

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

Interim Financial Report
30 September 2024

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Interim Financial Report - 30 September 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 SEPTEMBER 2024
(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	As At	As At
	30/09/2024	31/12/2023
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	771,997	808,271
Right-of-use - property, plant and equipment	2,877	3,860
Investment properties	1,992,881	1,979,668
Right-of-use - investment properties	37,314	46,755
Inventories - land held for property development	12,585,379	12,356,946
Intangible assets	14,568	14,285
Investments in joint ventures	2,796,064	3,138,074
Investments in associated companies	578,950	583,116
Other investments	96	96
Amounts owing by joint ventures	69,785	69,785
Trade receivables	24,182	26,015
Other receivables, deposits and prepayments	91,126	90,258
Deferred tax assets	351,322	361,997
	<u>19,316,541</u>	<u>19,479,126</u>
Current assets		
Trade receivables	460,255	926,137
Contract assets	646,201	971,601
Other receivables, deposits and prepayments	224,889	220,386
Inventories - land held for sales	92,475	340,303
Inventories - property development costs	2,007,815	2,159,019
Inventories - completed properties and others	1,385,698	1,766,143
Contract cost assets	245,836	480,770
Amounts owing by joint ventures	123,837	133,732
Amounts owing by related parties	7,287	579
Current tax assets	58,686	32,943
Short-term deposits	1,213,649	441,237
Cash and bank balances	2,062,736	2,054,402
	<u>8,529,364</u>	<u>9,527,252</u>
TOTAL ASSETS	<u><u>27,845,905</u></u>	<u><u>29,006,378</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	9,123,670	8,722,775
Share capital - RCPS-i A	1,087,363	1,087,363
Share capital - RCPS-i C	317,853	718,748
Reserves		
Reserve on acquisition arising from common control	(1,295,884)	(1,295,884)
Exchange translation reserve	(38,987)	222,158
Retained earnings	5,310,916	4,994,999
Equity attributable to owners of the Company	<u>14,504,931</u>	<u>14,450,159</u>
Non-controlling interests	1,244,688	1,212,622
Total equity	<u>15,749,619</u>	<u>15,662,781</u>
LIABILITIES		
Non-current liabilities		
Redeemable cumulative preference shares	38,219	38,268
Other payables and accruals	73,698	73,698
Long-term borrowings	6,828,580	7,101,911
Lease liabilities	2,909	2,962
Deferred tax liabilities	470,097	473,794
	<u>7,413,503</u>	<u>7,690,633</u>
Current liabilities		
Trade payables	1,454,378	1,452,286
Contract liabilities	179,894	112,083
Other payables and accruals	818,439	939,268
Short-term borrowings	1,980,293	3,043,226
Lease liabilities	68	963
Current tax liabilities	249,338	104,762
Amounts owing to related parties	373	376
	<u>4,682,783</u>	<u>5,652,964</u>
Total liabilities	<u>12,096,286</u>	<u>13,343,597</u>
TOTAL EQUITY AND LIABILITIES	<u><u>27,845,905</u></u>	<u><u>29,006,378</u></u>
Net assets per share attributable to owners of the Company	<u>2.70</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 SEPTEMBER 2024
(The figures have not been audited)

