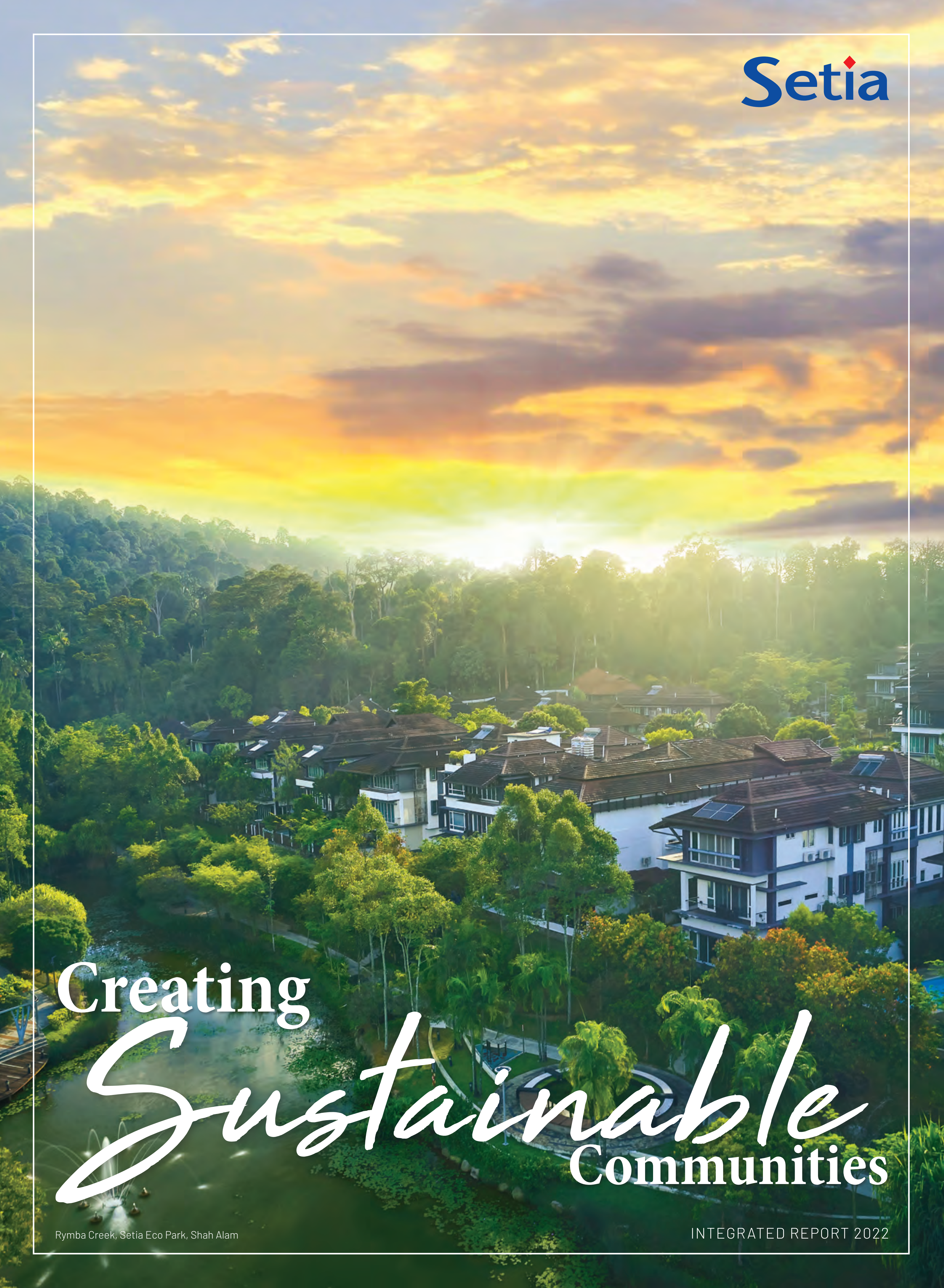


Creating Sustainable Communities

Rymba Creek, Setia Eco Park, Shah Alam

INTEGRATED REPORT 2022

COVER RATIONALE

CREATING SUSTAINABLE COMMUNITIES

In our commitment towards providing sustainable environments for communities to livelearnworkplay together, we are focused on accelerating our efforts to build sustainable developments and townships to enrich the lifestyles of our communities. We seek to generate long-term value across all our segments through our efforts to ensure our business is sustainable by giving careful consideration to the impact of our operations on the environment, our community, our employees, our stakeholders and our business. We believe our efforts will create positive change and a better future for many generations to come, for our people to Stay Together, Stay Setia.

48th
Annual General Meeting

Broadcast Venue

Annex, Level 1, S P Setia Berhad Corporate HQ, No. 12, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan.

Date

Thursday, 27 April 2023

Time

10.00 a.m.

Inside This Report

OUR PURPOSE

Creating sustainable communities

OUR VISION

To be the leader in creating sustainable communities and enriching lifestyles

OUR CORE VALUES

We have embedded values that shape our decisions and behaviours

S. C. R. I. P. T.

Setia's Work Ethics
- Respect
- Support one another

Customers
- Serve with passion
- Responsive to needs

Responsibilities
- Commitment to success
- Learn & grow

Integrity
- Honesty
- Reliability

Professionalism
- Work professionally
- Continuous improvement

Team Setia
- Teamwork
- Embrace diversity

Precinct Arundina, Setia Eco Park, Shah Alam

Building Peak Moments

As we reflect on FY2022, we are proud to have marked several significant occasions at S P Setia, celebrating momentous launches, establishing strategic partnerships, and embarking on new ventures aimed at enriching and elevating the lifestyles of our communities.

These events have served as milestones of our diversification into the hospitality industry, as well as the successful grand launches of our properties. Furthermore, our efforts to accelerate sustainability have been a key focus, as we remain committed to creating a positive impact on the environment while delivering exceptional experiences to our customers.

Sapphire by the Gardens, Melbourne, Australia

12 APR

MoU signing with Tenaga Nasional Berhad

S P Setia signed a memorandum of understanding ("MoU") with Tenaga Nasional Berhad ("TNB") to further explore opportunities in implementing green energy solutions for our properties. We then proceeded to roll out the green initiatives with TNB, beginning with solar panel installation at the S P Setia Corporate HQ in September.

15 SEP

Grand Opening of Setia EcoHill Mall

The 280,000-sq ft Setia EcoHill Mall, the first neighbourhood mall in Semenyih within the Setia EcoHill township, officially opened for business.

9 SEP

Opening of Amari SPICE Penang

Amari SPICE Penang, located in Bayan Lepas, announced its soft opening to begin receiving guests.

19 SEP

Amari Kuala Lumpur opens to public

Amari Kuala Lumpur in KL Eco City was the second Amari hotel under S P Setia's hotel assets to begin operations in the same month.

12 OCT

His Majesty the King of Malaysia officiates opening of Battersea Power Station

Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibni Almarhum Sultan Ahmad Shah Al-Musta'in Billah officiated the opening of the Battersea Power Station in London ahead of its public launch.

14 OCT

Battersea Power Station public opening

Battersea Power Station celebrated its momentous public opening as it welcomed patrons for the first time after being left derelict for over 30 years.

15 DEC

S P Setia partners with Panasonic Malaysia to improve air quality in homes

With Barola of Setia Alam's Musika Homes as the pilot project, S P Setia was the first property developer to partner with Panasonic Malaysia to implement Panasonic's Complete Air Management System ("CAMS"), which monitors and manages indoor air quality sustainably.

BASIS OF THIS REPORT

S P Setia Berhad's ("S P Setia") Integrated Report for the year ended 31 December 2022 communicates how we have created long-term and sustainable value for all our stakeholders by leveraging our competitive advantages. Our report provides a balanced and transparent assessment of our performance and the strategies we use to create and preserve the value in relation to issues that are most material to our stakeholders.

Sapphire by the Gardens, Melbourne, Australia

SCOPE AND BOUNDARY

This Report covers our governance, strategy, risk and opportunity management systems; and analysis of our strategy, financial, operational and sustainability performance and potential. All material factors are taken into consideration whereby risks, opportunities and outcomes associated with stakeholders outside our financial reporting boundary are also incorporated. Our Integrated Report describes how all the capitals come together to contribute to our capabilities in achieving sustainable revenue and targeted returns for our shareholders in the short, medium and long terms. In upholding integrated reporting best practices, we have also included our Sustainability Statement, which reports on our progress in achieving our sustainability strategies and goals in 2022. Data disclosed in this statement are compiled and consolidated at the Group level via central data management. Any constraints and uncertainties related to capitals and our strategy as well as approaches in overcoming these challenges, whether internally or externally, are thoroughly discussed throughout this Report.

REPORTING FRAMEWORK

This report, including its processes and contents, was produced by adopting the principles and requirements of the International Integrated Reporting Council ("IIRC") Integrated Reporting <IR> Framework, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia, the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia, the Companies Act 2016 ("CA 2016") and the Malaysian Code on Corporate Governance ("MCCG") 2021. In terms of sustainability reporting, we report in accordance with the guidance from Bursa Malaysia's Sustainability Reporting Guide 2nd Edition and we also adopt international practices and aspire to achieve compliance with the international sustainability frameworks of Global Reporting Initiative ("GRI") Standards, United Nations Sustainable Development Goals ("UN SDGs") and Global Real Estate Sustainability Benchmark ("GRESB"). We also ensure that all financial statements are prepared according to the requirements of the CA 2016 and the Malaysian Financial Reporting Standards ("MFRS").

MATERIALITY

Material issues are issues that are key concerns to both our stakeholders and S P Setia as they describe the factors that will impact the sustainability of the business over the long term. Stakeholders are keen to understand how we are addressing their concerns with regards to these material issues. We take a structured and comprehensive approach to reporting about our material issues, taking into consideration the expectations of stakeholders, risks and opportunities, as well as our business strategies.

ASSURANCE

We ensure that the content and report development process of this Integrated Report adheres to the appropriate internal controls and governance practices. Our management, internal auditors and Board of Directors ("Board") provide assurance for this report. The assurance is also supported by external audit of the financial statements by Ernst & Young PLT Malaysia.

FORWARD-LOOKING STATEMENTS

This report may incorporate forward-looking statements with respect to future performance. These statements are derived from current assumptions as well as circumstances and are subjected to change, therefore involves a level of uncertainty. Actual results may differ materially from those expressed or implied by these forward-looking statements as a result of various factors, some of which may be beyond our control.

APPROVAL BY THE BOARD

The Board acknowledges its responsibility in ensuring the integrity of this Integrated Report. In the Board's opinion, this report addresses all the issues that are material to the Group's ability to create value and fairly presents the integrated performance of S P Setia Berhad. The Board is confident that S P Setia has adopted the Guiding Principles of the IIRC's Integrated Reporting <IR> Framework in the preparation of this report.

NAVIGATION ICONS

OUR CAPITALS

Financial Capital
Our solid financials, achieved through prudent financial management, empower the Group to capitalise on new value propositions.

Manufactured Capital
Our investment in retail, office, leisure and hospitality properties, collectively with our technological infrastructure, ensures long-term profitability and productivity for our core business segments.

Human Capital
We embrace a corporate culture that values diversity, openness, trust and respect because a strong and committed workforce is the backbone of our dynamic operations.

Intellectual Capital
We continually invest in improving our knowledge and expertise with a long-term strategic approach to talent management as part of our prudent and judicious business management.

Social and Relationship Capital
Our strong relationships with our communities, business associates, regulators, employees and partners enable us to build sustainable townships and manage properties that generate long-term value.

Natural Capital
We endeavour to minimise environmental impacts and optimise use of resources in our land bank, through pollution control, efficient energy, water and waste management, and urban biodiversity conservation to create sustainable living environments with a harmonious balance between built and natural elements.

For more information, please refer to pages 46 to 47 in this Report.

KEY STAKEHOLDERS

- Investors/Shareholders
- Fund Providers
- Local Communities
- Analysts
- Government and Regulators
- Customers
- Media
- Employees
- Suppliers and Contractors
- Business Partners

For more information, please refer to pages 188 to 191 in this Report.

SUSTAINABILITY THEMES

- Sustainable, Innovation and Quality Development
- Best Practices in Environmental Management
- Positive, Sustained Community and Social Impacts

Out of our 21 material matters, we have identified seven key ones that matter most to us:

Economic
- Economic Performance
- Innovation

Environmental
- Emissions
- Environment

Social
- Occupational Health and Safety
- Customer Satisfaction
- Community and Social Impacts

Our Investment Case

Peranakan Straits, Setia Eco Templer, Rawang, Selangor

WHO WE ARE & WHAT WE DO

CORE BUSINESS SEGMENTS

Property Development

- Property development is the main driver of S P Setia's operations focusing on five key elements:
  - Township Developments
  - Integrated Developments
  - Industrial Developments
  - Eco-Themed Developments
  - Niche Developments

Property-Related Businesses

- We are expanding and diversifying into businesses related to the property industry.
- One of our ventures into diversification is an ambulatory care centre scheduled for operation in 2023 at Setia City Residences in Setia Alam.
- We will develop an industrial-based business park in our upcoming development Setia Alaman, Klang.
- Our investment properties that we are collaborating with business partners are:

Education

- **International Schools Partnerships ("ISP") -** Tenby Setia Eco Park, Shah Alam, Selangor; Tenby Setia EcoHill, Semenyih, Selangor and Tenby Setia Eco Gardens, Gelang Patah, Johor

Retail

- **Shopping malls -** Setia City Mall, Shah Alam, Selangor (with Lendlease); SetiaWalk Mall, Puchong, Selangor; Setia EcoHill Mall, Semenyih, Selangor; and KL Eco City Mall, Bangsar, Kuala Lumpur

Hospitality

- **Hotels -** Amari Kuala Lumpur, Bangsar, Kuala Lumpur and Amari SPICE Penang, Bayan Lepas, Penang

We are a Malaysian property developer focused on creating sustainable living environments within the homes and communities we build. We develop for every possible need, from townships to eco-sanctuaries, luxury enclaves, high-rise residences, and commercial, retail and industrial as well as integrated developments.

*We are guided by our purpose to 'Create Sustainable Communities' in our approach to holistic living supported by our development philosophy of **'LiveLearnWorkPlay'**, making our developments uniquely Setia.*

OUR ACCOLADES

Delivering quality products and services, we have maintained our track record as an award-winning property developer. One of our achievements was in having the company ranked 46th place under the Top 100 Companies for Corporate Governance Disclosure at the MSWG-ASEAN Corporate Governance Award 2021 (awarded in 2022).

Here are some of our key achievements during the year of reporting:

14-time No. 1 Winner of The Edge Malaysia Top Property Developers Awards

- **No. 1 ranking** in The Edge Malaysia Top Property Developers Awards 2022
- **Recognised for Best Qualitative Attributes category** in 2022

15-time Gold Winner of FIABCI World Prix d'Excellence Awards

FIABCI World Prix d'Excellence Awards 2022

- **World Gold in the Mixed-Use Development category** KL Eco City, Kuala Lumpur
- **World Gold in the Residential (Low-Rise) category** Setia Marina 2 of Setia Eco Glades, Cyberjaya

14-time Gold Winner of FIABCI Malaysia Property Awards

FIABCI Malaysia Property Awards 2022

- **Winner in the Mixed-Use Development category** KL Eco City, Kuala Lumpur
- **Winner in the Residential (Low-Rise) category** Setia Marina 2 of Setia Eco Glades, Cyberjaya

11-time Kincentric Best Employer Award Winner in Malaysia

Kincentric Best Employers in Malaysia 2021

S P Setia was honoured one of the **Kincentric Best Employers in Malaysia** for 2021 (awarded in 2022)

2-time Gold Winner of Human Resources Excellence Awards

S P Setia received the **Gold award in Leadership Development** in 2022, making it the second Gold award for the HR Excellence Awards under its belt

Find out more about our accolades online by scanning the QR code. https://spsetia.com/en-us/about-us/our-awards

WHERE WE OPERATE

DOMESTIC PRESENCE & INTERNATIONAL FOOTPRINT

47 ongoing projects

Located in **7** countries

AUSTRALIA
1. UNO Melbourne
2. Sapphire by the Gardens

UNITED KINGDOM
1. Battersea Power Station

JAPAN
1. Setia Izumisano City Centre

CHINA
1. Qinzhou Industrial Park

MALAYSIA

Central Region:
1. Setia Alam
2. Setia City
3. Setia EcoHill
4. Setia EcoHill 2
5. Setia Eco Park
6. Precinct Arundina @ Setia Eco Park
7. Setia Eco Templer
8. Setia Eco Glades
9. Setia Safiro
10. Setia Warisan Tropika
11. Setia Alamsari
12. Setia Mayuri
13. Bandar Kinrara
14. TemasyaGlenmarie
15. Setia AlamImpian
16. Setia Bayuemas
17. Alam Damai
18. Setia Sky Seputeh
19. Setia Seraya Residences
20. TRIO by Setia
21. KL Eco City

Northern Region:
1. Setia Fontaines
2. Setia Pearl Island
3. Setia Greens
4. Setia SPICE
5. Setia Sky Vista
6. Setia Sky Ville

Southern Region:
1. Setia Eco Cascadia
2. Setia Tropika
3. Setia Indah
4. Setia Eco Gardens
5. Bukit Indah
6. Setia Business Park I
7. Setia Business Park II
8. Taman Pelangi
9. Taman Pelangi Indah
10. Taman Rinting
11. Taman Industri Jaya
12. Taman Perling

Eastern Region:
1. Aeropod

VIETNAM
1. EcoLakes
2. EcoXuan

SINGAPORE
1. Daintree Residence

2022 AT A GLANCE

FINANCIAL HIGHLIGHTS

Total Revenue
RM4.45 billion

Total Assets
RM29.82 billion

Total Completed GDV
RM20.58 billion

Ongoing Projects
47

Completed Units
5,516 units

Remaining Land Bank
7,022 acres (gross)
6,569 acres (effective)

Total Sales Achieved
RM4.11 billion

Total Equity
RM15.35 billion

Strong GDV in the Pipeline
RM149.53 billion (gross)
RM121.02 billion (effective)

Unbilled Sales
RM7.30 billion

Equity Attributable to Owners of the Company
RM14.08 billion

BUSINESS HIGHLIGHTS

- Completed and delivered **RM20.58 billion** worth of properties comprising various projects which include Setia Alam, Setia AlamImpian, Setia Bayuemas, Setia EcoHill 2, Setia Alamsari, Setia Mayuri, Setia Eco Park, Setia Eco Glades, Setia Safiro, Setia Eco Templer, Bandar Kinrara, Alam Damai and Setia Seraya Residences in Klang Valley; Setia Fontaines in Penang; Setia Tropika, Taman Pelangi Indah, Taman Rinting and Bukit Indah in Johor as well as internationally; Daintree Residence in Singapore; Sapphire by the Gardens and UNO Melbourne in Melbourne, Australia; EcoXuan and EcoLakes in Vietnam; and Phase 3A of the Battersea Power Station project in London, United Kingdom ("UK").
- Some details of the international projects are as follows:

203 units of UNO Melbourne on A'Beckett Street in Melbourne, Australia have been completed in November 2022.

UNO Melbourne is powering its residential apartments with 100% GreenPower to provide residents clean and renewable energy sourced via sustainable methods, helping to reduce household carbon footprint.

Sapphire by the Gardens in Melbourne, Australia completed in October 2022 comprising **325 high-rise units** located in the heart of Melbourne's central business district, next to World Heritage Site Carlton Gardens in the northeastern edge of Melbourne's central business district.

Sky Residences in the EcoXuan development in Thuan An city, 16 km to the north of Ho Chi Minh City ("HCMC") completed in October 2022 comprising **320 high-rise units**.

Daintree Residence along Toh Tuck Road in the Bukit Timah locality, Singapore completed in December 2022, comprising **327 low-rise** apartment units spread across 12 blocks in a resort-style development.

Battersea Power Station – four phases were completed in 2022:

- The commercial component in Phase 2 that was completed in June 2022 includes about 500,000 sq ft of office space, 112 core retail units, a food hall and an event space within the iconic Battersea Power Station.
- Electric Boulevard (Phase 3a) was completed and there are three main components – residential, commercial (retail) and commercial (hotel). The residential portion includes 540 apartment units across three 14-storey buildings and was completed between the months of February 2022 and September 2022.
- The commercial component comprising 26 retail units on the newly completed high street Electric Boulevard was completed in September 2022.
- The hotel component in Electric Boulevard with 164 hotel rooms including two restaurants, a bar and rooftop pool was completed in October 2022.

- S P Setia has moved ahead as a holistic property player in 2022 **diversifying into the industrial subsector** with the intention to develop an industrial estate in the upcoming **399-acre Setia Alaman project in Klang.** In September 2022, S P Setia signed an MoU with a formidable Japanese developer to jointly develop a gross land area of approximately 165 acres in Setia Alaman.
- S P Setia's hospitality business commenced operations with the **opening of the Amari Kuala Lumpur** in September 2022 and the **Amari SPICE Penang** in November 2022.
  - Amari Kuala Lumpur is a 252-room business hotel located in the heart of KL Eco City, Kuala Lumpur while Amari SPICE Penang is a 453-room contemporary business convention hotel offering world-class integrated hospitality facilities and services, including Executive Lounge, meetings and event spaces, contemporary dining restaurants, bar lounges and sky bar, a tropical outdoor 25-metre saltwater swimming pool, Breeze Spa and Fit Centre. The hotel is also directly connected to Setia SPICE Convention Centre and Setia SPICE Arena.
  - Both hotels are managed by ONYX Hospitality Group, one of Southeast Asia's leading hotels & resorts, serviced apartments, spas, and restaurant hospitality management company based in Thailand.
- **Battersea Power Station**, a project owned by a consortium of three Malaysian investors, i.e. S P Setia Berhad (40%), Sime Darby Property Berhad (40%) and the Employees' Provident Fund ("EPF") (20%) was officially opened to the public by His Majesty The Yang Di-Pertuan Agong, Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah, in October 2022 following the completion of the restoration cum redevelopment, which started in 2013. The former industrial site has been reopened as an office, shopping, restaurant hub and residential area. Some of the more renowned brands opening their businesses or offices at Battersea include Hugo Boss, Lacoste, Ralph Lauren, Uniqlo and Apple.
- Team Setia continued to strive to deliver results in 2022 as well as to maintain S P Setia's position as a leading property developer in Malaysia.
  - **Digitalisation** at S P Setia continued with its 4-way strategic direction, that is to intensify digital sales and marketing, optimise cost and greater efficiency, prevent data loss and cyber threat and lastly, elevate digital sustainability.
  - S P Setia is bolstering its sustainability practices by advancing the **Environmental, Social and Governance** ("ESG") agenda, making it a core part of our sustainability journey. One of our key objectives is to promote a culture of innovation and digital transformation to create the best products while delivering an excellent user experience, thereby becoming an industry leader in ESG initiatives.

OUR APPROACH TO SUSTAINABILITY

S P SETIA'S SUSTAINABILITY ROADMAP

2016 TO 2024

2016 - 2018

Compliance-Based Reporting
- The yearly sustainability reporting was based on the Bursa Sustainability Reporting Guide
- Received yearly Bursa feedback on gaps identified and areas for improvement in terms of disclosure

2019

Building the Base and Gaps Identification
- Established the Setia Sustainability Framework and reaffirmed material matters via stakeholders' impact analysis
- Identified areas of improvement and enhanced data analysis disclosure and scope of reporting to include all international Business Units ("BU")

2020

Capacity Enhancement and Rollout
- Established the Sustainability Unit under Group Risk Integrity & Governance Division
- Focused on prioritised action plans to close the identified gaps
- Established a playbook to facilitate data compilation Group-wide

2021 - 2022

Process Enhancement and Integration into Business Strategies
- Established the Setia Sustainability Statement & Policy that includes roles and responsibilities
- Established sustainability initiatives based on key prioritised areas and periodic reporting mechanisms
- Ensured integration into business strategies (review of relevant processes), linkage to relevant KPIs
- Developed and built sustainability infrastructure, taking into account on people, process and technology
- Established Sustainability Committee
- Refreshed Materiality Matrix
- Enhanced Setia's Sustainability Framework

2023 - 2024

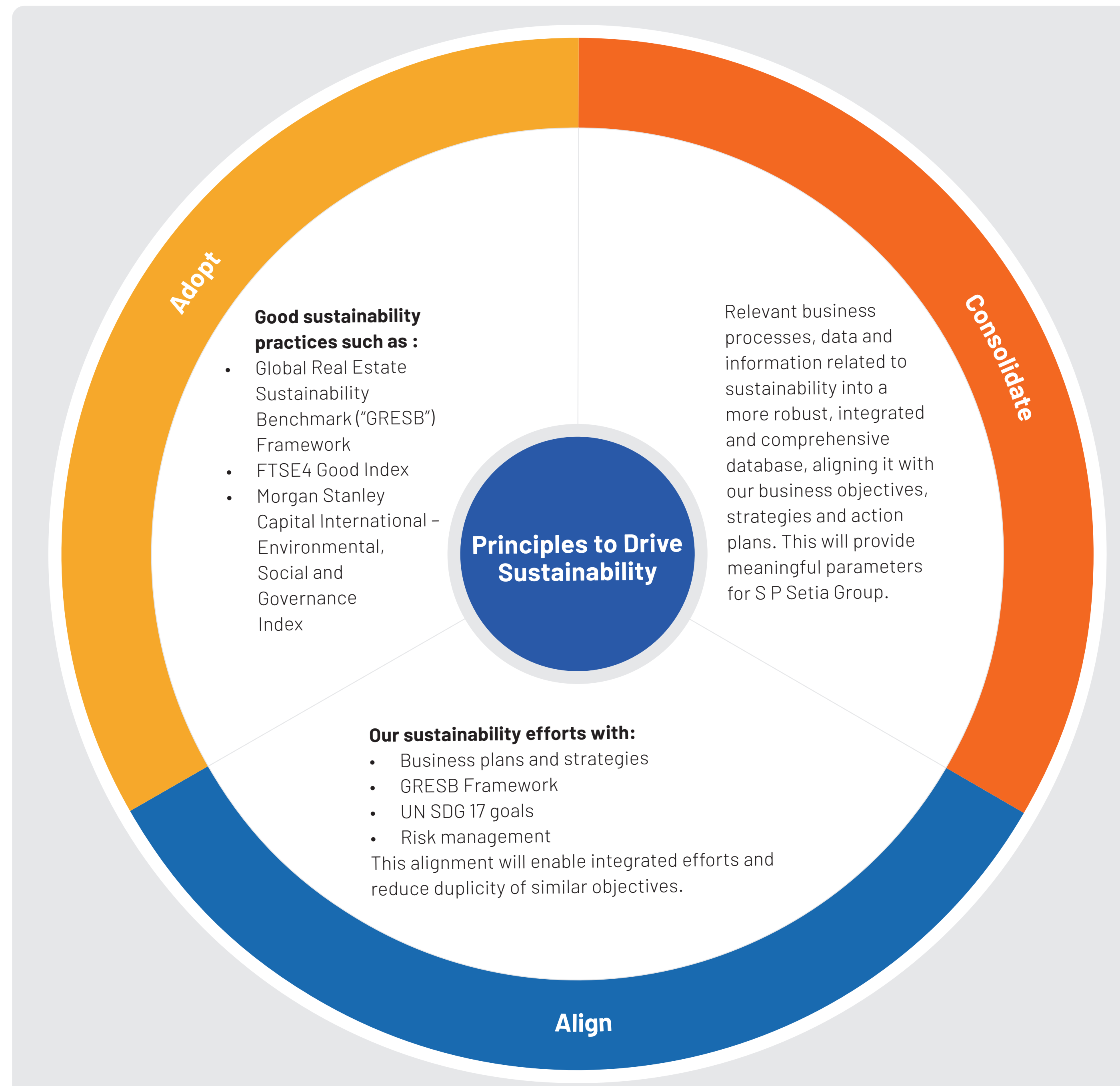
Incorporation and Full Integration
- To ensure full integration into business strategies and relevant Key Performance Indicators ("KPIs"), to ensure achievement of United Nations Sustainable Development Goals ("UN SDGs")
- To continuously improve on the implementation, tracking and monitoring of sustainability initiatives
- To enhance cultural integration
- To achieve sustainability excellence
- To promote a culture of innovation and digital transformation for best products and customer experience
- To commit to climate action (i.e. carbon neutrality by 2030, net zero by 2050)
- To disclose emissions baseline for S P Setia

PRINCIPLES TO DRIVE SUSTAINABILITY

As we continued our sustainability efforts, we consistently identified new areas of improvement and innovative solutions in our development. Translating our objectives into actions remains a challenge that includes educating our people and communities on sustainable living and, protecting the environment, while maintaining our business objectives.

We will continue to monitor and manage our material sustainability matters and refine our sustainability indicators and targets. Where essential, we will continue to formulate suitable sustainability action plans, monitor their implementation status and regularly track the KPIs and targets by considering various sustainability frameworks, standards and practices adopted both regionally and globally.

As part of our efforts to ensure a continuous sustainability journey in S P Setia, we are transitioning our sustainability efforts to a medium- to long-term sustainability plan by broadening our initiatives to:



CORPORATE INFORMATION

BOARD OF DIRECTORS

Y. A. M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
(Non-Independent Non-Executive Chairman)

DATUK CHOONG KAI WAI
(President and Chief Executive Officer)

DATO' AHMAD PARDAS BIN SENIN
(Senior Independent Non-Executive Director)

DATO' HALIPAH BINTI ESA
(Independent Non-Executive Director)

DATO' SERI IR. HJ. MOHD NOOR BIN YAACOB
(Independent Non-Executive Director)

DATO' ZURAIDAH BINTI ATAN
(Independent Non-Executive Director)

TENGKU DATO' AB. AZIZ BIN TENGKU MAHMUD
(Non-Independent Non-Executive Director)

MR PHILIP TAN PUAY KOON
(Independent Non-Executive Director)

DATO' AZMI BIN MOHD ALI
(Non-Independent Non-Executive Director)

DATO' MERINA BINTI ABU TAHIR
(Independent Non-Executive Director)

MR SHERANJIV SAMMANTHAN
(Independent Non-Executive Director)

DATO' TENGKU MARINA BINTI TUNKU ANNUAR
(Independent Non-Executive Director)

AUDIT COMMITTEE
Dato' Zuraidah Binti Atan *(Chairman)*
Mr Philip Tan Puay Koon
Dato' Merina Binti Abu Tahir

FINANCE AND INVESTMENT COMMITTEE
Mr Philip Tan Puay Koon *(Chairman)*
Dato' Ahmad Pardas Bin Senin
Dato' Azmi Bin Mohd Ali
Dato' Merina Binti Abu Tahir
Mr Sheranjiv Sammanthan

NOMINATION AND REMUNERATION COMMITTEE
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail *(Chairman)*
Dato' Ahmad Pardas Bin Senin
Mr Philip Tan Puay Koon
Tengku Dato' Ab. Aziz Bin Tengku Mahmud
Dato' Tengku Marina Binti Tunku Annuar

RISK MANAGEMENT COMMITTEE
Dato' Ahmad Pardas Bin Senin *(Chairman)*
Tengku Dato' Ab. Aziz Bin Tengku Mahmud
Dato' Halipah Binti Esa
Dato' Zuraidah Binti Atan
Mr Sheranjiv Sammanthan

SUSTAINABILITY COMMITTEE
Mr Sheranjiv Sammanthan *(Chairman)*
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob
Tengku Dato' Ab. Aziz Bin Tengku Mahmud
Dato' Merina Binti Abu Tahir
Dato' Tengku Marina Binti Tunku Annuar

TENDER AND PROJECTS COMMITTEE
Dato' Halipah Binti Esa *(Chairman)*
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob
Datuk Choong Kai Wai
Dato' Merina Binti Abu Tahir
Mr Sheranjiv Sammanthan

SECRETARY
Lee Wai Kim
SSM PC No. 202008001422
MAICSA 7036446

REGISTERED OFFICE
S P Setia Berhad Corporate HQ
12 Persiaran Setia Dagang
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan
Tel: +603-3348 2255
Fax: +603-3344 1568

SHARE REGISTRAR
Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01 Level 32 Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur
Tel: +603-2783 9299
Fax: +603-2783 9222

BANKERS
Affin Bank Berhad
Affin Islamic Bank Berhad
Alliance Bank Malaysia Berhad
Alliance Islamic Bank Malaysia Berhad
Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad
AmBank (M) Berhad
AmIslamic Bank Berhad
Bangkok Bank Berhad
Bank of China (Malaysia) Berhad
Bank Islam Malaysia Berhad
Bank Muamalat Malaysia Berhad
Bank Sinopac Co., Ltd
Bank of the Philippine Islands
CIMB Bank Berhad
CIMB Islamic Bank Berhad
DBS Bank Ltd
E.Sun Commercial Bank, Ltd
Export-Import Bank of Malaysia Berhad
Hong Leong Bank Berhad
Hong Leong Islamic Bank Berhad
HSBC Amanah Malaysia Berhad
HSBC Bank Malaysia Berhad
Industrial and Commercial Bank of China (Malaysia) Berhad
Malayan Banking Berhad
Maybank Islamic Berhad
OCBC Bank (Malaysia) Berhad
Oversea-Chinese Banking Corporation Berhad
Public Bank Berhad
Public Islamic Bank Berhad
RHB Bank Berhad
RHB Islamic Bank Berhad
Standard Chartered Bank Malaysia Berhad
Sumitomo Mitsui Banking Corporation
Taipei Fubon Commercial Bank Co., Ltd
Taishin International Bank Co., Ltd
Taiwan Business Bank, Ltd
The Bank of East Asia Ltd
The Shanghai Commercial & Savings Bank, Ltd
United Overseas Bank (Malaysia) Berhad

AUDITORS
Ernst & Young PLT
202006000003 (LLP0022760-LCA)
AF 0039
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

SOLICITORS
Lee Hishammuddin Allen & Gledhill
Raja Darryl & Loh
Rosli Dahlan & Saravana Partnership
Shearn Delamore & Co
Skrine & Co
Wong & Partners
Zul Rafique & Partners

STOCK EXCHANGE LISTING
Main Market of Bursa Malaysia Securities Berhad

INDICES
FTSE Bursa Malaysia

WEBSITE
www.spsetia.com

CORPORATE STRUCTURE
AS AT 29 MARCH 2023

Setia

Property Development

- 100% Bandar Setia Alam Sdn Bhd
  - 50% Greenhill Resources Sdn Bhd
  - 100% Setia Alam Recreation Sdn Bhd
- 50% Bandar Eco-Setia Sdn Bhd
  - 100% Setia Eco Park Recreation Sdn Bhd
- 100% Bukit Indah (Johor) Sdn Bhd
- 100% Setia Indah Sdn Bhd
- 100% Shabra Development Sdn Bhd
- 100% Syarikat Kemajuan Jerai Sdn Bhd#
- 100% Setia Promenade Sdn Bhd
- 70% Bukit Indah Property Management Sdn Bhd
- 50% Golden Klang Valley Sdn Bhd#
- 100% Sendiman Sdn Bhd
- 100% Exceljade Sdn Bhd
- 100% Aeropod Sdn Bhd
- 70% Setia Eco Glades Sdn Bhd
- 70% Kemboja Mahir Sdn Bhd
  - 100% Ganda Anggun Sdn Bhd
- 100% Kewira Jaya Sdn Bhd
  - 100% Kay Pride Sdn Bhd
- 60% Setia Putrajaya Sdn Bhd
  - 100% Setia Putrajaya Development Sdn Bhd
- 100% KL Eco City Sdn Bhd
- 100% Setia International Limited
  - 100% Setia MyPhuoc Limited
    - 57.25% SetiaBecamex Joint Stock Company
  - 95% Setia Lai Thieu Limited
    - 100% Setia Lai Thieu One Member Company Limited
  - 100% Setia Australia Limited
    - 100% Setia (Melbourne) Development Company Pty Ltd
    - 100% Setia St Kilda (Melbourne) Pty Ltd
    - 100% Setia Carnegie Pty Ltd
    - 100% Setia A'Beckett (Melbourne) Pty Ltd
  - 40% Battersea Project Holding Company Limited & subsidiaries
  - 40% Battersea Power Station Development Company Limited
  - 40% Battersea Power Station Estates Limited
- 100% Setia Alamsari Sdn Bhd
- 100% Setia City Development Sdn Bhd
- 100% Gita Kasturi Sdn Bhd
- 50% Retro Highland Sdn Bhd
- 100% Setia Ecohill 2 Sdn Bhd
- 100% Setia Hicon Sdn Bhd
- 100% Setia Fontaines Sdn Bhd
- 100% Setia Federal Hill Sdn Bhd
- 100% Setia Bina Raya Sdn Bhd
- 100% Intra Hillside Sdn Bhd
- 100% Setia Eco Templer Sdn Bhd
  - 100% Setia Eco Templer Recreation Sdn Bhd
- 100% Setia Eco Land Sdn Bhd
- 100% Setia Ecohill Sdn Bhd
  - 100% Setia Ecohill Recreation Sdn Bhd
- 100% S P Setia International (S) Pte Ltd
  - 100% Setia (Bukit Timah) Pte Ltd
- 100% Wawasan Indera Sdn Bhd
- 70% Setia Safiro Sdn Bhd
- 100% S P Setia Eco-Projects Management Sdn Bhd

CORPORATE STRUCTURE
AS AT 29 MARCH 2023

Setia

Construction

- 100% Setia Readymix Sdn Bhd
- 100% Setia Precast Sdn Bhd
- 100% Manih System Construction Sdn Bhd#
  - 60% Suharta Sdn Bhd*
    - 51% Suharta Development Sdn Bhd*
    - 60% Yunikhas Sdn Bhd*
      - 8% investment in Yunikhas Sdn Bhd is held by S P Setia Berhad
      - 10% investment in Yunikhas Sdn Bhd is held by Manih System Construction Sdn Bhd
    - 100% Aneka Baru (M) Sdn Bhd#

Manufacturing / Investment & Property Holding / Property Management / Others

- 100% Setia-Wood Industries Sdn Bhd
  - 100% S P Setia Marketing Sdn Bhd
- 100% S P Setia Management Services Sdn Bhd#
- 100% S P Setia PMC Sdn Bhd
- 100% S P Setia Technology Sdn Bhd
- 100% Futurecrest (M) Sdn Bhd
  - 70% Kesas Kenangan Sdn Bhd
- 100% S P Setia (Indonesia) Sdn Bhd#
- 100% Setia International Japan Co. Ltd.
  - 51% Setia Osaka Tokutei Mokuteki Kaisha
- 100% Setia Japan Holding Sdn Bhd
  - 49% Setia Osaka Tokutei Mokuteki Kaisha
- 99.9% Kenari Kayangan Sdn Bhd#
  - 49% PTB Property Developer Sdn Bhd*
- 100% Tenaga Raya Sdn Bhd
- 100% Setia Eco Green Sdn Bhd
- 45% Qinzhou Development (Malaysia) Consortium Sdn Bhd
  - 49% China-Malaysia Qinzhou Industrial Park (Guangxi) Development Co., Ltd.
- 100% Pelita Mentari Sdn Bhd
- 100% Flexrise Projects Sdn Bhd
- 100% S P Setia Property Services Sdn Bhd
- 100% Indera Perasa Sdn Bhd
- 100% Setia Eco Heights Sdn Bhd
- 100% S P Setia Development Pte Ltd
- 100% S P Setia DMC Sdn Bhd
- 100% Setia EM (Central) Sdn Bhd
- 100% Setia IP Holdings Sdn Bhd
- 100% Eco Meridian Sdn Bhd
- 100% Setia Ventures Excellence Sdn Bhd
- 100% S P Setia Project Management Sdn Bhd
- 100% Setia HC Ventures Sdn Bhd
  - 49% Setia City Healthcare Sdn Bhd
- 100% I & P Group Sdn Berhad
  - Appendix A as attached

* In Creditors' Voluntary Liquidation

\# In Members' Voluntary Liquidation

APPENDIX A

100% I & P GROUP SDN BERHAD

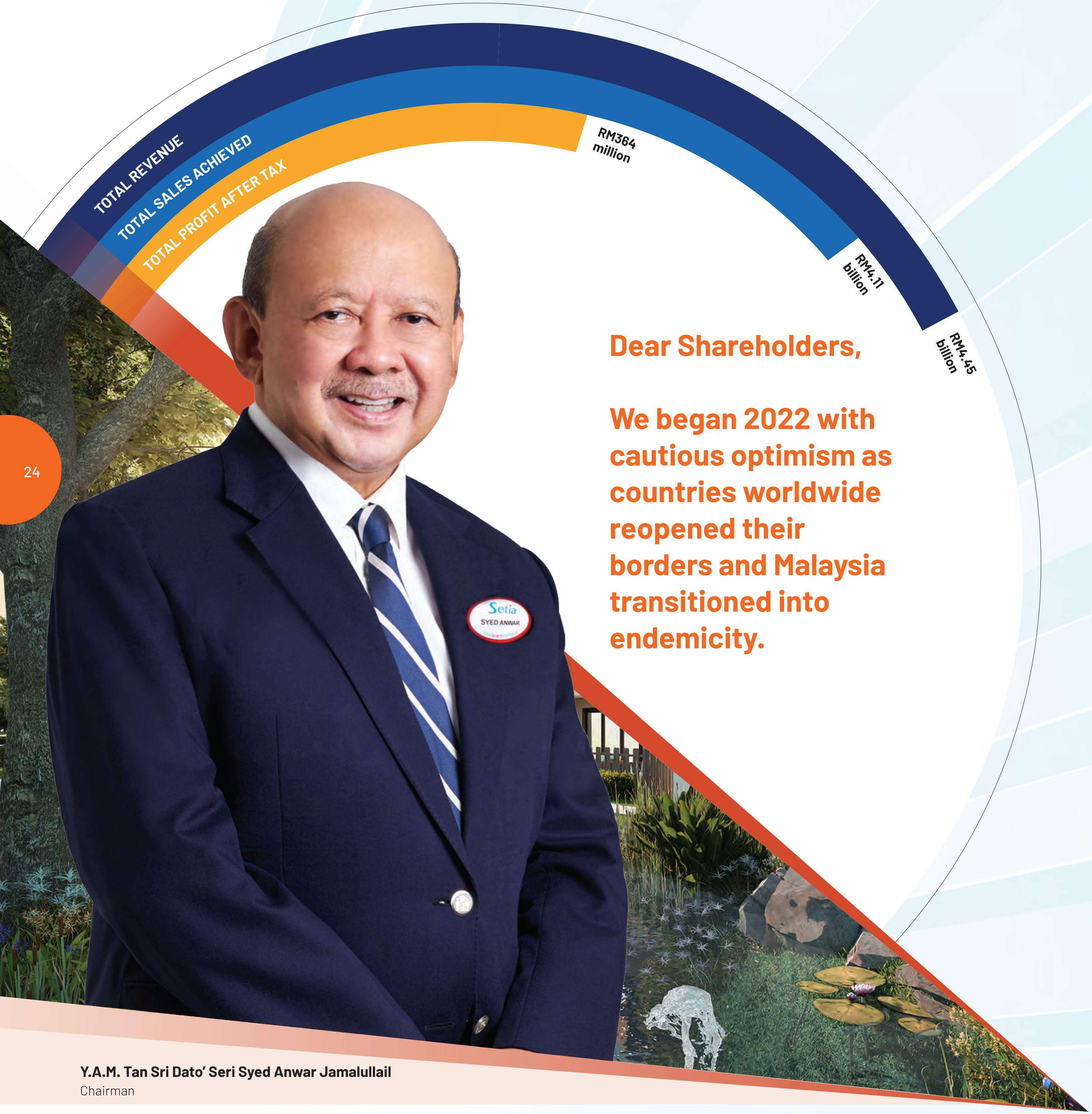
- 100% I & P Setiawangsa Sdn Bhd
- 100% I & P Menara Sendirian Berhad
- 99% I & P Alam Impian Sdn Bhd
- 70.09% Syarikat Perumahan Pegawai Kerajaan Sdn Bhd
  - 100% Plaza Damansara Sdn Bhd
- 51% Perumahan Kinrara Berhad
  - 100% Kinrara Golf Club Sdn Bhd
  - 100% Kinrara Urusharta Sdn Bhd
  - 51% I & P Kota Bayuemas Sdn Bhd
- 25.9% I & P Kota Bayuemas Sdn Bhd
- 100% Petaling Garden Sdn Bhd
  - 100% Biltmore (M) Sdn Bhd
  - 100% Setia Mayuri Sdn Bhd
  - 86.06% Temasya Development Co Sdn Bhd
    - 100% Alpine Affluent Sdn Bhd
    - 100% Scenic Promenade Sdn Bhd
  - 70% PG Resorts Sdn Bhd
- 30% PG Resorts Sdn Bhd
- 100% Pelangi Sdn Bhd
  - 100% Yukong Development (Pte) Limited
  - 89.14% Taman Gunong Hijau Sdn Bhd
  - 35% Tanah Sutera Development Sdn Bhd
- 100% I & P Multi Resources Sdn Berhad
  - 100% Yong Peng Realty Sdn Bhd
  - 100% Peninsular Land Development Sdn Berhad
  - 100% I & P Supply Berhad
  - 100% I & P Development Sdn Bhd
  - 100% I & P Inderawasih Jaya Sdn Bhd
  - 100% I & P Nibong Sdn Bhd
  - 100% Perusahaan Minyak Sawit Bintang Sendirian Berhad
  - 100% Petaling Garden Industrial Estate Sdn Bhd#
  - 100% Eng Lee Knitting Factory Sdn Bhd#
  - 100% Pelangi Concrete Industries Sdn Bhd
  - 20% Fahim-I Hitech Sdn Bhd
  - 20% Merit Properties Sdn Bhd

\# In Members' Voluntary Liquidation

Our Strategic Review

Canal Park, Setia Alamsari, Kajang, Selangor

CHAIRMAN'S MESSAGE



Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail
Chairman

Dear Shareholders,

We began 2022 with cautious optimism as countries worldwide reopened their borders and Malaysia transitioned into endemicity.

