

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

Interim Financial Report
30 September 2021

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Interim Financial Report - 30 September 2021

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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 2021
(The figures have not been audited)

	As At 30/09/2021 RM'000	As At 31/12/2020 RM'000 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	713,064	703,811
Right-of-use - property, plant and equipment	2,164	2,341
Investment properties	2,034,721	2,034,472
Right-of-use - investment properties	51,859	69,054
Inventories - land held for property development	12,699,797	12,661,069
Intangible asset	13,621	13,385
Investments in joint ventures	3,101,498	2,703,702
Investments in associated companies	562,816	559,857
Other investments	96	96
Amounts owing by joint ventures	69,785	69,785
Trade receivables	47,572	28,824
Other receivables, deposits and prepayments	77,445	73,464
Deferred tax assets	349,426	327,932
	19,723,864	19,247,792
Current assets		
Trade receivables	985,948	849,503
Contract assets	1,039,605	1,263,891
Other receivables, deposits and prepayments	207,881	238,969
Inventories - property development costs	2,732,334	3,127,722
Inventories - completed properties and others	1,053,517	1,093,240
Contract cost assets	1,812,703	1,430,106
Amounts owing by joint ventures	83,142	82,589
Amounts owing by associated companies	14	4,336
Amounts owing by related parties	135	458
Current tax assets	31,654	84,889
Short-term funds	1,771,129	1,485,695
Short-term deposits	235,517	208,725
Cash and bank balances	1,449,186	1,224,816
	11,402,765	11,094,939
TOTAL ASSETS	31,126,629	30,342,731
EQUITY AND LIABILITIES		
EQUITY		
Share capital	8,490,200	8,468,287
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	119,908	132,400
Reserve on acquisition arising from common control	(1,295,884)	(1,295,884)
Exchange translation reserve	105,268	75,042
Retained earnings	4,414,190	4,385,183
Equity attributable to owners of the Company	13,956,263	13,887,609
Non-controlling interests	1,454,397	1,417,059
Total equity	15,410,660	15,304,668
LIABILITIES		
Non-current liabilities		
Redeemable cumulative preference shares	37,757	37,140
Other payables and accruals	59,713	69,267
Long-term borrowings	10,233,133	9,357,935
Lease liabilities	1,563	1,167
Deferred tax liabilities	442,876	465,796
	10,775,042	9,931,305
Current liabilities		
Trade payables	1,511,849	1,581,560
Contract liabilities	216,504	152,467
Other payables and accruals	737,822	759,880
Short-term borrowings	2,374,352	2,583,271
Lease liabilities	733	1,290
Current tax liabilities	99,287	27,278
Amounts owing to related parties	380	1,012
	4,940,927	5,106,758
Total liabilities	15,715,969	15,038,063
TOTAL EQUITY AND LIABILITIES	31,126,629	30,342,731
Net assets per share attributable to owners of the Company	2.91	2.90

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 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 2021
(The figures have not been audited)

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2021 RM'000	30/09/2020 RM'000 Restated	30/09/2021 RM'000	30/09/2020 RM'000 Restated
Revenue	594,552	1,080,472	2,730,144	2,114,454
Cost of sales				
- Operational cost of sales	(418,727)	(830,978)	(2,018,285)	(1,546,095)
- Reversal/(Impairment) of completed inventories	-	3,068	1,217	(128,554)
Gross profit	<u>175,825</u>	<u>252,562</u>	<u>713,076</u>	<u>439,805</u>
Other income	35,864	32,138	113,573	113,719
Selling and marketing expenses	(12,389)	(13,576)	(32,788)	(36,041)
Administrative and general expenses	(98,443)	(92,666)	(265,772)	(257,448)
Gain/(Loss) on foreign exchange				
- Realised	3	(9)	1,131	(1)
- Unrealised	21,045	(4,064)	(11,068)	3,409
Share of results of joint ventures	(13,861)	(343,566)	(18,045)	(360,129)
Share of results of associated companies	(2,218)	6,458	4,802	6,889
Finance costs	<u>(53,549)</u>	<u>(59,648)</u>	<u>(151,222)</u>	<u>(189,860)</u>
Profit/(Loss) before tax	<u>52,277</u>	<u>(222,371)</u>	<u>353,687</u>	<u>(279,657)</u>
Taxation	<u>(29,992)</u>	<u>(25,120)</u>	<u>(132,980)</u>	<u>(48,603)</u>
Profit/(Loss) for the period	<u>22,285</u>	<u>(247,491)</u>	<u>220,707</u>	<u>(328,260)</u>
Other comprehensive income, net of tax:				
Item that may be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	(76,720)	23,707	30,298	26,008
Total comprehensive (loss)/income for the period	<u>(54,435)</u>	<u>(223,784)</u>	<u>251,005</u>	<u>(302,252)</u>
Profit/(Loss) attributable to:				
Owners of the Company	11,013	(267,005)	161,050	(377,250)
Non-controlling interests	11,272	19,514	59,657	48,990
	<u>22,285</u>	<u>(247,491)</u>	<u>220,707</u>	<u>(328,260)</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(65,749)	(243,255)	191,276	(351,258)
Non-controlling interests	11,314	19,471	59,729	49,006
	<u>(54,435)</u>	<u>(223,784)</u>	<u>251,005</u>	<u>(302,252)</u>
Earnings per share attributable to owners of the Company				
- Basic (loss)/earnings per share (sen)	<u>(1.35)</u>	<u>(8.21)</u>	<u>0.71</u>	<u>(12.59)</u>
- Diluted (loss)/earnings per share (sen)	<u>(1.35)</u>	<u>(8.17)</u>	<u>0.71</u>	<u>(12.52)</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 2020 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 2021
(The figures have not been audited)

