industrial Park, Shah Alam, Selangor

Execution focused on high-value developments aligned with priority growth sectors and foreign investment flows. Our industrial footprints at Setia Alaman (Central) and, Setia Fontaines (Northern) leveraged existing land banks within established townships, with ESG-aligned designs that enhanced occupier appeal and tenancy quality.

Land optimisation continued within the same corridor, with 23 acres at Setia EcoHill in the Bangi – Semenyih region rezoned for light industrial use to enhance deployment flexibility. In the Northern region, a Memorandum of Collaboration with the Penang Development Corporation was entered into to develop a 480-acre industrial park within Setia Fontaines, incorporating ESG principles into planning and design. Our industrial footprint in Vietnam was also extended through planned sites in Bau Bang and Cay Truong, Ho Chi Minh City.

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Optimising Investment Portfolio

Portfolio strategy continued to progress towards a more asset-light model, with greater emphasis on recurring and fee-based income and disciplined capital deployment preparatory work for REIT formation were undertaken to unlock value from mature assets while retaining strategic exposure for the long run.



Setia Alaman Industrial Park, Shah Alam, Selangor

Pre-IPO preparations are in progress to assess the establishment of a REIT with a diversified asset portfolio across key locations in Malaysia. Industrial assets are expected to form a core future income pipeline, with an initial focus on eco-industrial estates in Setia Alaman (Selangor) and Setia Fontaines (Penang).



Setia Fontaines, Penang

Strengthening International Footprint

Our international development portfolio continues to support earnings diversification and capital resilience through strategic projects in mature and high-growth markets. In Australia, Atlas La Trobe in Melbourne recorded an encouraging take up rate, reflecting resilient market response to our offerings, while our planned developments and St. Leonard's in Sydney are expected to further strengthen our presence within key urban corridors.



Atlas Melbourne, Australia

In Vietnam, the groundbreaking of Setia Edenia Residences at EcoXuan in Ho Chi Minh City marked another milestone, with the project well integrated within the city's northern corridor. Also in Vietnam, we progressed discussions to deepen our collaboration with Becamex IDC Corp, the Group's residential joint venture partner and a leading industrial player in the country, seeking to uncover new prospects following the administrative merger of Binh Duong into Ho Chi Minh City.



Setia Edenia, Vietnam

From the Desk of Our President and Chief Executive Officer

BUILDING OPERATIONAL RESILIENCE THROUGH DIGITAL TRANSFORMATION

Across S P Setia, we continue to advance our digital transformation agenda to support stronger operational execution across the Group. By strengthening core systems, delivery oversight and data-driven capabilities, we progressively bolster our operational resilience, customer experience and digital ecosystems in order to remain competitive in the market.

Operational Optimisation and Delivery Oversight

Across operations, we prioritised the upgrading of core enterprise systems and infrastructure to improve reliability, scalability and cost efficiency. Enterprise platforms and network performance were strengthened to streamline workflows and enhance collaboration across the Group.

Smarter Construction and Delivery Control

In construction and project delivery, smart technologies were applied to sharpen oversight. The use of AI-enabled tools, drones and IoT sensors improved site-level visibility, enabled earlier intervention on quality and scheduling risks, and reduced defects across active projects.

Enhancing Data Management and Customer Engagement

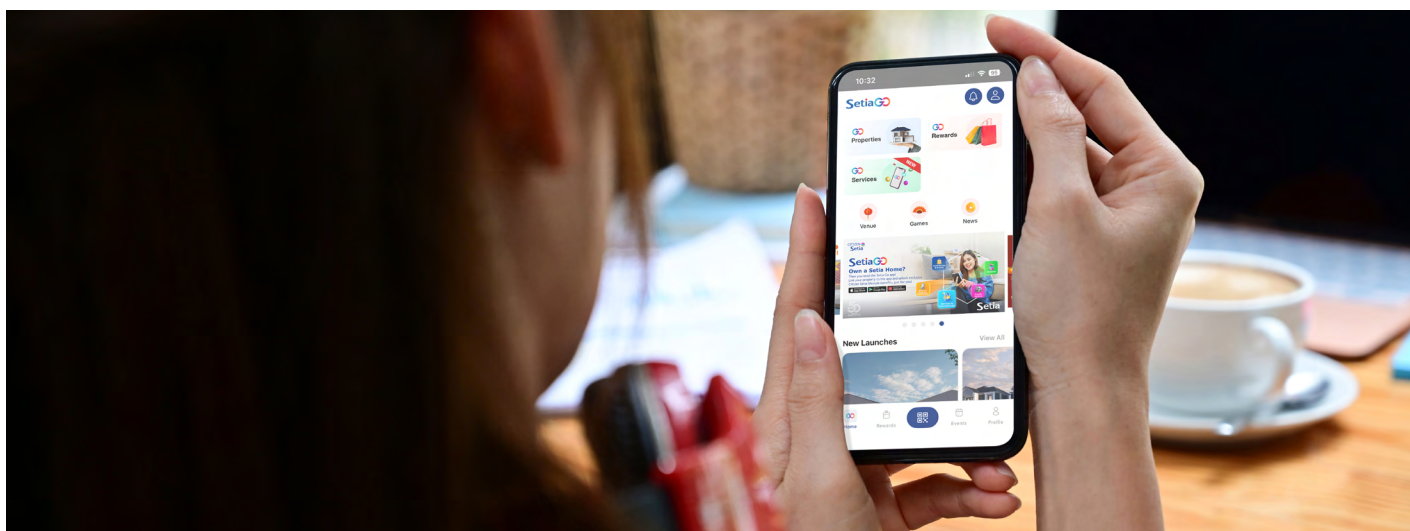
Data and customer platforms were strengthened to improve insights and engagement. The Unified Data Platform (UDP) established a single enterprise data source, enabling real-time analytics and AI-driven insights that accelerated decision-making. We also enhanced the SetiaGo ecosystem by integrating loyalty programmes, defect management and partner services, delivering a more seamless buyer experience. AI-enabled personalisation and chatbots further strengthened customer engagement and conversion outcomes.