We focused on realising our strategic priorities, navigating carefully through the challenges that came our way in pursuit of growth. As a result, 2022 proved to be another year of solid performance for S P Setia.

We successfully executed strategies that maximised returns, aggressively diversified into new business areas, focused on our international projects to drive growth and optimised the potential of our land banks to deliver added value to our shareholders. It was also a year where we made concerted efforts to advance our Environmental, Social and Governance ("ESG") commitments.

Most importantly, we were able to achieve our goals, thanks to the collaborative efforts and ongoing support of Team Setia. In the face of challenges, Team Setia continued to stand united and dedicated to achieving our goals as they adapted to the changing environment with ease and agility.


S P Setia Corporate HQ, Setia Alam, Shah Alam, Selangor

DELIVERING OUR STRATEGIC PRIORITIES

In 2022, economic recovery remained a fundamental goal as countries reopened their borders. Malaysia transitioned into endemicity, and economic activities resumed to normal levels, supported by increased mobility given that the population was no longer hindered by containment measures. As a result, the nation recorded strong Gross Domestic Product ("GDP") growth at 8.7% for the year, driven by a strong rebound in domestic demand and low base in the previous year.

However, with the increased mobility and demand, commodity prices for oil and gas soared upwards, exacerbated further by the Ukraine military conflict. As demand outpaced supply, we were faced with higher energy prices and input cost for goods, amidst a tight labour market and a disrupted supply chain. While central banks worldwide stepped in with tightened monetary policies to relieve inflationary pressures, fears of a possible global recession in 2023 remained high.

While the economy regained a stronger footing, the property market however, recovered at a slower pace. Cognisant of this, the Government's Budget 2023 introduced measures to improve the sector which included a full exemption of stamp duty for the transfer of properties between families for properties valued RM1 million and below and 50% stamp duty exemption for properties valued above RM1 million, effective 1 April 2023.

The reopening of our international borders on 1 April 2022, which led to an increase in the number of international investors and foreign permanent residents in the country, proved to be a step in the right direction. Requirements pertaining to foreign ownerships of properties in Malaysia have been relaxed in certain circumstances, in response to the property overhang situation in the country. With the current threshold for foreign ownerships being relaxed from strictly RM1 million to all types of properties between RM500,000 and RM600,000 for high-rise strata-titled properties (but maintaining RM1 million for landed properties), this not only contributed to the nation's domestic consumption, but also helped revitalise the local property industry. We were also not spared from the challenges brought forth by global supply disruptions, which led to elevated costs for raw materials and labour shortages. In light of this, we leveraged our Industrialised Building System ("IBS") technology where possible, as an alternative to traditional construction methods to counter escalating costs. We also continuously engaged with the relevant local authorities and government agencies to deepen relationships, working together to overcome challenges and drive the industry forward. As a result, the construction and completion of our projects progressed on schedule, which in turn positively impacted progress payments.

Amidst this evolving environment, we remained resolute on realising our strategic priorities to drive our competitive advantage. We efficiently accelerated development of both our townships and standalone projects to unlock the value of our land bank, which currently stands at 6,569 acres, with an effective remaining gross development value ("GDV") of RM121.02 billion.

Our ability to understand the lifestyle needs of our customers came through, especially in a post-pandemic era where the demand for space was increasing, as S P Setia exceeded its FY2022 sales target of RM4.00 billion by achieving RM4.11 billion, 2.75% higher than its target. Meanwhile, unbilled sales stood at RM7.30 billion.

With the property sector still climbing up the growth curve after a two-year global battle with the COVID-19 pandemic, we successfully launched 2,391 new products for sale worth RM3.08 billion in GDV and received encouraging take-up rates. Through disciplined execution, the number of completed and delivered projects during the year was also notably higher at RM20.58 billion worth of properties, of which 12.9% were from our local projects and the remaining 87.1% from our international projects.

ENSURING SUSTAINABLE GROWTH

As an organisation that is future-focused and intent on realising our goal to becoming a holistic property player, we realised that we should not limit ourselves but instead, diversify into businesses that would ensure sustainable growth, recurring income and strengthen S P Setia's bottom line. Hence, we engaged in aggressive diversification, namely into the industrial property sector, healthcare and hospitality.

S P Setia exceeded its FY2022 sales target by achieving **RM4.11 billion**

Through disciplined execution, the number of completed and delivered projects during the year was also notably higher at **RM20.58 billion** worth of properties

"At the same time, we strategically expanded our investment portfolio by building strategic investment properties to secure steady revenue growth."

One of the first things we did was to continue ironing the operational aspects of developing and operating an ambulatory care centre ("ACC") in Setia City through a partnership with Qualitas Medical Group Sdn Bhd. This ACC is expected to be operational in 2023. To monetise our land bank and maximise land utilisation, we ventured into industrial park development via a partnership with a strong Japanese industrial partner. During the year, planning works had begun on the first phase of our 399-acre industrial park in Setia Alaman, Klang. Similarly, we realised our venture into the hospitality business, with the launch of two hotels, Amari Kuala Lumpur and Amari SPICE Penang. The opening of these hotels was previously delayed due to the impact of the pandemic on the hospitality sector. At the same time, we strategically expanded our investment portfolio by building strategic investment properties to secure steady revenue growth.

Amari SPICE Penang, Bayan Lepas, Penang

Electric Boulevard, Battersea Power Station, London, United Kingdom

On the international front, some of our projects, namely Sapphire by the Gardens and UNO Melbourne in Australia, Battersea Power Station in United Kingdom and Daintree Residence in Singapore, reached completion. The cash proceeds from these projects will be recognised in 2022 and 2023. Battersea Power Station reached a significant milestone with the completion of its restoration and redevelopment, which began in 2013. We were honoured to have His Majesty The Yang Di-Pertuan Agong, Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah, to officiate its opening in October 2022.

We have also successfully issued the redeemable convertible preferences shares (RCPS-iC) to raise funds to partly redeem the RCPS-iB hence to reduce overall costs for the Group.

"On the international front, some of our projects, namely Sapphire by the Gardens and UNO Melbourne in Australia, Battersea Power Station in United Kingdom and Daintree Residence in Singapore, reached completion and achieved high take-up rates."

Our digital transformation journey continued full steam ahead, in line with S P Setia's aspiration to become a leading digital property developer in the country by enhancing human connection in the digital world through an omnichannel digital presence, designed seamless homeownership experiences and improved digital marketing initiatives. Our ability to dive deeper into digital technology helped us streamline our operations even more so than before, making it more efficient and cost effective.

AWARDS AND RECOGNITION

Throughout the year, we built developments that resonated with the needs and demands of customers, both locally and abroad.

Internationally, we were honoured at the FIABCI World Prix d'Excellence Awards 2022 held in Paris, France by winning two Gold awards, the only Malaysian developer to have done so. Our winning projects were for KL Eco City which bagged the top accolade in the Mixed-Use Development category, while Setia Marina 2 in Setia Eco Glades, Cyberjaya clinched a Gold award in the Residential (Low-Rise) category.

Our ability to win such prestigious awards in the international arena is a testament to the strength of our products and ability to meet the aspirations of homeowners, property buyers as well as our communities.

In Malaysia, S P Setia once again was adjudged the No. 1 property developer of The Edge Malaysia Top Property Developer Awards of The Edge Property Excellence Awards 2022. This represented the 14th time we have successfully attained top position in the Awards competition since it began almost 20 years ago.

Setia Marina 2, Setia Eco Glades, Cyberjaya, Selangor

KL Eco City, Bangsar, Kuala Lumpur

S P Setia clinched the No. 1 spot for the 14th time at The Edge Malaysia Top Property Developer Awards of The Edge Property Excellence Awards 2022

EXPANDING OUR ESG COMMITMENT

Achieving carbon neutrality throughout our operations is fundamental to S P Setia's sustainable growth journey. As part of our strategy to expand our ESG commitments, we developed a sustainability roadmap which will establish detailed milestones in FY2023 to aid our transition journey towards carbon neutrality and net zero.

Our low-carbon journey began on a promising note as S P Setia's comprehensive sustainability initiatives have met FTSE4Good criteria, enabling us to be added to the FTSE4Good Bursa Malaysia Index as well as the FTSE4Good Bursa Malaysia Shariah Index.

Through a partnership with Tenaga Nasional Berhad ("TNB"), we embarked on a smart and renewable energy programme to provide sustainable energy solutions throughout our developments. This would have wide-reaching effects as a majority of our future developments will be equipped with green-ready solutions, setting a new benchmark for Malaysia's property development landscape. For starters, solar panels were installed at our headquarters to conserve energy and lower expenses. This will eventually be replicated at other S P Setia commercial assets such as Setia City Mall, Setia City Convention Centre 1, Setia City Convention Centre 2 , Setia EcoHill Club 360 and others.

> "Our low carbon journey began on a promising note as S P Setia's comprehensive sustainability initiatives have met FTSE4Good criteria."

We also expanded our ESG Agenda by driving digital sustainability, leveraging our digital solutions. We promoted a culture of innovation to deliver the best products and user experience. We have continued to intensify digital sales and marketing efforts with new features on the Setia on the Go mobile app to provide a seamless homebuyer experience, improved employee productivity and efficiency with appropriate digital tools and continuously upheld cyber resilience.

In driving our digital transformation and sustainability ambitions, we have embarked on Green Computing to reduce the environmental impact of technology via the use of energy-efficient computing and more effective e-waste management. At S P Setia, we view emerging technologies as a competitive differentiator. We will continue to seek ways to embrace emerging technologies, from enriching customers' digital experience to increasing employee productivity. These technologies include 5G, blockchain and augmentation technologies, which we believe will increasingly drive the spirit of innovation.

GOOD GOVERNANCE PRACTICES

S P Setia continued to sustain good governance practices as this demonstrated the integrity of our organisation. Our Board of Directors and Management team remained committed towards the realisation of 'Zero Tolerance' to bribery, corruption and abuse of authority across all levels of the organisation.

To achieve this, the Integrity and Governance Unit ("IGU") played a crucial role in ensuring continuous education, awareness and compliance by the employees. For active business associates ("BA"), a series of Setia Integrity Roadshows for active BA was conducted. They also signed the Setia Integrity Pledge to demonstrate commitment and adherence to these policies, including other applicable laws. Governance evaluations were also introduced to improve the due diligence processes in the selection of the BA.

S P Setia Corporate HQ, Setia Alam, Shah Alam, Selangor

Meanwhile, Corruption Risk Assessments on our BUs were conducted on a proactive basis to ascertain possible bribery or corruption threats as well as identify mitigation actions.

With the establishment of the new International Standard on Whistleblowing Management Systems – Guidelines (ISO 37002), Setia's Whistleblowing Policy was reviewed, enhanced and approved by the Board for group-wide implementation during the year under review. To drive greater compliance, a series of initiatives was carried out, starting with Setia Integrity Roadshows – Refresher for Team Setia. These roadshows also placed greater emphasis on S P Setia's Anti-Bribery & -Corruption Policy, especially highlighting the recent amendments made to the Whistleblowing policy. To improve understanding and organisational learning experience, real case studies based on our business environment were also shared and discussed.

Apart from the BUs and Corporate Functions roadshows in Malaysia, we also conducted Setia Integrity Roadshows for Vietnam, which involved the staff and BA. In addition, the IGU introduced the culture of "We Speak, We Care" in Setia with the aim of encouraging Team Setia and BA to highlight concerns that may affect our business and reputation. Following this, Setia's integrity journey and experience were also shared with the management team of Battersea Power Station, focusing on matters pertaining to corporate liability. Externally, the IGU continued their engagement with various authorities and enforcement agencies, particularly in the states where Setia developments are located. This was done to drive closer ties and communicate openly with the relevant authorities, as part of our efforts to curb bribery, corruption and abuse of authority.

Further to this, various initiatives as per the Organisational Anti-Corruption Plan ("OACP") were closely monitored to ensure effective implementation across the Group. Established based on the T.R.U.S.T. principles (the Guidelines on Adequate Procedures issued in 2020 by the Prime Minister's Department), the OACP was updated and reported to the Risk Management Committee and subsequently to the Board on a half-yearly basis.

ENGAGING COMMUNITIES

Over the years, we have reached out and touched the lives of many communities through various initiatives. It is something that has been ingrained in our agenda as we journey towards achieving meaningful success.

In 2022, we continued to be involved in various efforts to relieve parents' financial distress with the opening of schools, as well as promoted national unity. Through our S P Setia Foundation, we contributed a total of RM405,154.07 for the various programmes conducted.

Improving access to education has been an integral component in our initiatives, be it in the form of scholarships or other forms of assistance. During the year under review, we conducted Digitisation in Education Workshops, which involved 26 teachers from Selangor, Penang and Johor under the Setia Caring School Programme ("SCSP"). Through these virtual workshops, teachers were exposed to various methods to digitalise their teaching using online resources and improve learning among schoolchildren. Likewise, we provided nine SCSP schools in Penang, Selangor and Johor with disinfectant sprays and refill packs via our School Hygiene Education programme to create a safe school environment for teachers and students. Meanwhile, under the SCSP Annual Stipend Programme, we donated RM150 worth of Educational Assistance to each of the 2,689 disadvantaged children in these nine SCSP schools while another 1,026 underprivileged students received vouchers to purchase two sets of school uniforms each.

As part of the SCSP Education Assistance programme, we collaborated with the Selangor State Education Department to provide 969 B40 students from six schools with two sets of school uniforms and a school bag each. We also donated Festive Food Baskets to 270 schoolchildren and their families from nine schools to help them with the increased expenses during festive periods.

Through our Unity in Diversity programme, we worked with the Education Department in Selangor, Sepang and Hulu Langat to inculcate national unity in the form of sports, culture and the arts. Sixty students from four schools participated in this programme, which was supported by *Yayasan Sukarelawan Siswa* and student volunteers from Raja Melewar Teachers' Training Institute *(Institut Pengajian Guru Kampus Raja Melewar)*. Apart from learning a wide range of cultural dances, these students who came from different backgrounds and beliefs also learned about teamwork.

Other initiatives under this programme included a *gotong-royong* by teachers and parents to clean up the school. We also donated 10 refurbished laptops which were collected from different BUs to provide ease of teaching and learning for both students and teachers.

S P Setia Foundation's 'Sincerely Setia' School's Out Programme

Ramadhan food basket distribution at SJK(T) Ladang Rinching in Semenyih

NEW LEADERSHIP

On behalf of the Board of Directors and Senior Management team, I would like to also extend our welcome to two new Board members, Mr Sheranjiv Sammanthan and Dato' Tengku Marina Binti Tunku Annuar as Independent Non-Executive Directors, who have taken on positions as Chairman of the Board Sustainability Committee and Member of Board Sustainability Committee, respectively.

On the same note, I welcome Encik Annuar Marzuki bin Abdul Aziz, who joined S P Setia as Chief Financial Officer ("CFO") effective 1 December 2022. He took over from Datuk Yuslina Mohd Yunus who had held the post of acting CFO since May 2022.

47 ongoing projects and **6,569 acres** of effective undeveloped land banks with effective remaining GDV of **RM121.02 billion**

Amantara, Setia Eco Templer, Rawang, Selangor

PROSPECTS

As we move into 2023, global growth is forecast to moderate to 3.2% from 6% in 2021 as the main growth engines, namely China, the United States, and Europe, are experiencing weakened economic activity.

In Malaysia, inflation is expected to moderate in 2023 in view of the strengthening of the Ringgit, slowing global demand, easing in commodity prices and government's action to maintain subsidies over a medium term. Consequently, GDP is forecast between 4% and 5% in 2023, supported by domestic consumption and tourism. Nonetheless, OPR hikes by BNM to help counter inflationary pressures may add pressure to customers with home loans from certain segments. Adding to this, supply chain disruptions stemming from the Russia-Ukraine conflict may continue to lower access to raw building materials. As such, cost of building materials will remain on the high side, thus increasing the prices of property which could lead to affordability challenges for consumers.

> "Though there are still many challenges ahead, we are proud of our achievements in making meaningful progress and contributing to our communities."

Nevertheless, taking a cue from the current market demand and buyer's affordability levels, we are confident of driving positive momentum, anchored by our 47 ongoing projects and 6,569 acres of effective land banks with effective remaining GDV of RM121.02 billion.

Moving forward, we remain focused on creating sustainable communities and innovative lifestyles. We will strengthen our core businesses by accelerating efficiently across all our developments and effectively meet market demand. In the coming year, approximately 73 new phases with a cumulative GDV of RM6.17 billion have been planned for launch. International projects will form RM776.70 million (12.59%) of the total GDV.

Our diversification into healthcare, hospitality and industrial parks are expected to show a strong growth trajectory, complementing our core operations in property development. To ensure sustainable growth, we will continue to pursue our diversification strategy, exploring new property-related opportunities in the education industry, recreational and senior living in selected townships. This also includes developing purpose-built buildings for sale and long-term leases. Meanwhile we will also duplicate our healthcare business in other townships, and identify strategic partners with specialised expertise to unlock the potential of our land banks.

We also remain on course in pursuing our ESG initiatives, including creating green-ready, low-carbon communities. In this regard, we will be embedding green features such as rooftop solar panels, electric vehicle charging infrastructure and green switch initiatives across our property developments.

On behalf of the Board of Directors and Management team, I would like to thank our shareholders, financiers, business partners, suppliers, customers and employees - your continued trust and support have been essential in helping us achieve our deliverables that were set in 2022.

We have in place an ambitious plan for the future of S P Setia. Though there are still many challenges ahead, we are proud of our achievements in making meaningful progress and contributing to our communities. Moving forward, we believe that S P Setia is well positioned to achieve its strategy and deliver long-term value to our stakeholders.

Thank you.

Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail

WE CONSIDER OUR OPERATING ENVIRONMENT

The year 2022 saw most countries entering the endemic phase of the COVID-19 pandemic. Global economic activity experienced a broad-based and sharper-than-expected slowdown, with inflation reaching its highest levels in decades. The cost-of-living crisis, tightening financial conditions in most countries, Russia's invasion of Ukraine and the lingering COVID-19 pandemic all weighed heavily on growth. The International Monetary Fund ("IMF") estimates that global GDP will slow from 6.0% in 2021 to 3.2% in 2022. Global inflation is forecasted to rise from 4.7% in 2021 to 8.8% in 2022 but to decline to 6.5% in 2023. During this challenging period, a disciplined approach to monetary policy is required to restore price stability while fiscal policy will also need to adopt a sufficiently tight stance to aim to alleviate the cost-of-living pressures.

Malaysia's economy continued to build momentum with GDP growth hitting 8.7% in 2022 from 3.1% in 2021. Growth was positive throughout the year – 5.0% in the first quarter, 8.9% in the second quarter, 14.2% in the third quarter but dropped to 6.6% in the fourth quarter. The strong GDP growth was a reflection of robust domestic and external demand as well as an improved labour market. Encouraging performance in all economic sectors, primarily the services and manufacturing sectors, also helped drive the economy. In addition, growth was also supported by the implementation of Budget 2022 measures as well as the spill-over effect from the transition to the endemic phase, which resulted in more vigorous economic and social activities.

MALAYSIA

2022 Operating Environment

Malaysia's property market showed signs of recovery in 2022 as the economy re-opened, but office and retail segments remained challenging due to oversupply. According to the Real Estate and Housing Developers' Association Malaysia ("REHDA"), it was unlikely for the market to recover to pre-pandemic levels in the next three to five years. The recovery of the property sector is very much dependent on that of the country's economy, which itself is dependent on global economic recovery.

Under Budget 2023, which was first announced on 7 October 2022 and retabled on 24 February 2023 after the 15th General Election, full stamp duty exemption effective 1 April 2023 is implemented until end-2025 for first-time homebuyers who purchase a home valued at RM500,000 and below. First-time buyers who purchase residential properties worth between RM500,001 to RM1 million will also enjoy a 75% stamp duty exemption until 31 December 2023.

To control inflation, Bank Negara Malaysia ("BNM") has increased the overnight policy rate ("OPR") gradually over the year, from 1.75% in January 2022 to 2.75%, to moderate the impact on local house buyers. Nevertheless, the country's OPR is still amongst the lowest in the region.

The developer's side of the property market has adopted a 'wait-and-see-attitude' in the second half of 2022. According to REHDA, 48% of developers did not plan to undertake any property launches in the second half of 2022 mainly due to the unfavourable market conditions, delays in receiving approval from the authorities and developers being more conservative.

2023 Outlook and Opportunities

We have outlined our internal strategies to face the property market in 2023:

1. **Accelerate efficiently in all our developments**
We will focus on new phases in the established townships and eco-themed developments in Setia Alam, Setia EcoHill 2, Setia Alamsari, Setia AlamImpian, Setia Bayuemas, Setia Eco Park, Setia Eco Templer, Setia Eco Glades, Setia Tropika, Setia Eco Cascadia, Setia Eco Gardens, Setia Fontaines and EcoLakes. We will also launch a new condominium in KL Eco City.

2. **More new launches in new developments with the right product and pricing**
We will escalate the introduction of a new extension of Setia Alamsari in Kajang, Selangor.

3. **Clear completed stocks**
To clear completed stocks from our projects in the Klang Valley, Johor, Penang and Sabah.

4. **Optimise and unlock parcels of land**
We will continue to monetise selected land banks that are not identified for near term development to create more liquid asset to fund other projects.

We will also be selling enterprise land in our townships to raise more funds and increase capital appreciation of the properties within the townships as the commercial areas become increasingly developed.

MALAYSIA

2023 Outlook and Opportunities

5. **Expand into industrial park and other businesses**
We will expand into industrial park development. We will also continue to form strategic partnerships with relevant parties with specialty expertise and capital in other areas of businesses such as healthcare, educational-related entities and senior living.

6. **Build Investment Property ("IP") assets for recurring income**
We will continue to build IPs for recurring income. To date, we have IPs in several property subsectors like retail (Setia City Mall, Setia EcoHill Mall, D'Network @ Setia Eco Park), office (Mercu 2), education (Tenby Schools) and hospitality (Amari SPICE Penang).

7. **Allocate capital to projects with quick turnaround and good returns**
We will continue to open up to any business opportunities with quick turnaround and good returns.

With 47 ongoing projects and total unbilled sales of RM7.30 billion, S P Setia is confident in retaining our position as the leading property developer in Malaysia. We seek to achieve a sales target of RM4.2 billion for 2023.

INTERNATIONAL MARKETS

COUNTRY	PROPERTY MARKET PERFORMANCE IN 2022	OUTLOOK FOR 2023
SINGAPORE	The property market has performed well in line with the economy's growth in 2022. Sales of high-end apartments and condominiums continued to record good take-ups. The growth in house prices kept up its momentum despite rising interest rates. This situation had warranted the government introducing some measures to curb prices from further skyrocketing. Similarly, the rental market remained hot, turning it into a 'landlord's market'. This situation was due to Singapore's property market being backed by wealth – wealthy buyers who do not rely on mortgage, strong rental demand and foreigners moving to Singapore.	Singapore's property market is expected to be resilient. S P Setia is considering an opportunistic land acquisition following the completion of the Daintree Residence in December 2022, our last project in Singapore. Hence the funds from this project can be rolled into acquiring a new strategic land bank in the island.
VIETNAM (Greater Ho Chi Minh City ("HCMC"))	Vietnam's economy grew 8.02% in 2022, the fastest annual pace since 1997, backed by strong domestic retail sales and exports. Vietnam, being a regional manufacturing hub, saw its economy rebounding from the pandemic. Vietnam's property market rose in 2022, after a sharp slowdown in 2020 to 2021 due to the pandemic. Apart from local purchasers, a majority of foreign purchasers were from Hong Kong, the People's Republic of China, South Korea and Singapore. HCMC and Hanoi were the top two cities that experienced a mismatch between lower supply and higher demand for residential property in 2022. The local property market has been strong mainly because of robust economic growth throughout the year, the government's push for major infrastructure projects and high demand for residential properties. In November 2022, Vietnam's government tightened some financing policies to control property price hikes, which included tightening conditions for bond issuances by the private sector. While it is a good move for the long term, it could result in short-term financial shock to the local property industry.	Despite some tightening of credit facilities for property developers by the government recently, the property market is still expected to grow further in 2023, accelerated by massive public investment, improving infrastructure, rapid urbanisation and continuous inflow of foreign investment.

WE CONSIDER OUR OPERATING ENVIRONMENT

WE CONSIDER OUR OPERATING ENVIRONMENT

INTERNATIONAL MARKETS

COUNTRY	PROPERTY MARKET PERFORMANCE IN 2022	OUTLOOK FOR 2023
AUSTRALIA (Melbourne)	Australia's economy started strong in 2022, especially in the first half of the year. GDP growth has, however, eased through the second half of the year, in response to rising interest rates and inflation in the country. It grew by 4.0% in 2022. Melbourne's property market alongside other cities in Australia, is turning into a 'buyer's market' as Australians buy houses in response to income growth. The economic slowdown, however, is curbing purchasing power.	Given its relatively positive economic fundamentals, Australia's economy may be able to remain positive and escape recession in 2023.
UNITED KINGDOM ("UK") (London)	UK's economy has been in the doldrums since the beginning of 2022. Political instability, as the country witnessed three Prime Ministers within a four month period, further complicated challenges such as the rising cost of living amid rising energy prices, skewing the UK towards economic recession. While there was a pent-up demand for residential properties in 2021 and 2022, especially in the case of buyers upgrading to bigger houses because of multiple long lockdowns, this trend reversed from September 2022 onwards following a government budget announcement that spooked financial markets and toppled the newly appointed Prime Minister, Elizabeth Truss. In the wake of the announcement, demand for UK residential properties nearly halved as mortgage deals fell through with lenders pausing offerings as they assessed the volatility. Some property experts in the UK perceived the current scenario as being a spontaneous, shock reaction rather than a beginning of a property market crash in the UK. It is only a temporary pause from the strong demand seen in 2021 that was predicated upon: 1. A desire for different kinds of residential properties during the pandemic 2. Stamp duty exemption on house purchases under £300,000 from July 2020 to July 2021 3. Ongoing supply shortages that saw house prices increase to record highs In the rental market, private rental rates in the UK rose to record highs amidst intense competition for properties. In 2022, residential rental levels in London were up by 16% year-on-year, the highest growth of any region in the UK on record.	The residential market is expected to cool down in 2023 against the challenging economic backdrop. House prices are expected to decrease by 10% due to suppressed demand, owing to limited mortgage facilities. However, house prices are expected to gradually increase in 2024. 2023 will also see a cooling-off period for the hospitality subsector in the UK. With rising energy costs and food prices, the cost-of-living crisis will continue to see many establishments receiving fewer customers with over a third of hospitality businesses in the UK expecting to make a loss or face closure in the coming months. The public opening of the Battersea Power Station project in October 2022 has helped improve visibility of the project. There are now about 60 places to shop and dine in, featuring global giant brands like Hugo Boss, Ralph Lauren, Lacoste and Uniqlo. Apple and Shark Ninja have also committed to leasing 500,000 square feet and 25,000 square feet of office space, respectively, which will help to improve footfall.

COUNTRY	PROPERTY MARKET PERFORMANCE IN 2022	OUTLOOK FOR 2023
JAPAN (Osaka)	Japan's economy, the third largest in the world, has been struggling to recover following the pandemic, which has been made much challenging as a result of the global slowdown as well as escalating inflation. Nevertheless, the property market has been resilient with land prices increasing for the first time in two years. This trend reflected a gradual economic recovery backed by solid housing demand, spurred by the spread of teleworking and other factors that helped push up prices. The property market, especially in big cities like Tokyo and Osaka, continued to be resilient, while property owners and investors looked to secure properties in prime areas.	Japan's luxury property sector is expected to register consistent growth in the longer term. Luxury house prices are expected to grow at an average annual rate of 3% between 2022 and 2027. The weakening yen is also an attractive factor for foreign buyers.
CHINA	China's economy has rebounded strongly following the pandemic, although its growth is now on a slower but steadier trajectory. GDP growth is estimated to be around 3.3% in 2022. The property market was overheated in 2022 as sales declined by as much as 20% to 30% amid the halting of work and disruption of projects under construction.	The economy is projected to strengthen and grow by 4.6% in 2023 with the relaxation of COVID-19 restrictions. The property sector is expected to recover gradually in 2023 with the relaxation of COVID-19 restrictions and as property support policies introduced by the government in 2022 take effect.

WE CONSIDER OUR OPERATING ENVIRONMENT

KEY TRENDS IN OUR MARKET

Work from Home versus Return to Office

OVERVIEW

- Now in the third year after the first COVID-19 outbreak, there are workers who are still not back in the office as often as before the pandemic began.
- Malaysian employers and employees seem to be having different views about new ways of working.
  - As in the case of employment in Malaysia, pursuant to changes contained in the Employment (Amended) Act 2022 which came into effect on 1 September 2022, employees in Malaysia are allowed to apply from their employers for Flexible Working Arrangement ("FWA") to vary the hours of work, days of work or place of work. In response to this, there are an increasing number of companies that have implemented the practices of Flexible Working Hours and a hybrid working arrangement (a combination of working from home and working in office in a week).
- Based on the EY 2022 Work Reimagined Survey, Malaysian employees now have greater influence over their employment terms:
  - More than one-third of Malaysian employees surveyed were set to quit their jobs for better pay, career advancement, improved well-being and enhanced flexibility amidst rising inflation and a shrinking labour market.
  - 16% of Malaysian employers would want employees to work in office ("WIO") five days a week - but 95% of employees wanted to work remotely for at least two days a week.
  - 81% of Malaysian employees perceived increased productivity from new ways of working while only 46% of Malaysian employers agreed.
- Remote working requires converting limited space at home into a functional workspace at the worker's expense.
- Demand for access to digital connectivity increased with the trend of remote working.
- Home has become a 'flexible home' due to lockdowns whereby spaces have been adapted to accommodate a home office, study space for online learning, gym, entertainment centre and mini recreational site.

IMPACT

- **Flexibility and agility**
  - FWAs, including a hybrid between WIO and work from home ("WFH") enables more agility and flexibility. With employees no longer tied to an office every day, they may be better placed and more open to work flexible hours such as earlier or later in the day or even at weekends.
  - Employees will enjoy better work-life balance leading to less burnouts, and better productivity.
- **Lower turnover rates/Improved employee retention**
  - Employers may experience lower turnover rates when offering the option of remote working.
- **Attract new talents**
  - Flexibility attracts more new talents especially the younger generation who are more knowledgeable in digital technology.
- **Streamlined communication**
  - When practising a hybrid working model, employers can choose from a variety of communication platforms to keep all communications in one place.
  - It leads to better organisation and improved collaboration among employees.
- **Difficulty in monitoring performance**
  - There could be difficulty managing employees working from home and monitoring their performance.
- **Information security risk**
  - Information security problems could be more likely to occur when employees are working from home. It is riskier when laptops are being taken home as employees need to access servers remotely.
- **Changing demands on living space**
  - Increasing demand from homeowners seeking to upgrade into bigger, more spacious homes.
  - Prioritising stable access and powerful connectivity to the internet.
  - More importance given to recreational spaces in the home.
  - Favouring a self-sufficient location where essentials like shopping facilities are nearby.

RESPONSE

- Set goals and targets with employees that are easily measured.
- Our Group Information Communication Technology and Digital Technology ("GICT") has established measures to protect company data by installing the necessary software to curb data from being stolen and hacked.
- S P Setia continues to meet the new requirement for 'home office space' through new designs, meeting increasing need for stable internet connectivity (via telcos), providing sufficient green areas with attractive cum practical hardscapes and providing sufficient shopping facilities within our developments.

WE CONSIDER OUR OPERATING ENVIRONMENT

Flexible Shopping

OVERVIEW

- Growing acceptance with shopping online – both from home and office with computer-based and phone-based mobile shopping.
- In 2022, it was forecast that online spending by consumers would continue to fuel Malaysian e-commerce prospects.
  - The Southeast Asian region was expected to perform better than its global peers in long-term growth prospects in spite of a speed bump in gross merchandise volume ("GMV") growth owing to supply chain and inflationary pressures.
  - In Malaysia, overall digital shopping outlook remained positive with GMV still expected to grow by a compound annual growth rate ("CAGR") of 11% from 2022 to 2027 – this is largely driven by the steady growth of Malaysia's digital consumer population.
- Retailers still see revenue from physical stores to rise.
  - A survey on the retail sectors by Adyen/KPMG reportedly says two-third of businesses in Malaysia expect revenue generated through physical stores to increase in 2023.
  - 3 out of 4 Malaysian shoppers believe that online shopping is only for convenience while physical stores are where they shop for pleasure.

IMPACT

- Traditional retail demand will still survive alongside the behavioural changes in shopping styles – owing largely to the normalisation of business activities and transition of the COVID-19 crisis to the endemic stage.
- Unifying business functions is the next frontier for long-term success.
  - By connecting back-end systems and data insights, retailers can create more compelling customer experiences while supporting greater efficiencies and lower costs.
  - The link between strategic digitalisation, customer experience, growth and the pivotal role e-wallet technology plays for any business.

RESPONSE

- With regards to shopping facilities at Setia City Mall at Setia Alam, a smaller, neighbourhood 'street mall' of D'Network @ Setia Eco Park and KL Eco City Mall in Bangsar, vendors in general have adopted physical and online approaches to accommodate the rising demand from all generations. It includes food ordering and delivery platform provided by third parties.
- With regards to sales and marketing services provided at our Welcome Centres/Sales Galleries, the Group has increased the role of digitalisation in servicing its customers ever since the beginning of the pandemic in March 2020, in addition to the typical physical interactions with customers.
  - With business back to usual since late 2021, the Welcome Centres have been operating as usual as per the normal operating hours.
  - Amari Kuala Lumpur, S P Setia's hotel, managed by ONYX Hospitality Group from Thailand, which was opened in September 2022, has received patronage especially from business clients. Located in the heart of Kuala Lumpur Central Business District along Jalan Bangsar, it is only a 5-minute walk from KL Eco City Mall.

WE CONSIDER
OUR OPERATING ENVIRONMENT

Digitalisation

OVERVIEW
- Continuous demand for smart homes and/or more automated functions in the home.
- Online marketing and sales activities have become a must-have in the real estate industry.
- Property technology innovations are more prevalent in the market.

IMPACT
- Higher expectations on customer service:
  - Customers expect efficiency during pre-purchase, purchase processes and after-sales services.
  - Customer services need to be well equipped to serve customers.
- Property technology will transform the property industry into becoming highly reliant on digital services, as it will create efficiency and accuracy.

RESPONSE
- Since last year, S P Setia has factored in new requirements for 'smart home' features in new terms of reference ("TOR") at the design stage.
- We accelerated and enhanced our digitalisation efforts.
- We are being equipped to becoming a leading digital property developer.
- While processes may be substituted by digitalisation, Team Setia always nurtures personal connections with customers and other stakeholders.

Focus on Environment

OVERVIEW
- Increased awareness on environmental efforts especially in areas such as climate change.

IMPACT
- Developers need to make greater contributions to address environmental issues.

RESPONSE
- S P Setia is a pioneer in eco-themed developments.
  - E.g. Setia Eco Park in Shah Alam, Setia Eco Templer in Rawang, Setia Eco Glades and Setia Safiro in Cyberjaya, and Setia Warisan Tropika in Sepang.
- In our townships, we allocate at least 10% of the land for green areas and amenities.
- The world's first solar-powered hybrid F&B hub known as D'Network @ Setia Eco Park is located in Setia Eco Park.
  - The pet-friendly park, Elizabeth Falls and Musical Fountain are powered by 345kWp of hybrid solar energy.
  - Only organic fertilisers and compost are used in the landscapes.

In 2022, the Group started to apply ESG in its business practices.
  - Although ESG at Setia's level is still at its earliest stages, it is an extension to the Sustainability practices that Setia has embraced all along.
  - S P Setia is among the earliest adopters of ESG, from building design to the master plan.
  - We have adopted best practices, policies and procedures throughout our developments and will continue to pursue these priorities in line with the global sustainability agenda.
  - S P Setia and TNB signed a memorandum of understanding ("MoU") in April 2022 for the installation of a solar panel system and electric vehicle ("EV") charging facilities in S P Setia's upcoming developments.
- In September 2022, TNB installed solar panels on S P Setia's headquarters' roof. This will be duplicated in S P Setia's other commercial assets.

TO DETERMINE OUR MATERIAL ISSUES

Materiality assessments are integral to our sustainability journey, as they allow us to identify risks and opportunities relating to the economic, environmental and social issues that matter to us and our stakeholders.

In 2022, we conducted a fresh in-depth materiality assessment to identify new material matters that will meet regulatory requirements and the latest reporting frameworks and to realign with our industry peers.

The process of materiality assessment was guided by the Global Reporting Initiative ("GRI") Standards, which are widely adopted global standards for sustainability reporting, and as recommended by Bursa Securities for all listed entities. In addition, we have adopted 15 goals under the UN SDG Agenda and GRESB sustainability framework and indicators that are important and relevant to the business and the Group.

The assessment also enabled us to better understand the needs and demands of our stakeholders in order to adopt and adapt to current trends and the business landscape.

GLOBAL REPORTING INITIATIVES

GRI is an independent international organisation that helps businesses and governments worldwide understand and communicate their impacts on critical sustainability issues. GRI Standards are the most widely adopted global standards for sustainability reporting and are designed to enhance the global comparability and quality of information on these impacts, thereby enabling greater organisational transparency and accountability.

GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

GRESB was launched in 2009 by a group of large pension funds that wanted to have access to comparable and reliable data on the ESG performance of their investments. In the intervening years, GRESB has grown to become the leading ESG benchmark for real estate and infrastructure investments across the world.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The UN SDGs are 17 interconnected and equally valued initiatives aimed at building a sustainable and inclusive world by 2030. Unanimously committed to by 193 nations in 2015, the 17 sustainability goals contain 169 proposed targets with implementation strategies for countries to adopt.

S P SETIA'S MATERIALITY ASSESSMENT PROCESS

Step 1 – Identification
- Identified and prioritised S P Setia's key stakeholders
- Created an inventory of material matters:
  - Severity, scale, scope & irreversibility
  - Likelihood, chance of the impact character

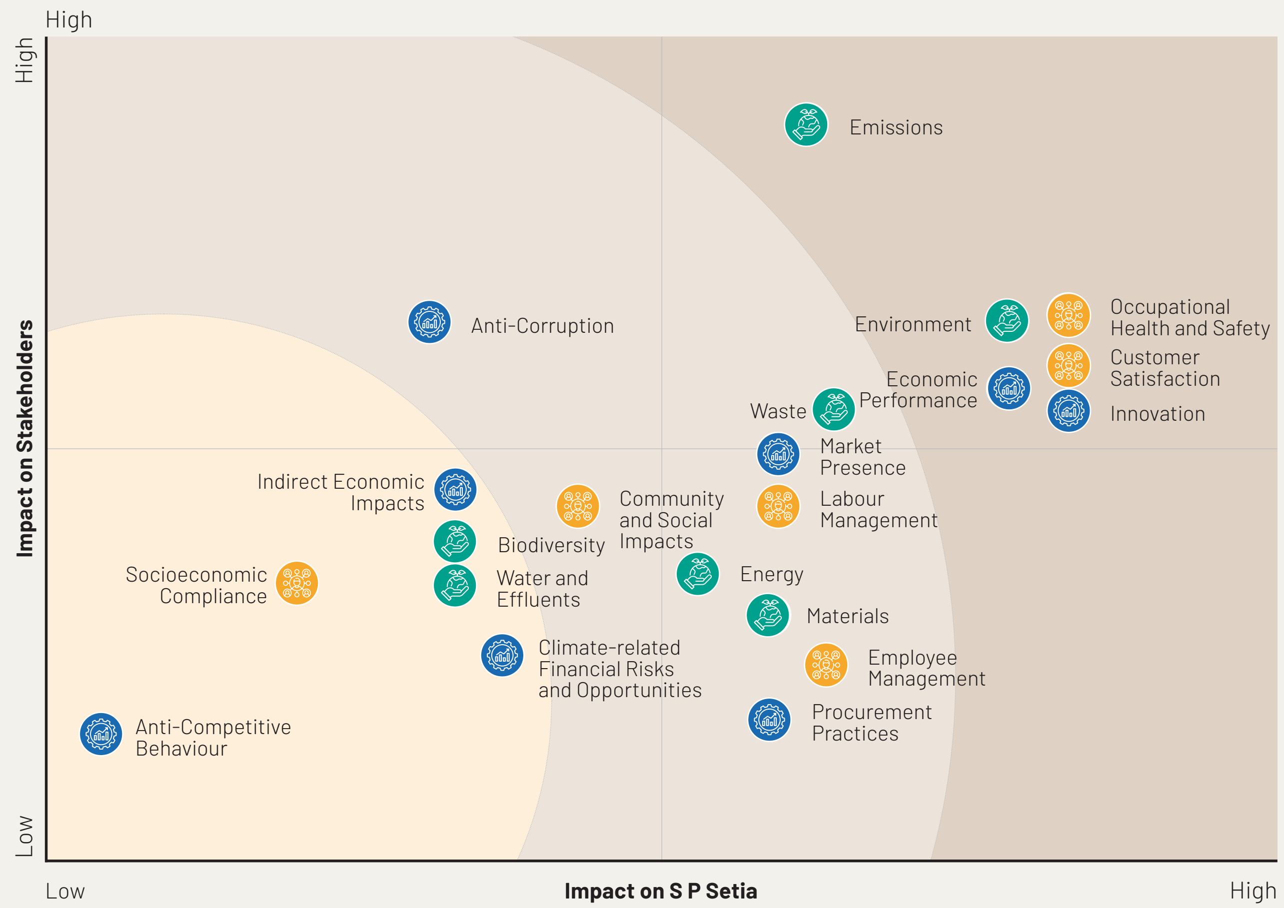
Step 2 – Prioritisation of Material Matters
- Ranked the importance of each matter to key stakeholders and S P Setia
- Identified the prioritised material matters based on the alignment with industry peers
- Developed a materiality matrix

Step 3 – Review and Approval
- Material matters reviewed and approved by the Senior Management team and Board of Directors

Comprising an online survey and three workshops with 164 participants, the materiality assessment concluded with 21 material matters that were categorised under economic, environmental and social pillars. Seven of the material matters were also prioritised and all the material matters were aligned with the relevant GRI indicators and UN SDGs.

The materiality matrix below was established based on the feedback gathered during these workshops, and validation by the Board and Senior Management of S P Setia.

SUSTAINABILITY MATERIALITY MATRIX FOR FY2022



High-Priority Material Matters

1. Emissions
2. Environment
3. Occupational Health and Safety
4. Customer Satisfaction
5. Economic Performance
6. Innovation
7. Community and Social Impacts

Legend:

- **Economic** Sustainable, Innovative and Quality Development
- **Environmental** Best Practices in Environmental Management
- **Social** Positive, Sustained Community and Social Impacts
- High priority
- Medium priority
- Low priority

TO DETERMINE OUR MATERIAL ISSUES

ALIGNING OUR MATERIAL MATTERS TO GRI INDICATORS AND UN SDGS

Based on our Material Matters, S P Setia identified its Economic, Environmental and Social ("EES") material matters as outlined in the GRI Standards based on the level of importance to stakeholders and S P Setia, while taking into consideration the financial and non-financial impacts.

The UN SDGs are a set of universal goals to address the world's biggest challenges by 2030. By embracing the UN SDGs, S P Setia is demonstrating our willingness to do our part to create a sustainable future for the next generation. Of the 17 goals outlined in the UN SDGs, we focus on goals that we believe we can better achieve. This is determined through a materiality assessment and stakeholder engagement.

Please refer to pages 188 to 191 for Stakeholder Engagement.