	← Attributable to owners of the Company →									Total Equity RM'000
	← 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	
Balance at 01.01.2021	8,468,287	1,087,363	1,035,218	132,400	(1,295,884)	75,028	4,419,228	13,921,640	1,418,860	15,340,500
Effects of adoption of Agenda Decision on MFRS123	-	-	-	-	-	14	(34,045)	(34,031)	(1,801)	(35,832)
Balance at 01.01.2021 (restated)	8,468,287	1,087,363	1,035,218	132,400	(1,295,884)	75,042	4,385,183	13,887,609	1,417,059	15,304,668
Total other comprehensive income for the period represented										
by exchange differences on translation of foreign operations	-	-	-	-	-	30,226	-	30,226	72	30,298
Profit for the period	-	-	-	-	-	-	161,050	161,050	59,657	220,707
Transactions with owners:										
Issuance of ordinary shares										
- Vesting of Employee Share Grant Plan ("ESGP")	21,552	-	-	(21,552)	-	-	-	-	-	-
- Exercise of Employee Share Options Scheme ("ESOS")	361	-	-	(96)	-	-	-	265	-	265
Acquisition of additional shares in an existing subsidiary company	-	-	-	-	-	-	-	-	8,004	8,004
RCPS-i A preferential dividends paid	-	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i B preferential dividends paid	-	-	-	-	-	-	(61,389)	(61,389)	-	(61,389)
Dividends paid	-	-	-	-	-	-	-	-	(30,395)	(30,395)
Share-based payment under Employee Long Term Incentive Plan ("LTIP")	-	-	-	9,156	-	-	-	9,156	-	9,156
Balance at 30.09.2021	8,490,200	1,087,363	1,035,218	119,908	(1,295,884)	105,268	4,414,190	13,956,263	1,454,397	15,410,660
Balance at 01.01.2020	8,432,321	1,087,363	1,035,304	144,721	(1,295,884)	(27,162)	4,912,727	14,289,390	1,432,647	15,722,037
Effects of adoption of Agenda Decision on MFRS123	-	-	-	-	-	(5)	(34,103)	(34,108)	(1,048)	(35,156)
Balance at 01.01.2020 (restated)	8,432,321	1,087,363	1,035,304	144,721	(1,295,884)	(27,167)	4,878,624	14,255,282	1,431,599	15,686,881
Total other comprehensive income for the period represented										
by exchange differences on translation of foreign operations	-	-	-	-	-	25,992	-	25,992	16	26,008
Loss for the period	-	-	-	-	-	-	(377,250)	(377,250)	48,990	(328,260)
Transactions with owners:										
Issuance of ordinary shares										
- Vesting of ESGP	35,880	-	-	(35,880)	-	-	-	-	-	-
RCPS-i A preferential dividends paid	-	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i B preferential dividends paid	-	-	-	-	-	-	(61,394)	(61,394)	-	(61,394)
Dividends paid	-	-	-	-	-	-	(40,425)	(40,425)	(65,262)	(105,687)
Share-based payment under LTIP	-	-	-	22,203	-	-	-	22,203	-	22,203
Balance at 30.09.2020 (restated)	8,468,201	1,087,363	1,035,304	131,044	(1,295,884)	(1,175)	4,328,901	13,753,754	1,415,343	15,169,097

