

Message from Our Chairman

Dear Shareholders,

In 2025, S P Setia continued to build from a position of strength. Guided by a disciplined strategy execution and powered by the dedication of Team Setia, we strengthened our fundamentals, propelled strategic expansion and reinforced our leadership in sustainable development.



**Y. A. M. TAN SRI DATO'
SERI SYED ANWAR
JAMALULLAIL**

Chairman



NAVIGATING THE EXTERNAL LANDSCAPE

The global macroeconomic landscape in 2025 was defined by what can best be described as tenuous resilience. While the year avoided a systemic recession, global growth moderated to its weakest pace in decades outside of major crises, shaped by heightened trade tensions, shifting geopolitical alignments and persistent policy uncertainty. These dynamics have contributed to a more cautious investment climate and a reordering of global trade and capital flows.

Against this backdrop, Malaysia emerged as one of Southeast Asia's stronger performers. GDP growth is projected at between 4.7% and 5.0%, supported by resilient domestic demand, targeted fiscal measures and sustained investment activities. The Ringgit also ranked among Asia's top-performing currencies in 2025, reflecting renewed investor confidence and improved external balances.

National policy direction continued to play a catalytic role. The Government's industrial and digitalisation agenda — reinforced through successive Budgets and the New Industrial Master Plan 2030 — is accelerating Malaysia's transition towards high-value manufacturing, digital infrastructure and green energy integration. Significant investments by leading global technology players have further strengthened the country's positioning as a rising digital and data hub. These developments are structurally positive for the industrial property segment, where the Group sees strong and durable growth potential.

The residential sector also benefited from supportive measures, particularly those aimed at first-time homebuyers and affordable housing, alongside incentives to spur urban regeneration and the renewal of ageing city precincts. Together, these initiatives continue to underpin demand across selected residential segments.

Notwithstanding these positive tailwinds, cost pressures remain a key industry challenge. Increases in minimum wages and the rationalisation of fuel subsidies have created a ripple effect across logistics, labour and material costs, contributing to margin compression across the property development value chain.

Supported by robust fundamentals and a disciplined strategy for diversified growth, we nevertheless remain well-positioned to navigate near-term challenges while continuing to shape the future of Malaysian integrated real estate with confidence and purpose.

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PRESERVING SALES MOMENTUM

Backed by agile development strategies and strong sales and marketing execution, we delivered resilient performance in 2025, surpassing our RM4.8 billion target to record RM5.11 billion in sales. Unbilled sales also increased by 10.0% to RM4.50 billion, signalling steady demand and providing improved earnings visibility for the Group.

This performance reflects the Group's ability to deliver products that respond to evolving customer expectations, launched with discipline and aligned to market demand. The Southern and Central regions remained the largest contributors to profitability, supported by sustained demand momentum and enhanced cost efficiencies. Importantly, our results across residential, industrial and other property segments underscore the progress we have made in managing and rebalancing the portfolio to strengthen resilience across market cycles.

MAXIMISING LAND BANK VALUE

We continued to optimise value from our land bank through catalytic collaborations that enhance the appeal and innovativeness of our developments, while accelerating execution and strengthening capital efficiency. In 2025, this included strategic partnerships with international industry leaders.