The table below shows the alignment of our Material Matters to GRI indicators and UN SDGs:

MATERIAL MATTERS	GRI INDICATORS	UN SDGS
ECONOMIC — SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT		
Economic Performance	GRI 201: Economic Performance 2016	
Innovation	Non-GRI Indicator	
Market Presence	GRI 202: Market Presence 2016	
Procurement Practices	GRI 204: Procurement Practices 2016	
Climate-Related Financial Risks and Opportunities	GRI 201: Economic Performance 2016	
Indirect Economic Impacts	GRI 203: Indirect Economic Impacts 2016	
Anti-Corruption	GRI 205: Anti-Corruption 2016	
Anti-Competitive Behaviour	GRI 206: Anti-Competitive Behaviour 2016	
ENVIRONMENTAL — BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT		
Emissions	GRI 305: Emissions 2016	
Environment	GRI 2: General Disclosures 2021	
Waste	GRI 306: Waste 2020	
Materials	GRI 301: Materials 2016	
Energy	GRI 302: Energy 2016	
Biodiversity	GRI 304: Biodiversity 2016	
Water and Effluents	GRI 303: Water and Effluents 2018	
SOCIAL — POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS		
Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018	
Customer Satisfaction	Non-GRI Indicator	
Employee Management	GRI 401: Employment GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity	
Labour Management	GRI 402: Labour Management 2016	
Community and Social Impacts	GRI 413: Local Communities 2016	
Socioeconomic Compliance	GRI 2: General Disclosures 2021	

WHICH DRIVES OUR APPROACH TO VALUE CREATION

S P Setia's strategic goals are to be the leader in creating sustainable communities and innovative lifestyles; and to enhance income from both investment properties and recurring income portfolios by 10% every year, between 2021 and 2025; and eventually to grow by 30% of its earnings before income tax ("EBIT") from the investment properties and recurring income portfolios by 2035.

DRIVEN BY OUR INTERNAL GOALS

To achieve our targets, we have divided our business into four key internal goals that drive us towards accomplishing our intended achievements. The four goals include:

1. **Accelerating all our developments for both townships and standalone projects in an efficient manner.**
2. **Ensuring we have the right talent to strategically progress.**
3. **Unlocking potential value in our assets.**
4. **Building Investment Property ("IP") assets for recurring income, expanding into industrial park and other businesses, and allocating capital to projects with quick turnaround and good returns.**

ENABLED BY OUR FOCUS AREAS

A. MAINTAIN POSITION AS THE LEADING DEVELOPER

INITIATIVES

- Digitalisation of sales process:
  - Digital initiatives: Omnichannel digital presence, seamless homebuying experience and optimisation of digital marketing.
  - Continuous use of S P Setia's proprietary apps, i.e. Setia on the Go.
  - Continuous use of online booking and sales – specifically 'Setia Online Booking', online live balloting, "Setia Sales on the Go" kit and WhatsApp Business Enterprise – which are meant to facilitate marketing and sales activities.
- Video marketing such as virtual show units displayed on video.
- Social media marketing, i.e. Facebook, Instagram and YouTube.
- Lead automation – targeted leads campaign based on database to collect public interest.
- Display on widescreens on the wall of the Welcome Centre of each project.
- To be creative at identifying and expanding the target markets, beyond the regular.
- To be creative at sales promotion by offering different sales packages in order to cater to different needs.
- Introduction of attractive interior design and investor packages for certain projects to boost sales.

B. EFFICIENT CAPITAL STRUCTURE TO PROPEL GROWTH

INITIATIVES

- Continuous review of our capital structure to ensure continuity in strength to support project development and growth.
- Issuance of Islamic redeemable convertible preference shares at a lower dividend rate of 5.43% to replace the previous preference shares which had a higher dividend rate of 5.93%.
- Sukuk Walah Programme issuance worth RM1.20 billion in three tranches in April 2022. The programme has a limit of up to RM3.0 billion in nominal value.

C. BUILD STRATEGIC INVESTMENT PROPERTIES

INITIATIVES

- S P Setia continues to expand its investment properties portfolio strategically as a means of business diversification to secure sources of steady revenue.
- To date, S P Setia's existing investment properties include Setia City Mall, Setia EcoHill Mall, D'Network @ Setia Eco Park, KL Eco City Mall, Mercu 2 office building, Tenby Schools in Setia Eco Park, Setia Eco Gardens and Setia EcoHill, and some others.

D. STRATEGIC PARTNERSHIP TO COMPLEMENT OUR STRENGTH

INITIATIVES

- S P Setia has formed a partnership with Qualitas Medical Group to operate an ambulatory care centre at Setia City Residences.
- Secondly, S P Setia has signed an MoU with a formidable Japanese industrial estate developer to develop part of the proposed Setia Alaman industrial park in Klang.
- In addition, S P Setia continues to identify suitable partners with specialised expertise that will complement and unlock the values of our land banks.

E. OPTIMISE RESOURCES – LAND AND SKILL SETS – TO CREATE VALUE

INITIATIVES

Land bank:

- Constant review of the use of our land bank to ensure optimisation.
- Monetisation of certain portions of our land bank to raise capital for other projects. In 2022:
  - Sale of 8.70-acre residential land in Bandar Kinrara in June 2022 for RM43.52 million.
- Expediting the sale of enterprise land in certain townships in order to gain capital and create higher capital appreciation in the locality. In 2022:
  - Sales of two parcels of commercial land in Setia Alam in September and November involving altogether 4.96 acres amounting to RM73.49 million worth of selling prices.
  - Sale of 1.23-acre petrol station land in Setia Bayuemas in December for RM4.48 million.

Skill set/Expertise:

- Group Human Resources continues with providing employees with relevant in-house/external training.
- Application of best practices within the Group via the 'Centre of Excellence' approach.
- Digital Workplace: GICT continues to develop digital automation apps to optimise cost and drive greater efficiency. Some of the digital initiatives in this area include enhancing employee experience ("EX"), improving business outcomes with AI, Cloud and Automation, and digitising the property development lifecycle.
- Cyber Resillience: GICT continues to protect the Company from data loss and cyber threats through digital initiatives like Cybersecurity training and user awareness, IT security governance and cybersecurity hardening.
- GICT is also elevating digital sustainability through smart partnerships for innovative solutions, embracing emerging technology and green computing.

F. DIVERSIFY INTO NEW MARKETS AND BUSINESS

INITIATIVES

- S P Setia is expanding its portfolio in property-related businesses.
  - Our first venture in this context is the healthcare business with our first ambulatory care centre set to be opened in Setia City in early 2023. It is a joint-venture project with Qualitas Medical Group Sdn Bhd. In addition, S P Setia is studying the marketability and feasibility of replicating this initiative in other townships or projects.
  - Secondly, S P Setia is venturing into the industrial property sector. Its new Setia Alaman project in Klang has been earmarked to be its first industrial estate in Selangor. Planning work is underway to change the zoning from mixed development to industrial.
  - In November 2022, through our subsidiary, Petaling Garden Sdn Bhd, we signed an MoU with a formidable Japanese industrial estate developer to develop part of the first phase of its proposed industrial estate development.
- Other potential business diversification: education (private school, college and university), recreational/theme park and senior cum assisted-living subsectors in selected townships/projects.
- In addition, S P Setia is also looking into the potential of developing purpose-built buildings for sale and long-term lease.

SUPPORTED BY THREE CORE ELEMENTS

Strength of Human Capital

Digital Transformation

Material Matters

WITH CONSIDERATION TO OUR RISKS

MANAGING SETIA'S KEY RISKS

Based on our operating environment as well as key stakeholder concerns, we have identified 10 key risks that could potentially impact our business performance and value creation if not managed effectively. These risks are carefully monitored and managed to ensure they do not escalate beyond our tolerance limits.

Legend:
Immediate attention required | Attention required | Caution | For notation | No movement | Upward | Downward

1 FUNDING & LIQUIDITY RISK

DESCRIPTION
Our funding requirements consist of a combination of equity and borrowings, to meet development costs, land acquisition costs, financing costs and overhead costs.

STRATEGIC MITIGATION EFFORTS
- We constantly monitor our gearing ratio via effective credit utilisation to ensure alignment with our growth strategies.
- Our treasury function has been strengthened to enhance the monitoring of cash flow requirements to support our current and future requirements.
- We enhance our liquidity by embarking on strategic actions such as clearing of inventories and cost containment.

RISK TREND

2 MARKET RISK

DESCRIPTION
Our performance depends to a large extent on the buoyancy of the property markets in which we have a presence. This, in turn, is affected by domestic and global economies, government regulations, and supply-demand metrics. In the current post-pandemic situation, we emphasised agility and speed in responding to market demands and needs in product design, master planning, construction and marketing channels.

STRATEGIC MITIGATION EFFORTS
- We monitor closely property trends in the markets where we operate, and plan developments that meet current and future demand.
- We offer a range of residential and commercial units to suit different demographics and expectations, while phasing our developments according to market conditions and demand.
- We have expedited our digital marketing initiatives and virtual events.
- We have developed an application called "Setia on the Go" to introduce our vast range of properties to potential homebuyers.

RISK TREND

3 PROJECT PLANNING, FEASIBILITY AND DEVELOPMENT STRATEGY

DESCRIPTION
Our performance depends on the successful implementation of high-investment value projects and achievement of targeted investment returns.

We strive to ensure timeliness of our project deliveries, which are of high-quality and up-to-date designs, to meet the everchanging demands and needs of our customers and stakeholders.

STRATEGIC MITIGATION EFFORTS
- We closely monitor our project developments to ensure achievements of project milestones and high investment returns.
- We undertake extensive market research and in-depth review of processes to ensure that our product offerings are competitive and meet market demand.
- We ensure our products are delivered with the highest quality via proper quality control and monitoring.
- We ensure that we have a robust internal project planning and feasibility before undertaking any project development.

RISK TREND

4 COMPETITION RISK

DESCRIPTION
We face competition from local and international property developers in terms of pricing, design and quality of properties, facilities and supporting infrastructure, as well as the sale and marketing of properties.

STRATEGIC MITIGATION EFFORTS
- We carry out market intelligence surveys to understand market needs.
- We align our product offerings according to market trends and demand.
- We employ innovative marketing strategies especially digital marketing in line with economic conditions and market demand, such as hybrid property launches and Setia on the Go mobile app.
- Our BUs were actively using virtual tours and walk-throughs, virtual events, and virtual show units to market our products.

RISK TREND

5 ENVIRONMENTAL AND CORPORATE SUSTAINABILITY RISK

DESCRIPTION
Adverse changes in the environment in particular on climate change may affect the way the Group and its supply chains operate. This will impact the Group's operational and financial risk.

Conversely, the growing awareness in sustainable green building and sustainable eco-system may attract higher Socially Responsible Investors and create new customer market segments.

STRATEGIC MITIGATION EFFORTS
- A Sustainability Committee ("SC") comprising representatives from the Board has been established to oversee the Group's sustainability initiatives and goals.
- During the year, the Group engaged a consultant to assist on the development of strategies and target setting.
- The Group's strategies are aligned to the Group's sustainability framework. Details of the Group's sustainability initiatives can be found from pages 94 to 147 of this report. These ESG initiatives are also aligned to the United Nations Sustainable Development Goals.
- For 2023, the Group will embark on formulating suitable metrics to assess and monitor its environmental and corporate sustainability risk.

RISK TREND

6 FOREX RISK

DESCRIPTION
As we have developments overseas, we are exposed to currency fluctuations.

STRATEGIC MITIGATION EFFORTS
- We have secured local project financing for all of our international developments to minimise foreign exchange exposure.

RISK TREND

7 POLITICAL & REGULATORY RISK

DESCRIPTION
Various regulations are in place to stabilise the property market in each country where we operate. At the same time, government policies change according to the economic climate.

STRATEGIC MITIGATION EFFORTS
- We keep track of new regulations that may be introduced.
- We review our business plans annually to ensure compliance with new regulations and the impact of those regulatory risks.
- We communicate continuously with all stakeholders on regulatory changes and our response to the changes.

RISK TREND

8 GEOPOLITICAL RISK

DESCRIPTION
Every country in which we operate has its own set of geopolitical risks, based on the political environment and government stance on foreign direct investment.

STRATEGIC MITIGATION EFFORTS
- We partner with local businesses to understand the market better and facilitate business operations.
- We closely monitor the political environment and respond proactively.
- We provide regular updates on the local geopolitical climate to Senior Management and Board of Directors.

RISK TREND

9 CYBER SECURITY RISK

DESCRIPTION
Like any other business that has adopted digital technology, we are exposed to the risk of cybercrime and of information being leaked or tampered with.

STRATEGIC MITIGATION EFFORTS
- We have in place IT policies and procedures.
- We protect our data through regular system checks and testing.
- We ensure employees are aware of cyber risks and play their part in keeping our systems safe through periodic training and awareness programmes.

RISK TREND

10 WORKPLACE HEALTH AND SAFETY RISK

DESCRIPTION
Safety risks are pronounced during the construction phase of projects. During the pandemic situation, compliance with the regulatory requirements and standard operating procedures ("SOP") is emphasised to ensure zero tolerance on non-compliance.

STRATEGIC MITIGATION EFFORTS
- We have well-defined health and safety policies and procedures.
- We constantly raise awareness of health and safety via training.
- We seek to continuously adopt safer construction methods and ensure our contractors are up-to-date on best practices.
- We enforce controls and regulations on site.
- Our Health, Safety, and Environment ("HSE") practices include end-to-end monitoring and tracking of compliance with SOP issued by the Ministry of Human Resources.

RISK TREND

AND FORMULATE OUR VALUE CREATION MODEL

HOW WE CREATE VALUE FOR OUR STAKEHOLDERS

OUR CAPITALS

Financial
- Pools of funds for business operations
- Settlement of debts
- Progress payment from completed units
- Monetisation of land banks
- Sales of properties from property development

Human
- Total employees: **1,984**
- Total new hires: **215**
- Average training hours per employee: **19.40 hours**

Intellectual

We continuously invest in improving our knowledge and expertise with a long-term strategic approach to talent management as part of our prudent and judicious business management.

Social and Relationship
- Team Setia: A unique way of uniting and integrating all the staff in the Group. Formation of 'Setia culture' fuelled by passion, integrity and teamwork, and always wanting to be the best at all that we do
- Maintains a strong Investor Relations Unit that has constantly provided investors with an accurate account of the Group's affairs
- Total investment for communities by S P Foundation: **RM405,154.07**

Natural
- Energy consumption: **16.2 MW/h**
- Water consumption: **515,278 m³**

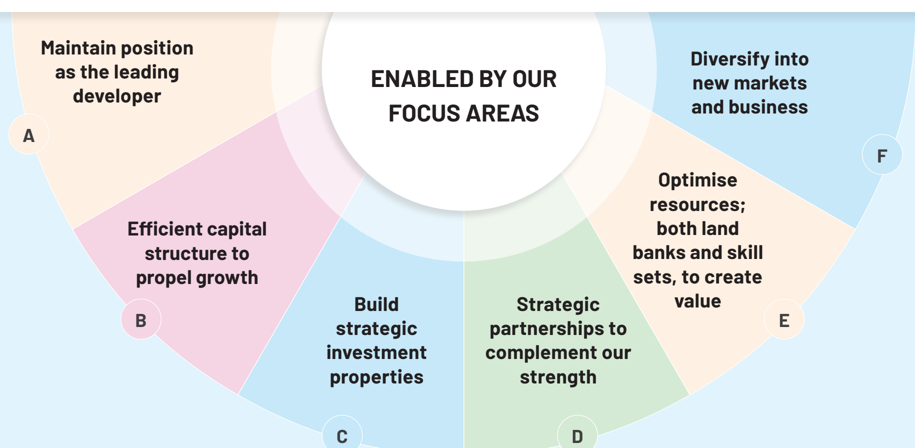
Manufactured
- Large land bank for business continuity
- Launch of new products
- **47** ongoing development projects
- Business diversification cum Investment Properties ("IP")
- Keeping up with manufacturing and trading arm via Setia Precast Sdn Bhd and Setia Wood Sdn Bhd

OUR STRATEGY

Driven by our VISION	To be the leader in creating sustainable communities and enriching lifestyles
Guided by our VALUEs	S.C.R.I.P.T.
CONSIDERING OUR MATERIAL MATTERS	Please refer to page 40 for more information

WITH SIGHT ON OUR STRATEGIC GOALS
- **To be the leader in creating sustainable communities and innovative lifestyles**
- **To enhance income from both investment properties and recurring income portfolios by 10% every year, between 2021 and 2025; and eventually to grow by 30% of its EBIT from the investment properties and recurring income portfolios by 2035**

DRIVEN BY OUR INTERNAL GOALS
- Accelerate efficiently in all our developments, both townships and standalone projects.
- Dedicated team for long-term GDV project.
- Optimise and unlock parcels of land and clearing of stock.
- Build IP assets for recurring income, expand into industrial park and other businesses, and capital allocation to projects with quick turnaround and good returns.



THREE CORE ELEMENTS	RISKS
• **Strength of Human Capital** • **Digital Transformation** • **Material Matters**	• **Funding & Liquidity** • **Market** • **Competition** • **Forex** • **Political & Regulatory** • **Geopolitical** • **Cyber Security** • **Workplace Health and Safety**

OUR INITIATIVES / OUTCOMES

OUR INITIATIVES	OUTCOMES
• Issued **Sukuk Wakalah Programme worth RM1.20 billion** in three tranches in April 2022 with a limit of up to RM3.0 billion in nominal value. • Issued **RCPS i-C** at a lower dividend rate of **5.43%** to replace RCPS i-B with dividend rate of 5.93%. • **Completed settlement and refinancing of borrowings,** CAPEX and other expenses. • **Completed 5,516 residential** and commercial units worth **RM20.58 billion**. • **Sold altogether 14.90 acres of land** for **RM121.49 million** in 2022. Out of this, 64.18% (or RM77.97 million) was of commercial land of normal business activities. • **Sale of 2,462 residential, commercial and industrial units worth RM4.11 billion.**	• Generated revenue: **RM4.45 billion** • Achieved sales: **RM4.11 billion** • Created unbilled sales: **RM7.30 billion** • Equity attributable to Owners of the Company: **RM14.08 billion** • Net gearing ratio: **0.57 times** • Liquid asset to be invested into property development and/or to ease our debt/liability
• Collaborated with The Tulip Movement in organising the **'Break The Bias' - The Unconference** for Team Setia in celebration of Women International Day. • Sponsored the **World Women Economic & Business Summit**.	Workforce Participation: • Female in the Company: **45%** • Female in Senior Management: **32%** • Female in Board: **33%** – A more flexible and empowered workforce
• Conducted **eight types of programmes** to strengthen functional knowledge and skills for personal and professional development.	• Total Hours in Training: **38,492 hours** • Employee Engagement Index: **75%**
• Conducted periodical townhalls like **"CEO Dialogue"**. • **Updated analysts and fund managers periodically** on the Group's performance. • **Supported underprivileged schoolchildren** through SCSP.	• **Unity, sense of belonging, self-pride, motivation,** clear career path with guided direction • Helps investors/shareholders make informed decisions and **maintain their confidence** in our businesses
• **Implemented sustainable practices** throughout the project life cycle. • **Spread awareness on sustainability** with eco-centric developments. • Engaged experts for **environmental conservation efforts**.	• **Re-established UN SDGs** to be achieved in alignment to our sustainability agenda • To establish a detailed sustainability roadmap with **aspiration towards carbon neutrality and net zero** in FY2023
• Recorded **6,569 acres** of effective undeveloped land with GDV of **RM121.02 billion**. • Launched **44 phases** comprising **2,391 residential**, commercial and industrial units worth GDV of **RM3.08 billion** in 2022. • **Diversified into healthcare** with an ambulatory care centre at Setia City Residences, Setia Alam opening in 1H 2023. • **Expanding in industrial-based development** with Setia Alaman, Klang. • **Began operations of hotel assets** Amari Kuala Lumpur and Amari SPICE Penang.	• Customer Satisfaction Survey: **75.2%** of S P Setia's homebuyers recommend purchasing S P Setia properties to friends and relatives • **Ranked 1st overall in The Edge Malaysia Top Property Developers Awards 2022** and recognised for Best Qualitative Attributes category in 2022

Our Performance Review

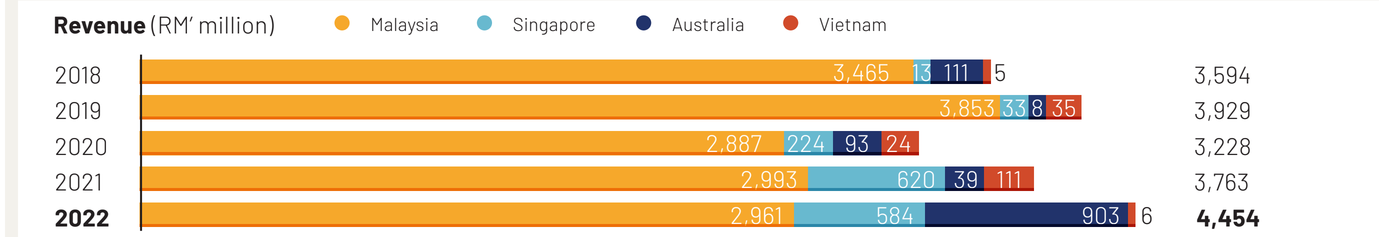
Rymba Creek, Setia Eco Park, Shah Alam, Selangor

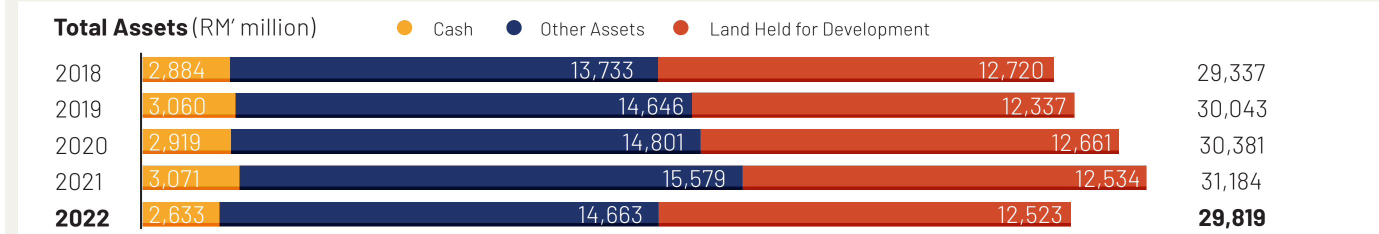
FINANCIAL REVIEW

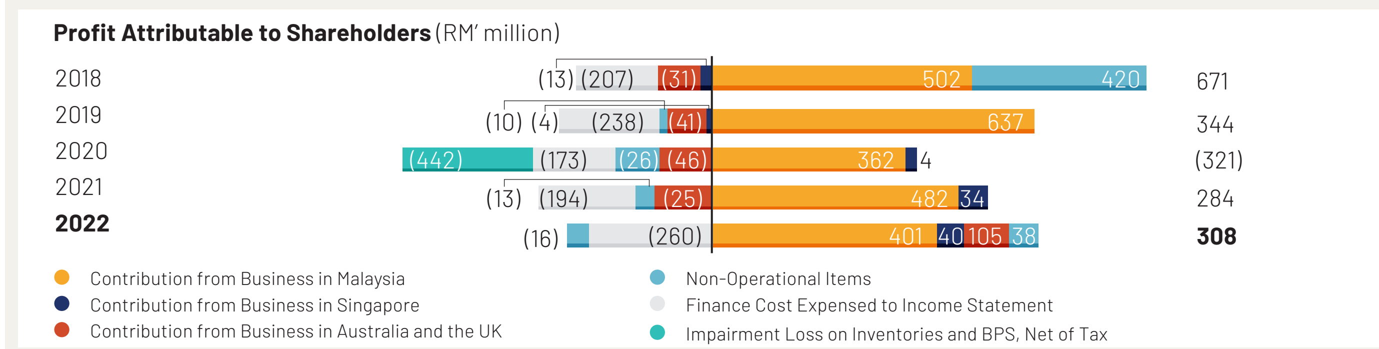
	As per respective years' audited financial statements				
	31 December 2022	**31 December 2021**	**31 December 2020**	**31 December 2019**	**31 December 2018**
Year Ended (RM' million)					
Revenue	**4,454**	3,763	3,228	3,929	3,594
Gross Profit	**1,065**	1,007	657	1,016	1,092
Profit Before Tax - Before significant impairment provisions	**580**	542	319	598	991
Significant impairment:					
- write-down in inventories	**(16)**	-	(140)	-	-
- 40% share of inventories write-down at Battersea Power Station	**-**	-	(336)	-	-
Profit Before Tax - After signficiant impairment provisions	**564**	542	(157)	598	991
Profit After Tax	**364**	347	(245)	422	798
Profit Attributable to Owners of the Company	**308**	284	(321)	344	671*
Share Capital	**8,500**	8,490	8,468	8,432	8,252
Share Capital - RCPS-i A	**1,087**	1,087	1,087	1,087	1,087
Share Capital - RCPS-i B	**-**	1,035	1,035	1,035	1,045
Share Capital - RCPS-i C	**937**	-	-	-	-
Equity Attributable to Owners of the Company	**14,083**	14,176	13,922	14,349	14,144
Total Assets Employed	**29,819**	31,184	30,381	30,043	29,337
Total Net Tangible Assets	**15,333**	15,618	15,327	15,768	15,505
Earnings Per Share (sen)	**3.6**	3.7	(11.2)	5.3	14.8
Dividend Per Share (sen)	**1.47**	0.65	-	1.00	8.55
Net Assets Per Share Attributable to Owners of the Company (RM)	**2.96**	2.96	2.91	3.02	3.03
Return on equity (%)	**2.2**	2.0	(2.3)	2.4	4.7
Net gearing ratio (times)	**0.57**	0.61	0.59	0.52	0.49
Dividend payout ratio (%)	**64.0**	55.7	#	50.2	70.1
Share Price - High (RM)	**1.42**	1.72	1.56	2.60	3.47
Low (RM)	**0.41**	0.85	0.55	1.21	1.93

\# *Total RCPS-i A & B dividends paid out for FY2020 amounted to RM132 million. As FY2020 financial results are in loss position, hence there is no dividend payout ratio computed.*

* *Included in FY2018 profit attributable to owners of the Company was a one-off remeasurement gain on the acquisition of the remaining equity interest in Setia Federal Hill amounting to RM349 million. If the said one-off item is excluded, the profit attributable to owners of the Company for FY2019 is higher than the profit attributable to owners of the Company for FY2018 by 7%.*







In accordance with the approved accounting standards, the Group adopts two different income recognition policies for its property development business. Income from the development business in Malaysia and Singapore is recognised over time, throughout the development periods. As such, they contribute revenue and profit more regularly to the Group. However, income from our development business in Australia and the United Kingdom ("UK") is recognised at a point in time upon the completion and handover of developed properties, hence their revenue and profit contribution are more irregular.

In Australia, our two launched projects namely Sapphire by the Gardens and UNO Melbourne recorded impressive take-up rates of more than 85%. In Quarter 4 of FY2022, both projects contributed their respective revenue and profit streams to the Group. Sapphire by the Gardens was successfully completed and handed over in FY2022 while UNO Melbourne is partially completed and 130 units were delivered to UNO buyers towards the end of the year. The remaining 432 units are expected to be completed by the middle of Year 2023.

In the UK, the Group, which has 40% interest in the redevelopment of the Battersea Power Station ("BPS"), also delivered the completion of Phase 2 and Phase 3A. In Year 2021, the residential and commercial properties under Phase 2 were gradually handed over from May 2021 onwards to the unit owners. For Phase 3A, the residential units were progressively handed over to all homebuyers. Similar to the developments in Australia, income from BPS development is also recognised at a point in time upon the completion and handover of developed properties. The Group does not consolidate the revenue of BPS as it is a jointly controlled-entity but the results will be equity accounted into the Group's results.

In 2018, the Group increased its ownership in the prospective Setia Federal Hill development project in Bangsar from 50% to 100%. The acquisition of controlling interest in Setia Federal Hill also entailed the recognition of a one-off fair value gain of RM349 million from the accounting requirement to remeasure our first 50% equity ownership in the company to the acquisition date fair value.

In Singapore, we embarked on our third development project, which is known as Daintree Residence, in Year 2017. The contribution from this project improved over the past few years in tandem with the acceleration of Daintree Residence sales and the vacant possession were handed over to the owners in December 2022.

Malaysia remains the Group's main contributor of revenue from its local development business. It has been contributing consistently, save for some periodical fluctuations due to time-to-time variation in the overall development achievement profile of the portfolio of projects at work. A group-wide strategic re-timing of launches happened in 2018 due to the changed market condition, which resulted in its slightly lower contribution in FY2018. Contribution from our development business in Malaysia trended up again thereafter in FY2019. However, for FY2020, the global outbreak of COVID-19 pandemic imposed unprecedented disruption to the operations of the Group in the property development, retail malls and construction sectors both in Malaysia and overseas. As a result, certain old completed stocks in Johor Bahru were written down by RM140 million as an integral part of a repricing exercise to move old stocks. Similarly, the Group also shared losses on write-down of inventories recognised by BPS, i.e. RM336 million (representing 40% of the Group share) in 2020. Excluding the aforesaid impairment provisions, the Group would have a positive contribution in FY2020.

Due to the emerging variants of the COVID-19 viruses, further targeted lockdowns were sporadically imposed in FY2021, thus hindering the full recovery of the economy. The recovery rates of our business segments were varied due to the different adaptations and compliance requirements imposed by the authorities for different economic sectors. Against the challenges, the Group finished the FY2021 commendably by achieving a profit before tax that is as good as the pre-COVID-19 performance in FY2019.

FY2022 proved to be another challenging year for the property sector as the eruption of the Russian-Ukraine war resulted in the rising inflationary pressure on commodities and building materials coupled with the lockdown in China, which inadvertently disrupted the global supply chain. The shortage of labours faced by most industries aggravated the site progress of our projects nationwide. However, the Group was able to withstand the headwinds by delivering another set of improved financial results in FY2022 as compared to the preceding year.

BUSINESS REVIEW

A GLOBAL PORTFOLIO

47 ONGOING DEVELOPMENT PROJECTS, WITH A GDV OF APPROXIMATELY RM178 BILLION

MALAYSIA

CENTRAL

Our developments in the Central Region are scattered across Kuala Lumpur and Selangor – in Bangsar, Cheras, Puchong, Shah Alam, Klang, Bangi, Semenyih, Cyberjaya and Salak Tinggi. At present, there are 4,055.79 acres of effective undeveloped land banks, holding a potential GDV of RM76.04 billion. We have established five townships and residential enclaves in the areas surrounding Semenyih and Bangi, known as the Semenyih-Bangi Corridor. These townships are Setia EcoHill 1, Setia EcoHill 2, Setia Alamsari North, Setia Alamsari South and the residential enclave of Setia Mayuri. Collectively, these townships cover a land area of 2,622.28 acres.

SOUTHERN

S P Setia's Southern Region holds the second-largest land bank after the Central Region. Our developments in the Southern Region are in the state of Johor, focused primarily in Johor Bahru and Iskandar Malaysia. Both are major growth centres in Johor as Johor Bahru is the capital city and Iskandar Malaysia is the main southern development corridor. Presently, there are 1,157.65 acres of effective undeveloped land banks holding a potential GDV of RM11.84 billion. Due to the large land banks and massive coverage area, we have further grouped our projects in Johor into two corridors – the Johor Bahru Corridor and the Nusajaya Corridor, based on their locational factors.

NORTHERN

S P Setia's developments in the Northern Region started in Penang Island and later expanded its operations to the mainland, launching a massive new township named Setia Fontaines in 2018. On Penang Island, six projects have been developed and six more are pending development. In 2022, the Amari SPICE Penang was opened, directly connected to the Setia SPICE Convention Centre, adding vibrancy to the placemaking. Altogether, there are 1,272.52 acres of effective undeveloped land banks for further development, with a total effective remaining GDV of RM16.03 billion.

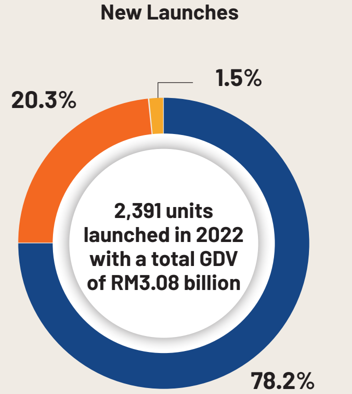
EASTERN

We made our first foray into East Malaysia with the Aeropod development in 2012. Located across the Kota Kinabalu International Airport, Aeropod is a well-planned transit-oriented development in Kota Kinabalu that is capable of serving as the gateway to the entire island of Borneo.

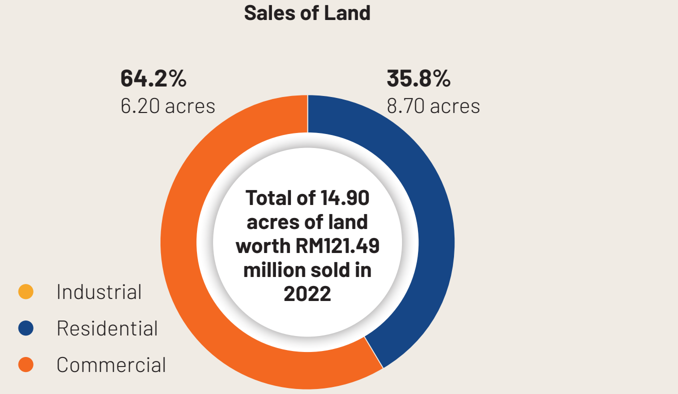
INTERNATIONAL

S P Setia has presence in six foreign countries – Singapore, Australia, Vietnam, China, Japan and the UK. Our proposed development project in Japan has yet to commence, mainly due to the softening property market scenario and post-pandemic global economic climate.

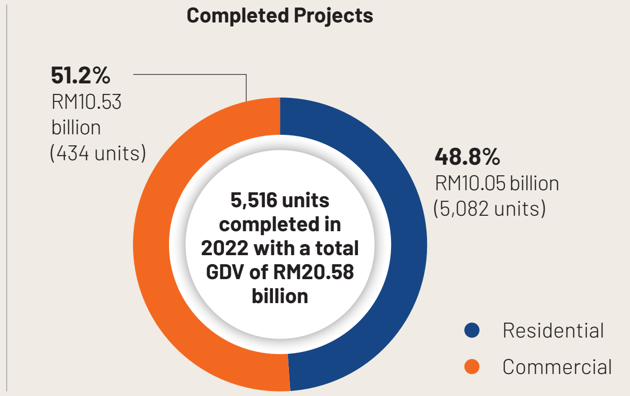
New Launches

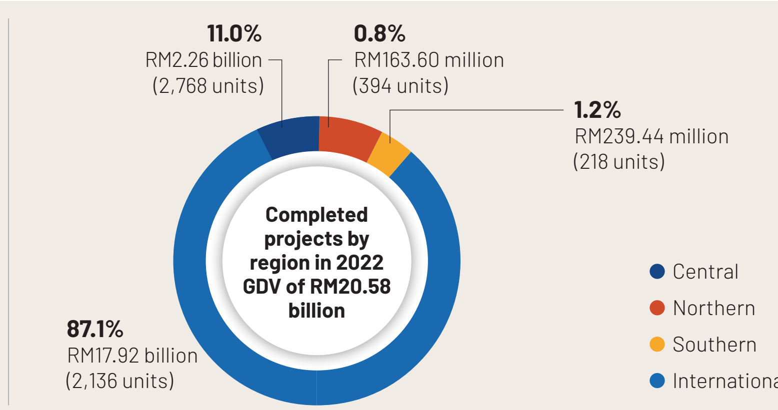


Sales of Land



Completed Projects





As Malaysia's leading property developer, S P Setia is proud to spearhead 47 ongoing development projects, supported by a strong foundation of unbilled sales of RM7.30 billion. With an effective land bank encompassing 6,569 acres of prime real estate located both locally and internationally, we foresee a potential gross development value ("GDV") of around RM121.02 billion.

Our extensive range of projects are designed to meet unique needs, ranging from townships, eco-themed lifestyles, and integrated developments to niche offerings. The majority of our projects are based in Malaysia's Klang Valley, Johor Bahru, and Penang regions, but we also have an impressive selection of international projects, including landed residential properties in an eco-themed township located north of Ho Chi Minh City in Vietnam and strata residential properties in Vietnam, Australia and Singapore.

At S P Setia, we're passionate about creating iconic developments that help shape the world of tomorrow. We're proud to be associated with some of the world's most renowned projects, such as the Battersea Power Station project in London, UK, and our proposed development in Osaka, Japan. Our commitment to quality, innovation, and sustainability is at the heart of everything we do, and we look forward to creating sustainable communites to enrich your lifestyle.

Amantara, Setia Eco Templer, Rawang, Selangor

DRIVING MOMENTUM DURING THE ENDEMIC PHASE

In the face of the COVID-19 pandemic, the Group achieved a commendable feat in 2022, generating sales of RM4.11 billion. This achievement has placed us among the most high-performing players in the industry for the year under review.

Our successful performance in 2022 was the outcome of a concerted and coordinated approach by our dedicated and dynamic sales and marketing teams in all our Business Units ("BUs"). We worked in close collaboration with our GICT team, who provided invaluable technological support to ensure our sales teams were equipped with the most up-to-date tools and technologies.

We employed a comprehensive range of traditional and digital marketing channels to engage with potential homebuyers, including in-person meetings to sustain our momentum and ultimately secure sales.

The Group's success in achieving our sales targets, despite the many challenges presented by the COVID-19 pandemic, is a testament to our steadfast commitment to innovation, quality, and exceptional service.

A FOCUS ON LANDED PROPERTY

The Group remains steadfast in our commitment to provide exceptional residential properties in prime townships. Our sales strategy is rooted in this core principle, and it has consistently proven to be a winning formula.

We successfully identified a growing trend towards landed residential properties. This was especially evident among buyers in stable sectors such as civil service, medical and manufacturing, who were looking to purchase their first homes or upgrade to larger, more spacious properties.

As a leading developer in township development, with townships situated in prime areas across Malaysia, the UK, Vietnam, Japan, and China, we were ideally positioned to capitalise on this trend. In 2022, we leveraged this advantage by offering an expanded range of double-storey terraced and semi-detached houses in our townships in the Central Region, Southern Region, and Northern Region of Malaysia, as well as in Vietnam.

Approximately 73% of our new launches in 2022 comprised landed residential properties, and we are pleased to report that these properties have been well received by the market. This success is a testament to our unwavering commitment to delivering exceptional properties and our ability to understand and respond to market trends.

DIVERSIFICATION INTO INDUSTRIAL-BASED DEVELOPMENTS

The Group is deeply committed to not only expanding our existing businesses, but also diversifying into new areas that complement our strengths as a property developer. We recognise that the key to success is not only in growing our residential townships, but also in exploring new opportunities that drive our business forward.

To achieve this, we have been strategically exploring other areas, such as the industrial subsector, and are excited to announce our plan to develop an industrial estate within our upcoming Setia Alaman project in Klang. This marks a significant milestone for us as a holistic property player. We have also signed a Memorandum of Understanding with a formidable Japanese industrial estate developer to jointly develop a gross land area of approximately 165 acres in Setia Alaman, which demonstrates our strong commitment to expanding our business in the most effective and innovative ways possible.

In addition, we are delighted to announce that we have another exciting project in the pipeline. Our 321-acre plot of agricultural land in Tanjung Kupang, Johor, presents an excellent opportunity to expand our business further into the industrial sector. With its strategic location just three kilometres from Tanjung Pelepas Port, and its accessibility to major highways, we are confident that we can develop the site into a thriving hub for industry and commerce.

By pursuing these opportunities, we remain committed to our mission of creating value for our stakeholders, while building a sustainable future for our customers and communities.

DIGITALISATION: OUR TOMORROW

As the Group embarks on its strategic digital roadmap, we have made significant strides in enhancing our digitalisation capabilities to ensure long-term sustainability. Through various initiatives, we have intensified our focus on strengthening our digital sales and marketing capabilities, streamlining costs and boosting efficiency, and fortifying our data against potential loss or cyber threats. These efforts have enabled us to achieve greater levels of digital sustainability, positioning us as a leading player in the industry.

Our digitalisation efforts have enabled us to:

- Intensify digital sales and marketing with the latest version of the Setia on the Go ("SOTG") mobile app, which is packed with more features and fully integrated with Smart Community features to give a seamless home buying experience, from property search to post-key handover. SOTG 3.0 will further boost usage and pave the way for more quality leads and sales conversions through additional digital channels.
- Improve employee productivity and efficiency by providing the right tools. We continue to modernise the frontline and back office via Microsoft 365 and robotic processing automation to enhance the employee experience. For instance, we saved 3,400 man-days thanks to robotic processing automation.
- Lower operational spending by reducing 47% of data centre hosting costs and 53% of conventional server storage.
- Maintain cyber resilience in accordance with industry-standard cybersecurity posture assessments. For instance, we decreased the phishing rate to a single digit, which was above the market average.

To maintain our digital momentum, we prioritise constant communication and engagement with Team Setia through a range of touch points, including digital playbooks, tech forums, and on-ground sessions. Our goal is to develop a technology-savvy workforce capable of thriving in the digital world, and we work closely with Group Human Resources to achieve this objective through initiatives such as the Setia Movers Digital Champion programme. We also focus on upskilling our sales and marketing teams to leverage Power BI for digital marketing decisions. As part of our Environment, Social and Governance ("ESG") commitment, we have embraced Green Computing and reduced the environmental impact of technology through energy-efficient computing and e-waste control. Going forward, we will explore green building management powered by the Internet of Things.

Central Region

Our developments in the Central Region are scattered across Kuala Lumpur and Selangor — in Bangsar, Cheras, Puchong, Shah Alam, Klang, Bangi, Semenyih, Cyberjaya and Salak Tinggi. At present, there are 4,056 acres of effective undeveloped land banks, holding a potential GDV of RM76.04 billion.

S P Setia is a prominent property player that has contributed to the development of the areas surrounding Semenyih and Bangi. We have established five townships and residential enclaves in these areas, known as the Semenyih-Bangi Corridor. These townships are Setia EcoHill 1, Setia EcoHill 2, Setia Alamsari North, Setia Alamsari South and the residential enclave of Setia Mayuri. Collectively, these townships cover a land area of 2,622.28 acres.

Setia Mayuri, Semenyih, Selangor

S P Setia is synonymous with Setia Alam, its distinguished flagship township. Its fundamental design philosophy is based on seamless connectivity, both within the township and in its surrounding areas. First launched in 2005, the 2,429-acre self-contained township, featuring comprehensive amenities such as excellent schools, shopping malls, shop offices, a clubhouse, parks, convention centres and other facilities, is nearing completion. As such, there is very limited land left for landed residential development.

KEY DEVELOPMENT DATA

First Launch
2004

Total Acreage
2,429.46

Developed Acreage
2,220.79

Total Expected GDV
RM19.15 billion

Effective Remaining GDV
RM8.18 billion

Total 2022 Sales
RM452.00 million

SETIA ALAM AND SETIA CITY

Setia City, Setia Alam, Shah Alam, Selangor

COMPLETED PROJECTS

- Completed Costalis double-storey semi-detached houses, Capita double-storey terraced houses, Auritum double-storey terraced houses, Castanea double-storey semi-detached houses and Carina double-storey terraced houses.
- **Two strata residential projects** that were completed comprise the Rumah Selangorku's De Cemara apartments and the Setia City Residences' Tower Carra.
- Altogether, these comprised **1,078 units** from the seven phases in Setia Alam and were worth **RM556.09 million** in GDV.

ONGOING PROJECTS

- **553 landed** residential units from previous years' launches are under construction.
- **S P Setia's Ambulatory Care Centre** in Setia City, S P Setia's first medical and health service business, is targeted to commence operations in the first quarter of 2023.

NEW LAUNCHES

- Launched **114 units of Altora double-storey terraced houses** and **120 units of Barola double-storey terraced houses**.
- Launched **48 units** of shop offices known as **District 7**.

UPCOMING PROJECTS

- **Two final phases** in Setia Alam will be launched in 2023, comprising landed residential and serviced apartments.
- **Accelerating developments** in Setia City by unlocking the value of commercial land banks.
- **Developing impetus** through the inclusion of a free-standing food, beverage and lifestyle hub along with a tertiary education centre.

Setia EcoHill 1 is in its ninth year of development, while Setia EcoHill 2 is in its sixth year. With abundant green zones that have been creatively landscaped into communal spaces and parks, Setia EcoHill 1 and 2 are located close to each other and are a masterwork of symbiotic co-existence in living, recreation, entertainment and convenience, augmented by easy access.