(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 2020 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 30 SEPTEMBER 2021
(The figures have not been audited)

	9 MONTHS ENDED	
	30/09/2021	30/09/2020
	RM'000	RM'000
		Restated
Operating Activities		
Profit/(Loss) before tax	353,687	(279,657)
Adjustments for:-		
Non-cash items	61,315	521,757
Non-operating items	68,626	100,299
Operating profit before changes in working capital	<u>483,628</u>	<u>342,399</u>
Changes in inventories - property development costs and contract cost assets	(34,607)	(205,847)
Changes in inventories - completed properties and others	352,994	328,520
Changes in contract assets/liabilities	300,702	(102,326)
Changes in receivables	(147,448)	(164,432)
Changes in payables	(47,977)	(157,769)
Cash generated from operations	<u>907,292</u>	<u>40,545</u>
Rental received	7,506	7,970
Interest received	14,900	21,245
Interest paid on lease liabilities	(108)	(90)
Net tax paid	(51,625)	(71,178)
Net cash from/(used in) operating activities	<u>877,965</u>	<u>(1,508)</u>
Investing Activities		
Additions to inventories - land held for property development	(236,600)	(337,012)
Additions to property, plant and equipment	(30,225)	(62,349)
Additions to investment properties	(21,169)	(3,460)
Proceeds from disposal of property, plant and equipment	235	243
Proceeds from disposal of investment properties	18,728	6,221
Net cash outflow from liquidation of subsidiary companies	(43)	-
Acquisition of additional shares in existing joint ventures	(343,438)	(24,000)
Repayment from/(Advances to) an associated company	2,668	(72)
(Advances to)/Repayment from joint ventures	(76)	2,985
(Placement)/Withdrawal of sinking fund, debt service reserve, escrow accounts and short-term deposits	(18,369)	4,366
Dividends received from associated companies	9,800	3,270
Interest received	24,793	29,559
Rental received	29,587	25,273
Net cash used in investing activities	<u>(564,109)</u>	<u>(354,976)</u>
Financing Activities		
Proceeds from issuance of ordinary shares pursuant to the exercise of ESOS	265	-
Repayment to non-controlling shareholder of subsidiary company	(3,130)	-
Proceeds from issuance of Sukuk Wakalah	800,000	-
Drawdown of bank borrowings	1,203,392	1,453,854
Repayment of bank borrowings	(1,370,527)	(1,143,403)
Repayment of lease liabilities	(938)	(965)
Interest paid	(282,453)	(323,444)
Transaction cost on borrowings paid	(3,079)	(960)
Redeemable cumulative preference share dividends paid to non-controlling interests	(1,734)	(1,272)
Dividends paid to non-controlling interests	(27,382)	(65,262)
Dividends paid	-	(40,425)
RCPS-i A preferential dividends paid	(70,654)	(70,654)
RCPS-i B preferential dividends paid	(61,389)	(61,394)
Net cash from/(used in) financing activities	<u>182,371</u>	<u>(253,925)</u>

S P SETIA BERHAD
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2021
(The figures have not been audited)

	9 MONTHS ENDED	
	30/09/2021	30/09/2020
	RM'000	RM'000
		Restated
Net changes in cash and cash equivalents	496,227	(610,409)
Effect of exchange rate changes	3,189	3,305
Cash and cash equivalents at beginning of the period	2,821,290	2,955,811
Cash and cash equivalents at end of the period	<u>3,320,706</u>	<u>2,348,707</u>
Cash and cash equivalents comprise the following:		
Short-term funds	1,771,129	1,250,312
Short-term deposits	235,517	118,257
Cash and bank balances	1,449,186	1,083,628
Bank overdrafts	(31,667)	(27,191)
	<u>3,424,165</u>	<u>2,425,006</u>
Less: Amount restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	(103,459)	(76,299)
	<u>3,320,706</u>	<u>2,348,707</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 2020 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 2020.

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 2020 except for the adoption of the following Amendments to MFRSs:

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
IFRS Interpretations Committee’s Agenda Decision on MFRS 123 (“Agenda Decision”)	Borrowing Costs relating to over time transfer of constructed goods

The adoption of the above Amendments to MFRSs does not have significant financial impact to the Group except for the adoption of the Agenda Decision, which is discussed below.