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2024 RM'000	30/09/2023 RM'000	30/09/2024 RM'000	30/09/2023 RM'000
Revenue	1,258,804	1,079,445	4,229,316	2,989,827
Cost of sales	(869,061)	(787,714)	(2,844,521)	(2,120,192)
Gross profit	<u>389,743</u>	<u>291,731</u>	<u>1,384,795</u>	<u>869,635</u>
Other operating income	65,728	60,744	197,344	172,398
Selling and marketing expenses	(9,059)	(12,594)	(29,800)	(40,390)
Administrative and general expenses	(107,248)	(102,199)	(336,944)	(305,762)
Operating profit	<u>339,164</u>	<u>237,682</u>	<u>1,215,395</u>	<u>695,881</u>
Gain/(loss) on foreign exchange				
- Realised	4,809	(294)	5,197	313
- Unrealised	14,574	8,374	10,421	(4,437)
Share of results of joint ventures	(56,295)	(19,799)	(178,062)	(66,360)
Share of results of associated companies	4,390	5,047	16,483	12,127
Finance costs	(101,302)	(95,283)	(272,415)	(265,765)
Other gains	-	-	56,346	-
Profit before tax	<u>205,340</u>	<u>135,727</u>	<u>853,365</u>	<u>371,759</u>
Taxation	(89,465)	(72,844)	(333,345)	(187,825)
Profit for the period	<u>115,875</u>	<u>62,883</u>	<u>520,020</u>	<u>183,934</u>
Other comprehensive income/(loss), net of tax:				
Item that may be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	(310,430)	(102,972)	(280,772)	182,448
- Net gain/(loss) on net investment hedge	28,496	15,298	19,609	(37,587)
Total comprehensive income/(loss) for the period	<u>(166,059)</u>	<u>(24,791)</u>	<u>258,857</u>	<u>328,795</u>
Profit attributable to:				
Owners of the Company	100,020	51,822	472,380	150,335
Non-controlling interests	15,855	11,061	47,640	33,599
	<u>115,875</u>	<u>62,883</u>	<u>520,020</u>	<u>183,934</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	(182,080)	(35,768)	211,235	295,661
Non-controlling interests	16,021	10,977	47,622	33,134
	<u>(166,059)</u>	<u>(24,791)</u>	<u>258,857</u>	<u>328,795</u>
Earnings per share attributable to owners of the Company				
- Basic earnings/(loss) per share (sen)	<u>1.16</u>	<u>(0.22)</u>	<u>8.10</u>	<u>1.20</u>
- Diluted earnings/(loss) per share (sen)	<u>1.07</u>	<u>(0.22)</u>	<u>7.45</u>	<u>1.20</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 SEPTEMBER 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	-	-	-	-	-	(280,754)	-	(280,754)	(18)	(280,772)
Net change on hedge of net investments	-	-	-	-	-	19,609	-	19,609	-	19,609
Profit for the period	-	-	-	-	-	-	472,380	472,380	47,640	520,020
Transactions with owners:										
RCPS-i A preferential dividends paid and payable	-	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i C preferential dividends paid and payable	-	-	-	-	-	-	(26,135)	(26,135)	-	(26,135)
Dividends paid and payable	-	-	-	-	-	-	(59,674)	(59,674)	(15,556)	(75,230)
Conversion of RCPS-i C into ordinary shares	400,895	-	(400,895)	-	-	-	-	-	-	-
Balance at 30.09.2024	9,123,670	1,087,363	317,853	-	(1,295,884)	(38,987)	5,310,916	14,504,931	1,244,688	15,749,619
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	-	-	-	-	-	182,913	-	182,913	(465)	182,448
Net change on hedge of net investments	-	-	-	-	-	(37,587)	-	(37,587)	-	(37,587)
Profit for the period	-	-	-	-	-	-	150,335	150,335	33,599	183,934
Transactions with owners:										
- Vesting of Employee Share Grant Plan ("ESGP")	4,680	-	-	(4,680)	-	-	-	-	-	-
Conversion of RCPS-i C into ordinary shares	6,364	-	(6,364)	-	-	-	-	-	-	-
RCPS-i A preferential dividends paid	-	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i C preferential dividends paid	-	-	-	-	-	-	(30,800)	(30,800)	-	(30,800)
Dividends paid and payable	-	-	-	-	-	-	(59,910)	(59,910)	(12,461)	(72,371)
Share-based payment under Employee Long Term Incentive Plan	-	-	-	(53,208)*	-	-	53,894	686	-	686
Balance at 30.09.2023	8,510,686	1,087,363	930,837	-	(1,295,884)	133,677	4,846,761	14,213,440	1,259,717	15,473,157

