

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

Interim Financial Report
31 March 2022

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Interim Financial Report - 31 March 2022

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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 2022
(The figures have not been audited)

	(UNAUDITED)	(AUDITED)
	As At	As At
	31/03/2022	31/12/2021
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	731,824	725,965
Right-of-use - property, plant and equipment	1,542	1,852
Investment properties	2,040,339	2,046,487
Right-of-use - investment properties	44,640	46,940
Inventories - land held for property development	12,533,026	12,534,255
Intangible asset	13,354	13,488
Investments in joint ventures	3,512,463	3,455,185
Investments in associated companies	567,384	565,362
Other investments	96	96
Amounts owing by joint ventures	69,785	69,785
Trade receivables	61,283	64,891
Other receivables, deposits and prepayments	82,671	79,606
Deferred tax assets	307,872	315,812
	<u>19,966,279</u>	<u>19,919,724</u>
Current assets		
Trade receivables	675,675	738,641
Contract assets	1,458,110	1,290,160
Other receivables, deposits and prepayments	224,436	233,651
Inventories - land held for sales	139,670	139,670
Inventories - property development costs	2,798,131	2,895,419
Inventories - completed properties and others	1,069,195	1,049,646
Contract cost assets	1,766,190	1,708,206
Amounts owing by joint ventures	84,889	84,514
Amounts owing by associated companies	-	2,464
Amounts owing by related parties	135	276
Current tax assets	57,434	50,793
Short-term funds	1,041,360	1,401,604
Short-term deposits	163,229	206,190
Cash and bank balances	1,355,272	1,463,422
	<u>10,833,726</u>	<u>11,264,656</u>
TOTAL ASSETS	<u><u>30,800,005</u></u>	<u><u>31,184,380</u></u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	8,490,350	8,490,225
Share capital - RCPS-i A	1,087,363	1,087,363
Share capital - RCPS-i B	1,035,218	1,035,218
Reserves		
Share-based payment reserve	88,998	86,927
Reserve on acquisition arising from common control	(1,295,884)	(1,295,884)
Exchange translation reserve	97,401	107,157
Retained earnings	4,639,558	4,664,527
Equity attributable to owners of the Company	<u>14,143,004</u>	<u>14,175,533</u>
Non-controlling interests	1,454,833	1,456,206
Total equity	<u>15,597,837</u>	<u>15,631,739</u>
LIABILITIES		
Non-current liabilities		
Redeemable cumulative preference shares	37,486	37,965
Other payables and accruals	61,382	61,850
Long-term borrowings	8,181,153	9,308,641
Lease liabilities	148	823
Deferred tax liabilities	452,756	446,104
	<u>8,732,925</u>	<u>9,855,383</u>
Current liabilities		
Trade payables	1,359,395	1,495,050
Contract liabilities	132,449	119,275
Other payables and accruals	802,562	804,019
Short-term borrowings	4,162,655	3,247,231
Lease liabilities	1,504	1,155
Current tax liabilities	10,304	30,012
Amounts owing to related parties	374	516
	<u>6,469,243</u>	<u>5,697,258</u>
Total liabilities	<u>15,202,168</u>	<u>15,552,641</u>
TOTAL EQUITY AND LIABILITIES	<u><u>30,800,005</u></u>	<u><u>31,184,380</u></u>
Net assets per share attributable to owners of the Company	<u>2.95</u>	<u>2.96</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 2021 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 2022
(The figures have not been audited)