Agenda Decision on MFRS123 Borrowing Costs relating to over time transfer of constructed goods

In March 2019, IFRS Interpretations Committee (“IFRIC”) published an agenda decision on borrowing costs confirming receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysian Accounting Standards Board decided that an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020.

As a result, finance cost can no longer be capitalised on the Group’s on-going development projects for which revenue is recognised over time.

Effective 1 January 2021, the Group had retrospectively applied the Agenda Decision. The effects of the adoption of the Agenda Decision are as follows:

1. Basis of Preparation (continued)

**Consolidated Statement of Financial Position
As at 31 December 2020**

	As previously stated RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Assets			
Non-current assets			
Property, plant and equipment	703,811	-	703,811
Right-of-use - property, plant and equipment	2,341	-	2,341
Investment properties	2,034,472	-	2,034,472
Right-of-use - investment properties	69,054	-	69,054
Inventories - land held for property development	12,661,069	-	12,661,069
Intangible asset	13,385	-	13,385
Investments in joint ventures	2,703,702	-	2,703,702
Investments in associated companies	559,857	-	559,857
Other investments	96	-	96
Amounts owing by joint ventures	69,785	-	69,785
Trade receivables	28,824	-	28,824
Other receivables, deposits and prepayments	73,464	-	73,464
Deferred tax assets	324,511	3,421	327,932
	19,244,371	3,421	19,247,792
Current assets			
Trade receivables	849,503	-	849,503
Contract assets	1,263,891	-	1,263,891
Other receivables, deposits and prepayments	238,969	-	238,969
Inventories - property development costs	3,158,533	(30,811)	3,127,722
Inventories - completed properties and others	1,099,851	(6,611)	1,093,240
Contract cost assets	1,433,933	(3,827)	1,430,106
Amounts owing by joint ventures	82,589	-	82,589
Amounts owing by associated companies	4,336	-	4,336
Amounts owing by related parties	458	-	458
Current tax assets	84,889	-	84,889
Short-term funds	1,485,695	-	1,485,695
Short-term deposits	208,725	-	208,725
Cash and bank balances	1,224,816	-	1,224,816
	11,136,188	(41,249)	11,094,939
Total Assets	30,380,559	(37,828)	30,342,731

1. Basis of Preparation (continued)

Consolidated Statement of Financial Position (continued)
As at 31 December 2020

	As previously stated RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Equity and liabilities			
Equity			
Share capital	8,468,287	-	8,468,287
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	132,400	-	132,400
Reserve on acquisition arising from common control	(1,295,884)	-	(1,295,884)
Exchange translation reserve	75,028	14	75,042
Retained earnings	4,419,228	(34,045)	4,385,183
Equity attributable to owners of the Company	13,921,640	(34,031)	13,887,609
Non-controlling interests	1,418,860	(1,801)	1,417,059
Total Equity	15,340,500	(35,832)	15,304,668
Liabilities			
Non-current liabilities			
Redeemable cumulative preference shares	37,140	-	37,140
Other payables and accruals	69,267	-	69,267
Long-term borrowings	9,357,935	-	9,357,935
Lease liabilities	1,167	-	1,167
Deferred tax liabilities	467,792	(1,996)	465,796
	9,933,301	(1,996)	9,931,305
Current liabilities			
Trade payables	1,581,560	-	1,581,560
Contract liabilities	152,467	-	152,467
Other payables and accruals	759,880	-	759,880
Short-term borrowings	2,583,271	-	2,583,271
Lease liabilities	1,290	-	1,290
Current tax liabilities	27,278	-	27,278
Amounts owing to related parties	1,012	-	1,012
	5,106,758	-	5,106,758
Total Liabilities	15,040,059	(1,996)	15,038,063
Total Equity and Liabilities	30,380,559	(37,828)	30,342,731