KEY DEVELOPMENT DATA

First Launch
2013 & 2016

Total Acreage
1,683.77

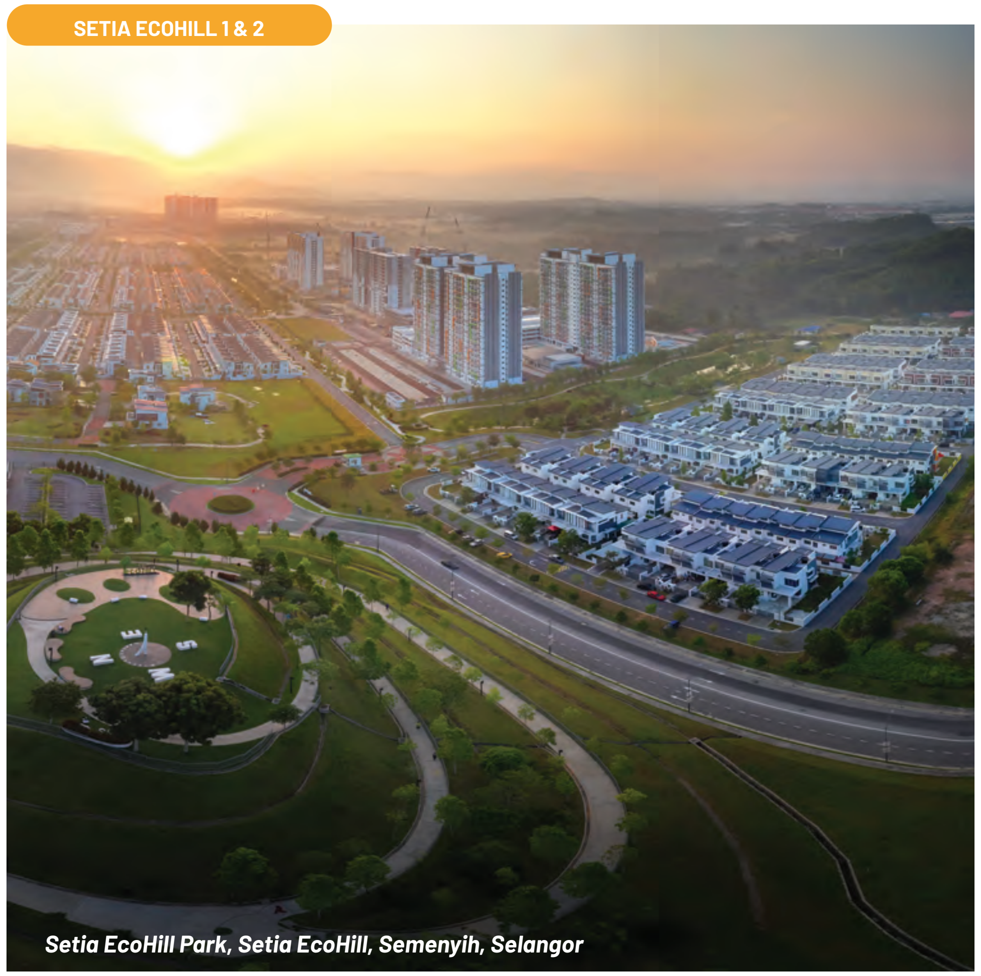
Developed Acreage
671.68

Total Expected GDV
RM10.61 billion

Effective Remaining GDV
RM6.34 billion

Total 2022 Sales
RM283.00 million

SETIA ECOHILL 1 & 2



Setia EcoHill Park, Setia EcoHill, Semenyih, Selangor

COMPLETED PROJECTS

- **Setia EcoHill Mall**, a new marketplace in Semenyih, which has a wide, diverse profile of tenants that comprises F&B, digital, wellness, fashion and other retail outlets, was officially opened in September 2022.
- Completed **105 units** of double-storey terraced houses in Phase 1J04, known as **Barrus** in Setia Ecohill 2.

ONGOING PROJECTS

- **1,101 landed residential units** from previous years' launches are under construction in both Setia EcoHill 1 and Setia EcoHill 2.

NEW LAUNCHES

- **77 units** of double-storey terraced houses known as **Beronia**.
- **40 units** of double-storey semi-detached houses known as **Hanami Residences,** a Japanese-inspired residential enclave, where houses are designed for enthusiasts of minimalist living.
- **84 units** of double-storey semi-detached clustered houses, known as **Friska**; these houses come with a modern facade and are located next to the 17-acre South Creek Park.
- **34 units** of **Reineville bungalows**.

UPCOMING PROJECTS

- The final phase of double-storey terraced houses known as **Chorus is open for registration** and will be launched in 2023.
- Several other **major residential products will be offered** in both the sister townships by next year.

Setia Alamsari in Kajang originally started in 2007 with an initial land area of 432.50 acres. Subsequently, in 2017, another 342.49 acres to its south-west were acquired, named Setia Alamsari South, with the former known as Setia Alamsari North. Setia Alamsari South was first launched in September 2022 with 88 units of double-storey clustered houses.

KEY DEVELOPMENT DATA

First Launch
2007 & 2022

Total Acreage
774.99

Developed Acreage
249.01

Total Expected GDV
RM5.02 billion

Effective Remaining GDV
RM3.97 billion

Total 2022 Sales
RM208.00 million

SETIA ALAMSARI

[Artist's Impression] Serambi Villa, Setia Alamsari, Kajang, Selangor

COMPLETED PROJECTS

- Completed three phases in 2022, comprising **Heron and Malkoha**, which feature **110 units** of double-storey superlinked houses, and **Verdale** comprising **47** bungalow houses.

ONGOING PROJECTS

- **36 units** of double-storey semi-detached houses of **Edence and Florence** are under construction.
- Setia Alamsari's mosque, with a capacity between 4,000 and 5,000 people and facilities including a main prayer hall, classroom, gymnasium, multi-purpose hall and children's playground, has become one of its biggest pull factors.

UPCOMING PROJECTS

- S P Setia will continue to unlock value from commercial land, including petrol station sites to **increase commercial activities** in the township.

NEW LAUNCHES

- **41 units** of double-storey semi-detached houses and bungalows, known as **Serambi Villa,** which are designed to echo the rich aesthetics of Malay architecture, evident in the Rumah Perak-inspired elaborate roofs and earthy tones.
- Launched the first commercial phase called **Emporia**, comprising 30 units of double-storey shop offices.
- Launched **88 units** of **Caressa's** double-storey clustered houses.
- Launched **88 units** of **Caralyn's** double-storey clustered houses in two separate launches due to overwhelming response.

SETIA MAYURI


Setia Mayuri, Semenyih, Selangor

Situated on 163.52 acres of land and surrounded by breathtaking nature along Jalan Broga in Semenyih, Setia Mayuri is a low-density boutique residential development that began construction in 2019.

KEY DEVELOPMENT DATA

First Launch
2019

Total Acreage
163.52

Developed Acreage
39.91

Total Expected GDV
RM973.53 million

Effective Remaining GDV
RM786.90 million

Total 2022 Sales
RM37.00 million

COMPLETED PROJECTS
- Three phases in Setia Mayuri, comprising **14 units of Allia** double-storey bungalows, **46 units of Kandara** double-storey semi-detached houses and **36 units of Kayana** double-storey semi-detached houses.

NEW LAUNCHES
- **24 units** of **Kastela** double-storey semi-detached houses and **five units** of Kastela double-storey bungalows.

UPCOMING PROJECTS
- **More launches of semi-detached houses** and bungalows are in the pipeline for the next five years.
- S P Setia will **unveil two petrol station sites** in the Baris Place commercial area.

BUSINESS REVIEW

SETIA BAYUEMAS

Having been rebranded as Setia Bayuemas last year, the township launched its brand new Setia Bayuemas Lake Park in June 2022 for the betterment of the 545-acre township. The park, dubbed the top-rated lake in Klang by several keen property observers, is now the talk of the town and has been constantly frequented by locals for recreational activities since its opening.

The park won the Silver Award under the Placemaking and Public Space Awards (Private Sector Category) at the MIP Planning Excellence Awards ('MIPPEA") 2022 in January 2023.


[Artist's Impression] Aralia, Setia Bayuemas, Klang, Selangor

KEY DEVELOPMENT DATA

First Launch
2006

Total Acreage
545.00

Developed Acreage
357.09

Total Expected GDV
RM2.89 billion

Effective Remaining GDV
RM1.32 billion

Total 2022 Sales
RM93.00 million

COMPLETED PROJECTS
- **84 units** of **Areca** double-storey terraced houses.

NEW LAUNCHES
- **120 units** of double-storey terraced houses, known as **Aralia**.

ONGOING PROJECTS
- **286 units** of double-storey terraced houses from the 2021 and 2022's launches are under construction.

UPCOMING PROJECTS
- Future launches will include **new products to supplement the double-storey terraced houses** that are in high demand in the township.
- S P Setia will continue its present momentum to establish better **township positioning**.

BUSINESS REVIEW

Setia AlamImpian is dubbed as S P Setia's new flagship township as the present Setia Alam is approaching maturity. The 1,235-acre township has undergone a notable transformational process and presents a more upbeat, vibrant place to livelearnworkplay. Setia AlamImpian has the advantage of being situated in a highly populated location in the vicinity of many growth centres like Shah Alam city, Klang and Petaling Jaya, besides being well connected to the Shah Alam Expressway and the Federal Highway by the Kemuning-Shah Alam Expressway ("LKSA").

KEY DEVELOPMENT DATA

First Launch
2006

Total Acreage
1,235.00

Developed Acreage
964.85

Total Expected GDV
RM9.22 billion

Effective Remaining GDV
RM8.16 billion

Total 2022 Sales
RM353.00 million

SETIA ALAMIMPIAN

[Artist's Impression] Impian Prisma 2, Setia AlamImpian, Shah Alam, Selangor

COMPLETED PROJECTS

- Two residential phases were completed in 2022, including **97 units** of **Pandura** double-storey terraced houses and **110 units of Viola** double-storey terraced houses as well as **48 units of Impian Prima** double-storey shop offices.

ONGOING PROJECTS

- **LakePoint Club and LakePoint Gallerie are under construction** and are expected to be completed in 2023; with the sales gallery being shifted there. Hence, more retail spaces will be opened for shops in Lake Point Central. LakePoint Club will be a clubhouse with comprehensive facilities aimed at serving the township's immediate population as well as its surrounding communities.
- **Eaton International School** is under construction.
- **377 landed residential and shop office units** from this year's and the previous year's launches are under construction.

NEW LAUNCHES

- **Casablanca 2** comprises **64 units** of double-storey clustered houses.
- **46 units** of double-storey shop offices, known as **Impian Prisma 2**.

UPCOMING PROJECTS

- To **market more plots of commercial land** to complement the upcoming LakePoint complex development and Eaton International School in the town centre to accelerate commercial developments in Setia AlamImpian.
- To **develop 81 acres of commercial land** that have been designated for certain commercial developments, including a health park, serviced apartments and mixed commercial use.
- To **create a logistics hub** within the town centre.

Bandar Kinrara has long been well established since its maiden launch in 1991. It is approaching maturity with less than 5% of its present land bank left for development. Only 19 kilometres to the southwest of the city centre of Kuala Lumpur, it features great access from any area of the Klang Valley.

Bandar Kinrara is very popular for its landed residential living and has been a highly sought-after home address for many years. Although the starting prices for double-storey terraced homes are higher than the average within the property market, we recorded full take-ups within a short time span for most of the launches. The existing properties continue to receive healthy capital appreciation mainly due to scarce supply in the township.

KEY DEVELOPMENT DATA

First Launch
1991

Total Acreage
1,903.76

Developed Acreage
1,841.21

Total Expected GDV
RM3.42 billion

Effective Remaining GDV
RM1.43 billion

Total 2022 Sales
RM191.00 million

BANDAR KINRARA

[Artist's Impression] Legasi 4, Bandar Kinrara, Puchong, Selangor

COMPLETED PROJECTS
- **80 units** of double-storey terraced houses of **Legasi 1**.

NEW LAUNCHES
- **44 units** of double-storey terraced houses, known as **Legasi 4**.
- **14 units** of double-storey semi-detached houses.

ONGOING PROJECTS
- **219 units** of double-storey terraced houses and double-storey semi-detached houses from this year's and past years' launches are under construction.

UPCOMING PROJECTS
- S P Setia will continue with launches of the residual landed housing phases in Bandar Kinrara, while **planning the best development mix** for the 16-acre land that is strategically located facing the Bukit Jalil Highway.

TEMASYAGLENMARIE

[Artist's Impression] Temasya Prisma, TemasyaGlenmarie, Shah Alam, Selangor

KEY DEVELOPMENT DATA

First Launch
2008

Total Acreage
570.00

Developed Acreage
504.97

Total Expected GDV
RM3.29 billion

Effective Remaining GDV
RM1.86 billion

Total 2022 Sales
RM8.00 million

TemasyaGlenmarie is strategically located 37 kilometres west of Kuala Lumpur and in close proximity to Petaling Jaya, Subang Jaya, Subang, Shah Alam and Klang. Situated on 570 acres of land, it is easily accessible via major highways such as the Federal Highway, New Klang Valley Expressway ("NKVE"), New Pantai Expressway ("NPE") and Guthrie Corridor Expressway ("GCE"). Upon the completion of the light rail transit ("LRT") Shah Alam Line ("LRT3"), public transportation to and from TemasyaGlenmarie will be further enhanced. Currently, the existing LRT station is the CGC Glenmarie station under the LRT Kelana Jaya Line.

NEW LAUNCHES
- **216 units** of low-density serviced apartments, which are part of the integrated development of Temasya Prisma.
- **3 new factory units** known as Alpine.

UPCOMING PROJECTS
- S P Setia intends to unlock the value of the remaining land banks in TemasyaGlenmarie, which includes a plan to **transform commercial land of approximately 22 acres into a highly integrated commercial development** comprising retail, office, mall and strata residential components.

SETIA ECO PARK & PRECINCT ARUNDINA @ SETIA ECO PARK

Emma Crest, Setia Eco Park, Shah Alam, Selangor

KEY DEVELOPMENT DATA

First Launch
2004 & 2019

Total Acreage
864.48

Developed Acreage
681.52

Total Expected GDV
RM6.59 billion

Effective Remaining GDV
RM1.26 billion

Total 2022 Sales
RM262.00 million

Setia Eco Park is a well-established, exclusive and luxurious gated-and-guarded neighbourhood amid nature, located next to the Setia Alam township. Launched in 2004, the 791-acre high-end sanctuary-like development is about 80% developed. Within the development, there is a 56-acre forest park where the residents can enjoy jungle trekking, eco-discovery walks and panoramic views from an observation tower. Another 94 acres have been dedicated to waterways, lakes and creeks.

Precinct Arundina @ Setia Eco Park is located on 73.29 acres of land to the north of Setia Eco Park. It was first launched in 2019 and most of the components are double-storey semi-detached houses. The grand luxury precinct is visible right from its entrance, featuring spacious ingress and egress lanes. It is of low density and encompasses a safe environment for multigenerational living. The exclusive residents' clubhouse within the precinct offers state-of-the-art facilities and services as well as charming outdoor spaces for relaxation, reflection and recreation in luxury.

COMPLETED PROJECTS
- 44 units of double-storey semi-detached houses of Emma Crest in Setia Eco Park.

ONGOING PROJECTS
- 35 units of bungalows in Setia Eco Park and 192 units of double-storey semi-detached houses in Precinct Arundina are under construction.

NEW LAUNCHES
- Phase 18A (the Paradise Birds collection), comprising 12 units of double-storey bungalows and 42 units of double-storey semi-detached houses.
- Phase 2A in Precinct Arundina, comprising 48 units of double-storey semi-detached houses.
- Phase 18B, comprising 13 units of double-storey bungalows and 30 units of double-storey semi-detached houses.

SETIA ECO TEMPLER

Peranakan Straits in Setia Eco Templer, Rawang, Selangor

KEY DEVELOPMENT DATA

First Launch
2016

Total Acreage
194.65

Developed Acreage
112.96

Total Expected GDV
RM1.82 billion

Effective Remaining GDV
RM943.64 million

Total 2022 Sales
RM104.00 million

Setia Eco Templer is an eco-township development located within a rainforest setting and is surrounded by the Templer Park and Bukit Kanching forest reserves. Located on 194.65 acres of land, it is situated 28km to the north of Kuala Lumpur city by way of the Federal Road and is also accessible via the PLUS Highway, Kuala Lumpur–Kuala Selangor Expressway ("LATAR"), GCE and Middle Ring Road 2. In addition, an interchange at Setia Eco Templer, opened in April 2021 with its starting point at Persiaran Eco Templer, gives residents and other road users a shorter route to the Federal Road (Jalan Rawang).

COMPLETED PROJECTS
- Three phases of projects, comprising 75 units of Samaya and Samara double-storey linked houses, 68 units of Mandara and Maya double-storey semi-detached houses and 12 units of Ayana and Alila double-storey bungalows.

UPCOMING PROJECTS
- S P Setia plans to develop a waterfront commercial hub in the southern area, which is closer to the ingress into Setia Eco Templer, to be an enhancement to the completed landed residential units. It is a way to add value to the project's intended lifestyle. Upon completion, there will be a shopping area and a hangout for the residents and the communities from the surrounding areas.

Situated on 268.10 acres of land in Cyberjaya, Setia Eco Glades is a medium-sized residential enclave based on the Green Building Index ("GBI") certification criteria.

All the houses and community facilities in Setia Eco Glades have been GBI-certified to be sustainable, where attention is given to green features and details like using eco-friendly paint, rainwater harvesting and LED lighting to generate a smaller carbon footprint.

KEY DEVELOPMENT DATA

First Launch
2012

Total Acreage
268.10

Developed Acreage
235.81

Total Expected GDV
RM2.98 billion

Effective Remaining GDV
RM631.33 million

Total 2022 Sales
RM144.00 million

SETIA ECO GLADES

Setia Marina 2, Setia Eco Glades, Cyberjaya, Selangor

COMPLETED PROJECTS
- 152 units of double-storey linked houses in Parcel C1 (Reef of Tropic collection).

ONGOING PROJECTS
- 18 units of double-storey bungalows and 42 units of double-storey semi-detached houses in Glades of Westlake are under construction.

NEW LAUNCHES
- 100 units of double-storey bungalows, double-storey semi-detached houses and double-storey courtyard houses in Isle of Fantasia.

SETIA SAFIRO

Setia Safiro Clubhouse, Setia Safiro, Cyberjaya Selangor

KEY DEVELOPMENT DATA

First Launch
2019

Total Acreage
57.02

Developed Acreage
34.83

Total Expected GDV
RM784.71 million

Effective Remaining GDV
RM236.99 million

Total 2022 Sales
RM63.00 million

A boutique residential development built on 57.02 acres of land, Setia Safiro is located in Cyberjaya, within close proximity of Setia Eco Glades. The gated-and-guarded development is designed with a Spanish theme and comes with an exclusive 40,000-sq ft private clubhouse with facilities like a swimming pool, wading pool, children's playground, gymnasium and multipurpose hall. Its linear landscape park and pocket gardens are within walking distance of all houses and is connected to the clubhouse and linear waterway. It is approximately 61% developed.

COMPLETED PROJECTS
- 166 units of Rosario's double-storey terraced houses.

ONGOING PROJECTS
- 222 units of double-storey linked houses from Phase 3A (the Amadeo collection) and Phase 2 (the Oliveria collection) from past years' launches are under construction.

NEW LAUNCHES
- Amadeo collection (Phase 3B), comprising 38 units of double-storey linked houses.
- Isadora (Phase 4A), comprising 26 units of double-storey linked houses.

SETIA WARISAN TROPIKA

Setia Warisan Tropika, Sepang, Selangor

KEY DEVELOPMENT DATA

First Launch
2019

Total Acreage
129.96

Developed Acreage
70.21

Total Expected GDV
RM765.21 million

Effective Remaining GDV
RM558.25 million

Total 2022 Sales
RM45.00 million

Setia Warisan Tropika is situated on 129.96 acres of land in the Salak Tinggi vicinity, between Putrajaya and the Kuala Lumpur International Airport ("KLIA"). Located 16 kilometres to the south-east of Cyberjaya, it is easily accessible via several highways including the Putrajaya–Dengkil link, Maju Expressway ("MEX"), North-South Expressway Central Link ("ELITE") and PLUS Highway. It is also close to the Salak Tinggi Express Rail Link ("ERL") station, and within a short drive of Xiamen University Malaysia, KLIA, KLIA2, the Mitsui Outlet and the DPULZE Shopping Centre.

ONGOING PROJECTS

- **135 units of Adenia** double-storey terraced houses and **187 units of Belladonna** double-storey linked houses are under construction.

KL ECO CITY ("KLEC")

[Artist's Impression] Aspire Tower, KL Eco City, Bangsar, Kuala Lumpur

KEY DEVELOPMENT DATA

First Launch
2011

Total Acreage
24.88

Developed Acreage
20.63

Total Expected GDV
RM7.27 billion

Effective Remaining GDV
RM2.20 billion

Total 2022 Sales
RM103.00 million

This transit-oriented integrated development along Jalan Bangsar in Kuala Lumpur, which comprises commercial and residential components, is partially completed. Several of its completed commercial and residential buildings are already tenanted. In June 2022, KLEC won one of the awards for S P Setia at the FIABCI World Prix d'Excellence Awards 2022 in Paris, France in the Mixed-use Development category.

ONGOING PROJECTS

- **Various ongoing marketing and promotional activities** were held in 2022 to sell the remaining available office space at Aspire Tower and the apartments in ViiA Residences.

UPCOMING PROJECT

- A tower consisting of **450 condominium units** is scheduled for launch in 2023.

TRIO BY SETIA

[Artist's Impression] TRIO by Setia, Bukit Tinggi, Klang, Selangor

KEY DEVELOPMENT DATA

First Launch
2016

Total Developed Acreage
5.49

Total GDV
RM493.97 million

Effective Remaining GDV
RM0.84 million

Total 2022 Sales
RM56.00 million

TRIO by Setia is an integrated high-rise development in Klang. Comprising three blocks of serviced apartments and commercial units, which include retail shops and office suites, the development is located in the Bandar Bukit Tinggi township. With resort-styled developments and facilities such as a swimming pool, gymnasium, sauna, sunken deck and yoga deck, it is easily accessed by road or LRT. It is only a kilometre away from the main road of Jalan Langat (the Klang–Banting road) and within a short walking distance of the Klang Jaya station on the LRT3. The new LRT project is ongoing and targeted to be completed in early 2024.

ONGOING PROJECTS
- The residential blocks are nearing completion and are **targeted for handover** in 2023.

NEW LAUNCHES
- Three-storey commercial block, known as **Triowalk**, comprising **32 units** of shops and office suites.

UPCOMING PROJECT
- Targeted to **launch several low-cost shops** in 2023.

BUSINESS REVIEW

SETIA FEDERAL HILL


[Artist's Impression] Setia Federal Hill, Kuala Lumpur

Setia Federal Hill is positioned to be a new landmark in Kuala Lumpur city. Strategically located within a stone's throw away from Kuala Lumpur Sentral and Bangsar, it lies on 51.66 acres of land and carries a targeted GDV of RM20.19 billion.

UPCOMING PROJECTS
- Setia Federal Hill will be **developed to be an integrated, sustainable, green development** comprising office space, retail and residential components. Future launches will include residential and commercial components. S P Setia is finalising the concept, design and master plan in order to achieve the best outcomes for the project as a sustainable development.

Southern Region

S P Setia's Southern Region holds the second-largest land bank after the Central Region. Our developments in the Southern Region are in the state of Johor, focused primarily in Johor Bahru and Iskandar Malaysia.

Both are major growth centres in Johor as Johor Bahru is the capital city and Iskandar Malaysia is the main southern development corridor. Presently, there are 1,157.65 acres of effective undeveloped land banks holding a potential GDV of RM11.84 billion.

Due to the large land banks and massive coverage area, we have further grouped our projects in Johor into two corridors – the Johor Bahru Corridor and the Nusajaya Corridor, based on their locational factors. The townships in the Johor Bahru Corridor include Setia Indah, Setia Tropika, Setia Eco Cascadia, Taman Rinting and Taman Pelangi Indah, together with Setia Business Park 2. On the Nusajaya Corridor's list are Bukit Indah, Setia Eco Gardens, Taman Pelangi, Taman Perling, Setia Business Park, Taman Industri Jaya and the high-rise residential property of Setia Sky 88.

Setia Tropika, Johor Bahru, Johor

SETIA TROPIKA

Setia Tropika, Johor Bahru, Johor

KEY DEVELOPMENT DATA

First Launch
2005

Total Acreage
736.26

Developed Acreage
626.04

Total Expected GDV
RM4.14 billion

Effective Remaining GDV
RM1.18 billion

2022 Sales
RM99.00 million

Setia Tropika is a fully gated-and-guarded modern township featuring an integrated commercial and business district with an award-winning 12-acre town park, built on 736.26 acres of land in Johor Bahru.

COMPLETED PROJECTS
- **128 units of Calidora 2** double-storey clustered houses.
- A seven-storey free-standing office building known as **Oka Tower**.

ONGOING PROJECTS
- **48 units** of double-storey semi-detached houses in **Alocasia** are under construction.

NEW LAUNCHES
- **30 units** of three-storey shop office, known as **Livistonia VIII**.
- **40 units** of **Alocasia 2** double-storey semi-detached houses.

UPCOMING PROJECTS
- S P Setia will continue to **accelerate developments to optimise the use of commercial land** in Setia Tropika by bringing in new business operators and constructing purpose-built commercial buildings for them.

TAMAN RINTING

[Artist's Impression] Amaya Terrace in Taman Rinting, Johor Bahru, Johor

KEY DEVELOPMENT DATA

First Launch
1982

Total Acreage
831.00

Developed Acreage
723.78

Total Expected GDV
RM1.06 billion

Effective Remaining GDV
RM720.59 million

2022 Sales
RM34.00 million

Taman Rinting is one of S P Setia's largest and oldest townships. Launched back in 1982, the 831-acre township in Masai is a preferred address for people who commute to Johor Bahru and Pasir Gudang due to its strategic location and direct access to the Pasir Gudang Highway, one of Johor's lifelines in transportation networks.

COMPLETED PROJECTS

- **48 units of Desiran 1's** double-storey clustered houses.

NEW LAUNCHES

- **Amaya**, comprising **26 units** of double-storey terraced houses.

UPCOMING PROJECTS

- To continue to **build commercial interest** in Taman Rinting, future launches will see more commercial properties coming up in strategic locations within the township.

TAMAN INDUSTRI JAYA

Taman Industri Jaya is a niche industrial estate that sits on 192.30 acres of land and includes detached and semi-detached factories and shop offices. A matured estate since its launch in 1995, it is 97% developed and left with only 5.86 acres pending development.

KEY DEVELOPMENT DATA

First Launch
1995

Total Acreage
192.30

Developed Acreage
186.44

Total Expected GDV
RM502.12 million

Effective Remaining GDV
RM53.49 million

2022 Sales
RM52.00 million

[Artist's Impression] Setia Nexus 2, Taman Industri Jaya, Johor Bahru, Johor

ONGOING PROJECTS

- Total of **86 Nexus and Setia Neo industrial properties** in the form of detached, terraced and semi-detached factories are under construction.

UPCOMING PROJECT

- Future launches will include the final phase of factories.

NEW LAUNCHES

- **Eight units** of 1½-storey detached factories, known as **Setia Nexus 2**. The factories are designed for industrial operations and come with practical features for better operational efficiency. They are suitable for a wide range of businesses like warehousing, forwarding and workshops.
- Launched **24 units** of terraced factories, known as **Setia Neo 2**, which are designed to be versatile in usage and has multifunctional layout plans to suit a wide range of business specifications such as warehousing, logistics and incubation.

BUSINESS REVIEW

TAMAN PELANGI INDAH

[Artist's Impression] Capitol Square 2, in Taman Pelangi Indah, Johor Bahru, Johor

KEY DEVELOPMENT DATA

First Launch
1997

Total Acreage
1,035.93

Developed Acreage
862.02

Total Expected GDV
RM2.47 billion

Effective Remaining GDV
RM2.00 billion

2022 Sales
RM41.00 million

Taman Pelangi Indah was developed based on the concept of building a community within a serene, resort-like environment. Launched in 1997, the township spreads across approximately 1,036 acres of high ground. Approaching maturity, it is about 83% developed. The township has proximity to the Johor Bahru city centre, Pandan Tebrau, Ulu Tiram and Plentong. Several amenities and shopping facilities are within a short drive away, like the Tebrau Sport and Recreational Centre, Mydin Pelangi Indah, Lotus's hypermarket, Aeon Mall Tebrau City, IKEA Tebrau and Sultan Ismail Hospital.

COMPLETED PROJECTS
- **32 units of Capital Square 2's** double-storey and three-storey shop offices.

UPCOMING PROJECTS
- Future launches will include **double-storey terrace houses on larger areas of land** for more spacious living areas and to make use of commercial land.

BUKIT INDAH JOHOR

Bukit Indah, Johor Bahru, Johor

KEY DEVELOPMENT DATA

First Launch
1997

Total Acreage
1,521.07

Developed Acreage
1,484.64

Total Expected GDV
RM5.61 billion

Effective Remaining GDV
RM528.45 million

2022 Sales
RM110.00 million

Launched in 1997, Bukit Indah is located within our Nusajaya Corridor near Johor Bahru. It is a well-established township with many facilities and amenities including schools, shopping malls, hypermarkets, hotels and restaurants. This is one of the most highly sought-after residential and business addresses in Johor Bahru. It is easily accessible via the Eastern Dispersal Link ("EDL"), Coastal Highway, North-South Highway and Second Link Expressway. Its 20-acre award-winning town park accommodates a wide range of leisure activities.

COMPLETED PROJECTS
- **9 single-storey shop units** of **Indah Biz 3**.

ONGOING PROJECTS
- **Sky Trees serviced apartment** is under construction and comprises 484 residential units and 26 retail lots.
- **40 units** of 3-storey and 4-storey shop offices known as **Indah Prime** are under construction.

SETIA ECO GARDENS

[Artist's Impression] Pine, Setia Eco Gardens, Gelang Patah, Johor

KEY DEVELOPMENT DATA

First Launch
2007

Total Acreage
764.83

Developed Acreage
556.25

Total Expected GDV
RM2.98 billion

Effective Remaining GDV
RM925.54 million

2022 Sales
RM79.00 milllion

Setia Eco Gardens lies on 764.83 acres of land in Gelang Patah, within our Nusajaya Corridor. It has road frontage onto Jalan Tanjung Kupang and is easily accessible from the Malaysia-Singapore Second Link Highway and Skudai-Pontian Highway. First launched in 2007, it is about 73% developed.

Setia Eco Gardens offers its residents an eco-living experience within a tranquil rainforest environment. Each precinct is gated and guarded. The development mix is made up of mostly residential projects consisting of double-storey terraced houses and bungalows.

NEW LAUNCHES
- **Two new products** in Setia Eco Gardens, which are **Maple** and **Pine,** of which both comprise double-storey terraced houses.

UPCOMING PROJECTS
New launches in 2023 will consist of **more terraced houses** to accommodate the steady demand for landed homes.

TAMAN PELANGI

[Artist's Impression] Pelangi Avenue, Taman Pelangi, Johor Bahru

KEY DEVELOPMENT DATA

First Launch
1974

Total Acreage
500.00

Developed Acreage
487.38

Total Expected GDV
RM1.98 billion

Effective Remaining GDV
RM1.66 billion

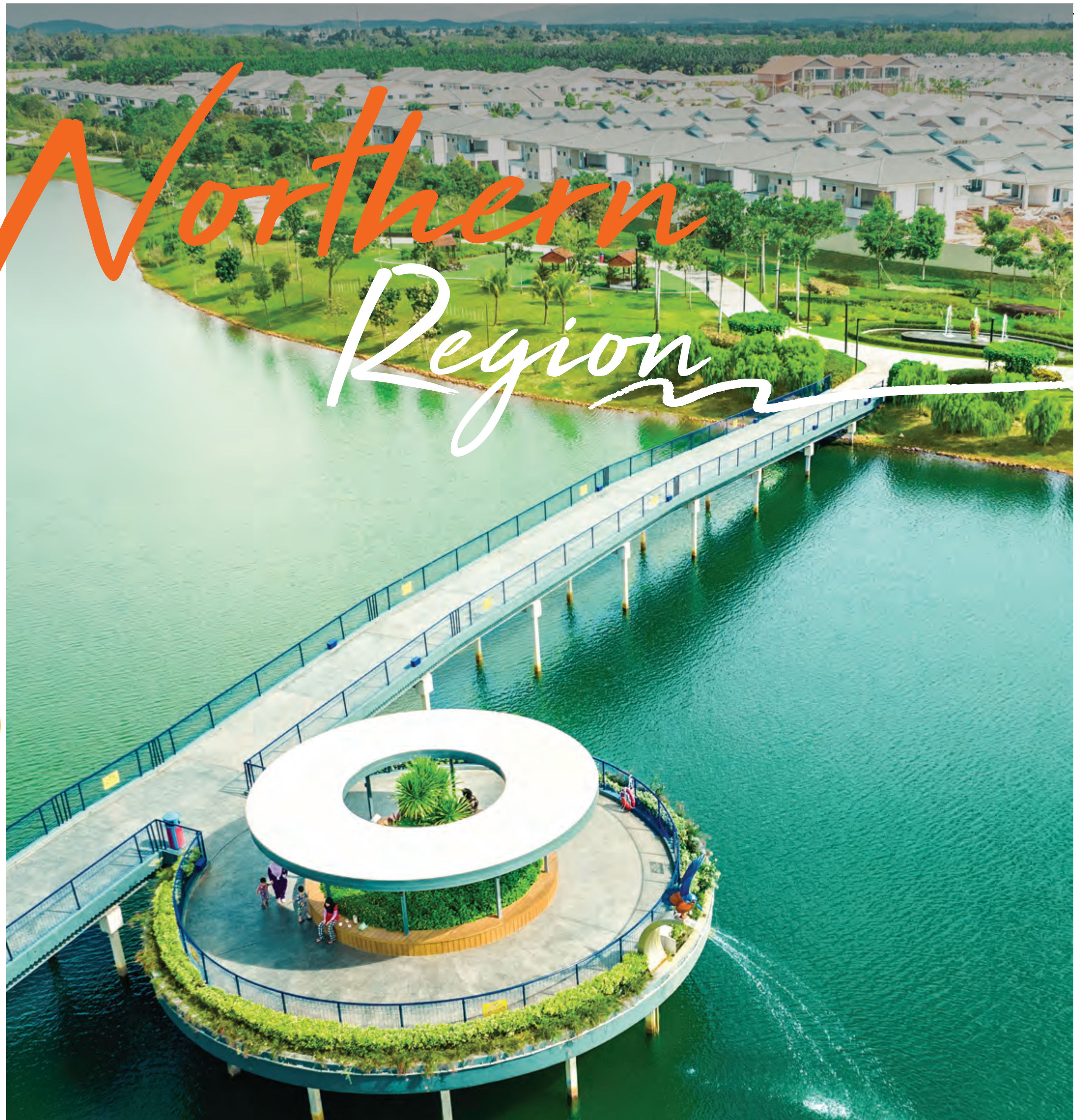
2022 Sales
RM24.00 million

Taman Pelangi is amongst S P Setia's oldest townships as it was launched in 1974. Located just on the outskirts of Johor Bahru city centre, it is well established and surrounded by matured neighbourhoods. Standing on 500 acres of land, it is about 97% developed with the remaining land designated for strata and commercial developments.

NEW LAUNCHES
- **57 units** of 4-storey strata shop office known as **Pelangi Avenue**.

UPCOMING PROJECTS
New launches in the next few years will consist of **strata residential and mixed commercial developments**, in time with the targeted completion of the Johor Bahru-Singapore Rapid Transit System ("RTS") by 2026. RTS is a 4km international railway shuttle link between the Bukit Chagar station in Johor Bahru and Woodlands in Singapore. With this enhancement of public transport, it is expected to bring more footfall to its surrounding areas, including Taman Pelangi, and create a positive spillover effect for the local economy.

Northern Region



S P Setia's developments in the Northern Region started in Penang Island and later expanded its operations to the mainland, launching a massive new township named Setia Fontaines in 2018.

On Penang Island, six projects have been developed with six more pending development. Setia SPICE has become a new iconic landmark on the island as the destination for meetings, incentives, conferences and exhibitions ("M.I.C.E.") and business tourism in the Penang state. In 2022, the Amari SPICE Penang was opened, located right next to Setia SPICE, adding vibrancy to placemaking.

Altogether, there are 1,272.52 acres of effective undeveloped land banks for further development, with a total effective remaining GDV of RM16.03 billion.

Setia Fontaines, Penang

SETIA FONTAINES

[Artist's Impression] Amansara North, Setia Fontaines, Penang

KEY DEVELOPMENT DATA

First Launch
2018

Total Acreage
1,691.00

Developed Acreage
537.44

Total Expected GDV
RM12.61 billion

Effective Remaining GDV
RM11.91 billion

2022 Sales
RM137.00 million

Setia Fontaines, dubbed 'The Only Choice' and 'City of the North', is a world-class, mega-township masterfully planned for sustainable living in the Northern Corridor. It lies on 1,691 acres of land in Kepala Batas, North Seberang Perai district and is surrounded by the growth centres of Sungai Petani in the north, Kulim in the east, Butterworth in the west and Bukit Mertajam in the south. It is easily accessible from major highways like the North–South Highway (PLUS) from the Bertam interchange, Butterworth-Kulim Expressway ("BKE"), Butterworth Outer Ring Road, Penang Bridge and the old Federal Road.

COMPLETED PROJECTS
- **394 units from three phases of the Amansara South collection namely Joy, Bliss and Glow**.

NEW LAUNCHES
- A total of **192 units** of single-storey terraced house and double-storey terraced house from the **Amansara North (Phase 1) collection**.

ONGOING PROJECTS
- **480 units** ranging from single-storey terraced houses to double-storey detached houses in the **NusaCinta** collection are under construction.
- The **City Centre Business Hub**, comprising **111 units** of shop offices, is under construction and targeted for completion in 2023. Amongst others, it is intended to house several popular F&B brands. Once completed, it will become a thriving neighbourhood in Seberang Perai's north district.

UPCOMING PROJECTS
- To continue **offering attractive residential products** from several new collections.
- To **offer more commercial properties** like shop offices.
- To monetise suitable commercial land to speed up development and **create more business vibrancy**; by way of attracting appropriate interested parties or buyers from subsectors like education and healthcare.

SETIA GREENS

[Artist's Impression] Casa Rica, Setia Greens, Penang

KEY DEVELOPMENT DATA

First Launch
2010

Total Developed Acreage
28.85

Total GDV
RM615.86 million

2022 Sales
RM37.00 million

Setia Greens was first launched in 2010. The existing properties include three-storey semi-detached houses and three-storey terraced houses. It is situated on 28.85 acres of land in Sungai Ara, Georgetown, Penang. The residential enclave is an ideal place to stay for those working in the south of Penang Island and is aimed at those who want to come home from work to tranquillity, away from the hustle and bustle of Georgetown city. It is close to Bayan Lepas International Airport and surrounded by amenities such as schools, malls and healthcare centres.

NEW LAUNCHES
- **22 units of Casa Rica's** double-storey semi-detached houses.

SETIA MIRACCA


[Artist's Impression] Setia Miracca, Penang

Setia Miracca, a 36-storey residential building, will be S P Setia's latest development in Penang Island when it is launched in the first half of 2023. Located in the southern part of the island in Teluk Kumbar, the 480-unit high-rise apartment project will be developed on a site covering 2.60 acres. The targeted GDV is RM235.00 million.

Eastern Region

We made our first foray into East Malaysia with the Aeropod development in 2012. Located across from Kota Kinabalu International Airport, Aeropod is a well-planned transit-oriented development that is capable of serving as the gateway to the entire island of Borneo.

[Artist's Impression] Aeropod, Kota Kinabalu, Sabah

AEROPOD

Aeropod, Kota Kinabalu, Sabah

KEY DEVELOPMENT DATA

First Launch
2012

Total Acreage
50.73

Developed Acreage
6.71

Total Expected GDV
RM1.99 billion

Effective Remaining GDV
RM1.35 billion

2022 Sales
RM4.00 million

Located opposite Kota Kinabalu International Airport, Aeropod has the potential to become a transit-oriented mixed development as it encompasses the Tanjung Aru railway station, which is on the Western Sabah Railway Line. The rail services operate from Tanjung Aru on the West Coast to Tenom, a distance of about 134 kilometres. In addition, it has a large road frontage on the main road of Jalan Kepayan, which connects Kota Kinabalu to the southern growth areas.

The Aeropod development includes boutique offices, retail units, business-class hotels and luxury strata residences. To date, 176 units of retail offices have been completed and businesses are operational on site.

COMPLETED PROJECTS
We **continued to monetise the existing unsold stocks** of boutique offices in Phase 3A.

UPCOMING PROJECTS
To strengthen our brand identity in Kota Kinabalu, we will **open a new Welcome Centre,** which will have a more strategic location and higher accessibility in efforts to have better customer engagement and encourage walk-ins.

International Region

S P Setia has presence in six foreign countries – Singapore, Australia, Vietnam, China, Japan and the United Kingdom. Our proposed development projects in Japan has yet to commence, mainly due to the softening property market scenario and post-pandemic global economic climate.

Sapphire by the Gardens, Melbourne, Australia

SINGAPORE


Daintree Residence, Singapore

KEY DEVELOPMENT DATA

First Launch
2018

Total Developed Acreage
4.63

Total GDV
RM1.46 billion

2022 Revenue
RM584.00 million

COMPLETED PROJECT
The low-density, low-rise Daintree Residence, located in the central Bukit Timah area, was completed in December 2022. The sold-out project consists of 327 units and has a GDV of **RM1.46 billion**.

UPCOMING PROJECT
To continue building our brand presence in Singapore and **facilitate the cross-selling of our international investment-grade portfolio**, S P Setia is considering the acquisition of a suitable site with good potential for our next development project here.

AUSTRALIA

With S P Setia now a household brand in Melbourne, the capital city of Victoria and Australia's second-largest city, we continue to focus on meeting the ever-growing demand for housing. The metro area population of Melbourne is estimated to be 5.23 million in 2023, a 1.35% increase from the 2020 population census of 5.16 million people.


Sapphire by the Gardens, Melbourne, Australia

KEY DEVELOPMENT DATA

Sapphire by the Gardens

First Launch
2017

Total Developed Acreage
1.02

Total GDV
RM1.20 billion
(Sapphire residential)

Total 2022 Sales
RM18.00 million

UNO Melbourne

First Launch
2018

Total Developed Acreage
0.40

Total Expected GDV
RM1.39 billion

Total 2022 Sales
RM25.00 million

COMPLETED PROJECTS
- **325 units** of high-rise apartments at **Sapphire by the Gardens**.
- **203 units** of the **UNO Melbourne** high-rise apartments.

ONGOING PROJECTS
- The **Shangri-La Hotel** that is adjacent to the Sapphire by the Gardens apartments is under construction.
- **435 units** of **UNO Melbourne** are under construction.

UPCOMING PROJECTS
With all of S P Setia's projects in Australia receiving good response, particularly in Melbourne, it is vital to **continue building our brand presence** in the country. S P Setia is therefore on the lookout for new land banks in strategic locations in Melbourne. With Australia presently moving towards a 'buyer's market', S P Setia will have more options to choose from.

VIETNAM

S P Setia has presence in Vietnam and participates in developing the country's property sector via its two development projects — the EcoLakes township and EcoXuan boutique strata development — both within proximity of Ho Chi Minh City.

EcoLakes is an urban, integrated township with comprehensive planning and design, transforming it into an ecological oasis, inspired by the Setia Eco Park development in Selangor, Malaysia. It is located in Ben Cat, Binh Duong, which is about 40km to the north of Ho Chi Minh City.

EcoXuan is a boutique development project on 27 acres of land. Located in Lai Thieu, about 16 km to the north of Ho Chi Minh City,


EcoLakes, Binh Duong, Vietnam

COMPLETED PROJECTS
- **110 units** of double-storey and three-storey bungalows and semi-detached houses in R4A in EcoLakes.
- Completed **320 units** of apartments and **five units** of shop lots in Setia Sky Residences C in EcoXuan.

ONGOING PROJECTS
- **606 units** of double-storey and three-storey rowhouses, together with **44 units** of shop lots are under construction in EcoLakes.

NEW LAUNCHES
- **R3AB (Phase 1)** comprising **144 units** of double-storey and three-storey bungalows and semi-detached houses in EcoLakes.
- **R3AB (Phase 2)** comprising **28 units** of double-storey and triple-storey bungalows and semi-detached houses in EcoLakes.

UPCOMING PROJECTS

S P Setia will continue its natural expansion in Vietnam, especially via its EcoLakes project, a **joint venture with the Investment & Industrial Development Joint Stock Corporation (Becamex)**, Vietnam's government agency responsible for developing the industrial and property sector in Vietnam.