	3 MONTHS ENDED	
	31/03/2022	31/03/2021
	RM'000	RM'000
Revenue	867,097	1,052,821
Cost of sales	(658,377)	(785,838)
Gross profit	<u>208,720</u>	<u>266,983</u>
Other income	29,243	37,466
Selling and marketing expenses	(10,145)	(9,667)
Administrative and general expenses	(68,640)	(71,349)
(Loss)/Gain on foreign exchange		
- Realised	(3)	1,123
- Unrealised	12,798	(33,211)
Share of results of joint ventures	(4,687)	(4,919)
Share of results of associated companies	844	2,876
Finance costs	(49,924)	(46,912)
Profit before tax	<u>118,206</u>	<u>142,390</u>
Taxation	(38,890)	(48,262)
Profit for the period	<u>79,316</u>	<u>94,128</u>
Other comprehensive income, net of tax:		
Items that may be reclassified to profit or loss in subsequent periods:		
- Exchange differences on translation of foreign operations	(9,742)	107,538
Total comprehensive income for the period	<u><u>69,574</u></u>	<u><u>201,666</u></u>
Profit attributable to:		
Owners of the Company	67,495	75,231
Non-controlling interests	11,821	18,897
	<u><u>79,316</u></u>	<u><u>94,128</u></u>
Total comprehensive income attributable to:		
Owners of the Company	57,739	182,717
Non-controlling interests	11,835	18,949
	<u><u>69,574</u></u>	<u><u>201,666</u></u>
Earnings per share attributable to owners of the Company		
- Basic earnings per share (sen)	0.04	0.23
- Diluted earnings per share (sen)	0.04	0.23

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2021 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 2022
(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 B 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 01.01.2022	8,490,225	1,087,363	1,035,218	86,927	(1,295,884)	107,157	4,664,527	14,175,533	1,456,206	15,631,739
Total other comprehensive income for the period represented by exchange differences on translation of foreign operations	-	-	-	-	-	(9,756)	-	(9,756)	14	(9,742)
Profit for the period	-	-	-	-	-	-	67,495	67,495	11,821	79,316
Transactions with owners:										
Issuance of ordinary shares										
- Exercise of Employee Share Options Scheme ("ESOS")	125	-	-	(33)	-	-	-	92	-	92
RCPS-i A preferential dividends declared	-	-	-	-	-	-	(35,327)	(35,327)	-	(35,327)
RCPS-i B preferential dividends declared	-	-	-	-	-	-	(30,694)	(30,694)	-	(30,694)
Dividends declared	-	-	-	-	-	-	(26,443)	(26,443)	(13,208)	(39,651)
Share-based payment under Employee Long Term Incentive Plan ("LTIP")	-	-	-	2,104	-	-	-	2,104	-	2,104
Balance at 31.03.2022	8,490,350	1,087,363	1,035,218	88,998	(1,295,884)	97,401	4,639,558	14,143,004	1,454,833	15,597,837
Balance at 01.01.2021	8,468,287	1,087,363	1,035,218	132,400	(1,295,884)	75,042	4,478,816	13,981,242	1,418,367	15,399,609
Total other comprehensive income for the period represented by exchange differences on translation of foreign operations	-	-	-	-	-	107,486	-	107,486	52	107,538
Profit for the period	-	-	-	-	-	-	75,231	75,231	18,897	94,128
Transactions with owners:										
Acquisition of additional shares in existing subsidiary company	-	-	-	-	-	-	-	-	8,004	8,004
RCPS-i A preferential dividends declared	-	-	-	-	-	-	(35,327)	(35,327)	-	(35,327)
RCPS-i B preferential dividends declared	-	-	-	-	-	-	(30,694)	(30,694)	-	(30,694)
Dividends paid	-	-	-	-	-	-	-	-	(8,004)	(8,004)
Share-based payment under LTIP	-	-	-	3,910	-	-	-	3,910	-	3,910
Balance at 31.03.2021	8,468,287	1,087,363	1,035,218	136,310	(1,295,884)	182,528	4,488,026	14,101,848	1,437,316	15,539,164

(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 2021 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 2022
(The figures have not been audited)