1. Basis of Preparation (continued)

**Consolidated Statement of Comprehensive Income
 For the 9 months financial period ended 30 September 2020**

	As previously stated RM'000	Effects of the Agenda Decision RM'000	As restated RM'000
Revenue	2,114,454	-	2,114,454
Cost of sales	(1,706,589)	31,940	(1,674,649)
Gross profit	407,865	31,940	439,805
Other income	117,128	-	117,128
Selling and marketing expenses	(36,041)	-	(36,041)
Administrative and general expenses	(257,449)	-	(257,449)
Share of results of joint ventures	(360,129)	-	(360,129)
Share of results of associated companies	6,889	-	6,889
Finance costs	(155,638)	(34,222)	(189,860)
Loss before tax	(277,375)	(2,282)	(279,657)
Taxation	(49,532)	929	(48,603)
Loss for the period	(326,907)	(1,353)	(328,260)
Other comprehensive income, net of tax:			
Exchange differences on translation of foreign operations	25,990	18	26,008
Total comprehensive loss for the period	(300,917)	(1,335)	(302,252)
(Loss)/Profit attributable to:			
Owners of the Company	(376,513)	(737)	(377,250)
Non-controlling interests	49,606	(616)	48,990
	(326,907)	(1,353)	(328,260)
Total comprehensive (loss)/income attributable to:			
Owners of the Company	(350,539)	(719)	(351,258)
Non-controlling interests	49,622	(616)	49,006
	(300,917)	(1,335)	(302,252)

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 2021.

4. Material Changes in Estimates

There were no material changes in estimates for the financial period ended 30 September 2021.

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 344,150 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>344</u>

- (b) Allotment of 10,877,453 new ordinary shares pursuant to the vesting of Employee Share Grant Plan ("ESGP") at the price of RM1.09 per share; and
- (c) During the financial period, the Group established Islamic Medium Term Notes ("Sukuk Wakalah") under 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").

For the current financial period ended 30 September 2021, the Group has completed the issuance of Sukuk Wakalah from its Sukuk Wakalah Programme as follows:

Tranche	Issuance Date	Amount (RM Million)	Tenure	Periodic Distribution Rate (p.a.)
1	25 June 2021	500.0	5 Years	3.85%
2	25 June 2021	300.0	7 Years	4.30%

6. Dividends Paid

- a) **Islamic Redeemable Convertible Preference Shares ("RCPS-i A") preferential dividend in respect of the financial period from 1 July 2020 to 30 June 2021**

A semi-annual RCPS-i A preferential dividend of RM35,326,945, in respect of the financial period from 1 July 2020 to 31 December 2020 and another semi-annual RCPS-i A preferential dividend of RM35,326,945, in respect of the financial period from 1 January 2021 to 30 June 2021 were paid in cash on 12 May 2021 and 28 September 2021 respectively.

6. Dividends Paid (continued)

b) Islamic Redeemable Convertible Preference Shares (“RCPS-i B”) preferential dividend in respect of the financial period from 1 July 2020 to 30 June 2021

A semi-annual RCPS-i B preferential dividend of RM30,694,196, in respect of the financial period from 1 July 2020 to 31 December 2020 and another semi-annual RCPS-i B preferential dividend of RM30,694,196, in respect of the financial period from 1 January 2021 to 30 June 2021 were paid in cash on 12 May 2021 and 28 September 2021 respectively.

7. Segmental Reporting

The segmental analysis for the financial period ended 30 September 2021 is as follows:

	Property Development RM'000	Construction RM'000	Other Operations RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	2,602,059	12,137	115,948	-	2,730,144
Inter-segment revenue	296,043	161,605	27,074	(484,722)	-
Total revenue	2,898,102	173,742	143,022	(484,722)	2,730,144
Gross profit/(loss) before reversal of impairment of completed inventories	719,987	(19,756)	11,628	-	711,859
Reversal of impairment of completed inventories	1,217	-	-	-	1,217
Gross profit/(loss)	721,204	(19,756)	11,628	-	713,076
Other income	108,617	891	5,196	-	114,704
Operating expenses	(292,670)	(4,003)	(12,955)	-	(309,628)
Share of results of joint ventures	(13,947)	-	(4,098)	-	(18,045)
Share of results of associated companies	4,802	-	-	-	4,802
Finance costs	(133,293)	(872)	(17,057)	-	(151,222)
Profit/(Loss) before tax	394,713	(23,740)	(17,286)	-	353,687
Taxation					(132,980)
Profit for the period					220,707

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 2021 until 16 November 2021 (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 2021.

10. Contingent Liabilities

There were no contingent liabilities in respect of the Group for the financial period ended 30 September 2021.