KEY DEVELOPMENT DATA

EcoLakes

First Launch
2008

Total Developed Acreage
108.20

Total Expected GDV
RM1.43 billion

Effective Remaining GDV
RM244.06 million

EcoXuan

First Launch
2010

Total Acreage
27.00

Total Developed Acreage
16.74

Total Expected GDV
RM961.76 million

Effective Remaining GDV
RM577.90 million

Total 2022 Sales
RM24.00 million

UNITED KINGDOM

Battersea Power Station is located in the Central London Business District along the River Thames. It is owned by a consortium of Malaysian investors consisting of S P Setia Berhad (40%), Sime Darby Property Berhad (40%) and the Employees' Provident Fund ("EPF") (20%).

The project covers an area of 41.67 acres and includes 3.5 million square feet of mixed commercial space and over 4,000 strata residential units.

An iconic landmark in the city of London, Battersea Power Station is listed as a Grade II* building, which categorises it as a building with historical or architectural significance that is to be preserved properly. The regeneration project is seeing the creation of a vibrant, mixed-use placemaking, offering a community of homes, shops, restaurants, offices as well as cultural and leisure venues.

KEY DEVELOPMENT DATA

First Launch
2012

Total Acreage
41.67

Developed Acreage
26.52

Total Expected GDV
RM50.78 billion

Effective Remaining GDV
RM9.58 billion


Battersea Power Station, London, United Kingdom

COMPLETED PROJECTS
- Completed the **commercial components in Phase 2** comprising about 500,000 square feet of office space, 112 core retail units, a food hall and an event space within Battersea Power Station.
- Completed **Electric Boulevard (Phase 3a)** and there are three main components — residential, commercial (retail) and commercial (hotel). The residential portion includes 540 apartment units across three 14-storey buildings.
- Completed **26 retail units** on the newly created Electric Boulevard High Street.
- Completed **164 hotel rooms, two restaurants, a bar and a rooftop pool** in Electric Boulevard.

ONGOING PROJECTS
- **Phase 3b** is still under construction.
- **Phases 3c, 4, 5, 6 and 7** are in the pipeline.

Our Sustainability Review

Isle of Botanica, Setia Eco Glades, Cyberjaya

OUR SUSTAINABILITY JOURNEY

SUSTAINABILITY HIGHLIGHTS

Sustainability is front and centre in our pursuit to build sustainable communities and enrich lifestyles. In 2022, we strengthened our sustainability journey and adopted a holistic approach that enables us to strategically integrate sustainability goals into business practices and respond to change. Our goal is to create value for all stakeholders and generate long-lasting positive impacts for people and planet. We are pleased to report that we implemented various initiatives that created Economic, Environmental and Social ("EES") impacts in the year under review. Our Sustainability Highlights provide an overview of the key impacts that we have made across the three sustainability themes:

Economic – Sustainable, Innovative and Quality Development

Environmental – Best Practices in Environmental Management

Social – Positive, Sustained Community and Social Impacts

We have commissioned a total of **12.17 MWp** of solar capacity across four of our key projects, which are Setia Eco Park, Setia Alamsari, Setia Fontaines and Setia Safiro.

Our Setia Bayuemas development has **adopted innovative features** in the design of all upcoming new phases to empower our customers to be part of our environmental aspirations.

Contributed **RM405,154.07** under S P Setia Foundation.

D'Network @ Setia Eco Park has used the installed capacity of the **518 kWp** solar system to meet **100%** of its electricity needs.

Team Setia provided a cumulative total of **38,492** training hours in 2022, with an average of **19.4** training hours per employee.

A total of **11,187** trees were planted and transplanted across **25** Business Units ("BUs")

Infrastructure development amounting to **RM1.56 billion**.

We have collaborated with Tenaga Nasional Berhad ("TNB") in our efforts towards **promoting a green technology ecosystem**.

Completed housing development projects amounting to **RM10.05 billion**.

75.2% of S P Setia's homebuyers recommend purchasing S P Setia properties to friends and relatives.

SUSTAINABILITY FRAMEWORK

Sustainability is core to our business decision-making and activities, as we seek to create long-term positive impacts on people and the planet. As such, we strive to embed EES considerations in our business management and daily operations. We also review our sustainability approach from time to time to ensure that our strategy remains relevant to current trends in order to mitigate risks and identify opportunities.

In 2022, we bolstered our sustainability approach with a new Sustainability Framework and enhanced our Sustainability Governance to include sustainability oversight at the Board level. The Board Sustainability Committee was established to look into S P Setia's strategic direction, and oversees sustainability strategy, direction, performance and risks. The new sustainability approach will pave the way for S P Setia to prepare and respond to changes in the market and stakeholder expectations. This includes enabling the organisation be ready to implement a circular economy as part of the Group's overall sustainability plan and ensuring compliance with regulatory requirements.

The new Sustainability Framework aims for the Group to better drive sustainability to create sustainable communities. Approved and validated by S P Setia's Senior Management and the Board, the new Sustainability Framework is anchored on three robust pillars, with each pillar aligned with identified key material matters. We have also selected 15 United Nations Sustainable Development Goals ("UN SDGs") that are aligned with the key material matters and the pillars. Going forward, we will keep reviewing and updating our sustainability approach to align with the rapid development of the sustainability landscape, and to mitigate risks and identify opportunities to ensure the sustainability of the business.

SETIA SUSTAINABILITY FRAMEWORK

Organisational Purpose and Vision

Setia

Purpose
Creating sustainable communities

Vision
To be the leader in creating sustainable communities and enriching lifestyles

Sustainability Governance
S P Setia's oversight of sustainability practices as led by its governance structure

	Economic	Environmental	Social
Sustainability Themes	Sustainable, Innovative and Quality Development	Best Practices in Environmental Management	Positive, Sustained Community and Social Impacts
Key Material Matters	• Economic Performance • Innovation	• Environment • Emissions	• Occupational Health and Safety • Customer Satisfaction • Community and Social Impacts
UN SDGs Alignment	3, 5, 7, 8, 9	10, 11, 12, 13, 15	1, 4, 6, 16, 17

Key Principles	Stakeholder engagement	Anticipating and Responding to Changes in the Business Environment	Integrating Sustainability Goals into Business Processes	Strengthening Sustainability Practices through Continuous Learning and Environment
Key Business Processes	Strategic Planning Policies & Procedures	Regulatory Compliance Reporting & Monitoring Assurance & Verification	Budget & Financial Planning Risk Management Brand Management	Talent Management Digital Transformation

OUR ENVIRONMENT, SOCIAL AND GOVERNANCE ("ESG") ASPIRATIONS

Taking into account the current market landscape and trends, we have reassessed our sustainability matters in tandem with our revised materiality matrix. We have identified our seven key priority material matters and developed Group-level targets with the intention of driving Team Setia to achieve these objectives.

ECONOMIC

Sustainable, Innovative and Quality Development

Goal 1
Ensure sustainability of the business

Goal 2
Preferred "Green" stock on Bursa Malaysia

Goal 3
Promote a culture of innovation and digital transformation for best products and user experience

MATERIAL MATTER	TARGETS
Economic Performance	• Promoting sales of property with green features • Secure green loan for end-financing • Promote circular economy in our development processes
Innovation	• Incorporate green features within projects *(Green features include, but are not limited to, solar panels, green switches, green-certified materials, etc)* • Inculcate a continuous culture of innovation as a catalyst for S P Setia's sustainability solutions

ENVIRONMENTAL

Best Practices in Environmental Management

Goal 1
Ensure a clean, healthy and safe environment in building sustainable communities

Goal 2
Aspire to become Carbon Neutral by 2030

Goal 3
Aspire to achieve Net Zero Carbon by 2050

MATERIAL MATTER	TARGETS
Environment	• Maintain zero cases of monetary fines for non-compliance with all environmental laws and regulations • Less than five cases of Notice of Improvement and zero cases of Notice of Prohibition • 100% building and major infrastructure contractors to obtain ISO 14001 and ISO 45001 certification • Real-time monitoring of environmental pollutants (for active construction sites and within 500m of residential and commercial areas)
Emissions	• Establish emissions inventory for S P Setia's operations • Charting pathways towards Carbon Neutrality and Net Zero aspirations – Setia Green Roadmap

SOCIAL

Positive, Sustained Community and Social Impacts

Goal 1
Ensure safe and conducive environment for all stakeholders

Goal 2
Inculcate safety and health culture throughout the organisation and among employees and stakeholders

Goal 3
Enhance customer loyalty and trust

Goal 4
Create shared values through excellent customer experience from quality products and services

Goal 5
Balance profitability and social investment to enhance shared values impacting the community

Goal 6
Build towards a diverse, equitable and inclusive workplace

MATERIAL MATTER	TARGETS
Occupational Health and Safety	• Zero work-related incidents • Stop-work order by authorities related to occupational health and safety regulations • Continuous safety and health campaign for Setia's employees, contractors and community
Customer Satisfaction	• Minimum 75% satisfaction rate from housebuyers • Quarterly community engagement programme to promote neighbourhood unity • 75% CIDB scoring on Quality Assessment System in Construction ("QLASSIC") on annual development basis
Community and Social Impacts	• Establishing a more comprehensive Setia Labour Rights Policy • Maintain at least 40% women's representation in Setia's Senior Management • Introduce volunteerism leave to promote employee well-being and community engagement

We aim to disclose our ESG Scorecard against these targets alongside other materiality matters, in alignment with the UN SDGs.

SUSTAINABLE, INNOVATIVE AND QUALITY DEVELOPMENT

As a leading property developer in Malaysia, S P Setia is focused on ensuring that our developments and quality product offerings generate long-term value creation to benefit our stakeholders, while responsibly maintaining positive social impacts and environmental sustainability.

Material Matters:

- Economic Performance
- Innovation
- Market Presence
- Procurement Practices
- Climate-Related Financial Risks and Opportunities
- Indirect Economic Impacts
- Anti-Corruption
- Anti-Competitive Behaviour

Notes:
For information on:
i. **Market Presence,** please refer to We Consider Our Operating Environment from pages 32 to 38.
ii. **Indirect Economic Impacts,** please refer to Community and Social Impacts on pages 140 to 144.
iii. **Anti-Competitive Behaviour,** please refer to Corporate Governance Overview Statement from pages 170 to 195.

[Artist's Impression] Aspire Tower, KL Eco City, Bangsar, Kuala Lumpur

A ECONOMIC PERFORMANCE

REGAINING MOMENTUM

The gradual recovery of the country's economy, relaxation of movement restrictions and overall return to normalcy in 2022 enabled the Group to drive strong sales performance, building on the momentum gained in 2021. In 2022, we also launched a total of 44 phases of projects, comprising 2,391 residential and commercial units with a gross development value ("GDV") of RM3.08 billion domestically and internationally. The major milestone was the launch of the Battersea Power Station. In addition, we continued strengthening our capital structure, optimising land bank utilisation, clearing unsold product offerings and expanding existing townships.

Total
RM3.08 billion
2,391 units

IMPROVING LIFESTYLES THROUGH INFRASTRUCTURE INVESTMENT

One of Team Setia's contributions towards nation building is the upgrading of public infrastructure and facilities. We believe that through meaningful projects, we are able to uplift the lives of communities, fight against inequalities, create more job opportunities and heighten positive social interactions. The following infographic illustrates our contributions as of the end of 2022.

TRIO By Setia

Artist's Impression

Infrastructure Investment:
- **Road widening and upgrading strormwater drainage**

Amount:
- **RM1.07 million**

Setia Seraya Residences

Infrastructure Investment:
- **Resurfacing main road**

Amount:
- **RM490,600**

B INNOVATION

DELIVERING QUALITY PRODUCTS THROUGH INNOVATION

At S P Setia, our customers' needs are always met through exceptional service and quality products. Our culture of excellence encompasses a strong sense of commitment to quality, teamwork and professionalism. These values and practices are further embedded through our compliance with the SIRIM ISO 9001 Quality Management System ("QMS").

As a leading property developer, we leverage innovation to remain competitive, achieve steady growth and seek sustainable solutions. Innovation in S P Setia spreads throughout the organisation, from operations to project implementation and support services, and even to Senior Management.

Throughout the years, we have seen great transformations in the way we do business, from ideation to implementation and recently, sustainability. Internally, we have digitalised the Group Human Resource systems, finance processes, procurement contracts and credit administration and increased the use of digital marketing platforms. Taking it a step further, completed developments are now handed over via apps and we even render after-sales service through digital means.

Technical Excellence Committee ("TEC")

Innovation is best reflected in the establishment of our Technical Excellence Committee ("TEC") in 2018. The TEC ensures that our housing developments are constantly undergoing quality improvements and product innovation. In addressing the future with innovation and technology, we incorporate updated knowledge of construction techniques and processes as well as sharpen our acumen to foresee, avoid or address issues promptly. The TEC covers six elements of the Technical Excellence Framework, namely Planning & Design, Contractor & Product Quality, Consultant, Landscape, People Development and Sustainable Smart Development. These elements help the Committee to monitor customers' expectations and facilitate the development and implementation of technical excellence strategies and initiatives.

Presently, S P Setia has two main core teams, the TEC and the Customers Excellence Committee ("CEC"), and both are activated to pitch innovation ideas until implementation for processes, products and customer experience. In view of its functions and scope, the TEC is led by an Executive Vice President ("EVP") consisting of leaders from Contracts Administration, Project Planning & Development, Project Implementation and Landscape and Quality Assurance & Quality Control ("QAQC"). It is well supported by other units including the Group Contracts Department ("GCD") and Group Quality Management ("GQM"). Each key BU and Department is represented in our TEC, which directs its respective units to achieve market-leading product quality.

Technical Excellence Committee ("TEC")			
Objective To achieve Technical Excellence			
Led by EVP consisting of leaders from	Contracts Administration	Project Planning & Development	Project Implementation
	Landscape and QAQC	Group Contracts Department	Group Quality Management
Technical Excellence Framework covering six areas	Planning & Design	Contractor & Product Quality	Consultant
	Landscape	People Development	Sustainable Smart Development

Spotlight Story

SMART AND SUSTAINABLE DEVELOPMENT IN OUR PROJECTS

At S P Setia, we aim to create thriving communities by developing buildings based on the latest trends in design, technology and our customers' needs, focusing on sustainability. The TEC has been driving Smart and Sustainable Developments ("SSD"), a subset of the Setia Digital Transformative Initiative, across the Group. Key personnel and representatives from each project are responsible for working towards a common goal of providing a living environment infused with "smart" technology and ensuring this lifestyle can be continued through a "sustainable model".

Six SSD framework pillars serve as the foundation for the TEC's innovation strategies, which include smart innovation in the property construction and project development sectors, research and development on new technologies as well as identifying the latest sustainability initiatives. These six pillars are as follows:

Guided by the six pillars above, the TEC has identified 11 key topics and various initiatives under each topic.

Sustainability
- Energy Efficiency
- Water Efficiency
- Indoor Environment Quality
- Site Planning / Master Layout Planning

Smart
- Smart Community / Lifestyle
- Smart Safety
- Smart Mobility
- Smart Wellness / Healthcare
- Smart Energy
- Smart House / Building
- Smart Digital Infrastructure ICT

MANAGING THE DELIVERY OF QUALITY PRODUCTS

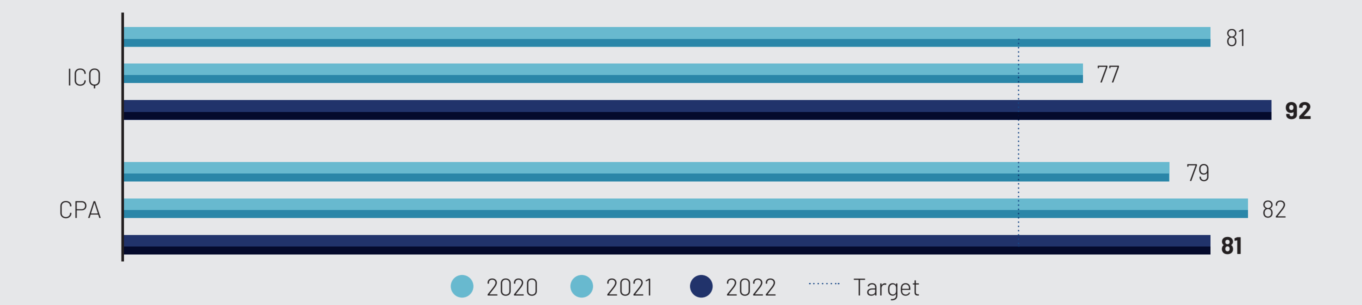
Our framework to deliver quality products is premised on the QLASSIC framework. QLASSIC, a standard created by the Construction Industry Development Board ("CIDB") acts as a guideline and benchmark for our project team when it comes to the quality workmanship of our construction projects. With this framework, we are able to consistently monitor workmanship and at the same time, ensure stringent quality control.

GQM further monitors product quality performance via regular In-process Construction Quality ("ICQ") Assessment and CPA site audits. The ICQ assessment measures the in-process construction product quality of building projects. The assessment is held on a bimonthly basis and is in compliance with S P Setia's Quality Standard and specifications.

On another note, the Construction Performance Assessment ("CPA") is a quality-level measure of the architectural work of a completed project. Based on S P Setia's Quality Standard, contractors are required to achieve a minimum CPA score of 75% to obtain the Certificate of Practical Completion. Post-assessment, contractors will receive their results together with feedback on areas that need improvement.

In FY2022, our property developments successfully achieved an average score of more than 86.5% for both ICQ and CPA:

Construction Quality Scoring (%)



Spotlight Story

DEFECT COMPLAINT MANAGEMENT

Team Setia is proactive when it comes to making sure that our developments and product lifecycles revolve around the parameters of our Project Quality Plans. We are disciplined in executing our monitoring programmes, with an effective defect management system to track and manage defects across projects with the support of the teams in charge. In 2022, we continued to boost the efficacy of our defect management system with the implementation of the SNAGR system. The automation of the inspection process allows instant reporting and information exchange between our Customer Relations Unit and involved parties, including customers, contractors and consultants.

All BUs in S P Setia have implemented SNAGR as the Defect Management System to facilitate the efficiency in managing customer feedbacks. We have seen improvement in our response in which we were able to resolve 70.29% of defect complaint cases within 14 days in 2022, compared to 64.5% in 2021.

PRODUCT SAFETY FEATURES FOR PEACE OF MIND

We are committed to fulfilling the requirements of Sustainable Cities and Communities under UN SDG 11 in the design of our properties. We implement this by incorporating sustainable and resilient safety features into our sales galleries, commercial buildings and residential buildings.

Product Safety Features

Business Unit	Project	Safety Features
Setia Eco Templer	Phase 2A	• Lightning arrestors to protect residents and household electrical appliances from lightning strikes • Home alarm systems
Setia EcoHill	Setia EcoHill Walk	• These safety features were for the following projects: Carnus, Frossa, Aronia, Allia and Kandara • Motorcycle parking - bar and chain to secure bike • Fire door with anti-panic function • Traffic-related: wheel stopper, convex mirror, speed hump • Floor tiles with minimum R11 rating in outdoor areas to prevent falls • Movement joint to prevent tile pop-up • Identifying edges of drops with different coloured nosing tiles / pebble wash finish • Disabled-friendly features: ramp, parking, toilet, lift car
	Frossa	• Disabled-friendly toilet attached to ground floor bedroom
Setia Eco Glades	Setia Botanika Hammock Club	• Ramp for the elderly and persons with disabilities ("PWD") at clubhouse • Tac tiles for PWD at clubhouse
Setia Eco Gardens	Tenby School	• Ramp for the elderly and PWD
	#15 Bungalow	• AAC Block (Starken DuraPro5™) for internal building wall (GreenLabel Singapore)
Setia Trio	Trio Sales Gallery	• Ramp and disabled-friendly toilet at Sales Gallery

CUTTING-EDGE TECHNOLOGY WITH INDUSTRIALISED BUILDING SYSTEM

To remain competitive and deliver quality products, we utilise the Industrialised Building System ("IBS"), a cutting-edge technology to ensure the timely delivery of our products. In comparison to the traditional construction methods, IBS aids us by shortening the timeframe of our project development and providing higher safety performance against external forces.

For example, our wholly-owned subsidiary, Setia Precast Sdn Bhd, adopts precast technology, which allows it to serve as a one-stop IBS centre specialising in constructing high-rise apartments, landed houses and commercial buildings.

We completed two commercial and apartment buildings in 2022 with the help of the IBS system:

No.	Project	Location	Completion Date
1	RSKu De Cemara Apartment	Bandar Setia Alam	28 July 2022
2	Bywater Auritum 2-storey Terrace House	Bandar Setia Alam	30 December 2022

RESPECTING AND SAFEGUARDING CUSTOMER PRIVACY

We fully understand the importance of safeguarding customer privacy as a protective measure and strategic element in customer retention, brand growth and business opportunities. As a leading property developer, the Group continues to adhere to the Personal Data Protection Act ("PDPA"), enforced on 15 November 2013.

We protect the personal data of our customers against loss, theft, misuse and unauthorised access, usage, alteration and destruction through ethical administrative measures and technical precautions. Personal data is only stored for required periods to fulfil the various purposes outlined in our Privacy Policy. Customer privacy is further protected through the deployment of several cybersecurity measures.

Our set policies and procedures act as a directive to shield data from cyber threats. We create awareness and educate our Team Setia through the following programmes and activities:

i. Talks and roadshows by qualified legal personnel for all BUs, raising awareness on data privacy, its importance and repercussions

ii. Group Legal Department-led initiatives to review and update all relevant documents and correspondence affecting all parties, especially customers. The review ensures relevance and PDPA compliance by:
   a) Providing customers with a clear privacy notice, including opt-out options for targeted advertising campaigns
   b) Obtaining customer consent to process their sensitive data

iii. Group Legal Department to carry out review of the exercise with updates and communications on PDPA via email to all staff across the Group in 2019

Notwithstanding the absence of a structured mechanism to review the effectiveness of the Management's approach, the BU Heads and Group Legal teams are collaborating closely to diligently trace any potential threats at the operational level. Our GQM Department is also responsible for highlighting any relevant findings during its regularly scheduled audits.

Cybersecurity-related Policies and Procedures

Document Title	Safety Features
Managing Windows and Application Systems and Passwords Policy	Manages application systems passwords and provides guidelines for information and system access
Managing Network System and Access Control Policy	Protects network system from unauthorised access and prevents damage to the Group's network system
Email and Internet Acceptable Use Policy	Defines the acceptable use of the Internet and email for the Group
Server and Network Equipment Password Management Policy	Establishes guidelines for managing passwords for servers and network
File Server Policy	Controls the access and storage of files in the file server to ensure information is preserved for confidentiality, integrity and availability

Team Setia also underwent training sessions on cybersecurity via an eLearning platform from September 2022 to December 2022. A total of 1,990 team members attended the sessions, which shared topics from basic security to more complex skills such as securing passwords and scammer identification.

C PROCUREMENT PRACTICES

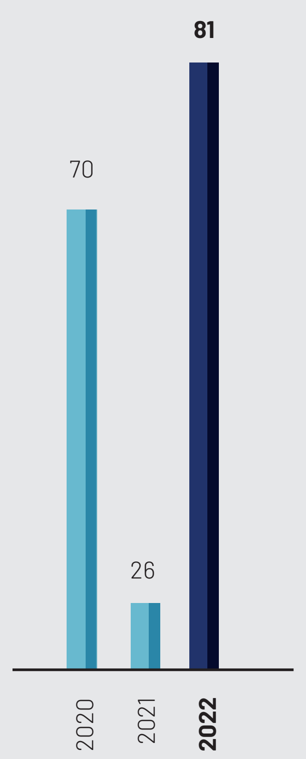
As a leading property developer, we work with vendors from various industries to assist us in achieving and maintaining quality excellence in our products and services. Our suppliers, contractors and specialised consultants contribute throughout our project lifecycle, from before the commencement of each project right up to delivery and after-sales services. Therefore, a robust supply chain is important for us as it ensures that our daily operations are undisrupted.

In 2022, we engaged 128 contractors throughout our project developments across Malaysia:

Location (Based on Contractor's Location)	Number of Contractors Awarded with Contracts			Monetary Value of Payment		
	Year 2020	Year 2021	Year 2022	Year 2020	Year 2021	Year 2022
Penang	26	9	**13**	13.6%	8.2%	**8.2%**
Klang Valley	104	92	**80**	64.2%	84.5%	**69.3%**
Johor	21	17	**32**	21.9%	6.7%	**21.9%**
Other Areas	5	3	**3**	0.3%	0.6%	**0.6%**

On a yearly basis, S P Setia sources for new contractors to expand our pool of suppliers. In 2022, the number of new registered contractors increased to 81 compared to 26 in the previous year.

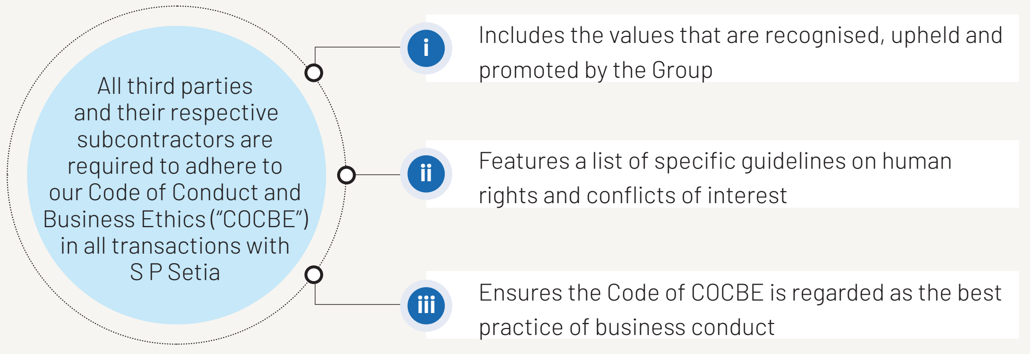
Number of New Registered Contractors



ESTABLISHING A RESPONSIBLE SUPPLY VALUE CHAIN

We remain committed to maintaining a fully sustainable supply chain and have incorporated key social and environmental aspects into the management of our supplier relationships. In our endeavour to build trust and generate long-term benefits for all stakeholders across our supply chain, the Group's values and principles are extended to all third parties. We strive to ingrain integrity and transparency in all that we do, by cultivating a safe and healthy workplace, implementing environmental practices and strictly complying with all the relevant laws and regulations in the areas where we operate.

An efficient procurement process is important to us because it is one of the main processes that will contribute to lowering costs, improving our bottom line and ultimately, the quality of our products. Robust procurement processes also directly contribute to economic growth, generate employment opportunities and increase social value through township developments that support quality of life.



S P Setia's suppliers, vendors, contractors and business partners are encouraged to integrate the same sustainable practices into their business operations. Suppliers and contractors are expected to:

- i. Adhere to regulatory requirements, including federal, state and municipal laws and statutes
- ii. Comply with all industry standards, practices and limits to minimise environmental and social impacts, including Health, Safety, and Environment ("HSE") aspects
- iii. Make a commitment to conserve the environment and prevent pollution, such as noise, waste and air
- iv. Comply with industry standards and provide good-quality workmanship

To fulfil these requirements, it is compulsory for our contractors to go through a structured pre-qualification process with HSE as one of the criteria and commit to a service level agreement. Moreover, S P Setia appoints a team to conduct monthly audits across all our project sites and a Yearly Contractor Performance Evaluation ("CPE"), to ensure that our engaged contractors comply with applicable laws and regulations. Contractors are also required to submit monthly progress reports to S P Setia for monitoring, including HSE management on-site.

It is necessary for our business partners to be aware of the importance of sustainability in order for S P Setia to advance with our sustainability goals. We continue to actively engage with our business partners and associates to raise awareness and share knowledge through briefings before work commences, construction team meetings and the submission of progress reports to S P Setia and the Chief Executive Officer ("CEO") / Chief Operating Officer ("COO") dialogues.

SELECTING AND ASSESSING SUITABLE VENDORS

In the goods and services procurement process, a formal assessment of suppliers and vendors is essential to measure their performance against various criteria, and to determine if they are equipped to meet the Company's needs. S P Setia has implemented stringent tender processes and annual performance evaluations for its contractors.

A Supplier Environmental Assessment

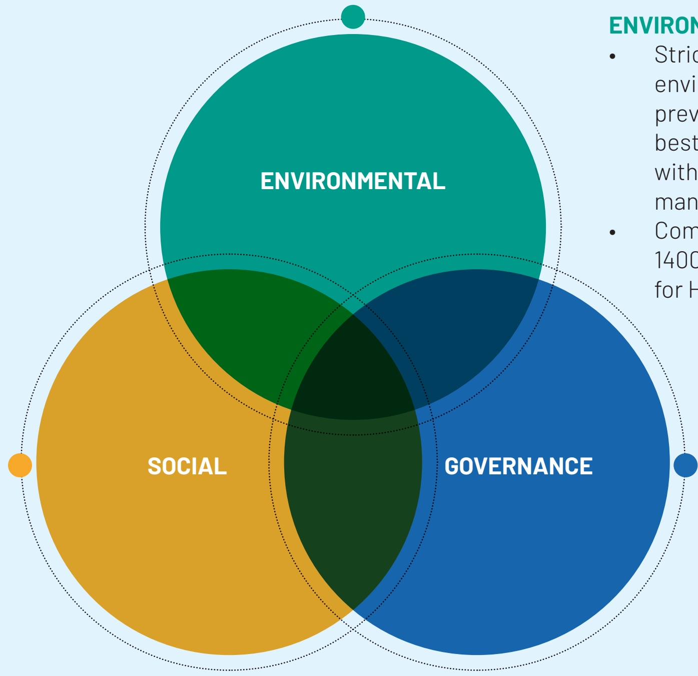
While quality, pricing, performance and timeliness are important factors in our selection, the sustainability practices of our vendors' businesses are decisive. Our supplier environmental assessment ensures that all building contractors engaged by S P Setia will be evaluated on their registration with certification bodies (ISO 14001) in the Pre-Qualification of Contractors process and on HSE criteria during site visits conducted by the Project Implementation Personnel. HSE audit is conducted on a monthly basis to ensure compliance with requirements. Environmental Impact Assessment ("EIA") is carried out for applicable developments to ensure compliance with regulatory requirements.

B Supplier Social Assessment

All building contractors are assessed on their registration with certification bodies (ISO 45001) and the number of accidents/incidents reported over the last three years. All major contractors are evaluated on the HSE criteria during the site visits by the Project Implementation Personnel for Pre-Qualification of Contractors. Additionally, to minimise negative social impacts on the supply chain and actions taken, S P Setia conducts a monthly HSE audit per project parcel for all properties.

Our entire vendor assessment process is also aligned with the following ESG criteria:

SOCIAL
- Insurance for workers
- Health, safety and environment
- Compliance with laws and regulations for foreign workers
- Provide decent accommodation to foreign workers according to the Workers' Minimum Standards of Housing and Amenities (Amendment) Act 2019
- Meet or exceed Malaysia's minimum wage
- Prevention of forced labour and child labour
- Compliance with all applicable labour laws where we operate



ENVIRONMENTAL
- Strictly comply with all applicable environmental legislation, preventing pollution and adopting best practices in accordance with the Group environmental management system
- Comply with and maintain ISO 14001 and ISO 45001 certifications for HSE monitoring

GOVERNANCE
- Compliance with laws
- Act with integrity
- Maintain accountability
- Avoid conflicts of interest
- Maintain confidentiality
- Anti-bribery and corruption

SUPPORTING LOCAL PROCUREMENT

Our procurement practices are developed to support people and environment as our suppliers, vendors, contractors and Business Associates ("BA") play a significant role in S P Setia's business. Our support goes a long way towards strengthening the business of local suppliers, while we meet our CSR targets. Supporting local procurement is also more cost-efficient, saves time and reduces our carbon footprint. To this end, S P Setia prefers local sources of goods and services to support the economy in areas where we operate.

In 2022, 100% of our contractors were local companies whose businesses were registered in Malaysia:

D CLIMATE-RELATED FINANCIAL RISKS AND OPPORTUNITIES

As extreme weather events such as floods continue to disrupt daily lives and business activities, we acknowledge that the effects of climate change can impact our business in the long term. As such, we will take the first step to mitigating climate risks by identifying climate-related financial risks and opportunities. We aim to adopt the Task Force on Climate-related Financial Disclosures ("TCFD") framework in the next financial year, which will help provide clear and comprehensive information about S P Setia's exposure to climate risks and opportunities.

E ANTI-CORRUPTION

ANTI-BRIBERY AND ANTI-CORRUPTION GOVERNANCE FRAMEWORK

It is essential to defend the Company against all forms of corruption and bribery, as well as to prevent any loss and damage to our business and operations. To this end, we have an anti-bribery and anti-corruption governance framework that is implemented to combat bribery and corruption.

The Board oversees S P Setia's anti-bribery and corruption efforts and is responsible for ensuring the policy meets the Group's legal and ethical requirements. Our IGU is tasked with implementing and managing the overall effectiveness and efficiency of our anti-bribery and corruption initiatives.

The IGU team comprises qualified Certified Integrity Officers who are entrusted with managing complaints, performing detection and verification and strengthening integrity and governance functions. It is headed by the Chief Risk, Integrity and Governance Officer and Head of IGU, who reports to the Risk Management Committee. 40 IGCs were nominated and appointed in all BU and Corporate Functions to support integrity and governance matters such as corporate liability and to promote the Setia High-Integrity culture.

IGU REPORTING LINE

BOD
- To shape the tone and climate of integrity in Setia
- To endorse biannual report to Bahagian Pengurusan Integrasi Agensi ("BPIA")

IGU
- To carry out the IGU's core functions:
  - Complaints management
  - Detection and verification
  - Integrity enhancement
  - Governance

RMC
- To monitor the effective functions of the IGU and to assist the BOD in overseeing the overall issues of corruption, fraud, malpractice and unethical conduct

CLIENTS
- To ensure compliance and adherence to the applicable laws and Setia's suites of Anti-Bribery and Corruption related policies
- To come forward and report any genuine concern within Setia's business environment in strictest confidence without fear of retaliation

CRIGO
- To ensure timelines, expertise and efficiency in managing the risks of corruption, abuse of power and malpractice
- To ensure the IGU is functioning effectively

Board of Directors

Risk Management Committee ("RMC")

IGU

S P Setia Corporate Functions

BUs: Central Region, Northern Region, Southern Region, Eastern Region, Other Subsidiaries, International Projects

Business Associates, Joint-Venture Partners

In FY2022, we continued to conduct training and briefing sessions to fulfil the IGU's objectives and to facilitate the collation of data and information whenever necessary.

POLICIES AND PROCEDURES ON ANTI-BRIBERY AND ANTI-CORRUPTION

Good business ethics, honesty, integrity and accountability are paramount in the way we do business. We have zero tolerance for bribery and corruption, and we continue to uphold the highest ethical standards across our workplace and in all our business transactions and relationships.

We remain guided by our Anti-Bribery and Corruption Policy, which has a clear framework in accordance with Section 17A of the MACC Act (Amendment 2018) on Corporate Liability. We continue to ensure that initiatives that fall under Adequate Procedures underlining TRUST principles are properly planned and implemented to prevent corrupt practices across our business activities. Our Anti-Bribery and Corruption Policy should be read along with S P Setia's COCBE and the relevant standard operating procedures ("SOP") outlined in this Policy.

Team Setia is strictly prohibited, under any circumstances, to make contributions or donations, and receive or give any form of gifts. However, exceptions are made to this rule that are indicated clearly in our Gifts and Hospitality Policy, as well as the Donations and Sponsorship Policy. S P Setia's SOPs for donations, contributions and sponsorships for external events and accepting and giving of gifts and/or hospitality are firmly established for Team Setia in the management of gifts, donations and hospitality issues. Third-party due diligence is rolled out and implemented across the Group, which comprises third-party questionnaires, background checks and encouragement to establish ABC policies for SMEs, which include commitments from subcontractors (where applicable).

Our policies on anti-bribery and corruption are published on the Group's website and are available for viewing at https://spsetia.com/en-us/corporate-governance-home. In 2022, our policies also applied to our overseas operations, which include Singapore, Japan, Vietnam and Australia.

- Anti-Bribery and Corruption Policy
- Third-Party Engagement Policy
- Gifts & Hospitality Policy
- Donations & Sponsorship Policy
- Whistleblowing Policy
- Code of Conduct and Business Ethics

Whistleblowing Procedures

Whistleblowing Channels

- Whistleblowing e-Form
- IGU dedicated line at 03-33482719 Monday to Friday (9 am to 5 pm)
- Write in to Chairman of RMC (apardas@spsetia.com) or to IGU
- Email to igu@spsetia.com
- Walk-in / Appointment with IGU or Chairman of RMC

S P Setia's stakeholders, including suppliers, associates, members of the public, employees and residents are encouraged to report any suspected violations through our whistleblowing system. Suspected violations include reports on fraud, corruption or wrongdoings that contradict our policies, COCBE, laws and regulations.

Accessible via our website, the Whistleblowing Policy provides a structured reporting platform and comprehensive whistleblowing measures. Reports can be made through multiple channels, such as the e-form available on our website, email via igu@spsetia.com, by phone, walk-in, appointment with the IGU/ RMC Chairman or in writing to the Chairman of the RMC / IGU. All reports are kept strictly confidential unless required by law or for the purpose of any action by or against the Group.

In 2022, the IGU received a total of six complaints via the whistleblowing channels. One case was related to alleged improper conduct while the remaining cases related to customer complaints. Internal investigations were carried out and corrective measures were taken to address these issues. A "Management Whistleblowing Committee" comprising the President/CEO, Chief Internal Auditor and Chief Risk, Integrity and Governance Officer has been established to conduct the pre-screening process to evaluate the seriousness of any possible criminal offences or improper conduct. The committee will then provide relevant recommendations to the RMC and subsequently to the Board on the next course of possible action.

For more details on initiatives organised in FY2022 on Integrity & Governance, kindly refer to the Statement on Risk Management & Internal Control ("SORMIC") on pages 196 to 204.

INTEGRITY & GOVERNANCE UNIT'S KEY ACTIVITIES AND INITIATIVES IN 2022:

1. Implementation of **Organisational Anti-Corruption Plan** for year 2022.

2. **Enhancement of SOPs** for:
   - Donations, Contributions, Sponsorship of External Events
   - Offering and Acceptance of Gifts and/or Hospitality
   - Whistleblowing and Investigation

3. Facilitated **27 Corruption Risk Assessments Group-wide.**

4. Provided **114 training hours** through Integrity Roadshows (Team Setia and Business Associates locally and in Vietnam), Anti-Fraud Training, Integrity & Motivation for Polis Bantuan, Integrity & Governance Champions Conference, Refresher on Corporate Liability for the Senior Management Team and a free webinar for SMEs on Adequate Procedures.

5. **A series of educational and awareness programmes were conducted as follows:**
   - Invited as a panellist of an integrity-related forum organised by participants of the Certified Integrity Officer training programme for Government Sector Batch 29 in March 2022.
   - Attended a forum jointly organised by "Unit Integriti Setiausaha Kerajaan Negeri Selangor" and "Bahagian Integriti Perbadanan Kerajaan Negeri Selangor ("PKNS") in April 2022.
   - Training and Motivation sessions for Police Bantuan-S P Setia Berhad were held from May to June 2022 involving three sessions and a total of 90 personnel.
   - Invited to present an 'Integrity Talk' with other corporate bodies, namely Majlis Agama Islam Selangor ("MAIS"), International Islamic University Malaysia ("IIUM"), Cradle Fund Sdn Bhd and National Institute of Occupational Safety and Health ("NIOSH").
   - A free webinar on Adequate Procedures Checklist for SMEs was held in May 2022 and attended by 76 participants.
   - The Internal Integrity and Governance Champion ("IGC") Conference was held in July 2022, attended by 29 personnel. The appointed IGCs were presented with a Certificate of Appointment by Datuk Choong Kai Wai, President and CEO ("PCEO") of S P Setia Berhad.
   - Hybrid Setia Integrity Roadshows were conducted for newcomers throughout year 2022. A total of four sessions were conducted and a total of 167 staff signed off on the Individual Corruption-Free Pledge.
   - Setia Integrity Roadshows were conducted with our Team Setia Vietnam in August 2022. A total of 66 staff attended the awareness sessions and signed-off on the Individual Corruption-Free Pledge.
   - Setia Integrity Roadshows for Business Associates were also conducted for BA in Malaysia. This was a continuation of the efforts conducted in year 2021. A total of 453 BA attended the sessions and signed off on the Setia Integrity Pledge. The pledges given by Setia's BA were proof of their support towards our aspiration to achieve 'Zero Tolerance' for bribery and corruption in our business environment. Similar awareness sessions were conducted with Setia's BA in Vietnam and attended by 28 participants who then signed off on the Setia Integrity Pledge.
   - Corporate Liability - A refresher for the Group Action Committee ("GAC") was held in Johor in May 2022, attended by 39 personnel including the PCEO and the COO of S P Setia Berhad.
   - Setia Integrity Roadshows – A refresher was also conducted for Team Setia in Malaysia. This was a refresher session to remind the staff about the corporate liability environment and the impact of the provisions of the law on Setia and its business.The staff were also briefed on the updated Whistleblowing policy, which has been aligned to the new Whistleblowing ISO 37002:2021, and real case studies in Setia's business environment were shared as part of organisational learning. A total of 1,649 Team Setia members in Malaysia attended 39 sessions held between August and October 2022.

6. Establishment of Integrity & Governance Unit's ("IGU") portal (Integrity@Setia).

7. **Continuous engagement with the authorities is conducted as follows:**
   - Unit Integriti, Setiausaha Kerajaan ("SUK") Negeri Selangor
   - Unit Integriti SUK Pulau Pinang
   - Unit Integriti SUK Johor
   - Inspection & Consultation Division, Malaysian Anti-Corruption Commission ("MACC")
   - State MACC of Pulau Pinang
   - State MACC of Kuala Lumpur
   - Unit Integriti Kementerian Perumahan dan Kerajaan Tempatan
   - Unit Integriti Jabatan Bomba & Penyelamat Malaysia
   - Unit Integriti Majlis Perbandaran Kajang
   - Unit Integriti Majlis Perbandaran Selayang
   - Unit Integriti Majlis Bandaraya Seremban

Special Participation

Participated in the inaugural Anugerah Integriti, Governans dan Anti-Rasuah 2022 organised by Institut Integriti Malaysia. Setia was awarded Silver based on the assessment conducted.

ENTRENCHING ANTI-CORRUPTION IN S P SETIA

Training and Awareness Programmes on Anti-Bribery & Anti-Corruption

S P Setia continued to raise awareness on anti-bribery and anti-corruption among BA by placing emphasis on the impact on the corporate liability environment, Setia's integrity policies and COCBE via Setia Integrity Roadshows.

In 2022, Setia Integrity Roadshows for newcomers were organised for 167 Team Setia staff who signed off on the individual Corruption-free Pledges.

Throughout year 2022, a total of 27 Corruption Risk Assessments ("CRA") were conducted. The Corruption Risk Profiles will be re-assessed and reported to the RMC on a periodic basis.

Implementation of the Organisational Anti-Corruption Plan

In support of the National Anti-Corruption Plan agenda that was published in 2019, we developed our three-year Organisational Anti-Corruption Plan ("OACP") for 2021 – 2023 to embed a culture of high integrity with the guidance of a structured framework to prevent corruption and combat corrupt practices across the business.

Seven key risk areas, strategies and action plans were identified in the OACP, which requires concerted efforts from each member of Team Setia in its implementation across the Group.