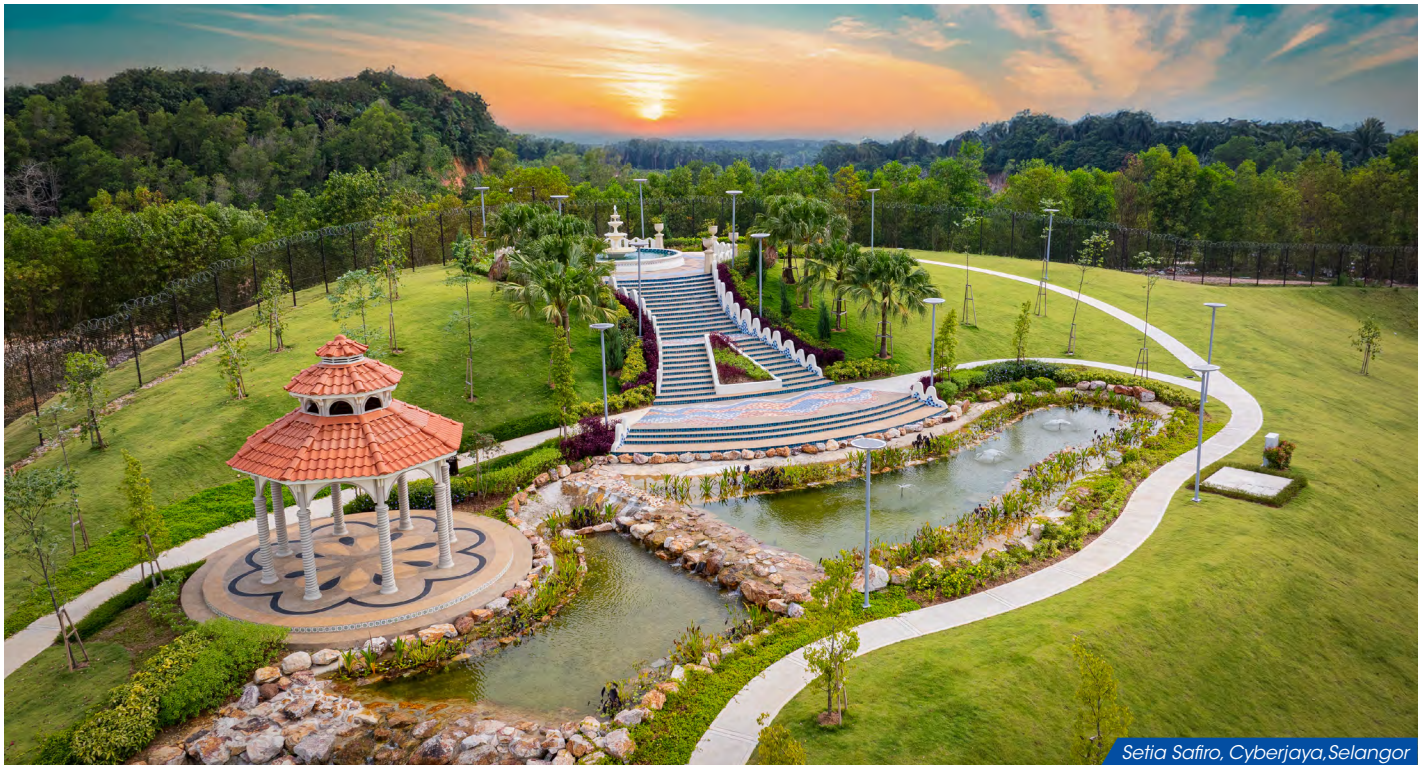
In Semenyih, Setia formed a joint venture with Mitsui Fudosan (Asia) Malaysia Sdn Bhd to develop a 45.7-hectare freehold residential project within Setia EcoHill with an estimated GDV of RM1.3 billion, leveraging our combined strengths to deliver world class residential offerings.



Joint Venture Signing Ceremony between Setia EcoHill Sdn Bhd & Mitsui Fudosan (Asia) Malaysia

STRENGTHENING ESG INTEGRATION AND CLIMATE READINESS

Sustainability remains a core pillar of S P Setia's long-term strategy, shaping how we plan, build and steward communities for enduring value. In 2025, we continued to advance our ESG commitments across the Group, with a key milestone being the formalisation of the Setia Biodiversity Policy in March 2025. This policy will be applied across our development planning activities, reinforcing our commitment to safeguarding nature and land stewardship.



In parallel, we continued to drive environmental sustainability and green innovation across our projects, and I am encouraged to see these efforts recognised. In 2025, Setia Federal Hill achieved Malaysia's first LEED Neighbourhood Development Platinum certification — the highest rating awarded by the US Green Building Council (USGBC) — underscoring our ability to deliver future-ready developments to globally respected standards.

We also took purposeful steps to strengthen climate governance and disclosure readiness. In line with the IFRS reporting frameworks mandated by Bursa Malaysia, we conducted Group-wide training to equip our teams to meet new disclosure requirements, while enhancing internal processes to identify climate-related risks and exposures at the project level and to track climate-linked financial impacts within our accounting systems. Reflecting this progress, we are pleased to include our inaugural International Sustainability Standards Board Statement (ISSB) within this year's sustainability disclosures, providing deeper transparency on how we identify and manage physical, transition and financial risks related to climate and sustainability.

Operationally, we reinforced a unified approach to emissions reduction by mandating a 5% reduction target in energy use across operations. Through a combination of energy efficiency measures and continued adoption of solar renewable energy, we achieved an actual reduction of 7% during the year.

Beyond operational initiatives, we established a Sustainability Financing Framework aimed at enhancing transparency and disclosures for investors and stakeholders. The framework enables the issuance of green, social and sustainability instruments aligned with industry best practices and relevant guidelines, supporting eligible projects such as renewable energy adoption, pollution prevention and affordable housing. We were encouraged to receive a 'Good' rating from Sustainable Fitch following their assessment of the framework.

Message from Our Chairman

The progress made in 2025 reflects our determination to embed sustainability into every aspect of the Group's business and operations. Guided by clear internal frameworks and implementation — including the Setia Green Roadmap and Setia eGreenLiving — and anchored by our Net Zero by 2050 ambition, we shall continue to take deliberate, forward-looking steps to raise the bar for sustainable development in Malaysia.