11. Capital Commitments

	As at 30 September 2021 RM'000
<i>Commitments of subsidiary companies:</i>	
Contractual commitments for construction of investment properties	15,187
Contractual commitments for acquisition and construction of property, plant and equipment	54,744
 <i>Share of commitments of joint ventures:</i>	
Contractual commitments for acquisition of development land	124,660

12. Significant Related Party Transactions

	1 January 2021 to 30 September 2021 RM'000
<i>Transactions with joint ventures:</i>	
(i) Management fee received and receivable	660
(ii) Event and marketing fee received and receivable	56
(iii) Rental received and receivable	474
(iv) Rental paid and payable	61
(v) Staff secondment fee received and receivable	230
(vi) Interest received and receivable	3,478
 <i>Transactions with associated company:</i>	
(i) Dividend received and receivable	6,125
 <i>Transactions with directors of the Company, members of their family and company in which they have interests:</i>	
(i) Professional fee paid and payable to a firm in which a director of the Company has interests	98
(ii) Sale of development properties to directors of the Company and their immediate family members	5,862

**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 (“PTD”) are analysed as follows:

	Q3 2021	Q3 2020	PTD 2021	PTD 2020
	RM’000	RM’000	RM’000	RM’000
		Restated		Restated
Revenue				
Property Development	564,958	1,022,514	2,602,059	1,980,686
Construction	2,634	7,052	12,137	17,088
Other Operations	26,960	50,906	115,948	116,680
	<u>594,552</u>	<u>1,080,472</u>	<u>2,730,144</u>	<u>2,114,454</u>

Profit/(Loss) before tax

Property Development

- **Before impairment** of completed inventories in Malaysia and work-in-progress development at Battersea Power Station, London (“BPS”)

- Reversal/(Impairment) of completed inventories
- Equity accounting of impairment of work in progress development at BPS

- **After impairment** of completed inventories

Construction

Other Operations

71,756	129,304	393,496	215,079
-	3,068	1,217	(128,554)
-	(336,267)	-	(336,267)
71,756	(203,895)	394,713	(249,742)
(8,951)	(12,359)	(23,740)	(15,057)
(10,528)	(6,117)	(17,286)	(14,858)
<u>52,277</u>	<u>(222,371)</u>	<u>353,687</u>	<u>(279,657)</u>

(a) Performance of the current quarter against the same quarter in the preceding year (Q3 2021 vs Q3 2020)

Property Development

The Group’s property development segment achieved revenue of RM565.0 million in Q3 2021, a decrease of 45% compared to RM1.02 billion in Q3 2020. The site progress for ongoing projects were significantly disrupted by Movement Control Order (“MCO 3.0”) beginning from 1 June 2021. Profit before tax (“PBT”) for property development segment in Q3 2021 is RM71.8 million, an increase of 135% compared to loss before tax of RM203.9 million in Q3 2020. The result in Q3 2020 was adversely impacted by the Group equity accounts for its 40% shares of the impairment recognised by BPS project of £62.4 million (RM336.3 million) in Q3 2020. Nonetheless, it is encouraging to note that the Group maintains a favourable sales momentum with total sales achieved as at PTD 2021 of RM3.38 billion, which is approximately 89% of the full year sales target of RM3.80 billion.

1. Review of Group Performance (continued)

(a) Performance of the current quarter against the same quarter in the preceding year (Q3 2021 vs Q3 2020) (continued)

Property Development (continued)

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, *Bandar Baru Sri Petaling* in Kuala Lumpur, *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 Pearl Island*, *Setia Sky Vista*, *Setia V Residences*, *Setia Pinnacle*, *Setia Sky Ville* and *Setia Fontaines* in Penang, *Aeropod* in Kota Kinabalu, *EcoXuan* in Vietnam, *Daintree Residence* in Singapore and *Marque Residences* in Melbourne, Australia.

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.

The Group's construction segment recorded revenue of RM2.6 million and loss before tax of RM9.0 million in Q3 2021. 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.

Revenue and PBT in Q3 2021 is lower mainly due to the associated implication of the site progress disruption due to MCO 3.0 which resulted in decline in demand for wood products and building materials.

(b) Performance of the financial period-to-date, 2021 ("PTD 2021") vs financial period-to-date, 2020 ("PTD 2020")

Property Development

The Group recorded a revenue of RM2.60 billion and PBT of RM394.7 million, both are higher than the corresponding period-to-date in the preceding year. This is mainly attributable to the recovery of market and economic activities followed by the roll out of the National Covid-19 Immunisation Programme in preceding quarter before MCO 3.0 being implemented beginning 1 June 2021. In addition, the Group recorded higher sales of completed inventories of RM585.0 million in PTD 2021 as compared to RM462.0 million in PTD 2020 which is in line with the Group's effort in reducing inventories level. The financial performance in PTD 2020 was mainly impacted by the impairment of completed inventories, disruption of site progress at all projects during the Movement Control Order and Conditional Movement Control Order period; and the equity accounting of impairment of work in progress development at BPS of £62.4 million (RM336.3 million).