The following initiatives were completed for year 2022 based on the approved Setia OACP:

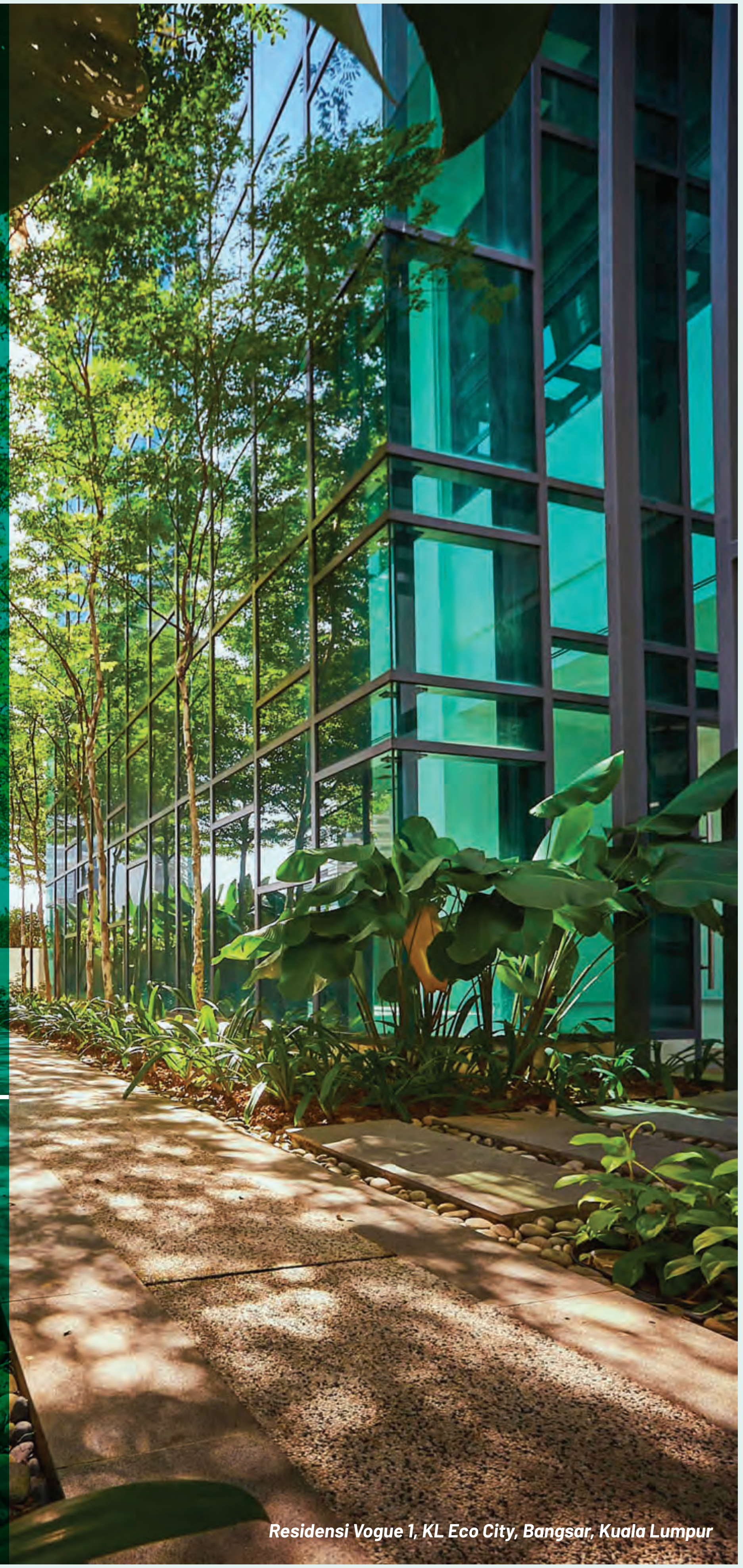
- **T** Quarterly report to the Management, RMC and Board
- **R** Aligned CRA with ISO37001 the Anti-Bribery Management System ("ABMS")
- **U** • Assisted BA to comply with Setia's Anti-Bribery & Corruption ("ABC") policies • Embarked on the ISO37001 Certification
- **S** Compliance and assurance by Group Internal Audit
- **T** Integrity roadshows for BA and refresher for Team Setia

BEST PRACTICES IN ENVIRONMENTAL MANAGEMENT

S P Setia demonstrated its commitment to preserving the environment by upholding the best practices of environmental management as one of the key themes within its sustainability strategy. We believe that sustainable development is an integral part of our business, hence we manage our environmental footprints with full compliance in our project developments. To promote sustainable living at the same time, we aim to find innovative solutions without compromising the quality of living.

Material Matters:

- **Environment**
- **Emissions**
- **Energy**
- **Water and Effluents**
- **Waste**
- **Materials**
- **Biodiversity**



Residensi Vogue 1, KL Eco City, Bangsar, Kuala Lumpur

A ENVIRONMENT

We recognise that environmental issues such as emissions, climate change, resource constraints and biodiversity are material to our business. As a responsible corporate citizen, we constantly strive to prevent negative environmental impacts, or at least, manage or reduce those impacts by adopting best practices in environmental standards and implementing environmentally friendly business strategies and processes. Our developments incorporate comprehensive planning and green concepts in order to minimise the adverse impacts of land development on our environment. For example, our projects are planned, designed and constructed with integrated renewable energy solutions and sustainable materials to minimise carbon footprint.

In our commitment to ensuring our compliance with environmental rules, regulations and policies, the Group has a dedicated GQM who oversees our environmental compliance and appoints a HSE Officer under each BU. These HSE officers are tasked with guiding contractors on their compliance with environmental laws and regulations. We remain guided by our HSE policy and maintain the standards of ISO 14001:2015 Environmental Management System certification.

To ensure compliance with the laws, regulations and directives issued by the Department of Environment ("DOE"), various procedures and actions are carried out, as below:

1. Biweekly audits of our contractors' performance at project sites to monitor their performance, focusing on construction waste management, noise pollution, air pollution and effluent management
2. Establishing emergency response plan
3. Performing Environmental Impact Assessments ("EIAs");
4. Environmental management plan
5. Health, safety and environmental inspection checklist

The Group has always adhered to the most stringent environmental laws and standards and has not been penalised or fined for any major environmental violations in the financial year ended 31 December 2022.

In 2022, we were the recipients of three awards for our sustainable practices, including:

1. **FIABCI World Prix d'Excellence Awards 2022**
   Category: Mixed-Use Development Award: World Gold (KL Eco City), Category: Residential (Low Rise) Award: World Gold (Setia Marina 2, Setia Eco Glades)
2. **M&C Asia Stella Awards 2022**
   Category: Best Sustainable Convention Centre (Asia) (Setia SPICE Convention Centre)
3. **BCI Asia Awards 2022**
   Category: Top 10 Developers Award (S P Setia Berhad) (Setia Alam's Croceus and Garciae Homes) – recognition for top developers that had the greatest impact on the built environment in Southeast Asia

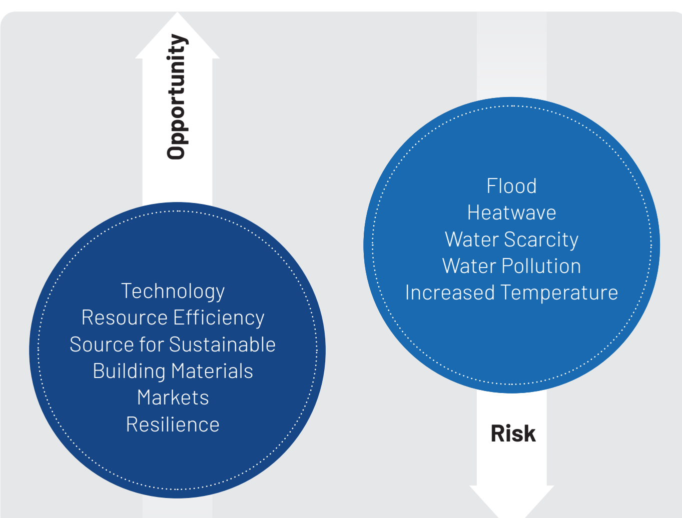
B EMISSIONS

The atmospheric concentration of greenhouse gases continues to rise, threatening the stability of the global climate. Our planet is heating up at an accelerated pace and the result will be devastating to life on earth. By 2034, the Earth is predicted to experience an average temperature increase of 3 degrees Celsius above pre-industrial levels. The rising CO_2 level leads to a variety of effects, including rising sea levels, changes in precipitation patterns, an increase in extreme weather events such as droughts and floods and the melting of glaciers and polar ice caps. According to the United Nations Global Compact Network Malaysia & Brunei, the building and construction industry ("BCI") emits carbon dioxide gas through greenfield development and material production as well as the use of fossil fuels. The BCI utilises 40% of global energy, 25% of global water and is to blame for emitting 40% of global resources to the atmosphere and generating one-third of worldwide GHG emissions.

Malaysia's Nationally Determined Contribution ("NDC") to reduce greenhouse gas ("GHG") emissions has been prepared in accordance with the objectives of the Paris Agreement. According to this plan, Malaysia aims to reduce GHG emissions intensity of GDP by 45% before 2030 relative to the emissions intensity of GDP in 2005. This consists of 35% on an unconditional basis and a further 10% conditional upon receipt of climate finance, technology transfer and capacity building from developed countries. Additionally, various policies have been implemented by government ministries to support Malaysia's NDC.

As a large corporation, we are committed to supporting the national agenda in reducing the GHG emissions intensity and are fully aware of our role to decarbonise our business. Climate change has topped the key risks identified in our Enterprise Risk Management ("ERM") process and is an ongoing priority for the Group. Our medium-term goal is to become carbon neutral by 2030, and our long-term goal is to become a net zero organisation by 2050. Our employees will be engaged through a series of capacity-building initiatives that will empower them to embrace environmental matters as part of our DNA and in establishing our emissions baseline by 2023. We believe that S P Setia will be able to effectively monitor our emissions profile and materialise our climate commitments through a benchmarked baseline.

A summary of identified impacts follows as we review the risks and opportunities: negative impacts addressed through existing mitigation measures, adaptation processes and continuous management, as well as identified opportunities that are expanded through product and technological innovation.



Direct GHG Emissions
- Land clearing
- Electricity consumption by convention centres and commercial hubs

SCOPE 1

Indirect GHG Emissions
- Electricity consumption by welcome centres, headquarters office and properties managed by S P Setia

SCOPE 2

S P Setia recognises the impact its operations may have on the environment from the use of its resources and its activities, including the production of direct and indirect emissions and waste, which contribute to climate change. Our direct sources of GHG emissions under Scope 1 include clearing land to build developments as well as electricity consumption from operating our convention centres and commercial hubs. Our indirect sources of GHG emissions, which fall under Scope 2, are listed as electricity consumption of welcome centres, our headquarters, as well as properties managed by S P Setia. Additionally, activities that generate GHG emissions have been identified for both Scope 1 and 2. Moving forward, we aim to reduce our impact on the environment by implementing more measures to reduce emissions and improve our environmental efficiency.

In FY2022, we increased our efforts to reduce carbon emissions by establishing green initiatives across our project developments. We have identified our carbon reduction objectives and, initiatives and set targets according to the carbon emissions standards and frameworks to enable transparent reporting of our initiatives and disclosures. For FY2023, we target to establish the data collection process for carbon emissions and carbon reduction. We aim to incorporate disclosures in our future sustainability reporting on carbon reduction initiatives.

We are fully aware that climate risks and opportunities are inevitable in our business operations. As such, S P Setia is committed to addressing climate change through sustainable and smart development initiatives such as energy and water efficiency and innovative technology in our projects and townships. These initiatives include the installation of rainwater harvesting systems, use of energy-efficient lighting, installation of solar water heater systems and removal of grass and paint on asphalt that facilitates more absorption of water from the atmosphere during rainfall events.

C ENERGY

ENERGY EFFICIENCY

S P Setia is committed to managing energy consumption in our operations as we recognise that electricity consumption is one of the key contributors of our GHG emissions. As such, we are committed to achieve energy efficiency in line with S P Setia's business objectives and the UN SDGs. The Group seeks to develop a sustainable environment through continuous improvements in its management of energy, through the use of renewable energy and integrating initiatives such as efficient lighting designs, use of energy-saving lighting, sustainable building practices and more.

For instance, we ensure that efficient lighting is considered during project design to allow more natural daylight into buildings, maximising the natural cooling effects, via sun path analysis through passive design. We also use high-performance double-glazed windows and louvres to reduce heat gain, in addition to encouraging the use of natural daylight to illuminate the buildings.

Unlike other types of lighting, light-emitting diode ("LED") lights are much more energy-efficient in terms of the amount of electricity used to generate light. The technology has many additional advantages over incandescent, fluorescent and compact fluorescent lamps and lighting devices, such as lower energy consumption and improved environmental performance. We have been progressively implementing LED lighting technologies throughout our projects, including clubhouses, public areas and commercial properties. This year, we installed 159 LED lights at Setia Alamsari. Installation of LED lighting is part of our Company's commitment to providing sustainable buildings and improving the quality of our environment.

We embed an innovative approach in our townships and developments, and have developed smart concepts for lighting and air-conditioning systems to increase energy efficiency. Smart lighting and air-conditioning systems enable control of the lighting system using the Internet of Things, sensors, remote access and automation.

We have installed a total of four solar pole lights at our Aronia futsal court and two pole lights at our Aronia badminton court, all located within our Setia EcoHill township, to improve energy efficiency. All landed property in our Setia Alamsari development is incorporated with solar water heating systems. In optimising energy resources, Setia Wood Industries Sdn Bhd, which is our manufacturing arm, has installed dust collecting systems to manage dust pollution, enabling collected dust to be used as fuel in our boiler operations.

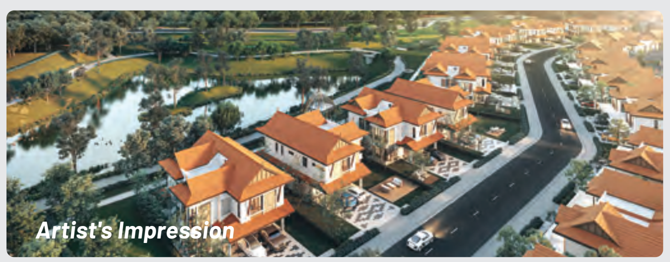
Solar panel installation at S P Setia Corporate HQ in partnership with TNB

GREEN TECHNOLOGY ECOSYSTEM

S P Setia has made efforts to minimise carbon emissions by incorporating green technology into its operations and project developments. Over the past three years, S P Setia has installed solar panels in its projects and is progressing from solar water heater systems to energy generation to enhance this initiative with each project we undertake. In FY2022, we commissioned a total capacity of 12.17 MWp of solar capacity across four of our key projects:

Setia Eco Park (518.00 kW)

Setia Alamsari (110 kW)



Setia Fontaines (10,020.80 kW)

Setia Safiro (1516.49 kW)

We are proud to announce that our iconic D'Network @ Setia Eco Park has utilised 100% of its electricity requirement via the installed capacity of a 518 kWp solar system. The surplus energy generated was able to supply clean energy to our facilities within Setia Alam, such as Setia Eco Park's English-inspired waterfall, Elizabeth Falls. These efforts not only reduced our Scope 2 emissions sourcing from this project, but also contributed to significant electricity cost savings of RM114,000 per annum. This achievement is a testament to green technology and its innovative solutions, which allow S P Setia to reduce its emissions footprint and simultaneously, increase cost savings.

We have also signed an memorandum of understanding ("MoU") with Tenaga Nasional Berhad ("TNB"), the national utility provider, to further promote green technology. The key elements of the MoU are initiatives such as the provision of solar panels at selected residential and commercial units in support of the growth of electric vehicles ("EVs") and other potential uses. This collaboration reflects the commitment of both organisations to green energy and paves the way for S P Setia to achieve its goal of transforming into a net zero organisation.

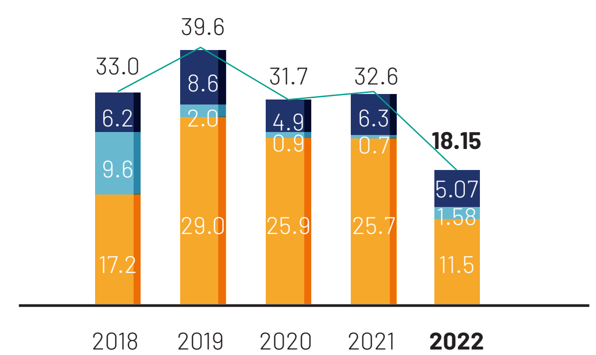
Our Setia Bayuemas development has adopted innovative features in all its new phases. This is to empower our customers to be part of our environmental aspirations. Installed features in the development include:

- Green switches
- EV charger-ready homes
- Solar panel installation for properties above **RM1 million**
- Solar-ready homes for properties below **RM1 million**

ENERGY CONSUMPTION PERFORMANCE

In FY2022, our electricity consumption dropped significantly by 44% as compared to FY2021 due to various factors, including the use of renewable energy. The Group's total consumption was 18.15 MW/h, which was a sharp decrease from 32.6 MW/h in 2021.

S P Setia Group Electricity Consumption (in MW/h)



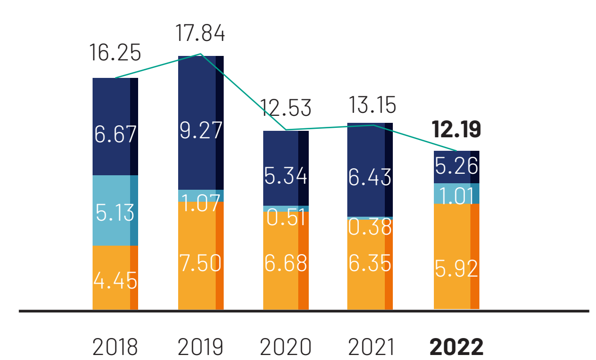
	2018	2019	2020	2021	2022
Others	6.2	8.6	4.9	6.3	5.07
Construction	9.6	2.0	0.9	0.7	1.58
Property Development	17.2	29.0	25.9	25.7	11.5
Total	33.0	39.6	31.7	32.6	18.15

Note: The electricity consumption data is based on actual consumption up to December 2022 as reported by 19 BUs that operate in Malaysia only.

Electricity consumption in the Property Development business segment dropped the most among all the BUs, as compared to the previous year. The significant reduction was mainly due to the closure of several site offices and the implementation of green initiatives in 2022. This included the installation of solar panels at S P Setia's headquarters, which enabled a reduction of electricity consumed from the national grid, and 100% utilisation of solar power by D'Network @ Setia Eco Park. Surplus capacity from the installed solar capacity was channelled to Elizabeth Falls in Setia Eco Park. Additionally, energy-efficient measures adopted at welcome centres helped to lower the Group's electricity consumption.

On the contrary, electricity consumption in the Construction segment increased by more than 100% as compared to 2021 due to the resumption of operations of the related BUs post-pandemic. The low electricity consumption in 2020 and 2021 was mainly driven by lower production due to disruptions caused caused by the COVID-19 pandemic.

S P Setia Group Energy Intensity Ratio (kW/h / m²)

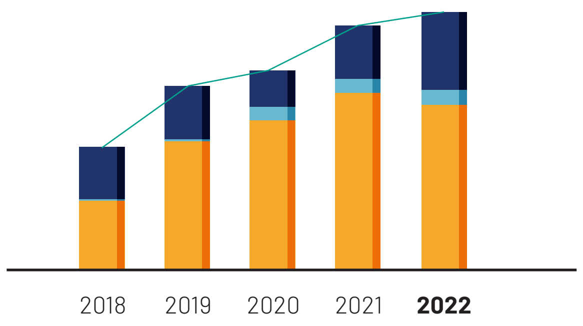


	2018	2019	2020	2021	2022
Others	6.67	9.27	5.34	6.43	5.26
Construction	5.13	1.07	0.51	0.38	1.01
Property Development	4.45	7.50	6.68	6.35	5.92
Total	16.25	17.84	12.53	13.15	12.19

D WATER AND EFFLUENTS

As part of our initiatives to improve our water consumption, we have invested in pond water retention at D'Network @ Setia Eco Park, which enabled us to save up to RM6,840 per year in water costs. We have also completed a 28-acre lake within our Fontaines development, which is fully utilised for our landscape watering (100%). In addition, this lake feature is also designed to increase the serenity of the overall township.

S P Setia Group Water Consumption (in m³)



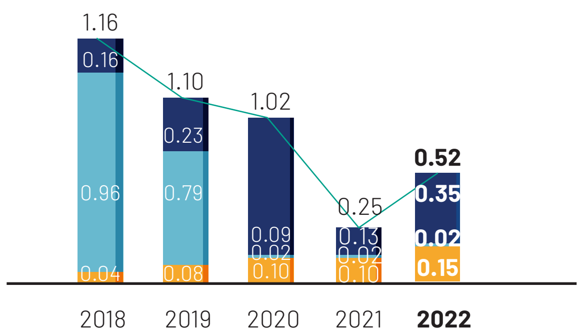
	2018	2019	2020	2021	2022
Others	130,415	131,625	85,967	128,190	167,360
Construction	1,437	1,186	34,408	36,200	30,170
Property Development	160,297	309,016	344,320	417,295	390,989
Total	292,149	441,827	464,695	581,685	588,519

Note: The water consumption data is as of December 2022 as reported by 19 BUs that operate in Malaysia.

In 2022, the Group's water consumption increased slightly by about 1%. While Construction and Property Development recorded lower water consumption by 16.66% and 6.32% respectively compared to the previous year, water usage in the Others category increased by 30.55% from 2021.

We acknowledge that water preservation is key in addressing our climate responsibilties. We are keeping track of the water consumption of our business segments and moving forward, we will plan for initiatives to optimise water consumption and reduce water wastage.

S P Setia Group Water Intensity (m³ / m²)



	2018	2019	2020	2021	2022
Others	0.16	0.23	0.09	0.13	0.35
Construction	0.96	0.79	0.02	0.02	0.02
Property Development	0.04	0.08	0.10	0.10	0.15
Total	1.16	1.10	1.02	0.25	0.52

Our measurement of water efficiency – the water intensity ratio – in FY2022 is 0.52 m³ per gross floor area, which was an increase of 108% compared to FY2021 at 0.25 m³ per gross floor area. The water intensity ratio increased in Property Development and Others business segments by 50% and 169%, while Construction maintained the same water intensity ratio.

The increase in both water consumption and the water intensity ratio was a consequence to operations reverting to almost pre-pandemic levels in the Property Development segment.

Spotlight Story

ENERGY AND WATER EFFICIENCY FEATURES

As one of the premier property developers, we believe that sustainability is an important factor in building our strength as a company and creating value for our customers. As such, many of our projects incorporate energy and water efficiency features for both residential and commercial properties, and in our townships generally. These features include LED lighting, motion sensors, solar heating systems, dual flush toilet systems, and EV charging stations.

Energy efficiency aspects are seriously considered in all our development projects and townships. To reduce indoor heat and the need for air conditioning, we have included better building insulation, LED lighting and efficient lighting design. By utilising these features, we are able to minimise the amount of energy being used for a particular project and achieve greater sustainability. In addition, we have installed nine EV charging stations at the Setia City Convention Centre. The initiative is aligned with S P Setia's aspiration to be environmentally responsible and sustainable, as it also reinforces our commitment to sustainability within the community. To help conserve our natural resources, the majority of our projects come with sanitary wares and fittings that have a 3-star Water Efficiency Product Labeling Scheme ("WEPLS") by SPAN. According to the United States Environmental Protection Agency, toilets consume the largest amount of water in households, utilising nearly 30% of the home's water consumption. To this end, dual flush toilets are included in our projects to encourage our home buyers and commercial users to reduce water usage.

Most of our developments are also installed with a rainwater harvesting system and they include Setia Eco Templer, Setia Eco Glades, Setia Alamsari, Temasya Glenmarie, Setia AlamImpian, Bandar Kinrara, KL Eco City, Setia Fontaines, Bukit Indah, Setia Eco Gardens, Setia International Vietnam, Setia City Convention Centre and Setia SPICE Convention Centre. Rainwater is gathered and channelled through a rainwater downpipe and stored in a covert tank within the building compound. This significantly decreases water consumption as the collected rainwater can be used for general purposes like watering plants and washing cars.

For more information on S P Setia's energy performance, please refer to the Energy section on page 117 and the Water and Effluents section on page 118.

E WASTE

We strive to be proactive in reducing environmental pollution and carbon emissions arising from our operational waste. To optimise our material consumption and reduce construction waste, we utilise the IBS. S P Setia was awarded the highest IBS score of 93.95% in 2019. Since then, we have worked towards maintaining this achievement by leveraging the capacity of our subsidiary, Setia Precast Sdn Bhd.

The facility at D'Network @ Setia Eco Park is also equipped with a food waste composting facility. The facility was able to fully provide compost for our landscaping at the same location. This initiative was also able to reduce 36,500 kg of food waste-to-landfill per annum.

We are also promoting ways to reduce paper waste by:

1. Reducing the use of toilet paper via the installation of the hand-dryer system at our facilities.
2. Segregating wet waste from dry waste to improve our recycling initiatives.
3. Going paperless by creating digital menus at our F&B outlets.
4. Implementing no single-use plastic initiatives at our welcome centres and events such as conferences held at our facilities.
5. Making use of recycled banners by upcycling them into various products such as our corporate gift folders.
6. Designating a dedicated store for e-waste disposal at our Setia SPICE Convention Centre.

F MATERIALS

Here at S P Setia, we reduce our environmental footprint by using eco-friendly construction materials in our ecoseries projects such as TRIO by Setia, Setia Seraya Residences, Bukit Indah and Setia Eco Gardens. The eco-friendly construction materials include low Volatile Organic Compund ("VOC") paint, tempered glass, bluescope metal steel roofs, asbestos-free cellulose fibre cement boards, reinforced wall panels and eco-label tiles. Each of these products contributes to a healthier living environment for our customers, for example by improving the indoor air quality of their homes. We acknowledge that pollution can occur at high concentrations indoors when building materials release unhealthy levels of pollutants into the air or when ventilation is inadequate.

Going forward, we aim to disclose our renewable and non-renewable material consumption in the near future to better inform our stakeholders and improve our sustainability report.

G BIODIVERSITY

Loss of biodiversity due to climate change is one of the biggest global challenges. Urbanisation is considered one of the root causes of the decline of biodiversity, as every time trees are cut down and houses and developments are built in their place, we risk further damage to biodiversity. Urban developments also bring rise to ecological displacement, air and water pollution and even variations in stream flow and temperatures that contribute to climate change.

Therefore, we are resolute in our commitment to minimising the impacts of our business and operations by conducting an Environmental Impact Assessment ("EIA") on all existing and new projects whenever necessary. As a property developer that strives to develop sustainable townships, we take measures to support the surrounding ecosystems by integrating tree planting in our building site plans and urban development activities. This will not only create a positive impact on the residents and communities, but also enhance the environment. Our commitment towards sustainability and conserving the environment is evident in our townships, such as Bandar Setia Alam, Eco-series townships, Setia AlamImpian, Setia Fontaines and Setia Warisan Tropika.

Last year, S P Setia engaged an ecologist to examine the environmental aspects of the Setia Bayuemas Lake Park, to determine improvements to be made to enhance its ecosystem and landscape and to ensure long-term sustainability. As a result of this study, we gained information on the local ecological needs and the requirements necessary in establishing a healthy ecosystem at the lake park.

We were also able to obtain an overall summary of the natural advantages and improvements needed to enhance the landscaping features in Setia Bayuemas, and the design and restoration of the lake park. The study revealed that there were 49 types of birds and 36 species of fishes inhabit the lake edge, wetland and open areas. An ideal location was also established for pest biological control, which would serve to enrich the habitat by attracting fishes and birds through the cultivation of plants such as *Tabebuia chrysantha, Syzygium gratum, Reullia simplex, Althenantera red, Calliandra emarginata* and *Lepironia articulata*. Additionally, the findings gathered from the ecological study were used as a guideline for the landscape development and township planning of Setia Bayuemas.

Meanwhile, our first township in the north, Setia Fontaines, is a well-constructed mega township that spans across 1,691 acres, showcasing life in all its comforts. The township also has a 100-acre Heritage Park which features a beautiful lake and jogging and cycling tracks, attracting more interest to the township.

S P Setia's first township in Shah Alam is Bandar Setia Alam, which is home to more than 60,000 residents. With its scenic park, multifaceted landscaping, high security and a myriad of facilities within its harmonious environment, Setia Alam has over 400 acres of greenery and various types of parks, providing intrinsic environmental, aesthetic and recreational benefits to communities. The park has three sections to fulfill community needs: the Energetic Park encourages an active lifestyle, the Nature Park showcases glorious natural vegetation, while the Amphitheatre is an ideal meeting point for communities.

Besides that, our Eco-series townships comprising Setia Eco Park, Setia Eco Glades, Setia Eco Templer and Setia EcoHill are strategically located, well-designed, have good infrastructure and are embedded with S P Setia's eco-philosophy DNA that enables people to live in harmony with nature. Each of our Eco-series townships is located in different types of environment, ranging from Setia Eco Park's location near the forest park, to Setia Eco Glades, which is nestled within wetlands. Setia Eco Templer is set in an environmentally-sensitive area and Setia EcoHill is built around natural terrain. We have designed each township to bring out the best of its features, elevating and enhancing their natural environment while protecting it and optimising land use at the same time. These are the key environmental elements of the eco-series townships:

Setia Eco Park

- Its 56-acre forest park enables jungle trekking, eco-discovery walks and scenic views from an observation tower.
- 94 acres of land is dedicated to waterways, lakes and creeks throughout Setia Eco Park.
- The island within the lake is a nesting ground for many species of beautiful birds.

Setia Eco Templer

- Encircled by lush greenery, the air temperature in Setia Eco Templer is one to two degrees Celcius cooler than in the city centre.
- Templer Park and Kanching Rainforest Reserve are home to various flora and fauna which co-exist in harmony.

Setia Eco Glades

- Conceptualised and designed according to the Green Building Index ("GBI") certification criteria.
- Contains a diverse range of habitats within its parklands and canals, creating an ideal ecosystem that sustains native flora and fauna.

Setia EcoHill & Setia EcoHill 2

- Features green hills, brooks and parklands nestled within natural terrain.
- 198 acres of grassy parklands represent the township's Live Green! Philosophy.
- The Adventure Park, Malaysia's first residential mountain biking park amid nature, was transformed from an oil palm and rubber estate.

Setia Bayuemas Lake Park, Setia Bayuemas, Klang, Selangor

Spotlight Story

REDUCING THE EFFECTS OF URBAN HEAT ISLANDS

The temperatures in cities and urban areas are usually warmer compared to rural areas and this unusual occurrence is known as the urban heat island ("UHI") effect. This is due to the dense concentration of pavement, buildings and open spaces which trap heat and transform built up areas into islands of heat. This inadvertently increases the demand for energy, air conditioning costs, air pollution, greenhouse gas emissions and heat-related illnesses and it impacts water quality.

To reduce the heat island effect, we ran an analysis of cross ventilation air-flow throughout the project development phase to identify and mitigate stagnant hotspots with the help of computer-stimulated buildings and landscape modelling. Ensuring our development projects and townships have ample green landscape, in compliance with the regulatory requirements, has helped to reduce the heat island effect and lower temperatures in the surrounding environment across our projects.

During the construction and planning stages, we minimised the cutting down of trees and focused on conserving them through relocating trees on site and restoring trees throughout all our projects. As of 31 December 2022, we planted and transplanted up to 11,187 trees across 25 BUs. We estimate that this effort will enable us to reduce our carbon footprint by up to 86,570 – 216,425 kg CO_2 per year. However, the actual quantum of the emission reduction will be assessed upon the establishment of our emission inventory in FY2023.

Other than that, our townships are developed around a philosophy that rejuvenates and supports eco-friendly landscapes, which can be seen in our Eco-series projects and new townships such as Setia Fontaines, Setia Alamlmpian, Setia Bayuemas and Setia Warisan Tropika. We integrate public spaces like gardens, pocket parks, bluescapes and waterways within the gardens in our projects to advocate biodiversity, to enhance the ecosystem and enrich the lives of residents and communities.

We strive to be proactive in reducing environmental pollution and carbon emissions arising from our operations. To optimise our material consumption and reduce construction waste, we utilise the IBS. S P Setia was awarded the highest IBS score of 93.95% in 2019. Since then, we have worked towards maintaining this achievement by leveraging the capacity of our subsidiary, Setia Precast Sdn Bhd.

The facility at D'Network @ Setia Eco Park is also equipped with a food waste composting facility. The facility was able to fully provide compost for our landscaping at the same location. This initiative was also able to reduce 36,500 kg of food waste-to-landfill per annum.

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

We strive to create positive social impacts for our employees and the communities in which we operate to build sustainable communities and develop a united family who live, learn, work and play together.

Material Matters:

- Employment Management
- Labour Management
- Occupational Health and Safety
- Customer Satisfaction
- Community and Social Impacts

A EMPLOYEE MANAGEMENT

UPHOLDING DIVERSITY AND INCLUSION

The Group believes in embracing the diverse values of our employees to enable them to achieve their full potential, which in turn allows S P Setia to seamlessly implement our business plans. The diversity of Team Setia is a vibrant mix of races, religions, age groups, talents, cultures and backgrounds, who are united to drive S P Setia to greater heights. Team Setia contributes positively to performance, productivity, decision-making and a multitude of benefits that accelerate the growth and success of the company. A diverse workforce also improves our decision-making process and enables us to retain our talents, which will benefit our organisation in the long run.

We strive to establish a better gender balance in our workforce, as the property development industry is a male-dominated one. To this end, S P Setia's work ethics and its pledge to support diversity and inclusion continue to be reinforced through key signature programmes under our Women Network, such as Women of Inspiration ("WIN"), our pledge for 2021 UN Women Asia Pacific Women's Empowerment Principles ("WEPs") and 30% Club Malaysia, which serves to empower women across our business operations.

Spotlight Story

WOMEN OF INSPIRATION ("WIN")

Team Setia empowers the talented women in its workforce through a wide variety of programmes and activities organised under the WIN arm, which was set up in 2017. These initiatives were organised based on the four Areas ("4Rs") and the three pillars of Leadership, Engagement and Communication, as the keys to form a women's network and to fulfill the objectives set forth by WIN. The following describes the 4Rs and the three pillars of Leadership, Engagement and Communication:

REALISE potential → **RETAIN** talent → **RAISE** up the ladder

RESPECT individuals

LEADERSHIP	ENGAGEMENT	COMMUNICATION
Encourage and raise the bar for the presence of women in leadership roles	Increase the presence of **empowerment** through involvement and learning in the activities and programmes	Educate and practice the acceptance of D&I within the community

REALISE the potential of every female talent through our initiatives and enhance our Employer Value Proposition to attract the best female talents in the industry.

RETAIN our female talent pool within Setia by providing an encouraging work environment to support their career and personal growth.

RAISE our female talents up the ladder by increasing female representation in middle and senior management positions.

RESPECT our people as individuals with unique qualities – everyone is entitled to their own opinions and preferences in everything that they do. When we respect others, we create an inclusive environment that nurtures collaboration, provides support and forms a safe space to grow.

We appreciate and value the talented women who contribute to the workforce. At S P Setia, we empower them through a wide variety of programmes and activities organised under our WIN arm. In conjunction with International Women's Day 2022, we collaborated with Tulips Movement Malaysia to take Women Empowerment and Diversity & Inclusion ("D&I") to the next level with the theme #BreaktheBias. To kick off the year-long calendar of meaningful events, The Unconference was conducted as the first initiative. The event featured six influential figures and four topics holistically covering many aspects of women's lives such as Family & Career, Mental & Emotional Wellbeing, Finance & Wealth and Learn & Grow. We were also one of the sponsors of the World Women Economic and Business Summit.

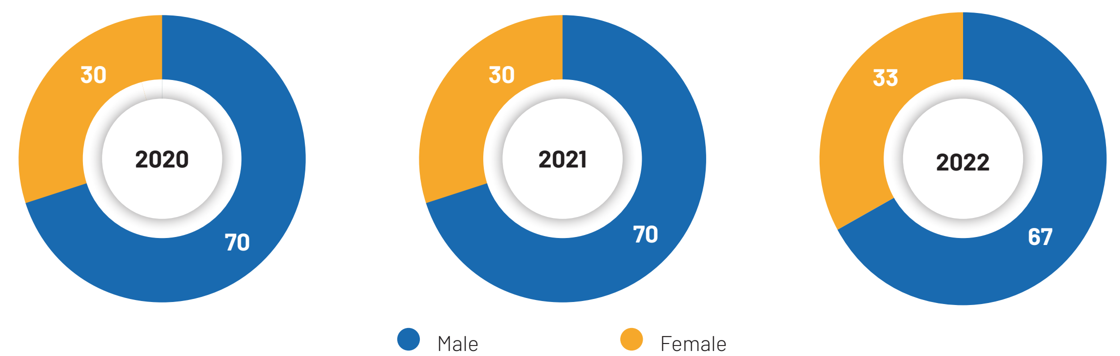
The success of these programmes and activities initiated by WIN are attributed to the assistance given by the top management of S P Setia. The WIN network is led by the Board of Directors, who provided guidance, sponsored by the CEO, chaired by the COO and ran by a committee of diversity advocates ("DiVas"). DiVas are selected based on corporate seniority, ethnicity, tenure in the company, age and personality and are advocates for Women and Leadership. They are responsible for rolling out inspiring initiatives that meet the criteria of the 4Rs, as well as providing resources and knowledge of the industry's best practices.

DIVERSITY PERFORMANCE DATA

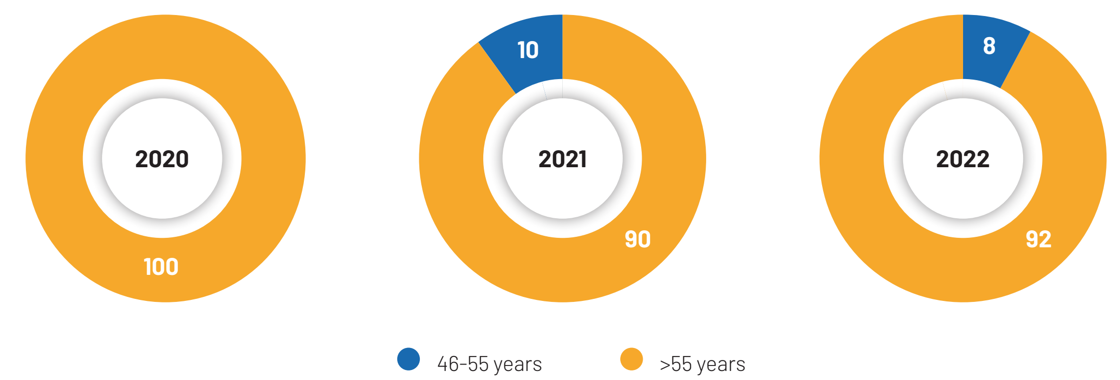
BOARD OF DIRECTORS' PROFILE

S P Setia is governed by a diverse Board of Directors who oversees the operational performance of the Group and ensures that a culture of excellence is embedded across all business segments. In 2022, 33% of the Board was represented by women, while 67% of our Board members were male.

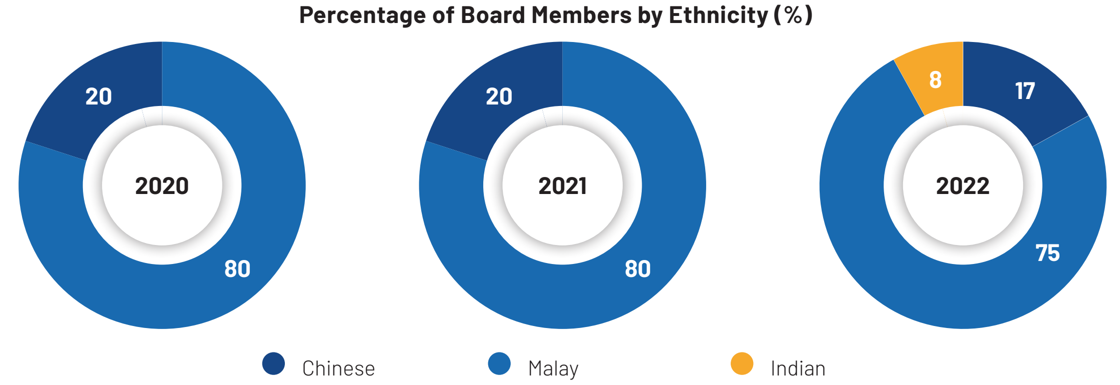
Percentage of Board Members by Gender (%)



Percentage of Board Members by Age (%)



Percentage of Board Members by Ethnicity (%)

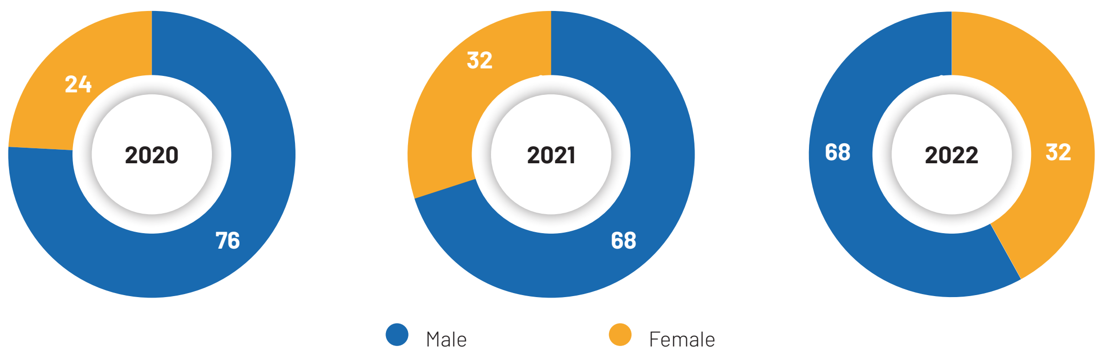


POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

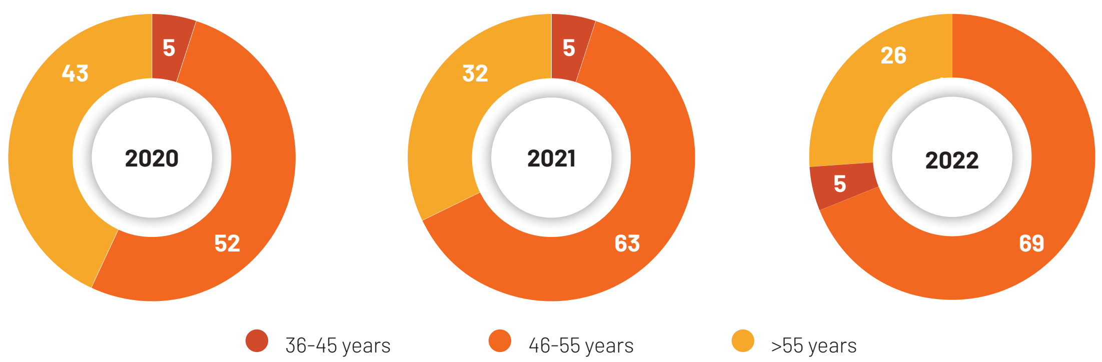
SENIOR MANAGEMENT PROFILE

In 2022, the Senior Management team's gender composition ratio of female to male employees was 32:68, consistent with the ratio of the previous year. Meanwhile, the percentage of Malays in Senior Management increased to 42%, in contrast to 26% in 2021. Employees in the 46 to 55 age group continued to form the majority of Senior Management at 69%.

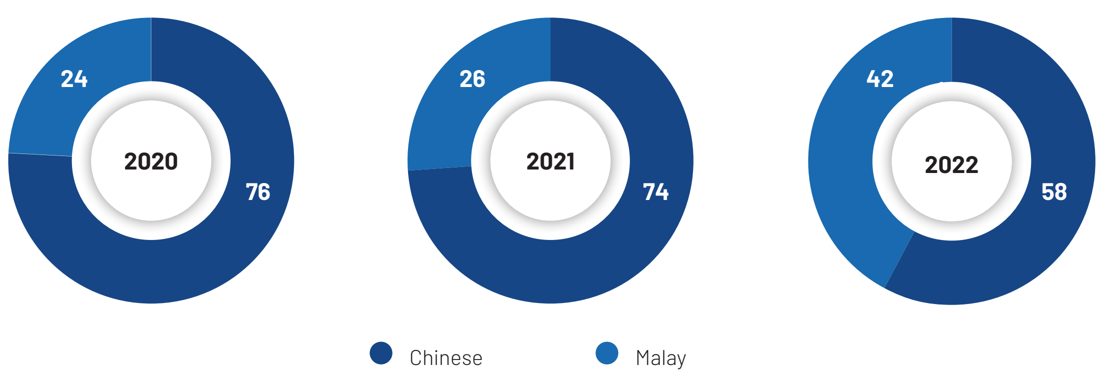
Percentage of Senior Management by Gender (%)



Percentage of Senior Management by Age Group (%)



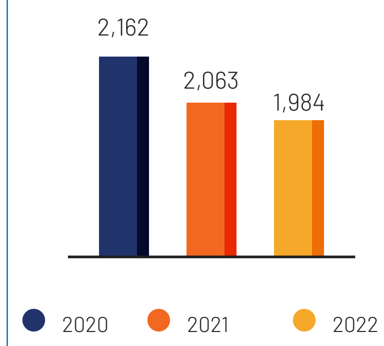
Percentage of Senior Management by Ethnicity (%)



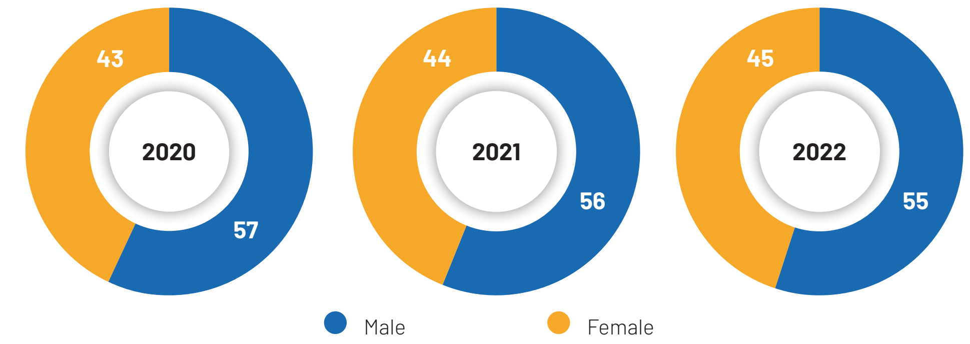
EMPLOYEE PROFILE

In 2022, our female to male ratio at 55:45, compared to 56:44 in 2021. Our workforce is predominantly employees aged 30 to 50, who made up 73% of the workforce, followed by employees aged 50 and above (14%) and finally, employees below 30 years old (13%). Moving forward, we aim to consistently maintain our pool of talents by initiating more initiatives to fully engage Team Setia as well as increasing staff retention efforts to attract the best talents.