Fostering Innovation Through Strategic Collaboration

We continue to foster collaborative innovation through our participation in the National Technology and Innovation Sandbox ("NTIS"). In addition, S P Setia was selected as one of eight Government-Linked Companies to participate in the Bengkel Inovasi GLC ("BIG") programme.

Strengthening Cyber Resilience and Digital Trust

During the year, we further enhanced our digital security posture by strengthening cyber and compliance controls through ISO 27001 alignment, Privileged Access Management and enhanced threat detection, safeguarding digital trust as adoption across the Group increased.



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OUR 2026 OUTLOOK AND PRIORITIES

Looking ahead, we remain cautiously optimistic of our prospects. Malaysia's property market is supported by resilient labour conditions and a more accommodative monetary environment, while income-related measures — including minimum wage adjustments and civil service salary revisions — should strengthen affordability and improve access to financing across selected residential segments.

Nevertheless, we recognise that buyer behaviour is becoming increasingly value-driven, with decisions anchored on affordability, location and long-term asset quality. This reinforces the importance of disciplined product positioning and reliable delivery, with quality, liveability and sustainable design at the heart of every development we bring to market.

Concurrently, ESG standards across the industry have moved decisively from differentiation to baseline expectations, particularly for industrial and commercial assets where green-certified buildings increasingly define new supply. As environmental policies evolve, including the proposed carbon tax, our development strategies, capital allocation and asset positioning will continue to be shaped by sustainability readiness and long-term resilience.

Against this backdrop, we have set clear priorities for the next five years under our Strategic Roadmap 2026–2030, anchored on four strategic pillars and reinforced by four core enablers to strengthen execution and long-term competitiveness.



Accelerating township development in markets with growing demand remains a priority, alongside continuous improvement of construction efficiencies to deliver with greater speed and cost discipline. We will also deepen industrial growth by building high-value, ESG-aligned industrial ecosystems that attract global tenants and investors, while developing a strategic asset pipeline to support recurring income through our future REIT platform.



In parallel, we will scale recurring income platforms by advancing our REIT strategy to unlock capital from mature assets and broaden our appeal to long-term, dividend-focused investors. Internationally, we will expand selectively in markets where we have a proven track record, leveraging joint ventures to de-risk growth and deepen our presence in high-potential regions such as Vietnam.

These pillars will be enabled by a sustained focus on empowering Team Setia, amplifying the Setia brand, driving innovation and digitalisation, and reinforcing our leadership in ESG and sustainability. With this roadmap, we move forward with confidence — committed to building spaces that endure, communities that thrive, and long-term value that is shared by all our stakeholders.

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STRATEGIC ROADMAP 2026-2030



Business Focus

- Accelerating Development
- Industrial Growth
- International Growth
- Recurring Income (REIT)



Enabler

- Team Empowerment
- Brand Amplification
- Innovation & Digitalisation
- ESG & Sustainability

Accelerate Development

- Product development to meet market demand
- Improve construction efficiency via centralised procurement

Industrial Growth

- Build high-value industrial ecosystems
- Deliver ESG-aligned industrial products to attract global tenants/investors
- Develop strategic pipeline for future REIT



Setia Edenia, Vietnam

- Expand in markets with proven delivery track records
- Leverage JVs to de-risk and accelerate market entry
- Deepen presence in high-potential areas (e.g., Vietnam)

Recurring Income (REIT)

- Create sustainable recurring income
- Unlock capital from mature assets for higher-return investments
- Attract long-term, dividend-focused investors



Chinese New Year Open House at Setia Eco Glades Lifestyle Gallery

ACKNOWLEDGEMENTS

As I reflect on my first few months in the role, I am encouraged by the strength of our foundations and the clarity of the direction ahead. We have continued to advance our transformation into an integrated real estate player, guided by our purpose and vision of creating sustainable communities and enriching lifestyles.

It is my great honour to build upon the work of my predecessor, Datuk Choong Kai Wai, who has, through his leadership over the past five years, extended the Group's footprint, strengthened financial resilience and laid a strong foundation for sustainable growth.

I would like to record my sincere appreciation to the Board of Directors for welcoming me and for their continued stewardship, counsel and trust during this period of transition. I would also like to welcome Mr Tan Hwa Min as Deputy Chief Executive Officer and Datuk Yuslina Mohd Yunus as Chief Operating Officer as they assume their respective roles.

To Team Setia, thank you for your energy, commitment and perseverance. Your dedication and belief in our shared purpose continue to propel the organisation forward in ways that may not always be visible but consistently felt. I look forward to engaging more with the team and reinforce our shared our vision, and shared values.

As we move ahead, it is this collective spirit that will enable us to navigate change and continue building a stronger S P Setia.

Thank you.

Datuk Zaini Yusoff

President and Chief Executive Officer