1. Review of Group Performance (continued)

(b) Performance of the financial period-to-date, 2021 (“PTD 2021”) vs financial period-to-date, 2020 (“PTD 2020”) (continued)

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 is also derived from supply of readymix concrete to the external contractors that serve the property development arm of the Group.

The Group’s construction segment recorded revenue of RM12.1 million and loss before tax of RM23.7 million in PTD 2021 resulted from additional costs incurred on the 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 (“Q3 2021”) compared to the results of the Preceding Quarter (“Q2 2021”)

The Group’s PBT for Q3 2021 is RM52.3 million, which is RM106.7 million lower than the preceding quarter ended 30 June 2021 mainly due to lower progress in terms of revenue recognition following the implementation of MCO 3.0 from 1 June 2021 onwards.

3. Prospects for the Current Financial Year

For the nine months ended 30 September 2021, the Group achieved total sales of RM3.38 billion. Local projects contributed RM2.66 billion and the remaining RM728 million was from international projects, namely Sapphire by the Gardens and Marque Residences in Australia, as well as Daintree Residence in Singapore. It is key to note that Daintree Residence is 100% sold. In Malaysia, sales contributed by projects in the Central region made up RM2.06 billion. Projects in the Southern and Northern regions combined, contributed RM621 million. The sales of completed stocks, which form part of the RM3.38 billion sales achieved, was RM585 million, higher than that achieved for the same period last year of RM462 million, a commendable achievement despite the market challenges.

The Group was able to sustain steady sales momentum despite the lockdown during the 3rd Movement Control Order and had already achieved 89% of its full year sales target of RM3.80 billion. The efficient use of digital platform to facilitate sales and marketing during the period had contributed to this success.

During the period ended 30 September 2021, we had launched RM1.50 billion Gross Development Value (“GDV”), largely comprised of landed properties, mainly at established townships, such as Setia Alam, Setia EcoHill, Setia EcoHill 2, Setia Alamsari, Setia Bayuemas, Bandar Kinrara and Setia Eco Park in the Central region, Taman Industri Jaya and Bukit Indah in the Southern region, Setia Greens and Setia Fontaines in Northern region and Eco Lakes in Vietnam.

3. Prospects for the Current Financial Year (continued)

It is also important to note that the Group's 40% owned project in London, the Battersea Power Station project ("BPS") had its on-site London Underground station, which is served by the Northern Line Extension, officially opened and operating on 20 September 2021. This milestone had greatly enhanced the placemaking at the development scheme and would contribute positively to the sales of properties at BPS.

Certain initiatives under the Budget 2022 augur well for the housing sector. The Home Ownership Campaign was extended to 31 December 2021. The Government will also provide a RM2 billion guarantee to banks via the Housing Credit Guarantee Scheme to provide gig workers and small traders with access to financing. In addition to that, the Real Property Gains Tax rate for disposals made in the 6th year onwards is to be reduced from 5% to 0%. These initiatives are expected to contribute positively and support a recovery in the property sector.

The Group remains positive to achieve the sales target of RM3.80 billion for FY2021. At the same time, initiatives to pare down borrowings, strengthen capital structure, digital transformation and sustainability will remain the key priorities of the Group.

Underpinned by an unbilled sales pipeline of RM9.84 billion, 48 on-going projects and effective remaining land banks of 7,334 acres with a GDV of RM124.6 billion as at 30 September 2021, the Group is well positioned to capture market opportunities.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Income Tax

	Q3 2021 RM'000	Q3 2020 RM'000 Restated	PTD 2021 RM'000	PTD 2020 RM'000 Restated
Taxation				
- current taxation	68,035	32,783	176,670	99,826
- deferred taxation	(38,043)	(7,663)	(43,690)	(51,223)
	<u>29,992</u>	<u>25,120</u>	<u>132,980</u>	<u>48,603</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.