EMPOWERING TEAM SETIA

To ensure our people remain equipped and empowered to deliver the Group's long-term ambitions, we stepped up talent development efforts in 2025 through a focused capability-building agenda across Team Setia, centred on agile execution, leadership continuity and technical excellence.

We strengthened organisational agility through structured programmes for employees at different levels, including Agile@Work for executives and Agile Leadership for managers and above — sharpening productivity, decision-making and problem-solving capabilities to build a more adaptive and resilient organisation. In parallel, we accelerated our leadership pipeline through two dedicated initiatives: the Advanced Leadership Acceleration Programme for Managers and Senior Managers to develop high-impact people leaders, and the Strategic Leadership Acceleration Programme for Heads of Department and Deputy General Managers, enabling leaders to navigate complexity and lead effectively in fast-changing environments while reinforcing business continuity.



Alongside capability building, we continued to prioritise employee wellbeing and a strong sense of belonging. Highlights included a dedicated Wellness Day featuring a range of health-focused initiatives, our annual International Women's Day celebration, festive luncheons, Setia Sustainability Day 2025 and our annual dinner — fostering unity, reinforcing shared purpose and recognising the commitment of our people.

Engagement from leadership remained a priority. Our new President and Chief Executive Officer, Datuk Zaini Yusoff, continued our tradition of close connection with employees through his inaugural 'turun padang' sessions, providing an open platform for colleagues to share ideas, ask questions and build trust with the new leadership.

These efforts delivered tangible outcomes. Our People Pulse Survey score rose markedly from 71% in 2024 to 85% in 2025, while the 'Managerial' dimension improved from 80% to 88% — affirming stronger engagement, improved leadership effectiveness and a workplace culture that values talent and diversity, growing progressively in the competitive job market.

UPHOLDING TRUST, LEADING WITH INTEGRITY

Robust governance and a zero-tolerance stance on bribery and corruption remain the bedrock of S P Setia's sustainability and long-term success.

Building on the milestones achieved in 2024 — including the renewal of our Corporate Integrity Pledge, the launch of our Zero Tolerance logo during the inaugural Setia Integrity Day, and the attainment of ISO 37001 Anti-Bribery Management System certification from NIOSH Certification Sdn Bhd — we continued to advance the initiatives under Setia's three-year Anti-Corruption Plan (SACP) 2024–2026.

As at 2025, we have completed 22 initiatives under the SACP, supported by sustained employee engagement to strengthen an integrity-led culture across the Group. This included targeted programmes such as the Annual Integrity & Governance Champion (IGC) Award and the Annual Integrity Quiz, which also serve as KPI benchmarks across Setia business and corporate units.



Setia Governance Risk & Audit Forum 2025

Message from Our Chairman

Ethics training and awareness remained a priority throughout the year. We conducted 31 training sessions in 2025, complemented by the Setia Integrity Clinic to reinforce expected standards and practical decision-making in day-to-day operations. Engagement with business partners continued through our annual integrity message for business associates and ongoing roadshows, supported by talks and knowledge-sharing sessions with key stakeholders.

Looking ahead, the Board remains steadfast in fortifying governance frameworks, embedding ethical practices and enhancing stakeholder communication channels. Through the Risk Management Committee, we are strengthening processes for handling public feedback and complaints, with an emphasis on expediting investigations and ensuring timely, effective responses. Through these collective efforts, we shall continue to protect the trust placed in us and uphold the integrity that underpins our licence to operate.

REWARDING SHAREHOLDERS

S P Setia remains committed to rewarding shareholders in line with the Group’s financial performance. For the financial year 2025, the Board declared a single-tier dividend of 2.55 sen per share. This reflects our balanced approach in capital management — delivering shareholder returns while strategically manage our earnings to fund growth priorities, strengthen resilience and optimise longer-term capital realisation.

SUPPORTING RESILIENT COMMUNITIES VIA SINCERELY, SETIA

Community empowerment remains a defining pillar of S P Setia’s purpose-led approach to value creation. Through Sincerely, Setia, our flagship social impact platform, we continued to translate intent into meaningful action in 2025, reaching underserved communities through targeted programmes in Disaster Relief, Community and Health, Education and Unity.



Our employees also continued to engage meaningfully, contributing 3,613 volunteer hours as Team Setia came together to extend care, strengthen resilience and create positive impact for society.



During the year, we increased our community investment by more than 150%, contributing RM1,346,513 to support 5,442 beneficiaries.