(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))
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024
(The figures have not been audited)

	9 MONTHS ENDED	
	30/09/2024	30/09/2023
	RM'000	RM'000
Operating Activities		
Profit before tax	853,365	371,759
Adjustments for:-		
Non-cash items	120,780	81,520
Non-operating items	147,357	160,654
Operating profit before changes in working capital	1,121,502	613,933
Changes in inventories - property development costs and contract cost assets	1,145,301	578,055
Changes in inventories - completed properties and others	446,635	232,757
Changes in contract assets/liabilities	401,519	86,710
Changes in receivables	452,340	167,916
Changes in payables	(189,557)	(134,754)
Cash generated from operations	3,377,740	1,544,617
Rental received	11,674	3,791
Interest received	46,720	30,757
Interest paid on lease liabilities	(120)	(121)
Net tax paid	(205,605)	(118,630)
Net cash generated from operating activities	3,230,409	1,460,414
Investing Activities		
Additions to inventories - land held for property development	(831,569)	(267,206)
Deposits and part consideration paid for acquisition of development land	(32,448)	(22,449)
Additions to property, plant and equipment	(7,465)	(39,703)
Additions to investment properties	(8,479)	(8,321)
Additions to intangible asset	(973)	-
Proceeds from disposal of property, plant and equipment	22,737	1,244
Proceeds from disposal of investment properties	8,448	-
Proceeds from disposal of a joint venture	59,071	-
Proceeds from repatriation of capital from joint ventures	-	43,491
Repayment from an associated company	-	1,136
Repayment from joint ventures	4,580	5,754
Withdrawal/(Placement) of sinking fund, debt service reserve, escrow accounts and short-term deposits	61,872	(28,800)
Dividends received from a joint venture company	2,403	-
Dividends received from associated companies	8,170	7,765
Interest received	18,088	19,455
Rental received	39,282	42,243
Net cash used in investing activities	(656,283)	(245,391)
Financing Activities		
Repayment to non-controlling shareholder of subsidiary company	-	(1,050)
Proceeds from issuance of Sukuk Wakalah	-	1,000,000
Drawdown of bank borrowings	1,164,994	1,647,386
Repayment of bank borrowings	(2,346,659)	(3,110,974)
Repayment of lease liabilities	(697)	(654)
Interest paid	(346,362)	(389,605)
Payment of transaction cost on borrowings	(6,263)	(73)
Redeemable cumulative preference share dividends paid to non-controlling interests	(1,734)	(684)
Dividends paid to non-controlling interests	(45,798)	(13,004)
Dividends paid	(59,674)	(59,910)
RCPS-i A preferential dividends paid	(35,327)	(70,654)
RCPS-i C preferential dividends paid	(17,446)	(30,800)
Net cash used in financing activities	(1,694,966)	(1,030,022)

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 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2024
(The figures have not been audited)

	9 MONTHS ENDED	
	30/09/2024	30/09/2023
	RM'000	RM'000
Net changes in cash and cash equivalents	879,160	185,001
Effect of exchange rate changes	(27,703)	26,330
Cash and cash equivalents at beginning of the period	2,254,652	2,459,338
Cash and cash equivalents at end of the period	<u>3,106,109</u>	<u>2,670,669</u>
Cash and cash equivalents comprise the following:		
Short-term deposits	1,213,649	858,564
Cash and bank balances	2,062,736	2,016,955
Bank overdrafts	-	(2,480)
	<u>3,276,385</u>	<u>2,873,039</u>
Less: Amount restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	(170,276)	(202,370)
	<u>3,106,109</u>	<u>2,670,669</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 September 2024.