	3 MONTHS ENDED	
	31/03/2022	31/03/2021
	RM'000	RM'000
Operating Activities		
Profit before tax	118,206	142,390
Adjustments for:-		
Non-cash items	(1,442)	43,549
Non-operating items	28,291	20,854
Operating profit before changes in working capital	<u>145,055</u>	<u>206,793</u>
Changes in inventories - property development costs and contract cost assets	(8,259)	17,722
Changes in inventories - completed properties and others	99,958	157,514
Changes in contract assets/liabilities	(148,474)	44,307
Changes in receivables	93,616	16,315
Changes in payables	(166,253)	(95,256)
Cash generated from operations	<u>15,643</u>	<u>347,395</u>
Rental received	2,525	2,652
Interest received	3,287	4,791
Interest paid on lease liabilities	(18)	(22)
Net tax paid	(51,276)	(39,457)
Net cash (used in)/from operating activities	<u>(29,839)</u>	<u>315,359</u>
Investing Activities		
Additions to inventories - land held for property development	(47,843)	(79,164)
Additions to property, plant and equipment	(12,423)	(10,335)
Additions to investment properties	(786)	(15,052)
Proceeds from disposal of property, plant and equipment	282	153
Proceeds from disposal of investment properties	7,605	-
Acquisition of additional shares in existing joint ventures	(132,145)	(122,223)
Repayment from an associated company	275	614
(Advances to)/Repayment from joint ventures	(380)	964
Withdrawal/(Placement) of sinking fund, debt service reserve, escrow accounts and short-term deposits	16,751	(14,760)
Dividends received from associated companies	2,450	3,675
Interest received	5,414	7,593
Rental received	9,404	10,094
Net cash used in investing activities	<u>(151,396)</u>	<u>(218,441)</u>
Financing Activities		
Proceeds from issuance of ordinary shares pursuant to the exercise of ESOS	92	-
Drawdown of bank borrowings	214,701	389,477
Repayment of bank borrowings	(425,582)	(391,807)
Repayment of lease liabilities	(332)	(324)
Interest paid	(82,589)	(90,947)
Payment of transaction cost on borrowings	-	(108)
Redeemable cumulative preference share dividends paid to non-controlling interests	(684)	(684)
Dividends paid to non-controlling interests	-	(8,004)
Net cash used in financing activities	<u>(294,394)</u>	<u>(102,397)</u>

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2022
(The figures have not been audited)

	3 MONTHS ENDED	
	31/03/2022	31/03/2021
	RM'000	RM'000
Net changes in cash and cash equivalents	(475,629)	(5,479)
Effect of exchange rate changes	2,096	10,308
Cash and cash equivalents at beginning of the period	2,941,620	2,821,290
Cash and cash equivalents at end of the period	<u>2,468,087</u>	<u>2,826,119</u>
 Cash and cash equivalents comprise the following:		
Short-term funds	1,041,360	1,486,497
Short-term deposits	163,229	253,975
Cash and bank balances	1,355,272	1,208,581
Bank overdrafts	(8,348)	(23,084)
	<u>2,551,513</u>	<u>2,925,969</u>
Less: Amount restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	(83,426)	(99,850)
	<u>2,468,087</u>	<u>2,826,119</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 2021 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 2021.

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 2021 except for the adoption of the following amendments to MFRSs and annual improvement to MFRSs:

Amendments to MFRS 3	Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment – Proceeds Before Intended Use
Amendments to MFRS 137	Onerous Contracts – Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018 – 2020 cycle	

The adoption of the above amendments to MFRSs and annual improvement to MFRSs do not have significant financial impact to the Group.

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 2022.

4. Material Changes in Estimates

There were no material changes in estimates for the financial period ended 31 March 2022.

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:

- (a) Issuance of 118,800 new ordinary shares pursuant to the exercise of options under the Employees' Share Options Scheme ("ESOS") at the following option prices:

		ESOS 9
Exercise price	(RM)	<u>0.77</u>
No. of shares issued	('000)	<u>119</u>

- (b) Issuance of the following tranches of Sukuk Wakalah from the Islamic Medium Term Notes Programme with the programme limit of up to RM3.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") subsequent to period end:

Tranche	Issuance Date	Amount (RM Million)	Tenure	Periodic Distribution Rate (p.a.)
3	21 April 2022	350.0	5 Years	4.22%
4	21 April 2022	600.0	7 Years	4.67%
5	21 April 2022	250.0	10 Years	4.80%

6. Dividends Paid

- a) Dividend in respect of the financial year ended 31 December 2021**

A single-tier dividend, in respect of the financial year ended 31 December 2021 of 0.65 sen per ordinary share amounting to RM26,442,613 was paid in cash on 15 April 2022.