6. Status of Corporate Proposals

There was no corporate proposal announced but not completed as at 16 November 2021 (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 2021 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings - Islamic	580,042	697,832	1,277,874
Short-term borrowings - Conventional	701,736	394,742	1,096,478
Long-term borrowings - Islamic	2,455,102	3,227,871	5,682,973
Long-term borrowings - Conventional	2,883,706	1,666,454	4,550,160
Redeemable cumulative preference shares	-	37,757	37,757
	<u>6,620,586</u>	<u>6,024,656</u>	<u>12,645,242</u>

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Malaysian Ringgit	5,071,337	4,190,029	9,261,366
Great British Pound	-	1,693,764	1,693,764
Australian Dollar	1,175,780	-	1,175,780
Singapore Dollar	332,759	-	332,759
United States Dollar	-	140,863	140,863
Japanese Yen	40,710	-	40,710
	<u>6,620,586</u>	<u>6,024,656</u>	<u>12,645,242</u>

8. Material Litigation

The Group was not engaged in any material litigation as at 16 November 2021 (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

- (a) The Board of Directors has declared preferential dividends of 6.49% per annum for RCPS-i A and 5.93% per annum for RCPS-i B, both payable semi-annually, in respect of the financial period from 1 January 2021 to 30 June 2021. A total of RM35,326,945 and RM30,694,196 preferential dividends was paid in cash on 28 September 2021.
- (b) No interim dividend has been declared in respect of ordinary share for the financial period ended 30 September 2021.

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/loss 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:

	Q3 2021 '000	Q3 2020 '000 Restated	PTD 2021 '000	PTD 2020 '000 Restated
Profit/(Loss) attributable to owners of the Company (RM)	11,013	(267,005)	161,050	(377,250)
- RCPS-i A preferential dividends (RM)	(35,327)	(35,327)	(70,654)	(70,654)
- RCPS-i B preferential dividends (RM)	(30,695)	(30,697)	(61,389)	(61,394)
Adjusted (loss)/ profit attributable to owners of the Company (RM)	<u>(55,009)</u>	<u>(333,029)</u>	<u>29,007</u>	<u>(509,298)</u>
Number of ordinary shares at beginning of the period	4,056,733	4,042,482	4,056,733	4,042,482
Weighted average effect of shares issued pursuant to:				
- Vesting of ESGP	9,459	12,837	3,188	4,310
- Exercise of ESOS	288	-	97	-
Weighted average number of ordinary shares	<u>4,066,480</u>	<u>4,055,319</u>	<u>4,060,018</u>	<u>4,046,792</u>
Basic (loss)/earnings per share (sen)	<u>(1.35)</u>	<u>(8.21)</u>	<u>0.71</u>	<u>(12.59)</u>

10. Earnings Per Share Attributable To Owners of The Company (continued)

Diluted Earnings Per Share

The diluted earnings per share for the period is calculated by dividing the Group's profit/loss 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:

	Q3 2021 '000	Q3 2020 '000 Restated	PTD 2021 '000	PTD 2020 '000 Restated
Profit/(Loss) attributable to owners of the Company (RM)	11,013	(267,005)	161,050	(377,250)
- RCPS-i A preferential dividends (RM)	(35,327)	(35,327)	(70,654)	(70,654)
- RCPS-i B preferential dividends (RM)	(30,695)	(30,697)	(61,389)	(61,394)
Adjusted (loss)/profit attributable to owners of the Company (RM)	<u>(55,009)</u>	<u>(333,029)</u>	29,007	(509,298)
Weighted average number of ordinary shares as per Basic Earnings Per Share	4,066,480	4,055,319	4,060,018	4,046,792
Effect of potential exercise of LTIP	<u>14,802</u>	<u>20,940</u>	<u>14,811</u>	<u>21,490</u>
Weighted average number of ordinary shares	<u>4,081,282</u>	<u>4,076,259</u>	<u>4,074,829</u>	<u>4,068,282</u>
Diluted (loss)/earnings per share (sen)	<u>(1.35)</u>	<u>(8.17)</u>	0.71	(12.52)

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

	Q3 2021 RM'000	PTD 2021 RM'000
Interest income	18,965	56,761
Other income including investment income	16,899	56,812
Interest expense	(53,549)	(151,222)
Depreciation and amortisation	(7,643)	(24,172)
(Provision)/Reversal of doubtful debts for trade and other receivables	(18)	50
Reversal of impairment of completed inventories	-	1,217
Net loss on disposal of quoted or unquoted investments or properties	(2,576)	(2,654)
Write off of property, plant and equipment	(2)	(9)
Fair value gain/(loss) on investment properties	-	-
Net foreign exchange gain/(loss)	21,048	(9,937)
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 2020 was unqualified.