4. Material Changes in Estimates

There were no material changes in estimates for the financial period ended 30 September 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 1,054,984,968 RCPS-i C to 503,873,395 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 30 June 2024

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 and another semi-annual RCPS-i A preferential dividend of RM35,326,946 in respect of the financial period from 1 January 2024 to 30 June 2024 were paid in cash on 23 April 2024 and 11 October 2024 respectively.

c) Islamic Redeemable Convertible Preference Shares (“RCPS-i C”) preferential dividend in respect of the financial period from 1 July 2023 to 30 June 2024

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 and another semi-annual RCPS-i C preferential dividend of RM8,688,444 in respect of the financial period from 1 January 2024 to 30 June 2024 were paid in cash on 23 April 2024 and 11 October 2024 respectively.

7. Segmental Reporting

The segmental analysis are as follows:

Period ended 30 September 2024	Property Development RM'000	Construction, Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	4,026,998	202,318	-	4,229,316
Inter-segment revenue	146,819	5,020	(151,839)	-
Total revenue	4,173,817	207,338	(151,839)	4,229,316
Gross profit	1,344,591	40,204	-	1,384,795
Other income	195,774	1,570	-	197,344
Operating expenses	(331,305)	(35,439)	-	(366,744)
Gain/(loss) on foreign exchange				
- Realised	197	5,000	-	5,197
- Unrealised	(3,548)	13,969	-	10,421
Share of results of joint ventures	(179,688)	1,626	-	(178,062)
Share of results of associated companies	16,483	-	-	16,483
Finance costs	(242,697)	(29,718)	-	(272,415)
Other gains	-	56,346	-	56,346
Profit before tax	799,807	53,558	-	853,365
Taxation	(297,241)	(36,104)	-	(333,345)
Profit for the period	502,566	17,454	-	520,020

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	3,753,821	965,552	647,759
International	475,495	(112,187)	(127,739)
	4,229,316	853,365	520,020

Period ended 30 September 2023	Property Development RM'000	Construction, Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	2,760,877	228,950	-	2,989,827
Inter-segment revenue	118,874	104,609	(223,483)	-
Total revenue	2,879,751	333,559	(223,483)	2,989,827
Gross profit	839,357	30,278	-	869,635
Other income	160,134	12,264	-	172,398
Operating expenses	(314,666)	(31,486)	-	(346,152)
Gain/(loss) on foreign exchange				
- Realised	(25)	338	-	313
- Unrealised	111	(4,548)	-	(4,437)
Share of results of joint ventures	(65,934)	(426)	-	(66,360)
Share of results of associated companies	12,127	-	-	12,127
Finance costs	(234,312)	(31,453)	-	(265,765)
Profit/(Loss) before tax	396,792	(25,033)	-	371,759
Taxation	(166,722)	(21,103)	-	(187,825)
Profit/(Loss) for the period	230,070	(46,136)	-	183,934

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	2,348,920	278,987	137,867
International	640,907	92,772	46,067
	2,989,827	371,759	183,934

8. Material Events Subsequent to the End of Financial Period

There were no material transactions or events subsequent to the financial period ended 30 September 2024 until 18 November 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 September 2024 except for the following:

- (i) Incorporation of Setia Square Ventures Sdn Bhd, a wholly owned subsidiary of S P Setia Berhad, on 05 March 2024 with a capital contribution of RM2.00.
- (ii) Disposal of Retro Highland Sdn Bhd, a 50% owned joint venture of S P Setia Berhad.
- (iii) Members' voluntary winding up of inactive indirect subsidiaries of S P Setia, namely Yong Peng Realty Sendirian Berhad and Perusahaan Minyak Sawit Bintang Sendirian Berhad on 19 September 2024.
- (iv) Incorporation of Setia HS KL Sdn Bhd, a wholly owned subsidiary of Shabra Development Sdn Bhd, on 26 September 2024 with a capital contribution of RM2.00.
- (v) Incorporation of Setia HS PNG Sdn Bhd, a wholly owned subsidiary of Shabra Development Sdn Bhd, on 26 September 2024 with a capital contribution of RM2.00.