- b) Islamic Redeemable Convertible Preference Shares ("RCPS-i A") preferential dividend in respect of the financial period from 1 July 2021 to 31 December 2021**

A semi-annual RCPS-i A preferential dividend of RM35,326,945, in respect of the financial period from 1 July 2021 to 31 December 2021 was declared on 28 February 2022 and paid in cash on 15 April 2022.

- c) Islamic Redeemable Convertible Preference Shares ("RCPS-i B") preferential dividend in respect of the financial period from 1 July 2021 to 31 December 2021**

A semi-annual RCPS-i B preferential dividend of RM30,694,196, in respect of the financial period from 1 July 2021 to 31 December 2021 was declared on 28 February 2022 and paid in cash on 15 April 2022.

7. Segmental Reporting

The segmental analysis for the financial period ended 31 March 2022 is as follows:

	Property Development RM'000	Construction RM'000	Other Operations RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	822,136	3,867	41,094	-	867,097
Inter-segment revenue	26,525	34,544	8,468	(69,537)	-
Total revenue	848,661	38,411	49,562	(69,537)	867,097
Gross profit/(loss)	204,125	(1,476)	6,071	-	208,720
Other income	40,260	335	1,446	-	42,041
Operating expenses	(74,931)	(928)	(2,929)	-	(78,788)
Share of results of joint ventures	(4,611)	-	(76)	-	(4,687)
Share of results of associated companies	844	-	-	-	844
Finance costs	(44,307)	(118)	(5,499)	-	(49,924)
Profit/(Loss) before tax	121,380	(2,187)	(987)	-	118,206
Taxation					(38,890)
Profit for the period					79,316

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 2022 until 16 May 2022 (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 2022.

10. Contingent Liabilities

There were no contingent liabilities in respect of the Group for the financial period ended 31 March 2022.

11. Capital Commitments

	As at 31 March 2022 RM'000
<i>Commitments of subsidiary companies:</i>	
Contractual commitments for construction of investment properties	10,946
Contractual commitments for acquisition and construction of property, plant and equipment	<u>67,313</u>
<i>Share of commitments of joint ventures:</i>	
Contractual commitments for acquisition of development land	<u>122,098</u>

12. Significant Related Party Transactions

	1 January 2022 To 31 March 2022 RM'000
<i>Transactions with joint ventures:</i>	
(i) Management fee received and receivable	240
(ii) Event and marketing fee received and receivable	24
(iii) Staff secondment fee received and receivable	125
(iv) Interest received and receivable	<u>163</u>
<i>Transactions with director of the subsidiary company: -</i>	
(i) Sale of development property to a director of the subsidiary company	<u>3,382</u>

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

1. Review of Group Performance

The performance of the respective operating business segments for the current quarter (“Q1”) are analysed as follows:

	Q1 2022 RM'000	Q1 2021 RM'000
Revenue		
Property Development	822,136	996,510
Construction	3,867	5,124
Other Operations	41,094	51,187
	867,097	1,052,821
Profit before tax (“PBT”)		
Property Development	121,380	149,469
Construction	(2,187)	(5,538)
Other Operations	(987)	(1,541)
	118,206	142,390

Property Development

The Group’s property development segment achieved the revenue of RM822.1 million and PBT of RM121.4 million in Q1 2022. Both revenue and PBT for current quarter are lower than the corresponding quarter in preceding year mainly due to lesser revenue contribution from both Malaysia and Singapore. There was higher volume of development phases which were completed and handed over in Q1 2021 resulting in additional revenue contribution in the corresponding quarter of the preceding year. The Group sold RM159.0 million worth of completed inventories during Q1 2022 as compared to RM206.0 million in Q1 2021.