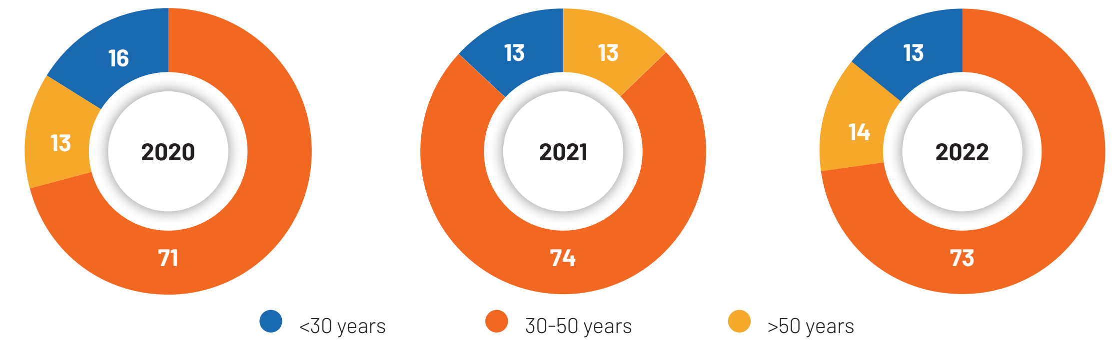
Total No. of Employees



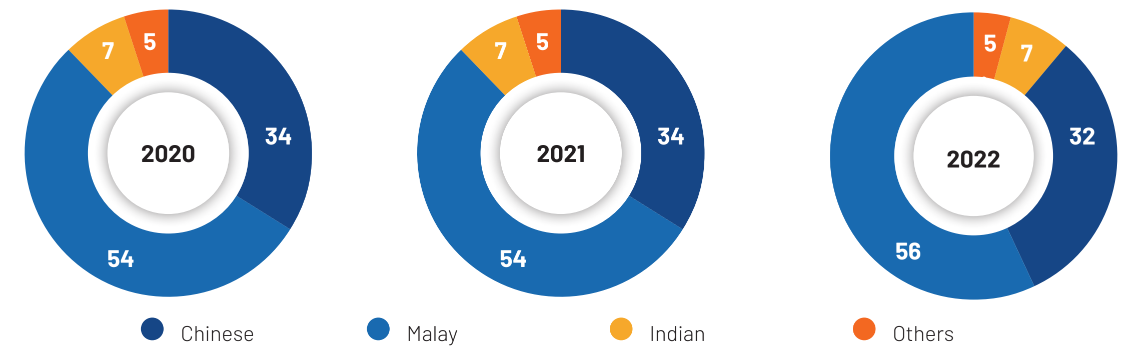
Percentage of Employees by Gender (%)



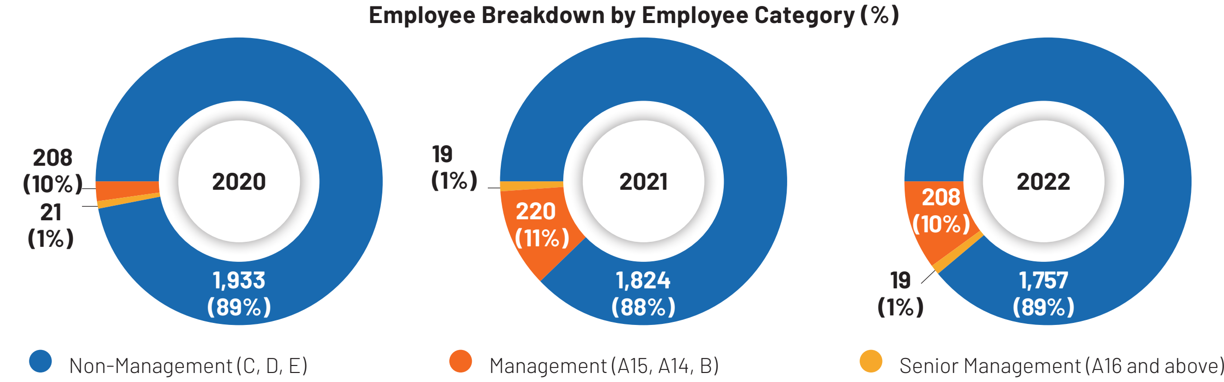
Percentage of Employees by Age Group (%)



Percentage of Employees by Ethnicity (%)



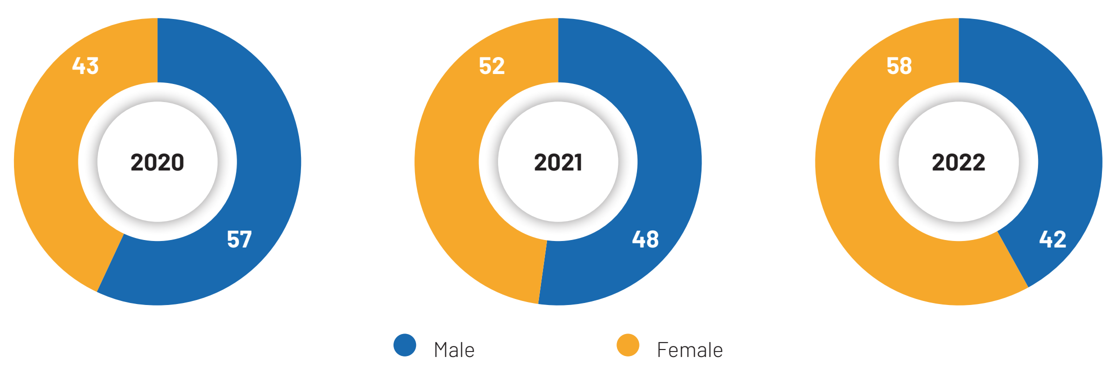
Employee Breakdown by Employee Category (%)



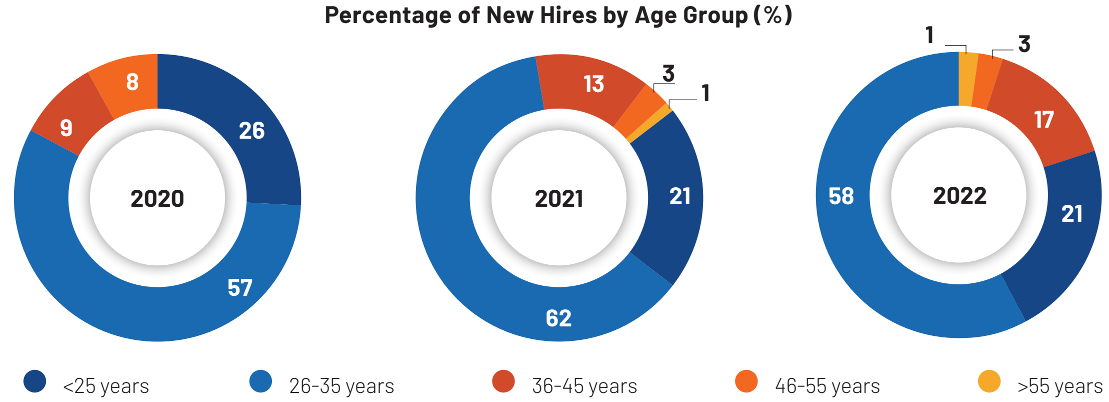
NEW HIRES PROFILE

The Group strives to develop a sustainable pipeline of talented and agile workforce through talent attraction and retention. Over time, we have seen a growing number of female talent representation in our hiring pool, with the female to male ratio standing at 58:42. (2020 – 43:57, 2021 – 52:48)

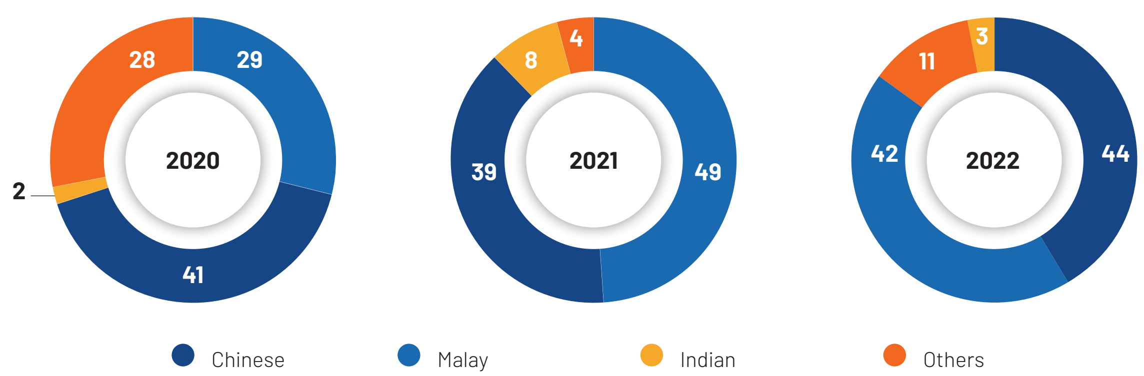
Percentage of New Hires by Gender (%)



Percentage of New Hires by Age Group (%)



Percentage of New Hires by Ethnicity (%)



TALENT DEVELOPMENT & SUCCESSION PLANNING

S P Setia is committed to unleashing the potential of its employees through the provision of continuous training and development strategies, succession planning and learning opportunities. As our employees are the drivers of our business, employee development is key to the sustainable growth and success of our company. We strive to uplift our talents by equipping them with the relevant skills to foster better employee engagement and ensure an efficient and competent workforce to enhance the company's financial performance.

Every year, approximately 2% of the Annual Gross Salary is allocated for employee development, which includes training and development programmes and other learning initiatives. Training programmes are organised based on our business needs, objectives, competency gaps that need to be filled, as well as upskilling to increase our competitive edge and to enable us to meet the targeted development strategy for the year. Prior to the execution of development programmes, Group Human Resources ("GHR") will share the Development focus of the year to the Group through the GHR communication channel, with an overview of the previous development programme's progress. We believe that it is vital to consistently invest in employee development as it reflects our commitment to ensure our people are given training.

The effectiveness of this approach is measured through feedback from employees who participated in our training programmes, along with other metrics such as Employee Engagement Score (People Pulse Score), Customer Satisfaction Score and Succession Index.

We believe that training our pool of talents will improve their capabilities, drive our organisational performance, accelerate productivity and bring us closer to our performance goals. In 2022, Team Setia was provided a total of 38,492 training hours, with an average of 19.4 training hours per employee. To empower and equip our employees with the right skills and knowledge relevant to their job roles, we executed eight types of programmes which included aspects such as Innovation & Thinking, Finance & Audit, Sales & Service, Leadership, Governance & Risk, among others.

The following table describes the scope of these programmes:

TYPE OF PROGRAMMES	SCOPE	NO. OF PARTICIPANTS
Innovation & Thinking	Inspires employees to be bold and think differently, as well as understanding customers' needs.	1,059
Finance & Audit	Enables participants to have the financial literacy to understand the financial implications of their decision-making, as well as increasing their functional knowledge skills in areas like sustainable financing.	325
Sales & Service	Equips our frontline team with skills to provide a customer-centric experience via digital marketing, marketing skills, persuasive skills and the key to negotiation.	248
Technical & Industry	Includes technical areas related to property development and also covers industry-related aspects.	2,049
Leadership	Features two structured programmes – People Excellence and People Forward to strengthen the leadership pipeline within the Group.	681
Governance & Risk	Programmes highlight the importance of governance and risk management, and the implications to the Company and individuals involved.	362
Health & Safety	Covers basic occupational first aid training, Emergency Response Team training and other aspects to improve health and safety at the workplace.	281
Information Technology	Focuses on equipping employees with skills in using digital applications to accelerate our digital transformation journey.	582

DESIGN THINKING

A project created to stimulate innovative thinking and the business mindset across S P Setia, Design Thinking focuses on using techniques that generate customer-focused innovation to accelerate digitalisation within the company.

Participants are given a Facilitation & Project Assignment with coaching assistance from the Design Thinking Consultant. These ideas will be presented at relevant platforms for future implementation. The programme also includes three Design Thinking Projects based on three streams - customer experience, technical and IBS. Project teams are empowered to collectively bring groundbreaking solutions to the table for identified challenges.

DIGITAL AWARENESS

In 2022, we continue our journey in digital awareness, cultivating the agile workforce that integrates digitalisation in daily operation. After completion of the awareness session for managers and above level, awareness sessions were held to highlight the importance of value propositions and to nurture a workforce that is agile and adaptive to changes and new challenges.

FRONTLINE COMPETENCY MATRIX

Following from our digital competency matrix completed for our frontliners in 2021, we identified the gaps and designed a new frontliner's program called "Sales & Services Development Pathway" as a next step in scaling our frontliners using the gap analysis as the foundation to the introduction of the program which covers 136 employees for 2022.

SUCCESSION PLANNING

It is crucial to establish effective succession planning to ensure a consistent talent pipeline of successors that will keep the Group running even when staffing changes occur. As such, S P Setia makes succession planning a part of its talent development initiative. By identifying and strengthening our talent pipeline, we are future-proofing our business.

To this end, a Talent Review Council ("TRC") was formed, comprising senior members of the leadership team. They were tasked with connecting with talents within our organisation, singling out potential successors for our Talent Pool based on consistent performance, and ensuring Development Plans were followed.

TRAINING HOURS IN 2022

BY GENDER

Training Hours/ Gender	Male	Female
Total No. of Employees	1,089	895
Total No. of Training Hours	20,066	18,426
Average Training Hours Per Employee	20.6	18.4

Note: Employee data as of 11 December 2022.

BY EMPLOYEE CATEGORY

Employee Category	Total No. of Training Hours	Average Training Hours Per Employee
Non-Management	28,687	16.3
Management	9,242	44.4
Senior Management	563	29.6

CAREER DEVELOPMENT REVIEW

We provide a yearly career development review for our employees to identify their strengths and weaknesses. This helps our employees to grow and allows us to design better learning and development programmes to fill the gaps and better support our employees' professional aspirations. Providing a regular performance reviews enable us to shape a motivated and high-performing workforce. In 2022, the career development review was conducted with 219 employees.

BY GENDER

	Male	Female
2022 Personal Excellence	22	22
2022 Successors	89	86
Total No.	111	108

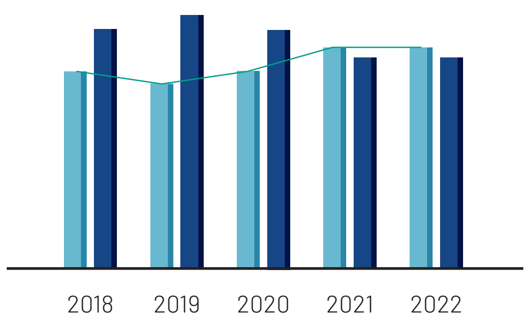
BY EMPLOYEE CATEGORY

	PX	Successors	Total
Senior Management	-	-	0
Management	-	84	84
Non-Management	44	91	135
Total No.	44	175	219

EMPOWERING SETIA'S TALENTED WOMEN

We are committed to upholding women representation in all our operations, in line with SDG 5: Gender Equality. The following chart illustrates the steady progression of women's career growth in S P Setia since 2018. In 2022, the percentage of female employees promoted remained at 55%, the same as the previous year.

Employee Promotion (by Gender)



	2018	2019	2020	2021	2022
Female	49%	46%	49%	55%	55%
Male	51%	54%	51%	45%	45%
Linear (Female)					

LEADERSHIP DEVELOPMENT INITIATIVES

At S P Setia, we value our leaders and invest in them through our Leadership Development Initiatives. Each initiative is designed to bring out the best of our people, nurture their growth and, in time, allow them to pay it forward. In 2022, we conducted three initiative:

People 4ward @ Setia

Our People4ward @ Setia programme, held in two batches involving 44 senior managers and HODs in total, aims to build a robust leadership pipeline that supports sustainable business growth in the digital ecosystem. This is applied by transforming mindsets and building strategic leadership capabilities relevant to the Digital Age. Designed for Senior Managers and Heads of Departments ("HODs"), the programme facilitates understanding and easy application through four modules, inclusive of business simulations and brown bag sessions. Area covered included talent management and, evolvement of leadership skills in the digital world, with an emphasis on agility and talent dexterity, which ultimately leads to sharpened business acumen and decision-making.

People Xcellence @ Setia

The People Xcellence @ Setia programme assists our managers in raising their managerial capability through changed mindset and new skills to stay relevant and progressive in supporting the workforce. The programme focuses on the manager-subordinate engagement point, which helps build a solid foundation in people management capability. Structured around eight modules, participants are exposed to areas including Managerial Journey, Hiring, the Employment Act and Career Progression, as well as personal branding and high-impact conversations. Two batches of 43 managers collectively finished the programme in 2022. Since the launch, we have 252 managers who successfully completed the programme.

Malaysia Leadership Summit

As part of our 2022 Talent Strategy in creating inspiring leaders to drive the workforce of the future, S P Setia joined the list of sponsors for the Malaysia Leadership Summit 2022, themed 'The Future of Work: Innovate, Influence and Inspire'. Our objective in being part of this event was to expose our leaders to the new age of leadership through insights shared by more than 10 international speakers at the Summit. The 100 S P Setia delegates were from Senior Managers to Executive Vice Presidents. They attended a special private session where speakers shared insights on the topic of 'Be More - Preparing for the Future'. In addition, the Summit also supported the underprivileged and contributed to transformative community initiatives in Malaysia.

SETIA MENTORING PROGRAMME

The Setia Mentoring Programme is a six-month programme designed to increase the personal and professional growth of mentees. Mentorship enables our employees to receive guidance, feedback and advice from an experienced mentor who lights up the path for mentees, assisting them to reach their goals and overcome obstacles. There are four key parties involved in this mentoring programme: Mentor, Mentee, Sponsor and HR Champion.

Mentees are selected based on their potential as successors after undergoing our Succession Planning process and structured mentoring programme. To facilitate our mentors in guiding mentees, mentors are given their respective mentee's IDP, along with specific details on Leadership, Professional, Career and Personal Development. This enables our mentors to identify improvement opportunities and support them in mapping out their own career development plans.

Setia Mentoring Programme (Mentor-Mentee Matching)

Mentor	Mentee
Executive Vice President ("EVP") / Divisional General Manager	Head of Department ("HOD") / General Manager ("GM") Level
GM / Deputy General Manager	Senior Manager Level
Senior Manager / HOD Level	Manager Level

B LABOUR MANAGEMENT

Labour management impacts the productivity and performance of our employees, especially during challenging periods. As such, we strive to strengthen our efforts in improving employee and labour relations to ensure our employees are fully engaged in order to drive our business to greater heights. We are committed to improving our management of labour to prevent any risks to our employees across the Group.

In the year under review, we implemented several significant policies that encompass various aspects, from working hours to whistleblowing and investigation, to supporting our workforce. These are details of the policies and their objectives:

POLICY	OBJECTIVES
Working Hours	To provide an overview of working days and hours, along with a compensation structure for each category of employees that work beyond the normal hours.
Benefits and Wages	To provide an overview of total remuneration to attract, motivate and retain talents, enabling them to achieve results.
Disciplinary	To ensure the rights of employees and the employer are respected and protected at all times to maintain harmony.
Leave	To offer competitive benefits to attract and retain talents according to the local labour laws and regulations.
Training & Development (Upskilling & Education)	To improve operational performance, enhance competencies, develop skills and capabilities, and provide opportunities for career advancement.
Whistleblowing & Investigation	To establish a whistleblowing process through various channels, ensuring the investigation is conducted in a transparent manner while keeping the identity of the whistleblower confidential and protected against any detrimental treatment.
Health, Safety and Environment	To consistently identify hazards and unsafe work conditions to reduce pollution, accidents, near-misses, dangerous incidents, and occupational poisoning and diseases.
Sexual Harassment	To prevent and eradicate sexual harassment in the workplace.
Employee Contract	All employees must be provided with a written, comprehensible and legally binding employment contract or letter.

WORKPLACE FLEXIBILITY AND EMPLOYEE BENEFITS

As a caring and responsible employer, we provide workplace flexibility to nurture the health and well-being of our employees.

We believe in embedding a culture that prioritises the well-being of our employees. As such, we have engaged Naluri to encourage our community and employees to practice a healthy lifestyle, focusing on the importance of mental and physical health. Further details on the Naluri programme for 2022 are highlighted in below.

In 2022, we allowed work flexibility and introduced Smart Casual Fridays. Both initiatives were organised to provide our employees the flexibility and freedom to complete work within certain hours and in various locations. As an employer, we are also aware that we need to adapt to the needs and challenges of our employees as many have responsibilities apart from work, such as fulfilling their duties as parents or caring for aging parents.

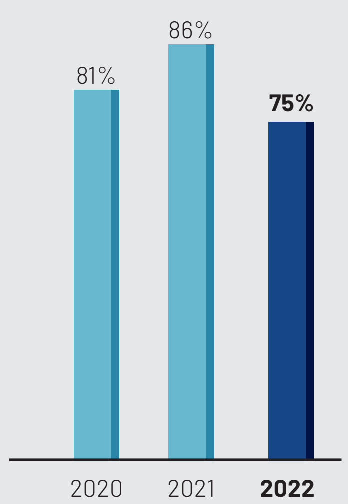
Additionally, the Group provides the following benefits to employees: annual leave, special leaves (including paternity, study and marriage leave) and a monthly meal allowance. The Employee Share Option Scheme ("ESOS") and the Employee's Share Grant Plan ("ESGP") are also provided to employees, at the discretion of the Board, which is governed by the By-Laws of the Group's Long-Term Incentive Plan ("LTIP"). For further information, refer to the Financial Statements on pages 211 to 349.

EMPLOYEE ENGAGEMENT ACTIVITIES

People Pulse Survey

Our People Pulse Survey enables us to keep track of the progress of our yearly engagement initiatives. In 2022, we achieved an engagement score of 75%, Moving forward, we will continue to strengthen our relationships with employees and increase our efforts to keep our employees fully engaged.

People Pulse Survey – Engagement Score



Employee Assistance Programme

Our collaboration with Naluri establishes an ongoing Employee Assistance Programme ("EAP"), providing support to a total of 1,795 employees. Through the EAP, employees are given access to the following: monthly webinars, a four-month digital coaching programme, professional health coaching, onsite or video therapy sessions, regular onsite employee health screening, digital tools and self-monitoring devices.

Approximately 55% of our members completed lessons on 'Understanding Naluri, Understanding You Better & Intrinsic Motivations', which included the following:

- Introduction: Welcome to the Path to Resilience
- Part 1: Take Control
- Part 2: Having a Hopeful Outlook
- Part 3: Implement Informed, Timely Actions
- Daily Routine and Stress Triggers
- Food Habits and Food Journaling

EAP 2022 Highlights

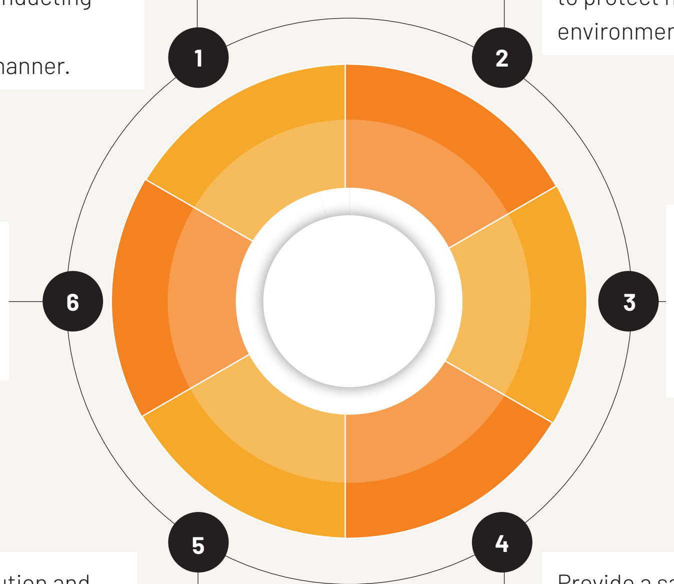
1,795 employees have benefitted from the Naluri platform through the EAP

Six In-App Consultation sessions with Naluri's Psychologist, Assistant, Dietitian, Trainer & Pharmacist

C OCCUPATIONAL HEALTH AND SAFETY

The Group remains committed to the health and safety of Team Setia. We are continuously guided by the Occupational Safety and Health Act 1994 ("OSHA") in all our undertakings to provide a safe work environment. It is our obligation and responsibility to take every precaution to prevent accidents, injuries, occupational illnesses, damage to properties and any adverse effect on the environment, and to protect our employees, customers and the general public from exposure to health or safety risks. The implementation of sound health, safety and environmental practices are an essential ingredient in the overall success of our business.

In our commitment towards safeguarding our employees, workers, suppliers and the community in the areas where we operate, we strive to:



1. Ensure all employees and business associates are well-informed, consulted, trained and encouraged to proactively participate in all HSE aspects of our management system, while conducting their activities safely and in an environmentally responsible manner.
2. Minimise any adverse health, safety and environmental impacts of our activities, products and services to protect human health and the environment.
3. Fully comply with all the applicable HSE legislation, including OSHA, FMA, EQA and other requirements that our company supports.
4. Provide a safe workplace without any risks to health, including access and egress, with adequate facilities and provisions to support employees' well-being.
5. Support efforts to reduce pollution and sustainable development by incorporating social responsibility, health, safety and environmental excellence into our decision-making process.
6. Establish and periodically review HSE objectives and targets to consistently make improvements.

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

HSE GOVERNANCE

The Group remains committed to the health and safety of Team Setia. We are continuously guided by the OSHA 1994 in all our undertakings to provide a safe work environment. S P Setia's Health, Safety and Environment ("HSE") governance is led by the Group's Safety Committee, supported by the OHS Committee (HQ level) and the OHS Committee at the BU level, which is responsible for the management and efficacy of health and safety matters.

Meanwhile, the Group Safety Committee is overseen by the COO and supervised by the GQM and HSE representatives from various BUs. This is to establish accountability, enforce effective implementation of HSE policies and procedures, and monitor the Group's overall HSE performance.

The OHS Committee at HQ level has a duty to enforce and execute HSE initiatives across project sites and the HQ. The Group's OHS Committee and BU-level OHS Committee conduct regular meetings, monitor the HSE performance at the respective BUs and discuss various health and safety issues.

Apart from that, every project site has an HSE Committee, as required by the Department of Occupational Safety and Health and in compliance with the OSHA. All HSE Committees are chaired by the respective project managers, who are supported by a secretary (an HSE officer), and consist of employer and employee representatives. As for project sites managed by contractors, the HSE Committee also includes representatives from the S P Setia Project Implementation Team. Each HSE Committee meets once a month to discuss OSH matters.

HEALTH AND SAFETY METRICS

We believe our advocacy of workplace health and safety will go a long way to protect our workers and our business, bringing us closer to our sustainability goals. The Group continues to follow its **'livelearnworkplay'** philosophy, through the provision of a safe and healthy workplace for employees to be more productive and efficient. Due to the nature of the work that is performed across our project sites, we continue to closely monitor the health and safety performance of our project sites to protect our workers and the surrounding communities.

We recorded one Lost Time Injury ("LTI") due to a faulty pipe valve. There were zero incidents of work-related ill health, incidents, fatalities and non-compliance to OHS laws, rules and regulations in the year under review.

Going forward, the Group will tighten measures to enhance the safety of our workers, continue to conduct daily safety toolbox talks and provide more HSE-related training to strengthen the health and safety of our business operations. The following shows our OHS performance for 2022:

Injury Index for Projects

Year/ Injury Rate	Incident Rate	Frequency Rate	Severity Rate	Fatality Rate
2020	0	0	3	0
2021	1	0	3	0
2022	**5**	**0**	**0**	**0**

OHS Performance

Incident Rate/ Years	2020	2021	2022
Major Incidents (Cases)	0	0	**1**
Incidents of Non-Compliance (Cases)	0	0	**4**
Penalties (RM)	0	0	**0**
Manhours without Injuries	23,699,640	15,408,863	**17,279,761**

Note 1: Manhours without injuries for 2020 has been amended to reflect the actual manhours.

Note 2: Manhours without injuries exclude Setia International Vietnam and Setia EcoHill for 2020, and Setia International Vietnam and Setia Alamsari for 2021, as data was unavailable.

MONITORING OUR HEALTH & SAFETY PERFORMANCE

In our constant efforts to provide a safe and healthy environment, we have obtained the certification for ISO 45001:2018 – Occupational health and safety management systems, emphasising our commitment towards health and safety across our business operations. The scope of our safety management system covers project management services for the development of residential, commercial and industrial properties as well as 100% of the workers within our operations in Malaysia.

To measure the efficacy of our Health, Safety and Environment management approach, S P Setia evaluates all methods and techniques employed during a management review to support the relevance of the approach taken, and to facilitate the Company's continuous improvement. To do this, S P Setia determines what needs to be monitored and measured, including:

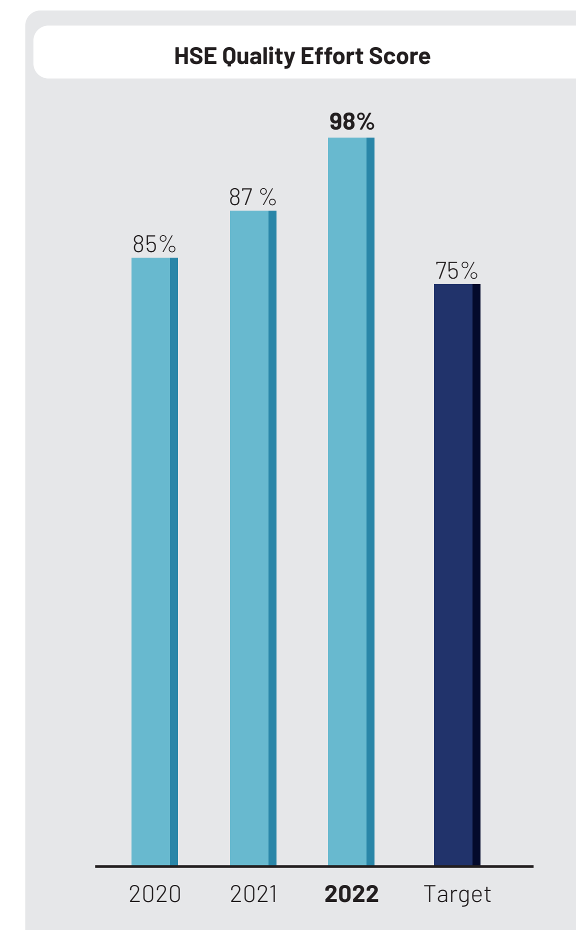
- The extent to which legal requirement and other requirements are fulfilled
- Activities and operations related to identified hazards, risks and opportunities
- The progress made towards achieving S P Setia's HSE objectives
- Efficacy of operational controls and other controls

We continuously evaluate our HSE performance and our management system, ensuring that the monitoring and measuring of our equipment is maintained, disseminating HSE performance information internally and externally, and retaining documented records of all results, measurements, analysis and performance evaluations to consistently keep track of our progress. Additionally, we establish, implement and maintain a procedure and conduct at least one internal audit once a year, to determine the effectiveness and efficiency of policies and procedures, ensuring that they are aligned with our HSE priorities.

Our GQM is responsible for performing monthly HSE audits at project sites to ensure compliance with health and safety guidelines, practices and policies. This is also done to monitor the contractors' compliance with our HSE requirements, encompassing safety of structural and support erection, machinery, as well as workers and facilities. To uphold HSE standards across our operations, we have set a target score of 75% for HSE Quality Effort. We are proud to report that the Setia team achieved 98% in 2022 and their scores have been higher than the target score since 2020. The results of these audits are part of Team Setia's KPIs and, as such, our HSE Committee at the BU level and employees are encouraged to be actively involved in monitoring the safety at project sites. The observations from our HSE Committee is shared during HSE Work Group meetings chaired by our COO to improve the HSE performance of project sites.

The audit is conducted based on HSE criteria and factors that may impact our operations. It also takes into consideration findings from risk assessments and previous audits. The audit findings are documented and submitted to the responsible manager for the area or activity, who then takes corrective action to address deficiencies found in the audit, including root causes and non-conformities to improve HSE performance. The audit results are given to relevant managers, who disseminate this information to workers, workers' representatives and other relevant parties. A follow-up is done on the corrective measures to verify effectiveness and is documented.

Team Setia also enforces the implementation of OHS procedures at HQ and BU levels, conducts yearly reviews on the efficacy of HSE policy and procedures, as well as highlighting the importance of HSE and providing training to employees.



HAZARD IDENTIFICATION, RISK ASSESSMENT AND INCIDENT INVESTIGATION

As a property developer, our business operations and construction sites expose our workers and communities to hazards and risks that impact their safety, health and well-being. To this end, we seek to identify hazards in the workplace by assessing occupational health and safety risks and conducting careful investigations in work areas.

The following are some inputs used to identify the hazards, risks and opportunities in S P Setia's project sites and operations:

1. HSE policy
2. Initial review
3. Legal and other requirements register
4. Records of previous incidents, accidents and emergencies
5. Non-conformances
6. HSE management system audits
7. Activities of all personnel, workers, contractors, consultants, suppliers and, visitors within the workplace
8. Business processes
9. Construction activities (routine and non-routine operations)
10. Type of projects (building or infrastructure)
11. HSE inspection
12. Human conduct, capabilities and other human factors
13. PME, facilities and materials at workplace
14. Design of work areas and temporary structures

HSE TRAINING AND AWARENESS

S P Setia seeks to embed a culture of safety across all segments of our business to protect our people, properties, business, stakeholders and communities. We believe that investing time and effort in HSE gives us a competitive edge and secures long-term benefits.

S P Setia strives to provide mechanisms for training, consultation and participation for employees to ensure safety is embedded across its operations and project sites. Employees are also given constant reminders and information on the HSE management system and are encouraged to be proactive in providing input to improve HSE issues.

Our non-managerial workers are consulted on HSE policy, fulfilling legal compliance and requirements, achieving HSE objectives, controls for outsourcing, procurement and contractors, matters that need to be monitored, measured and evaluated, and auditing, among others. They are also required to actively participate in identifying hazards, assessing risks and opportunities, implementing actions to eliminate hazards and reduce risks, determining training needs and control measures, investigating incidents and non-conformities as well as implementing corrective actions.

S P Setia has continued to educate and raise awareness among its contractors, visitors and relevant stakeholders on various aspects of HSE, including their roles and responsibility in conforming to Setia's HSE policy, procedures and objectives, significant environmental impacts and the potential impacts associated with its activities and HSE advantages.

We also continued to boost the HSE capabilities of our employees and construction workers by providing additional training sessions, conducted by external training providers and internal HSE experts. In 2022, 115 HSE learning programmes were organised for employees, which included technical training such as scaffolding awareness and working at heights, to enhance health and safety at work. Non-technical training sessions that were organised included basic occupational health and safety, first aid, fire training and emergency response for the OSH Committee and floor wardens. In total, 281 employees attended these training sessions.

Moving forward, we will continue to increase the knowledge and awareness of our employees on HSE matters to spur the HSE performance of our business.

POSITIVE, SUSTAINED COMMUNITY AND SOCIAL IMPACTS

Spotlight Story

KEEPING OUR COMMUNITIES SAFE

A strong security system plays a crucial role in creating a safe, peaceful and secure environment for our residents, communities and employees.

Thus, we invest in a trained Auxiliary Police Force ("APF"), who are appointed by the Polis Diraja Malaysia ("PDRM") and received a three-month police training course at the Malaysian Police Training Academy. The APF is employed to protect our offices, sales galleries and townships. Under stringent controls and processes, the APF conducts regular patrols across townships with patrol cars and bikes supported by a Global Positioning System ("GPS") mobile system for communication and reports back to the APF's Operational Room.

Our APF office have been relocated and renovated, and are well-equipped with cellular walkie talkies, T-batons, handcuffs and information on hot spot patrol zones to ensure a smooth operation when officers deploys for duty. In total, we invested RM200,722 in these upgrades. As stipulated in the Police Act, the APF is given the authority to arrest any criminal suspects who are then handed over to the nearest police station for PDRM's next course of action.

Recording a total 250,432 patrolling hours as at December 2022, our APF also handled three crime cases. The patrolling hours were estimated based on full workforce and does not include number of leave days taken by employees.

Setia APF

- **3 months** training at the Malaysian Police Training Academy prior to appointment by PDRM
- **Patrolling** using cars and bikes equipped with GPS and **more than 250,432** patrolling hours estimated for a year with the assumption of full force manpower
- **Internal training sessions** were conducted to enhance the team's knowledge
- **RM99,512** spent on items including cellular walkie-talkies with a yearly subscription fee, walkie-talkie batteries, and uniforms and accessories required by the APF

Our APF also two internal to T-baton self-defence training sessions that were conducted for three hours per session. There was a total of 56 attendees in both sessions.

To fill security gaps, we also engaged 18 security guards to serve on our premises, including our office buildings, sales galleries and show houses. In comparison to the APF, these security guards are given the responsibility of controlling access into our premises, especially those without authorisation.

Outsourced Security Guard

- **81** security guards were hired to safeguard our premises
- **24-hour** daily patrolling the buildings
- **Immediate response** to emergency issues and **control access** to buildings

We incorporate security features into our townships to prevent any malicious activities or security breaches that can cause inconvenience or harm to residents and members of the public.

Most of our townships are patrolled 24 hours daily and are equipped with round-the-clock CCTV surveillance with day and night motion detection. Residential areas are controlled via single entry and exit points with a main guardhouse as the base of operations. All vehicles are required to use the radio-frequency identification ("RFID") system and RFID stickers to gain access into townships. The RFID stickers are embedded with radio frequency chips that enable tracking and identification.

Secured Living Environment

- **24-hours** CCTV surveillance with day and night motion detection
- **Single entry and exit point** via a main guardhouse and **RFID-controlled vehicle access system**
- **Home alarm system** linked to central guardhouse
- **Integrated perimeter fencing security** with sensors to ensure no breach of the fencing system

Every home in our development is designed with a built-in alarm system that is connected to the guardhouse via the Central Monitoring System ("CMS"). Users are able to receive updates or statuses at any given time at their convenience from their devices, as the system includes home automation and mobile applications. The mobile app permits additional features such as control of fittings at home or a connection to the home automation system. The guardhouses will be the first to receive alerts when the CMS system is triggered.

Intrusions are detected via our integrated perimeter fencing security system, which is based on the Perimeter Intrusion Detection System ("PIDS"). The PIDS efficiently combines a surveillance system with sensors that are able to detect vibrations caused by any act of cutting, climbing or attempts to breach the physical perimeter fencing. Security guards will be alerted and will respond immediately to any signs of trespassing. Physical fencing and barbed wires are also installed as additional security measures for the community.

D CUSTOMER SATISFACTION

We measure customers' satisfaction levels through our yearly customer satisfaction survey. Conducted twice a year, the survey evaluates various aspects of our service and product quality. Participants were selected according to three categories: those who had signed the Sales and Purchase Agreement, purchasers who had collected their keys and those who had lodged complaints on completion status.

Through an online survey via email or SMS channels, respondents are required to provide feedback on six categories that make up the Overall Satisfaction Score, namely: Sales & Marketing, Credit Administration, Customer Relations, Site Supervisor, Product Quality and Online Purchase Experience. Respondents can rate using a four-point scale from "very satisfied" to "very dissatisfied" and give their feedback in a comments section.

The survey helped us pinpoint areas for improvement and motivates us to perform better to deliver outstanding customer service. In addition to making improvements, we work to satisfy customers' demands by resolving any problems and handling enquiries or complaints efficiently.

CUSTOMER SATISFACTION SURVEY 2022

Buyers likely to be repeat customers and/or recommend products to families and friends: **75.2%**

AREAS SURVEYED	SCORE
Sales & Marketing Services	94.2%
Customer Relations Services	81.5%
Credit Administration	90.8%
Site Supervisor Services	78.8%
Product Quality	73%
Online Purchase Experience	91.7%

E COMMUNITY AND SOCIAL IMPACTS

At S P Setia, we appreciate the opportunities we are given to contribute to our communities. To us, community engagements mean establishing a trusting relationship between the organisation and the community, helping them to grow advantageously and fulfilling employees' satisfaction through meaningful volunteerism. Commercially, community engagement helps us build a stronger customer base and increases our brand presence.

We have a structure in place to ensure that we are fully involved and our involvement is impactful. S P Setia is the Founder and is represented on the Board of Trustees of the S P Setia Foundation. In some programmes, S P Setia also funds and collaborates with S P Setia Foundation, especially when there is a call for volunteers and organisation of programmes. Our other BUs are also participants of S P Setia Foundation's plans.

Employees are highly supported by the management when participating in programmes. Team Setia obtains clearance from heads of other BUs to volunteer for programmes conducted by S P Setia Foundation during business hours. GHR also targets to provide volunteer leave to employees who sign up for volunteer engagements, especially for the S P Setia Foundation programmes. The Social Impact initiatives under our Sustainability pillar mandates community engagement as a set KPI, showing serious commitment from the Group.

To manage our community engagements efficiently and effectively, the Setia Foundation Board of Trustees has approved the expansion of the Foundation's manpower with the approval of the new structure during the Third Board of Trustees' Meeting on 21 December 2022. Every programme's impact is prudently assessed the approval level and are aligned with the SDGs and the Objects of Trust Deeds prior to programme commencement.

We are proud to report that we have created various positive impacts in 2022 and are well on our way to rolling out 2023's initiatives. Among the plans include introducing volunteer leave, which will be part of the Social Impact Materiality Matters ESG planned for 2023. S P Setia Foundation will also organise a Brainstorming Retreat to streamline its programmes with the Sustainability and ESG programmes of S P Setia in order to enhance programme implementation and execution.

S P SETIA FOUNDATION

Our Setia Caring Schools Programme ("SCSP") is a demonstration of how we play our part in the advancement of education among disadvantaged school children in Malaysia. In 2022, S P Setia Foundation adopted nine schools in Penang, Selangor and Johor under this SCSP.

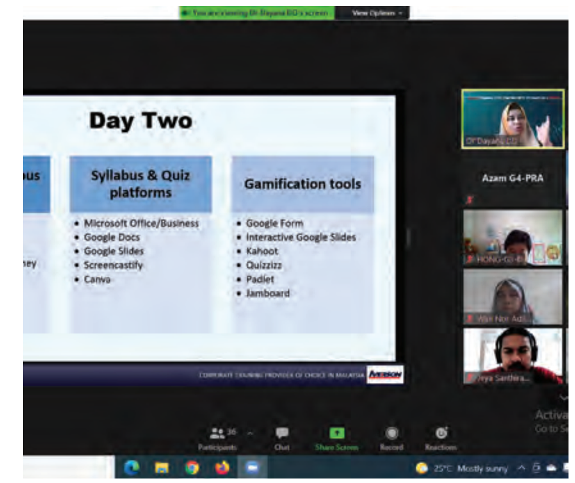
SETIA CARING SCHOOL PROGRAMME

We helped provide subsidies to the disadvantaged pupils under the following programmes:

Teachers Training Programme

We sponsored the schools through their Teachers' Training, Digitisation in Education Workshop for the education advancement of disadvantaged pupils. Thirty-six teachers from nine schools under SCSP Selangor, Penang and Johor attended the virtual workshop where we provided special training for teachers on how to effectively digitise their lessons, online teaching skills and exposure to the best practices, classroom management and Higher Order Thinking Skills ("HOTS"). From this workshop, both teachers and students will be better prepared to manage the post COVID-19 era efficiently with the teachers being able to analyse using online resources. Thereafter, the students will have a better learning experience and performance at school.