10. Contingent Liabilities

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

11. Capital Commitments

	As at 30 September 2024 RM'000
<i>Commitments of subsidiary companies:</i>	
Contractual commitments for construction of investment properties	21,865
Contractual commitments for construction and acquisition of property, plant and equipment	3,233
Contractual commitments to purchase development land	292,030

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 September 2024 RM'000
<i>Joint ventures:</i>	
Setia MF SFH Development Sdn Bhd	80,581

12. Significant Related Party Transactions

1 January 2024
To
30 September 2024
RM'000

Transactions with joint ventures:

(i) Management fee received and receivable	2,655
(ii) Event and marketing fee received and receivable	44
(iii) Staff secondment fee received and receivable	267
(iv) Interest received and receivable	4,807
(v) Dividend received and receivable	2,403
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Transactions with related company:

(i) Management fee received and receivable	1,744
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Transactions with associates:

(i) Dividend received and receivable	8,170
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Transactions with director(s) of the subsidiary company:

(i) Sale of development properties to directors of the subsidiary companies	5,248
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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 (“Q3”) and financial period-to-date are analysed as follows:

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM'000	RM'000	RM'000	RM'000
Revenue				
Property Development	1,193,526	994,451	4,026,998	2,760,877
Construction, Investment Holding and Others	65,278	84,994	202,318	228,950
	<u>1,258,804</u>	<u>1,079,445</u>	<u>4,229,316</u>	<u>2,989,827</u>
Profit/(Loss) before tax (“PBT/LBT”)				
Property Development	192,935	137,905	799,807	396,792
Construction, Investment Holding and Others	12,405	(2,178)	53,558	(25,033)
	<u>205,340</u>	<u>135,727</u>	<u>853,365</u>	<u>371,759</u>

(a) Performance of the current quarter against the same quarter in the preceding year (Q3 2024 vs Q3 2023)

Property Development

The Group’s property development segment achieve revenue of RM1.19 billion in Q3 2024 which is RM199 million or 20% higher than Q3 2023 mainly due to the contribution from land sales. Land sales revenue in Q3 2024 totalled RM279 million (Q3 2023: NIL). The favourable variance from land sales revenue was reduced by the lower contribution from Australia by RM135 million following the substantial delivery of UNO Melbourne to purchasers in FY2023.

PBT of RM192.9 million achieved in Q3 2024 is higher than Q3 2023 by RM55 million mainly contributed by the higher profit from the land sales of RM143 million partially reduced by lower profit contribution from Australia by RM52 million and higher share of loss from Battersea Power Station of RM43 million. Battersea Power Station’s higher loss stemmed mainly from additional development costs.

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, trading, construction and investment properties such as office towers, retail malls, convention centres and hotel. Revenue from manufacturing and trading are lower as operations are wound down.

Profit before tax has improved in Q3 2024 mainly due to lower loss from construction segment and higher contribution from investment properties and hotel operations as well as favourable foreign exchange differences.

(b) Performance of the nine (9) months ended 30 September 2024 vs nine (9) months ended 30 September 2023

Property Development

The Group's revenue and PBT from the property development segment are RM4.03 billion and RM799.8 million respectively, higher than the corresponding period in the preceding year. Revenue and profit contributions from land sales in Glengowrie, Taman Pelangi Indah and Setia Alam totalling RM1.27 million and RM634 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 RM94 million respectively.

However, the profit from property development was reduced by the higher share of loss from a joint venture (RM127 million adverse variance which included a negative accounting impact from International Financial Reporting Standard 17).

Construction, Investment Holding and Others

The Group's construction, investment holding, and others segment has recorded revenue of RM202 million and profit before tax of RM54 million in nine (9) months ended 30 September 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 nine (9) months ended 30 September 2023.