Under construction and completed projects which contributed to the results include *Setia Alam, Setia Eco Park, Precinct Arundina, Setia Alam Impian* 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, *Alam Sutera* in Bukit Jalil, *Alam Damai* in Cheras, *Setia Alamsari* 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, *Aeropod* in Kota Kinabalu, *EcoXuan* in Vietnam, and *Daintree Residence* in Singapore.

Construction

The Group’s construction arm largely provides intercompany construction services to the Group’s property development companies. Revenue from these intercompany services are eliminated at consolidation. Besides, revenue from the construction segment also derived from supply of readymix concrete to the external contractors that serve the property development arm of the Group.

1. Review of Group Performance (continued)

Construction (continued)

The Group's construction segment recorded revenue of RM3.9 million and loss before tax of RM2.2 million in Q1 2022. The loss before tax was attributable to prolongation costs incurred on some intercompany construction jobs.

Other Operations

Revenue from other operations are mainly contributed by wood-based manufacturing, trading activities, and the operation of investment properties such as office towers, retail malls and convention centres.

2. Material Changes in the Quarterly Results ("Q1 2022") compared to the results of the Preceding Quarter ("Q4 2021")

The Group's PBT for Q1 2022 of RM118.2 million is lower than the PBT for Q4 2021 of RM188.8 million mainly due to lower sales contribution from Malaysia.

3. Prospects for the Current Financial Year

With the border reopening and the lifting of restrictions expected to further improve the domestic economic activities this year, the property market sentiment is set to improve on the back of the transition from the pandemic to endemic phase of Covid-19. Despite the improved market outlook, the recent lockdown in China had caused the supply chain for the construction materials to be disrupted, thereby posing additional challenges to the real estate industry.

The Group secured total sales of RM679.0 million and property bookings of RM655.0 million as at 31 March 2022. Local projects contributed RM625.0 million or approximately 92% of the sales whilst the remaining RM54.0 million or approximately 8% were contributed by international projects. On the local front, sales were mainly derived from the Central region with RM420.0 million. The Southern region contributed RM140.0 million while another RM70.0 million was from the Northern region. Completed inventories worth of RM159.0 million were cleared during this quarter.

Due to the rise in construction costs, the Group's strategy to alleviate the higher building cost is to focus on design optimisation and carry out re-value engineering in order to maintain the product pricing. The Group responded to the changed landscape on demand for homes, offices and retail spaces by developing value creation plans that drives sustainable growth and innovation. The Environmental, Social and Governance ("ESG") commitment remains our top priority. The influence of the ESG metrics on our business outcome is still evolving.

During this quarter under review, the Group launched the bungalow and semi-detached homes at Setia Eco Park to much success with more than 80% take up rates. Setia Mayuri which offered similar products also received commendable take up of more than 60%. A total Gross Development Value ("GDV") of RM505.0 million products comprising landed residential and commercial properties were launched in this period.

The Group anticipates that it will achieve its sales target of RM4.0 billion albeit in a challenging market environment. Intensifying the participation in social networking portals, enhancing product innovation and using virtual technologies are some of the measures undertaken to boost sales. The realisation of sales may be impacted given the current property market outlook is tough due to the rise in interest rates in the near term which is expected to increase further in the current financial year. The Group will plan ahead strategically to minimise the uncertainties and seize any opportunities that may emerge in the market.

3. Prospects for the Current Financial Year (continued)

As at 31 March 2022, the Group is currently backed by 47 on-going projects and an effective remaining land banks of 7,060 acres with a GDV of RM121.54 billion. Its unbilled sales which stands at RM9.84 billion will provide earnings visibility in the short to mid-term.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Income Tax

	Q1 2022	Q1 2021
	RM'000	RM'000
Taxation		
- current taxation	26,837	49,028
- deferred taxation	12,053	(766)
	38,890	48,262

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.