Message from Our Chairman



Misi Bantuan Bencana Monsun Timur Laut

Disaster Relief



In times of crisis, we are committed to standing with communities in need. In 2025, the Group mobilised timely disaster relief efforts in collaboration with trusted partners, extending support to flood-affected communities across Kelantan, Pahang and Perlis. Through the provision of essential supplies and recovery assistance, we supported 146 households and more than 1,500 individuals, including 153 asnaf students. These initiatives underscore our role as a responsible corporate citizen, prioritising swift action and practical support to help impacted communities recover and rebuild.



Community and Health



Promoting well-being and social care continued to be a key focus under Sincerely, Setia. During the year, our community and health initiatives reached 1,598 beneficiaries, supported by over 570 volunteer hours from our employees. Through our Sincerely, Setia Festive Assistance (SSFA) programme and Setia CARE initiative, we delivered food, healthcare and financial support to underserved groups, ensuring no one was left behind during critical and festive periods.

Message from Our Chairman



Setia Caring School Programme STEM Stars

Education



Education remains a cornerstone of our community empowerment agenda, reflecting our belief in enabling future generations through access and opportunity. In 2025, the Group supported 2,461 beneficiaries through a range of educational initiatives, complemented by more than 2,600 volunteer hours from our staff. These efforts spanned direct educational assistance, donation of learning tools, STEM enrichment, capacity-building programmes and intensive tuition support for students preparing for key national examinations, helping to strengthen learning outcomes and improve long-term employability.



Sincerely, Setia Tuition Mission in Selangor: Pecutan Akhir SPM 2025

Unity



Fostering inclusivity and social cohesion lies at the heart of our unity-focused initiatives. Through culturally inclusive programmes centred on shared festive celebrations and experiential learning, we engaged 294 students from various schools to encourage cross-cultural understanding, mutual respect and meaningful interaction among diverse communities, reinforcing our commitment to building not just property developments, but also harmonious and connected societies.

DRIVING STRATEGIC GROWTH

Looking ahead, we remain cautiously optimistic about the Malaysian property development industry amid an evolving operating landscape. We recognise that near-term residential demand may be moderated by policy measures such as the higher stamp duty imposed on foreign buyers under Budget 2026, which could temper foreign participation in the residential market.

Nevertheless, domestic fundamentals remain resilient, supported by employment growth, infrastructure investments and targeted industrial expansion. The rapid build-out of data centres, artificial intelligence and cloud infrastructure in Johor and Klang Valley is also creating a positive ripple effect — lifting demand for adjacent industrial developments and quality residential offerings that cater to a high-value workforce.

In response, the Group will continue to progressively increase its exposure to the industrial segment, where we see compelling medium-term opportunities. This direction also dovetails with our planned foray into a REIT platform. Industrial assets in Setia Alaman (Shah Alam) and Setia Fontaines (Penang) and Johor provide a potential pipeline for recurring income under our future REIT, enabling a more integrated value chain across industrial development, asset ownership and long-term yield generation.

Ambition will be matched with prudence. The Board remains focused on maintaining financial discipline across all horizons. In the short term, we are prioritising a further reduction of borrowings by FY2026, building on the approximately RM5 billion reduction achieved since 2021. Over the medium term, we aim to sustain a prudent net gearing ratio of between 0.3x and 0.4x to preserve balance sheet resilience. Over the longer term, we will continue to progress an asset-light strategy through the optimisation of land and assets, anchored by disciplined capital allocation and a clear focus on maximising returns.

Collectively, these measures position S P Setia to navigate market cycles effectively while delivering sustainable, long-term value to our stakeholders. Following another successful year, I wish to recognise the people who continue to sustain S P Setia's progress.



ACKNOWLEDGEMENTS

To our shareholders, customers, business partners and communities, thank you for your continued confidence. To Team Setia, your dedication and resilience remain the driving force behind our ability to execute with discipline and deliver consistently in a dynamic environment.

I also thank my fellow Board members for their stewardship and counsel throughout the year, and we collectively record our appreciation to Datuk Choong Kai Wai, who concluded his tenure as President and Chief Executive Officer in September 2025. His leadership strengthened the Group's fundamentals and positioned S P Setia for the next phase of growth.

I also extend our sincere appreciation to Dato' Sheranjiv Sammanthan for his valued contributions, sound counsel and dedicated service to the Board throughout his tenure as Independent Non-Executive Director.

I am equally pleased to welcome Datuk Zaini Yusoff as President and Chief Executive Officer. Since assuming the role, he has brought a clear focus on execution and long-term value, and the Board looks forward to working closely with him and the management team.

As we look ahead, we remain guided by our purpose and vision of creating sustainable communities and enriching lifestyles. With a strong foundation, clear priorities and a shared commitment across the Group, we shall continue to build spaces that endure — and communities that thrive for generations.

Y. A. M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
Chairman