2. Material Changes in the Quarterly Results ("Q3 2024") compared to the results of the Preceding Quarter ("Q2 2024")

The Group's PBT for Q3 2024 of RM205.34 million is lower than the preceding quarter of RM466.83 million. This is mainly due to the contribution from a material land sale in Taman Pelangi Indah 2 in Q2 2024.

3. Prospects for the Current Financial Year

For the nine months ended 30 September 2024, the Group achieved total sales of RM3.20 billion. Local projects contributed RM3.00 billion, approximately 94% of the Group sales, primarily driven by contribution from Southern and Central region, amounting to RM1.58 billion and RM 1.37 billion respectively. As of September 2024, the Group has secured additional RM556.0 million of sales in pipeline with its property development segment and Setia Alaman industrial segment contributing RM477 million and RM79 million respectively. For the remaining of the year, the Group expects to launch an estimated RM1.97 billion of residential, commercial and industrial products – with more than 78% located in the Central region.

During the current period, the Group has successfully completed the sale and purchase agreement with KSL Bestari Sdn Bhd to dispose approximately 17.99 acres of freehold land in Mukim of Bukit Raja, District of Petaling, Selangor for a cash consideration of RM228.8 million.

On the international front, the Group recently launched its latest Australian project, ATLAS Melbourne; a 73-storey mixed development located at 383 La Trobe Street in Melbourne’s central business district with a GDV of AUD886.7 million (approximately RM2.70 billion). This project will be developed in stages, with Phase 1 construction to begin in 1st half 2026 with completion expected by 2028, and the remaining phases completion planned by mid-2029.

The Group’s next significant investment in Kuala Lumpur, the Setia Federal Hill Phase 1 project (estimated GDV RM1.4 billion), in partnership with Mitsui Fudosan, rolled out the exclusive preview of Parkside Residences on 23rd and 24th November leading up to the official launch in early 2025.

With 42 ongoing projects and unbilled sales totalling RM 3.50 billion as of 30 September 2024, the Group demonstrates positive earnings visibility in the short to mid-term. The Group remains focused on sustainable performance while actively balancing its capital structure and managing its de-gearing program.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Taxation

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	RM’000	RM’000	RM’000	RM’000
Income tax:				
- current period	93,631	83,717	332,886	202,165
- under/(over) provision in prior years	(14,013)	15,229	(9,129)	15,815
Deferred tax:				
- current period	13,822	(21,794)	(1,553)	(20,285)
- under/(over) provision in prior years	(5,991)	(4,308)	9,125	(9,870)
Real property gain tax	827	-	827	-
Capital gain tax	1,189	-	1,189	-
	<u>89,465</u>	<u>72,844</u>	<u>333,345</u>	<u>187,825</u>

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

There was no corporate proposal announced but not completed as at 18 November 2024 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report).

7. Group Borrowings and Debt Securities

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings - Islamic	289,041	840,276	1,129,317
Short-term borrowings - Conventional	654,976	196,000	850,976
Long-term borrowings - Islamic	1,518,785	3,233,959	4,752,744
Long-term borrowings - Conventional	1,158,848	916,988	2,075,836
Redeemable cumulative preference shares	-	38,219	38,219
	<u>3,621,650</u>	<u>5,225,442</u>	<u>8,847,092</u>

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Malaysian Ringgit	3,096,568	3,969,941	7,066,509
Great British Pound	-	1,080,326	1,080,326
Australian Dollar	493,733	142,315	636,048
United States Dollar	-	32,860	32,860
Japanese Yen	31,349	-	31,349
	<u>3,621,650</u>	<u>5,225,442</u>	<u>8,847,092</u>

8. Material Litigation

The Group was not engaged in any material litigation as at 18 November 2024 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report), except as follows:

- i) On 27 August 2024, S P Setia and its subsidiaries, Setia Bina Raya Sdn Bhd and Aeropod Sdn Bhd (“Subsidiaries”) filed a civil suit at the Shah Alam High Court (“Court”) against the following defendants:
- 1) Datuk Wong Tuck Wai (1st Defendant)
 - 2) Datuk Kow Choong Ming (2nd Defendant)
 - 3) Dato’ Khor Chap Jen (3rd Defendant)
 - 4) Wilfred Yong Chen Leong (4th Defendant)
 - 5) Alan Wong Siew Ong (5th Defendant)
 - 6) Pristigo Properties Sdn Bhd (6th Defendant)
 - 7) Asia Dream MM2H Sdn Bhd (7th Defendant)
 - 8) Optimise Profit Sdn Bhd (8th Defendant)
 - 9) Glorywise Century Sdn Bhd (9th Defendant)
 - 10) Bigdeal Synergy Sdn Bhd (10th Defendant)
 - 11) Siner maju Sdn Bhd (11th Defendant)

The suit concerns primarily the breaches of duties by the former director and senior management of S P Setia Berhad and its Subsidiaries in relation to the acquisition of 6 plots of land located at Jalan Lintas, Kota Kinabalu, and the sale of units under its Aeropod project (Phase 3A). S P Setia Berhad and its Subsidiaries have also brought this action against the defendants for breaches of duties (1st to 3rd Defendants), dishonest assistance, conspiracy, deceit and the breaches of Supplemental Agreement dated 11 March 2021 (which varied the terms of the Master Sale and Purchase Agreement dated 20 July 2017) by the other defendants.

S P Setia Berhad and its Subsidiaries/Plaintiffs seek relief and remedies against the defendants for, among others:

- (a) a declaration that Aeropod Sdn Bhd is entitled to the ring-fenced money of RM60,670,305.80 which was retained by Aeropod Sdn Bhd as security towards the performance of Pristigo Properties Sdn Bhd’s obligations under the Supplemental Agreement dated 11 March 2021;
- (b) damages or equitable compensation for the additional sum of RM37,592,483.20 after the deduction of the ring-fenced money above;
- (c) damages or equitable compensation for late payment interest of RM5,200,000.00 up to 31 December 2020 and further interest from 1 January 2021 until final settlement to be assessed by the court;
- (d) other and further damages or equitable compensation to be assessed by the court;
- (e) account and inquiry of profits;
- (f) general damages; and
- (g) costs of investigations, interest and other costs in the action.

The first Case Management was held on 18 September 2024 whereby solicitors for the 1st and 3rd Defendants (i.e. Messrs Cecil Abraham & Partners) informed the Court that they had filed and served a Notice to Produce Documents Referred to in Pleadings (“Notice to Produce”). Solicitors for the 5th to 11th Defendants had informed the Court that they intend to file a Notice to Produce as well. To date, the Plaintiffs have responded to the Notices to Produce filed by 1st, 2nd, 3rd, 7th and 11th Defendants.

At the Case Management held on 22 October 2024, the Court directed the defendants (except for the 2nd Defendant) to file their respective Defence by 20 December 2024 whereas the Defence for the 2nd Defendant is to be filed by 3 January 2025. The Court further directed the Plaintiffs to file the Reply to the Defence of all defendants (except the 2nd Defendant) by 20 January 2025 and to file the Reply to the Defence of the 2nd Defendant by 3 February 2025.

The case is now fixed for Case Management on 5 February 2025.

8 Material Litigation (continued)

- ii) Setia Putrajaya Development Sdn Bhd (“SPD”) and Putrajaya Holdings Sdn Bhd (“PJH”) entered into a Development Agreement dated 18 December 2002 (“DA”) and a Supplemental Development Agreement dated 13 August 2024.

Under the DA, PJH as the registered proprietor of certain lands in Putrajaya, granted SPD the development rights and beneficial use over the Development Area in Precinct 9, Precinct 15 and Precinct Z, in consideration of payment of the Value of the Development Rights as prescribed under the DA.