6. Status of Corporate Proposals

The following is the status of a corporate proposal that has been announced by the Company which has not completed as at 16 May 2022 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this interim financial report):

- (a) On 27 April 2022, S P Setia Berhad proposed to undertake a renounceable rights issue of new class C Islamic redeemable convertible preference shares ("RCPS-i C") in S P Setia to raise gross proceeds of up to RM1,180.00 million ("Proposed Rights Issue").

In order to facilitate the implementation of the Proposed Rights Issue, the Company also proposed to amend the Constitution of the Company ("Proposed Amendments").

(The Proposed Rights Issue and the Proposed Amendments are collectively referred to as the "Proposals").

On 29 April 2022, the Company had submitted the following applications in relation to the Proposals:

- (i) an application to Bank Negara Malaysia to seek its approval for the issuance of the RCPS-i C to the non-resident shareholders of the Company; and
- (ii) an application to the Shariah Advisory Council of the Securities Commission Malaysia to seek its approval on the structure of the RCPS-i C.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 March 2022 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings - Islamic	535,488	1,190,760	1,726,248
Short-term borrowings - Conventional	2,260,659	175,748	2,436,407
Long-term borrowings - Islamic	2,368,854	2,612,032	4,980,886
Long-term borrowings - Conventional	1,595,864	1,604,403	3,200,267
Redeemable cumulative preference shares	-	37,486	37,486
	6,760,865	5,620,429	12,381,294

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Malaysian Ringgit	5,278,419	3,506,978	8,785,397
Great British Pound	-	1,657,396	1,657,396
Australian Dollar	1,160,346	314,653	1,474,999
Singapore Dollar	284,656	-	284,656
United States Dollar	-	141,402	141,402
Japanese Yen	37,444	-	37,444
	6,760,865	5,620,429	12,381,294

8. Material Litigation

The Group was not engaged in any material litigation as at 16 May 2022 (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 2022.

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 B preferential dividends declared during the period, divided by the weighted average number of shares in issue, as follows:

	Q1 2022	Q1 2021
	'000	'000
Profit attributable to owners of the Company (RM)	67,495	75,231
- RCPS-i A preferential dividends (RM)	(35,327)	(35,327)
- RCPS-i B preferential dividends (RM)	(30,694)	(30,694)
Adjusted profit attributable to owners of the Company (RM)	1,474	9,210
Number of ordinary shares at beginning of the period	4,067,978	4,056,733
Weighted average effect of shares issued pursuant to:		
- Exercise of ESOS	40	-
Weighted average number of ordinary shares	4,068,018	4,056,733
Basic earnings per share (sen)	0.04	0.23

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 B 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, as follows:

	Q1 2022	Q1 2021
	'000	'000
Profit attributable to owners of the Company (RM)	67,495	75,231
- RCPS-i A preferential dividends (RM)	(35,327)	(35,327)
- RCPS-i B preferential dividends (RM)	(30,694)	(30,694)
Adjusted profit attributable to owners of the Company (RM)	1,474	9,210
Weighted average number of ordinary shares as per Basic Earnings Per Share	4,068,018	4,056,733
Effect of potential exercise of LTIP	13,860	20,752
Weighted average number of ordinary shares	4,081,878	4,077,485
Diluted earnings per share (sen)	0.04	0.23

The effects of conversion of RCPS-i A and RCPS-i B 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	
	Q1 2022	Q1 2021
	RM'000	RM'000
Interest income	13,332	17,855
Other income including investment income	15,911	19,458
Interest expense	(49,924)	(46,912)
Depreciation and amortisation	(7,537)	(8,300)
Reversal of provision of doubtful debts for trade and other receivables	72	68
Reversal of impairment of completed inventories	252	794
Net (loss)/gain on disposal of quoted or unquoted investments or properties	(80)	153
Write off of property, plant and equipment	(1)	(2)
Fair value gain on investment properties	-	-
Net foreign exchange gain/(loss)	12,795	(32,088)
Gain or loss on derivatives	-	-
Exceptional items	-	-

12. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 31 December 2021 was unqualified.