SPD had made payment of the Value of Development Rights to PJH and incurred cost such as infrastructure cost towards development of the Development Area and other outgoing expenses in relation to the Development Area in the sum of approximately RM69 mil and PJH is in breach of its obligations under the Development Agreement.

On 15 August 2024, SPD commenced arbitration proceedings to claim the sum of RM69,534,082.00 (outstanding as at 31 May 2024) being damages for breach of contract and/or misrepresentation, general damages, interest, cost and other relief the Arbitrator deems fit.

On 13 September 2024, PJH served its Response to the Notice of Arbitration (“NOA”) to deny all the claims in the NOA.

Case is ongoing.

9. Dividends Declared

- (a) The Board of Directors has declared preferential dividends of 6.49% per annum for RCPS-i A and 5.43% per annum for RCPS-i C, both payable semi-annually, in respect of the financial period from 1 January 2024 to 30 June 2024. A total of RM35,326,946 and RM8,688,444 preferential dividends respectively were paid in cash on 11 October 2024.
- (b) No dividend has been declared in respect of ordinary share for the financial period ended 30 September 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		9 MONTHS ENDED	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	'000	'000	'000	'000
Profit attributable to owners of the Company (RM)	100,020	51,822	472,380	150,335
- RCPS-i A preferential dividends (RM)	(35,327)	(35,327)	(70,654)	(70,654)
- RCPS-i C preferential dividends (RM)	(8,689)	(25,490)	(26,135)	(30,800)
Adjusted profit attributable to owners of the Company (RM)	<u>56,004</u>	<u>(8,995)</u>	<u>375,591</u>	<u>48,881</u>
Number of ordinary shares at beginning of the period	4,761,205	4,075,488	4,354,837	4,075,488
Weighted average effect of shares issued pursuant to:				
- Vesting of ESGP	-	-	-	3,012
- Conversion of RCPS i-C into ordinary shares	66,011	1,196	283,559	403
Number of ordinary shares in issue	<u>4,827,216</u>	<u>4,076,684</u>	<u>4,638,396</u>	<u>4,078,903</u>
Basic earnings per share (sen)	<u>1.16</u>	<u>(0.22)</u>	<u>8.10</u>	<u>1.20</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		9 MONTHS ENDED	
	30/09/2024	30/09/2023	30/09/2024	30/09/2023
	'000	'000	'000	'000
Profit attributable to owners of the Company (RM)	100,020	51,822	472,380	150,335
- RCPS-i A preferential dividends (RM)	(35,327)	(35,327)	(70,654)	(70,654)
- RCPS-i C preferential dividends (RM)	(8,689)	(25,490)	(26,135)	(30,800)
Adjusted profit attributable to owners of the Company (RM)	<u>56,004</u>	<u>(8,995)</u>	<u>375,591</u>	<u>48,881</u>
Weighted average number of ordinary shares as per Basic Earnings Per Share	4,827,216	4,076,684	4,638,396	4,078,903
Effect of potential exercise of RCPS-i C	402,220	-	402,220	-
Weighted average number of ordinary shares	<u>5,229,436</u>	<u>4,076,684</u>	<u>5,040,616</u>	<u>4,078,903</u>
Diluted earnings per share (sen)	<u>1.07</u>	<u>(0.22)</u>	<u>7.45</u>	<u>1.20</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 30/09/2024 RM'000	9 MONTHS ENDED 30/09/2024 RM'000
Interest income	24,052	64,809
Other income including investment income	41,879	118,463
Interest expense	(101,302)	(272,415)
Depreciation and amortisation	(11,042)	(33,479)
Provision of doubtful debts for trade and other receivables	(38)	(249)
Reversal of write-down in value of completed inventories	-	25
Net (loss)/gain on disposal of quoted or unquoted investments or properties	(203)	70,418
Fair value adjustment of right-of-use - investment properties	(3,147)	(9,441)
Net foreign exchange gain	19,383	15,618

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.