Impacted: 36 teachers and 4,716 students from 9 SCSP schools in Selangor, Penang and Johor



School Hygiene Education

Through the School Hygiene Education Programme, S P Setia Foundation together with some volunteer school teachers distributed sanitiser sprays for each classrooms and participated in sanitisation process at all nine SCSP schools in Selangor, Penang and Johor. The purpose of the programme was to promote awareness of hygiene and personal care by providing the participants with access on healthcare and hygiene online tutorials as well as among SCSP students. The impact of this programme can be seen where students and teachers were able to safely and confidently return to school post- pandemic lockdown period.

Impacted: 4,716 schoolchildren and 420 teachers from 9 schools under SCSP in Penang, Selangor and Johor.

Annual Stipend Programme

In conjunction with the start of the school session in March 2022, S P Setia Foundation contributed RM150 to each of the 2,689 SCSP schoolchildren from B40 families to assist them on their back-to-school journey. This programme made a big impact on the 2,689 schoolchildren from nine SCSP schools in Penang, Selangor and Johor to start their school session with joy.

Impacted: 2,698 schoolchildren from 9 schools under SCSP in Penang, Selangor and Johor.

Additional Assistance Programme

S P Setia Foundation also gave out SCSP school uniform vouchers to the selected 1,026 schoolchildren from B40 families. Each student received two sets of school uniforms, including two pairs of shoes and socks. This assistance meant their low-income parents were less burdened with the school expenses and purchase of school uniforms. In addition, 150 teachers volunteered their time and assisted Team Setia in ensuring the smooth running of our programme.

This Additional Assistance Programme has benefited a total of 1,026 school children from nine SCSP schools in Penang, Selangor and Johor with the support of 150 volunteer teachers.

Impacted: 1,026 schoolchildren and 150 teachers from 9 schools under SCSP in Penang, Selangor and Johor.

SCSP Festive Food Baskets

In conjunction with the Hari Raya celebrations, S P Setia Foundation contributed to B40 families through their schoolchildren studying at our SCSP schools in Selangor, Penang and Johor. RM120 worth of groceries were given to each selected SCSP underprivileged pupil for their family. We identified 270 schoolchildren and their families who were facing financial woes due to economic uncertainty and they benefitted well from this SCSP Festive Food Basket programme.

Impacted: 270 school children and 1,350 family members from 9 schools under SCSP in Selangor, Penang and Johor.

"Unity in Diversity" Programme

As part of our agenda to promote national unity, we collaborated with various parties including Jabatan Pendidikan Negeri Selangor (JPNS), Pejabat Pendidikan Daerah Sepang dan Hulu Langat, Jabatan Kemajuan Orang Asli ("JAKOA") Sepang, Yayasan Sukarelawan Siswa (YSS) and student volunteers from IPG Kampus Raja Melewar, Seremban, Negeri Sembilan, for the Unity in Diversity project. With the collaborative partnership with YSS, we selected 60 students from four schools in Selangor, three of which are our SCSP schools in Semenyih, Selangor. The following activities were organised at SK Bukit Tampoi (Asli):

a) Dances of different cultures, including the Orang Asli dance, Tarian Sewang.
b) Gotong-royong with parents and teachers at SK Bukit Tampoi (Asli).
c) Presenting 10 units of refurbished laptops collected from different BUs that were reformatted by the S P Setia GICT department.

These activities successfully instilled cross-cultural appreciation and the spirit of teamwork among the students and the volunteers. The gotong-royong session resulted in a cleaner and more conducive classrooms while their learning sessions are now made easier with those laptops contributed by S P Setia Foundation.

Impacted: 60 schoolchildren from 4 schools in Selangor, 10 student volunteers and involvement of 16 teachers.

"Sincerely, Setia"

In continuation of our "Unity in Diversity" campaign to promote the spirit of unity among schoolchildren and youths, S P Setia Foundation hosted an educational outing for 90 primary school students from the Foundation's adopted schools under SCSP in Klang Valley, which included including SK Semenyih, SJK(C) Kampung Baru Semenyih and SJK(T) Ladang Rinching, as well as Orang Asli students from SK Bukit Tampoi, Dengkil, on 13 December 2022.

The students and selected parents from the Orang Asli community of Kampung Bukit Tampoi were gathered for a movie viewing of the local animation flick "Mechamato The Movie", which tells the story of Amato, a boy who becomes the master of a robot that transforms ordinary objects into high-tech devices. The movie outing was followed by an educational play session at Toy8 Playground, an experiential playground focused on early intervention of education for children.

This programme has brought joy and happiness to the 90 selected school students, parents and their teachers, the majority of them were found to have never had any experience watching any movies at cinemas. This was a lifetime experience to most of them.

Impacted: 90 schoolchildren and youths from 4 schools in Selangor, 10 Orang Asli family members and 16 teachers involved.

Demonstrating Inclusivity

Since 2012, S P Setia Foundation has been supporting the National Autism Society of Malaysia ("NASOM") by providing it with four levels of space at Setia Avenue, a commercial hub developed by S P Setia in Setia Alam, Selangor Darul Ehsan, for their operations.

For FY2022, approximately 156 children, from the ages of 4 to 14, benefitted from NASOM's activities, including occupational therapy, group programmes for creative arts, dramas, block therapy and play, behavioural therapy, Intensive Intervention Programme as well as screening and diagnosis for autism. Moving forward, S P Setia Foundation together with S P Setia Berhad Group Human Resources plan to send S P Setia staff as corporate volunteers to support and learn how to deal with autistic children.

Impacted: 156 autistic school children from Selangor.

NATURAL DISASTER (EMERGENCY RELIEF ASSISTANCE)

Working together with Jabatan Pendidikan Negeri Selangor ("JPNS"), we selected six schools in the state to benefit from our S P Setia Foundation emergency relief assistance. Two sets of school uniforms and one school bag were given to 969 children from B40 families. Among the schools selected were SK Pulau Indah, SK Sungai Lui, SK Taman Sri Muda, SK Taman Sri Muda 2, SK Padang Jawa and SK Seksyen 24.

Impacted: **969 schoolchildren from 6 schools in Selangor.**

RAMADHAN FOOD PACKS FOR B40

In conjunction with S P Setia's *Hari Raya Aidilfitri* campaign themed 'Setia Berbudi, Ikhlas di Hati' and the holy month of Ramadhan, members from S P Setia's Group Branding & Communications and BUs were on the ground to distribute festive food aid to the Orang Asli and the B40 community throughout April 2022.

We distributed food baskets containing festive food items such as rice, condiments, flour, sugar, cordial fruit juice and cookies to a total of 147 families from the identified locations close to S P Setia's developments, which included the Orang Asli settlement near Setia Warisan Tropika in Sepang, Pangsapuri Tun Teja 1 in Setia AlamImpian, Shah Alam, and Kampung Batu 5 in Kajang where villagers were also affected by the heavy floods in December 2021.

Impacted: **147 families**

#SETIA4MALAYSIA UNITY RUN 2022

Celebrating the spirit of unity and in an effort to promote a healthier nation, S P Setia organised the #Setia4Malaysia Unity Run 2022, which saw the attendance of 2,106 participants at the 10-acre Setia Bayuemas Lake Park, Klang, on 18 September. The event consisted of a 5 km fun run which had participants from all walks of life and a 21.1 km half-marathon for running enthusiasts and veterans.

This was the first physical edition of the #Setia4Malaysia Unity Run series, following the virtual run that was held during the Merdeka-Malaysia Day period in 2021.

IN REFERENCE TO GRI UNIVERSAL STANDARDS

Statement of Use: S P Setia Berhad has reported the information cited in this GRI content index for the period 1 January to 31 December 2022 with reference to the GRI Standards.

GRI 1 used: GRI 1: Foundation 2021

GRI STANDARD	GRI DISCLOSURE		REMARKS	PAGE REFERENCE
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	**The organisation and its reporting practices**			
	2-1	Organisational details		Pages 12 to 13
	2-2	Entities included in the organisation's sustainability reporting	The scope of reporting for the Sustainability Statement is limited within the operations in Malaysia.	Pages 13
	2-3	Reporting period, frequency and contact point	ir@spsetia.com or 603-33482576.	Pages 8 to 9
	2-4	Restatements of information		
	2-5	External assurance		
	Activities and workers			
	2-6	Activities, value chain and other business relationships		Page 13
	2-7	Employees		Page 48, Page 125 to 128
	2-8	Workers who are not employees		Pages 125 to 128
	Governance			
	2-9	Governance structure and composition		Pages 174 to 175
	2-10	Nomination and selection of the highest governance body		Pages 179 to 182
	2-11	Chair of the highest governance body		Page 170
	2-12	Role of the highest governance body in overseeing the management of impacts		Pages 174 to 175
	2-13	Delegation of responsibility for managing impacts		Pages 174 to 175
	2-14	Role of the highest governance body in sustainability reporting		Page 176
	2-15	Conflicts of interest		Page 184
	2-16	Communication of critical concerns		Page 109
	2-17	Collective knowledge of the highest governance body		Page 178
	2-18	Evaluation of the performance of the highest governance body		Page 179
	2-19	Remuneration policies		Pages 179 to 182
	2-20	Process to determine remuneration		Pages 179 to 182
GRI 2: General Disclosures 2021	**Strategy, policies and practices**			
	2-22	Statement on sustainable development strategy		Pages 16 to 17
	2-23	Policy commitments		Page 109
	2-24	Embedding policy commitments		Page 109
	2-25	Processes to remediate negative impacts		Page 108
	2-26	Mechanisms for seeking advice and raising concerns		Page 108

IN REFERENCE TO GRI UNIVERSAL STANDARDS

GRI STANDARD	GRI DISCLOSURE		REMARKS	PAGE REFERENCE
GENERAL DISCLOSURES				
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	ISO 14001:2015 Environmental Management System certification, ISO 45001:2018 for Occupational Health and Safety Management System	Page 113, Page 137
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement		Pages 188 to 191
MATERIAL TOPICS				
GRI 3: Material Topics 2021	3-1	Process to determine material topics		Page 39
	3-2	List of material topics		Pages 40 to 41
ECONOMIC				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed		Page 14
	201-2	Financial implications and other risks and opportunities due to climate change	Aim to adopt TFCD framework in the next financial year	Page 108
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	100%	Page 126
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Total investment for communities by S P Foundation: RM405,154.07.	Page 32, Pages 140 to 144
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	100% local suppliers	Page 107
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures		Pages 108 to 109, Pages 198 to 199
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Page 104
ENVIRONMENTAL				
GRI 301: Materials 2016	301-1	Materials used by weight or volume		Page 120
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	2022: 18.15 Mw/h	Page 117
	302-3	Energy intensity	2022: 12.19 kW/m²	
	302-4	Reduction of energy consumption	2021: 32.6 MW/h 2022: 18.15MW/h²	
GRI 303: Water and Effluents 2018	303-2	Management of water discharge-related impacts	Pond water retention at D'network which saved up RM6,840 per year.	Page 118
	303-5	Water consumption	Water consumption in 2022: 588.519 m³	Page 118
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Setia Eco Park, Setia Eco Templer, Setia Eco Glades, Setia EcoHill and Setia EcoHill 2	Pages 120 to 122
	304-2	Significant impacts of activities, products and services on biodiversity	Urbanisation main cause of biodiversity decline Urban heat island effect	Pages 120 to 122

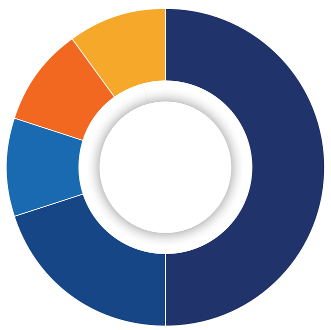
IN REFERENCE TO GRI UNIVERSAL STANDARDS

GRI STANDARD	GRI DISCLOSURE		REMARKS	PAGE REFERENCE
ENVIRONMENTAL				
GRI 304: Biodiversity 2016	304-3	Habitats protected or restored	Development and landscape planning of bayuemas was based on the findings from the ecological studies held	Pages 120 to 122
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	E-waste management Food waste compositing facility at D'network	Page 31, Page 57, Page 119
SOCIAL				
GRI 401: Employment 2016	401-1	New employee hires and employee turnover		Page 128
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Special leaves, naluri programme, work flexibility etc.	Page 134
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system		Page 135
	403-2	Hazard identification, risk assessment, and incident investigation		Page 138
	403-3	Occupational health services		Page 137
	403-4	Worker participation, consultation, and communication on occupational health and safety	The Group Safety Committee is overseen by the COO and supervised by the GQM and HSE representatives from various BUs.	Page 136
	403-5	Worker training on occupational health and safety	281 participants.	Page 138
	403-6	Promotion of worker health	Naluri Programme.	Page 134
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Hazard risk identification, risk assessment and incident investigation	Pages 138 to 139
	403-8	Workers covered by an occupational health and safety management system	Occupational Safety and Health Act ("OSHA") 1994 and the HSE Governance Structure	Pages 138 to 139
	403-9	Work-related injuries	0 LTI in 2022.	Page 136
	403-10	Work-related ill health	0 work related ill health 2022.	Page 136
GRI 404: Training and Education	404-1	Average hours of training per year per employee	By gender and employee category	Page 130
	404-2	Programs for upgrading employee skills and transition assistance programs	Innovation & thinking, leadership programes	Page 1129
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	By age, gender and ethnicity.	Pages 125 to 128
	405-2	Ratio of basic salary and remuneration of women to men	Not salary but promotion.	Page 131
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs		Pages 140 to 144
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		Pages 104 to 105

Commitment To Strong Governance

BOARD AT A GLANCE

BOARD COMPOSITION



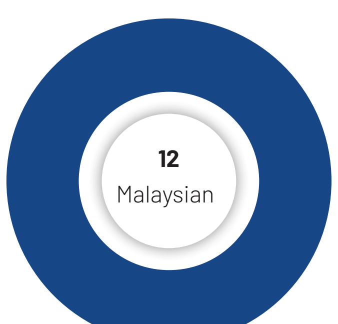
Independent Non-Executive Directors	7
Non-Independent Non-Executive Directors	2
Senior Independent Non-Executive Director	1
Non-Independent Non-Executive Chairman	1
President and Chief Executive Officer	1

BOARD GENDER DIVERSITY

8 Male

4 Female

BOARD NATIONALITY



9 Bumiputera

3 Non-Bumiputera

Y.A.M. TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL
Non-Independent Non-Executive Chairman

DATUK CHOONG KAI WAI
President and Chief Executive Officer

DATO' AHMAD PARDAS BIN SENIN
Senior Independent Non-Executive Director

DATO' HALIPAH BINTI ESA
Independent Non-Executive Director

DATO' SERI IR. HJ. MOHD NOOR BIN YAACOB
Independent Non-Executive Director

DATO' ZURAIDAH BINTI ATAN
Independent Non-Executive Director

TENGKU DATO' AB. AZIZ BIN TENGKU MAHMUD
Non-Independent Non-Executive Director

MR PHILIP TAN PUAY KOON
Independent Non-Executive Director

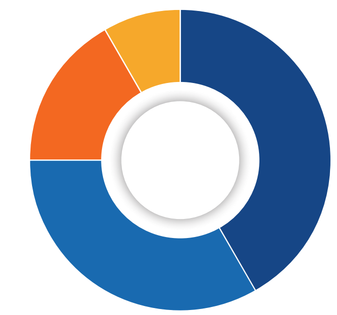
DATO' AZMI BIN MOHD ALI
Non-Independent Non-Executive Director

DATO' MERINA BINTI ABU TAHIR
Independent Non-Executive Director

DATO' TENGKU MARINA BINTI TUNKU ANNUAR
Independent Non-Executive Director

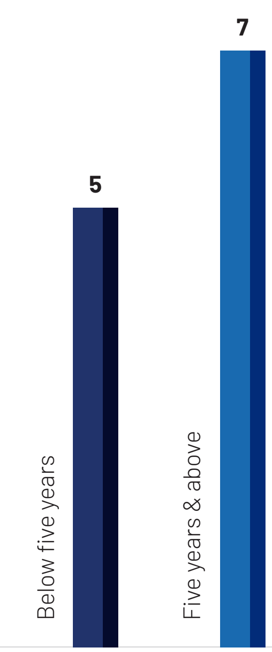
MR SHERANJIV SAMMANTHAN
Independent Non-Executive Director

AGE DIVERSITY



66 - 75	5	56 - 60	2
61 - 65	4	51 - 55	1

LENGTH OF DIRECTORSHIP TENURE



NONE OF THE BOARD MEMBERS HOLD MORE THAN 5 DIRECTORSHIPS in listed issuers which complies with Paragraph 15.06 of the Listing Requirements. Their directorships in listed issuers and public companies are set out in the Profiles of Board of Directors section of this Integrated Report 2022 of S P Setia Berhad.

PROFILE OF BOARD OF DIRECTORS

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee; Nomination and Remuneration Committee; Tender and Projects Committee; Finance and Investment Committee; Risk Management Committee; Sustainability Committee; Chairman; Member

Male

71

Malaysian

Date of Appointment:
3 January 2019

Length of Service:
4 years and 2 months

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

Non-Independent Non-Executive Chairman

Membership of Board Committee	Board Attendence
	14/14

ACADEMIC / PROFESSIONAL QUALIFICATION(S):

- Bachelor of Arts in Accounting, Macquarie University, Sydney, Australia
- Chartered Accountant, Malaysian Institute of Accountants
- Certified Practising Accountant, Australia
- Court of Emeritus Fellows, Malaysian Institute of Management

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:

- Chairman, Nestle (Malaysia) Berhad
- Chairman, Kenanga Investment Bank Berhad
- Chairman, Lembaga Zakat Selangor
- Chancellor, SEGi University

Past Relevant Experiences:

- Chairman, Cahaya Mata Sarawak Berhad
- Chairman, EON Bank Berhad
- Chairman, DRB-Hicom Berhad
- Chairman, Lembaga Tabung Haji Investment Panel
- Chairman, Malakoff Corporation Berhad
- Chairman, Malaysia Airports Holdings Berhad
- Chairman, Malaysian Resources Corporation Berhad
- Chairman, Media Prima Berhad
- Chairman, Radicare (M) Sdn Bhd
- Chairman, Uni Asia General Insurance Berhad
- Chairman, Uni Asia Life Assurance Berhad
- Director, Bangkok Bank Berhad
- Director, Maxis Communications Berhad
- Group Managing Director, Amanah Capital Partners Berhad
- Financial Accountant, Malaysian Airlines Systems Berhad

DECLARATION:

- Does not have any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad except by virtue of being a nominee Director of Permodalan Nasional Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee; Nomination and Remuneration Committee; Tender and Projects Committee; Finance and Investment Committee; Risk Management Committee; Sustainability Committee; Chairman; Member

Male

62

Malaysian

Date of Appointment:
1 October 2021

Length of Service:
1 year and 5 months

DATUK CHOONG KAI WAI

President and Chief Executive Officer

Membership of Board Committee	Board Attendence
	13/13

ACADEMIC / PROFESSIONAL QUALIFICATION(S):

- BSc (Hons), Mechanical Engineering, The City University London, United Kingdom

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:

- President and Chief Executive Officer of S P Setia Berhad
- Chairman, Perumahan Kinrara Berhad
- Trustee, S P Setia Foundation

Past Relevant Experiences:

- Chief Executive Officer of Setia (Melbourne) Development Company Pty Ltd

DECLARATION:

- Does not have any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

PROFILE OF BOARD OF DIRECTORS

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee; Nomination and Remuneration Committee; Tender and Projects Committee; Finance and Investment Committee; Risk Management Committee; Sustainability Committee; Chairman; Member

Male

70

Malaysian

Date of Appointment:
17 September 2014

Length of Service:
8 years and 6 months

DATO' AHMAD PARDAS BIN SENIN
Senior Independent Non-Executive Director

Membership of Board Committee

Board Attendence
13/14

ACADEMIC / PROFESSIONAL QUALIFICATION(S):
- Fellow, The Chartered Institute of Management Accountants
- Member, Malaysian Institute of Accountants
- Member, Institute of Corporate Directors Malaysia

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:
Nil

Past Relevant Experiences:
- Chairman and Director, Battersea Project Holding Company Limited
- Chairman, Desaru Development Corporation Sdn Bhd
- Chairman, Desaru Development Holdings One Sdn Bhd
- Chairman of Malaysian Directors Academy
- Deputy Chairman of Costain Group PLC
- Deputy Chairman of PLUS Expressways Berhad
- Deputy Chairman of UEM Builders Berhad
- Deputy Chairman of UEM Land Holdings Berhad
- Director, Silterra Malaysia Sdn Bhd
- Director, Themed Attractions Resorts & Hotels Sdn Bhd
- Director, Faber Group Berhad
- Director, Opus Group Berhad
- Director, Pharmaniaga Berhad
- Director, Sime Darby Berhad
- Director, Sime Darby Energy Sdn Bhd
- Director, Sime Darby Industrial Holdings Sdn Bhd
- Director, UEM Environment Sdn Bhd
- Director, Universiti Malaysia Kelantan
- Director, Universiti Teknologi MARA
- Executive Director & CEO, Silterra Malaysia Sdn Bhd
- Managing Director of UEM World Berhad, Renong Bhd, TIME Engineering Berhad, TIME dotCom Berhad and EPE Power Corporation Berhad
- Managing Director and CEO, UEM Group Berhad
- Financial Controller, Malaysian Tobacco Company Berhad

DECLARATION:
- Does not have any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

PROFILE OF BOARD OF DIRECTORS

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee; Nomination and Remuneration Committee; Tender and Projects Committee; Finance and Investment Committee; Risk Management Committee; Sustainability Committee; Chairman; Member

Female

73

Malaysian

Date of Appointment:
29 August 2014

Date of Redesignation as Independent Non-Executive Director:
28 February 2018

Length of Service:
8 years and 7 months

DATO' HALIPAH BINTI ESA
Independent Non-Executive Director

Membership of Board Committee

Board Attendence
14/14

ACADEMIC / PROFESSIONAL QUALIFICATION(S):
- Bachelor of Arts (Hons) in Economics, University of Malaya, Malaysia
- Master of Economics, University of Malaya, Malaysia
- Certificate in Economic Management, IMF Institute, Washington, U.S.A.
- Certificate in Economic Management, Kiel Institute for World Economics, Germany
- Certificate in Advanced Management Programme, Adam Smith Institute, London, United Kingdom
- Certificate on Circular Economy & Sustainability Strategies, University of Cambridge, Judge Business School, United Kingdom

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:
- Director, Sime Darby Plantation Berhad
- Lecturer, University of Malaya

Past Relevant Experiences:
- Chairman, Pengurusan Aset Air Berhad
- Director, Bank Pertanian Malaysia Berhad
- Director, Employees Provident Fund Board
- Director, Inland Revenue Board
- Director, KLCC Property Holdings Berhad
- Director, Malaysia Deposit Insurance Corporation
- Director, Cagamas Berhad
- Director, MISC Berhad
- Director Malaysia Marine & Heavy Engineering Berhad
- Director, NCB Holdings Berhad
- Director, Petroliam Nasional Berhad
- Director, Malaysia Thailand Joint Development Authority
- Director, UDA Holdings Berhad
- Director, Putrajaya Holdings
- Director, Lembaga Kemajuan Tanah Persekutuan ("FELDA")
- Chairman & Founding Director of Securities Industry Dispute Resolution Centre
- Chairman, Akademi Laut Malaysia
- Director-General, Economic Planning Unit ("EPU") in the Prime Minister's Department and has held various senior positions in the EPU
- Deputy Secretary General, Ministry of Finance

DECLARATION:
- Does not have any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

PROFILE OF BOARD OF DIRECTORS

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee · Nomination and Remuneration Committee · Tender and Projects Committee · Finance and Investment Committee · Risk Management Committee · Sustainability Committee · Chairman · Member

Male

68

Malaysian

Date of Appointment:
15 October 2014

Length of Service:
8 years and 5 months

DATO' SERI IR. HJ. MOHD NOOR BIN YAACOB
Independent Non-Executive Director

Membership of Board Committee

Board Attendence
14/14

ACADEMIC / PROFESSIONAL QUALIFICATION(S):
- Bachelor of Engineering, Universiti Teknologi Malaysia

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:
- Director, Lim Seong Hai Capital Berhad
- Director, Setia (Melbourne) Development Company Pty Ltd
- Director of several private limited companies

Past Relevant Experiences:
- Director, Prasarana Malaysia Berhad
- President, Board of Engineers of Malaysia
- Has held various senior positions in the Public Works Department including its Director-General

DECLARATION:
- Does not have any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

PROFILE OF BOARD OF DIRECTORS

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee · Nomination and Remuneration Committee · Tender and Projects Committee · Finance and Investment Committee · Risk Management Committee · Sustainability Committee · Chairman · Member

Female

64

Malaysian

Date of Appointment:
16 December 2014

Date of Redesignation as Independent Non-Executive Director:
28 February 2018

Length of Service:
8 years and 3 months

DATO' ZURAIDAH BINTI ATAN
Independent Non-Executive Director

Membership of Board Committee

Board Attendence
14/14

ACADEMIC / PROFESSIONAL QUALIFICATION(S):
- LL.B (Hons), University of Buckingham, England
- Certificate in Legal Practice, Malaysia
- Member of the Malaysian Bar
- Harvard Business School Executive Education Program ("Making Corporate Boards More Effective")

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:
- Chairman, S P Setia Foundation
- Chairman, IATSS Forum (Japan) National Committee, Malaysia, an annual ASEAN-JAPAN Leadership Training programme for young professionals, who are sent to Suzuka City, Mie Prefecture, Japan
- Honorary Advisor, The National Cancer Society of Malaysia
- Sole proprietor, Chambers of Zuraidah Atan

Past Relevant Experiences:
- President and CEO, Affin Merchant Bank Berhad
- Chairman, Yayasan Sukarelawan Siswa/Student Volunteers Foundation
- Director, Bank Kerjasama Rakyat Malaysia Berhad
- Director, Commodities and Monetary Exchange of Malaysia
- Director, HSBC Bank Malaysia Berhad
- Director, Malaysia Building Society Berhad
- Director, Milux Corporation Berhad
- Director, NCB Holdings Berhad
- Director, Northport (Malaysia) Berhad
- Director, Petron Malaysia Refining & Marketing Berhad
- Director, Universiti Sains Malaysia
- Director, Universiti Utara Malaysia
- Public Interest Director, Bursa Malaysia Berhad, Bursa Malaysia Derivatives Berhad and Bursa Malaysia Derivatives Clearing Berhad
- Arbitrator, KL Regional Centre for Arbitration
- Independent Member, Consultation and Corruption Prevention Panel of Malaysian Anti-Corruption Commission
- Director, Kenanga Islamic Investors Berhad

DECLARATION:
- Does not have any conflict of interest or any family relationship with any Director(s) and/or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

PROFILE OF BOARD OF DIRECTORS

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee · Nomination and Remuneration Committee · Tender and Projects Committee · Finance and Investment Committee · Risk Management Committee · Sustainability Committee · Chairman · Member

Male

66

Malaysian

Date of Appointment:
11 September 2015

Length of Service:
7 years and 6 months

MR PHILIP TAN PUAY KOON
Independent Non-Executive Director

Membership of Board Committee

Board Attendence
13/14

ACADEMIC / PROFESSIONAL QUALIFICATION(S):
- First Class Honours B.A. Degree in Business Studies (Accounting and Finance), North-East London Polytechnic, United Kingdom
- Oxford International Executive Programme
- Stanford-NUS Executive Programme
- IMD-SIDC Advance Business Management Programme
- INSEAD Strategic Management in Banking Programme
- Fellow, Institute of Corporate Directors Malaysia
- Associate Fellow, Asian Institute of Chartered Bankers
- Adjunct Faculty, Iclif Executive Education Center, Asia School of Business (in collaboration with MIT Sloan)

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:
- Chairman, Corporate Debt Restructuring Committee (established by Bank Negara Malaysia)
- Director, Citibank Berhad
- Non-Public Interest Director, Private Pension Administrator Malaysia
- Director, Qinzhou Development (Malaysia) Consortium Sdn Bhd
- Director, China-Malaysia Qinzhou Industrial Park (Guangxi) Development Co. Ltd
- Director, AIG Malaysia Insurance Berhad

Past Relevant Experiences:
- Managing Director, Chief Financial Officer of Emerging Market Sales & Trading, Asia Pacific, Citibank NA
- Director, Citibank Malaysia (L) Limited
- Director, Risk Treasury, Asia Pacific, Citibank NA
- Country Treasurer & Head of Financial Markets, Citibank Berhad
- Has held various senior management positions in the MUI Group
- Director, Danajamin Nasional Berhad
- Director, MIDF Amanah Investment Bank Berhad
- Director, Cagamas Berhad
- Chairman, MEPS Currency Management Sdn Bhd
- Director, Payments Network Malaysia Sendirian Berhad

DECLARATION:
- Does not have any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

PROFILE OF BOARD OF DIRECTORS

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee · Nomination and Remuneration Committee · Tender and Projects Committee · Finance and Investment Committee · Risk Management Committee · Sustainability Committee · Chairman · Member

Male

65

Malaysian

Date of Appointment:
12 January 2015

Length of Service:
8 years and 2 months

TENGKU DATO' AB. AZIZ BIN TENGKU MAHMUD
Non-Independent Non-Executive Director

Membership of Board Committee

Board Attendence
14/14

ACADEMIC / PROFESSIONAL QUALIFICATION(S):
- Master of Business Administration, Cranfield Institute of Technology, United Kingdom ("UK")
- Bachelor of Science (Hons) in Civil Engineering, Loughborough University of Technology, UK
- Diploma in Management with Merit, Malaysian Institute of Management
- Member, Council on Tall Buildings and Urban Habitat
- Member, The Institution of Engineers Malaysia
- Member, Malaysian Institute of Management

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:
- CEO, PNB Merdeka Ventures Sdn Bhd

Past Relevant Experiences:
- Head, Property Development, Sime Darby Property Berhad
- Head, Property, Kumpulan Guthrie Berhad
- CEO, Guthrie Property Development Holding Berhad

DECLARATION:
- Does not have any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee; Nomination and Remuneration Committee; Tender and Projects Committee; Finance and Investment Committee; Risk Management Committee; Sustainability Committee; Chairman; Member

Male

62

Malaysian

Date of Appointment:
3 March 2016

Length of Service:
7 years

DATO' AZMI BIN MOHD ALI
Non-Independent Non-Executive Director

Membership of Board Committee

Board Attendence
14/14

ACADEMIC / PROFESSIONAL QUALIFICATION(S):
- LLB (Hons), University of Malaya, Malaysia
- LLM in US & Global Business Law, University of Suffolk, Boston, U.S.A.

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:
- Senior Partner, Azmi & Associates
- Director, Maybank Islamic Berhad
- Director, Sapura Energy Berhad
- Director, UMW Holdings Berhad
- Director, Worldwide Holdings Bhd
- Director, Institute of Corporate Directors Malaysia
- Director, TerraLex
- Member, Appeals Committee of Bursa Malaysia Berhad
- Member, Investment Panel of Lembaga Tabung Angkatan Tentera
- Adjunct Professor of Law, Universiti Utara Malaysia

Past Relevant Experiences:
- Director, Sime Darby Berhad
- Director, Chemical Company of Malaysia Berhad
- Director, CCM Duopharma Biotech Berhad
- Director, Cliq Energy Berhad
- Director, Seacera GroupBerhad
- Director, Perbadanan Nasional Berhad
- Director, Financial Reporting Foundation
- Director, Universiti Malaysia Kelantan
- Director, UiTM Holdings Sdn Bhd
- Director, Putra Business School
- Trustee, Endowment Fund, University Technology Malaysia
- Adjunct Professor of Law, Universiti Kebangsaan Malaysia
- Adjunct Professor of Law, International Islamic University Malaysia
- Partner, Hisham, Sobri & Kadir
- Associate, T.Tharu & Associates
- In-house counsel, PETRONAS

DECLARATION:
- Does not have any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad except by virtue of being a nominee Director of Permodalan Nasional Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

PROFILE OF BOARD OF DIRECTORS

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee; Nomination and Remuneration Committee; Tender and Projects Committee; Finance and Investment Committee; Risk Management Committee; Sustainability Committee; Chairman; Member

Female

57

Malaysian

Date of Appointment:
17 November 2021

Length of Service:
1 year and 4 months

DATO' MERINA BINTI ABU TAHIR, FCCA
Independent Non-Executive Director

Membership of Board Committee

Board Attendence
14/14

ACADEMIC / PROFESSIONAL QUALIFICATION(S):
- Fellow, Association of Chartered Certified Accountants FCCA
- Member, Malaysian Institute of Accountants ("MIA")
- Member, Malaysian Institute of Certified Public Accountants ("MICPA")
- Member, ASEAN Chartered Professional Accountant
- Member, Institute of Internal Auditors Malaysia ("IIAM")

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:
- Director, Tenaga Nasional Berhad
- Member, ACCA Council
- Member, ACCA Global Forum on Governance, Risk & Performance
- Member, MIA Education Board

Past Relevant Experiences:
- Chief Financial Officer, Lembaga Tabung Haji
- Held various key positions in Malaysia Airlines Berhad/ Malaysian Airline System Berhad, Amanah Capital Partners Berhad and Sime Darby Berhad
- Chairperson, ACCA Malaysia Advisory Committee
- Council Member, MIA

DECLARATION:
- Does not have any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

PROFILE OF BOARD OF DIRECTORS

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee; Nomination and Remuneration Committee; Tender and Projects Committee; Finance and Investment Committee; Risk Management Committee; Sustainability Committee; Chairman; Member

Female

60

Malaysian

Date of Appointment:
1 June 2022

Length of Service:
9 months

DATO' TENGKU MARINA BINTI TUNKU ANNUAR
Independent Non-Executive Director

Membership of Board Committee

Board Attendence
8/9

ACADEMIC / PROFESSIONAL QUALIFICATION(S):
- Bachelor of Arts in International Relations, London University, United Kingdom
- Business Sustainability Management Course, Cambridge Institute for Sustainability Leadership, University of Cambridge, United Kingdom
- Nestle Leadership Programme, London Business School, United Kingdom
- Advocacy in International Affairs and Global Health Diplomacy Executive Course, The Graduate Institute, Geneva, Switzerland

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:
- Director, MISC Berhad
- Director, Westports Holdings Berhad

Past Relevant Experiences:
- Retired from Nestle S.A. since 1 November 2022 where previously she held various senior management positions in Nestle (Malaysia) and Nestle S.A.

DECLARATION:
- Does not have any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022

PROFILE OF BOARD OF DIRECTORS

MEMBERSHIP OF BOARD COMMITTEE: Audit Committee; Nomination and Remuneration Committee; Tender and Projects Committee; Finance and Investment Committee; Risk Management Committee; Sustainability Committee; Chairman; Member

Male

55

Malaysian

Date of Appointment:
1 June 2022

Length of Service:
9 months

MR SHERANJIV SAMMANTHAN
Independent Non-Executive Director

Membership of Board Committee

Board Attendence
9/9

ACADEMIC / PROFESSIONAL QUALIFICATION(S):
- Bachelor of Commerce (Acc.), University of Birmingham
- Fellow, Institute of Chartered Accountants in England and Wales

SKILLS MATRIX AND INDUSTRY EXPERIENCE:

Current Principal Appointments:
- Co-Founder and Executive Director, Fitrah Capital Associates LLC
- Trustee, Yayasan Munarah

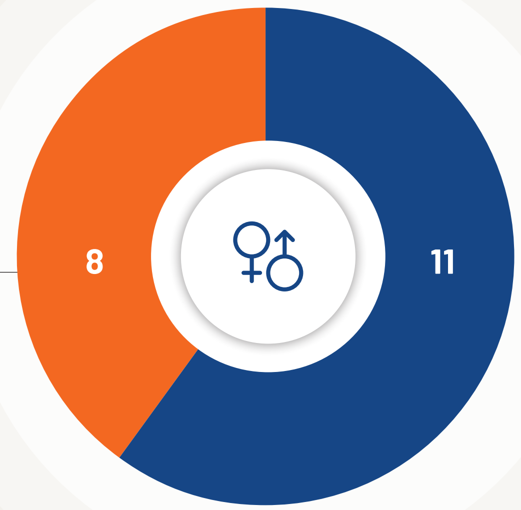
Past Relevant Experiences:
- Institutional Investor Council - Shareholder Representative for Khazanah Nasional Berhad
- Various positions to Partner / Senior Executive Director, PwC Birmingham, London and Kuala Lumpur
- Director, Malaysia Aviation Group
- Shareholders representative and Audit Committee Member - M+S (Pte) Limited, Singapore
- Director, UEM Land Berhad
- Director, Khazanah Europe Investment Limited, United Kingdom
- Executive Director - Taman Tugu Project, Kuala Lumpur
- Trustee - Yayasan Hasanah
- Director, Institutional Investor Council Malaysia

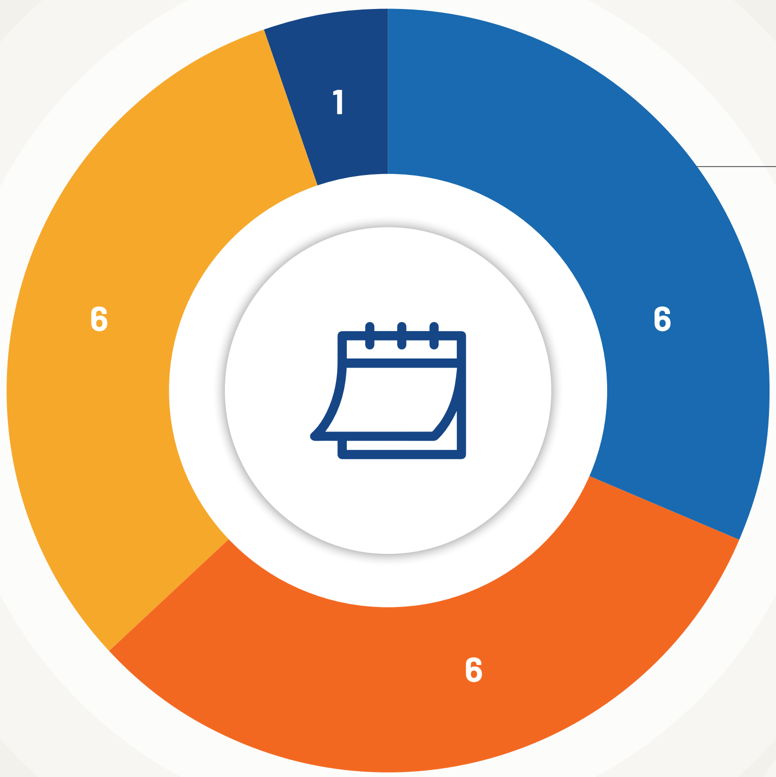
NONE OF THE DIRECTORS:
- Has any conflict of interest or any family relationship with any other Director(s) and/or major shareholder(s) of S P Setia Berhad.
- Has not been convicted of any offences within the past five years.
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2022.

KEY MANAGEMENT TEAM

GENDER

- Male
- Female



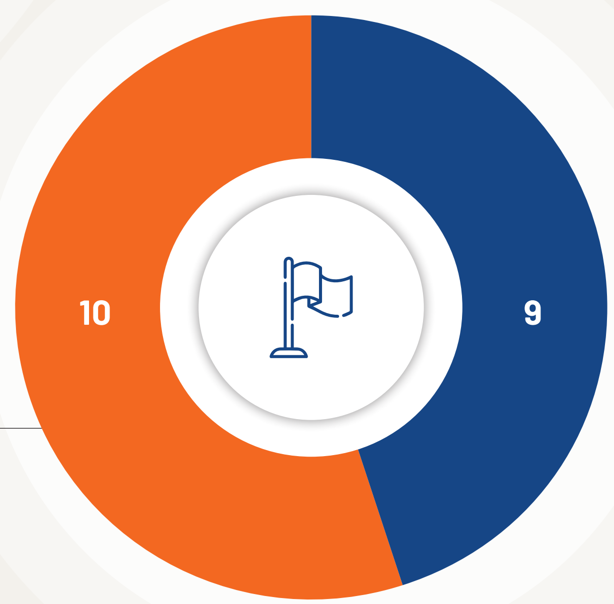


AGE GROUP

36 - 45	1
46 - 50	6
51 - 55	6
56 - 60	6

ETHNICITY

Bumiputera	9
Non-Bumiputera	10



DATUK TAN HON LIM

Executive Vice President ("EVP")

Male

60

Malaysian

Date of Appointment as EVP:
1 July 2015

Relevant Experience:
Datuk Tan Hon Lim joined the Company in 1990 as a project engineer and rose up the ranks to become an EVP in 2015.

He was involved in the Bukit Indah, Ampang project development and the Company's first mixed development township, Pusat Bandar Puchong, and S P Setia's first international foray, Vietnam. Datuk Tan is overseeing Setia Alam, Setia EcoHill and Setia Alamsari. In 2019, he was retasked to manage the Vietnam's portfolio.

Datuk Tan is leading the Technical Excellence Committee and Customer Experience Committee, driving the Group's technical initiatives and customer experience strategies.

Presently, Datuk Tan is an Exco Member (2022–2024), National Council Member of the Real Estate & Housing Developers' Association ("REHDA") Malaysia and REHDA Selangor Committee. He earned a BSc (Civil Engineering) from Louisiana State University, United States of America ("USA").

DATUK YUSLINA MOHD YUNUS

EVP

Female

55

Malaysian

Date of Appointment as EVP:
1 January 2018

Relevant Experience:
Datuk Yuslina Mohd Yunus was Group Managing Director for I&P Group before assuming her role as an EVP of S P Setia.

With her vast experience, Datuk Yuslina oversees Group Quality Management and four Business Units ("BU") including Bandar Kinrara, Setia Bayuemas and Alam Damai. She is also part of the Management Committee for S P Setia's charity arm, S P Setia Foundation.

Datuk Yuslina is a member of the MIA. She also has an Advanced Diploma in Accountancy from the Institut Teknologi MARA and an Executive Masters of Business Administration ("MBA") from the Universiti Institut Teknologi MARA.

DATUK ZAINI YUSOFF

EVP

Male

59

Malaysian

Date of Appointment as EVP:
1 July 2020

Relevant Experience:
Datuk Zaini Yusoff was the COO for I&P Group prior to being appointed as S P Setia's Divisional General Manager, before assuming the role of an EVP.

He carries with him 33 years of experience, providing fiscal, strategic and operations leadership in various corporations, namely Penang City Council, Asia Control System Impac and Shimizu Corporation.

A civil engineer, he earned a BSc (Hons) in Civil Engineering from Memphis State University, Tennessee, USA. He is currently the Exco Member of REHDA Malaysia and Chairman of REHDA Selangor (2022-2024). He also sits on Lembaga Zakat Selangor Head Office Development Monitoring Committee ("MAIS") for the construction of the new Lembaga Zakat Selangor Headquarters.

DATUK STANLEY SAW KIM SUAN

EVP

Male

56

Malaysian

Date of Appointment as EVP:
1 July 2020

Relevant Experience:
Datuk Stanley joined S P Setia as a Project Manager in 1997.

Among his notable career milestones in S P Setia was his secondment to Vietnam where he managed EcoXuan and EcoLakes.

Subsequently, Datuk Stanley assumed his role as Divisional General Manager for Property Division (South) of S P Setia in May 2016. Four years later, he was promoted to EVP. At present, he is also overseeing the operations of S P Setia's Group Marketing, Property Division (Central – Eco-Themed), and Property Division (Singapore).

Datuk Stanley has a BEng (Civil), from the University of New South Wales, Australia and an MBA from Nottingham Trent University, UK.

KEY MANAGEMENT TEAM

KEY MANAGEMENT TEAM

ANNUAR MARZUKI ABDUL AZIZ

FCPA
Chief Financial Officer ("CFO")

Male

52

Malaysian

Date of Appointment as CFO:
1 December 2022

Relevant Experience:
Annuar Marzuki Abdul Aziz has more than 28 years of experience in audit, treasury, corporate finance, procurement, mergers and acquisition, investor relations, risk management, corporate communication and general management.

He was appointed as the Head of Corporate Finance of Renong Berhad in 2001 and the General Manager of Office of the Chief Executive Officer, UEM Group Berhad in 2004. He became the CFO of PLUS Expressways Berhad in 2006 and then the Group CFO of UEM Group Berhad in 2009. He was the CFO of KLCC Property Holdings Berhad and the Head of Investment of KLCC REIT Management Sdn Bhd prior to joining S P Setia.

Annuar is a Fellow of the Certified Practising Accountant ("FCPA") Australia and holds a Diploma in Comparative Law from Institute of Islamic Studies, as well as BAcc (Hons) and MBA (Finance) from International Islamic University Malaysia.

NADIAH TAN ABDULLAH

Chartered FCIPD
Chief Human Resources Officer ("CHRO")

Female

54

Malaysian

Date of Appointment as CHRO:
1 March 2017

Relevant Experience:
Having been in the human resources ("HR") field for more than two decades, Nadiah Tan Abdullah joined S P Setia in October 2016 as Divisional General Manager, Group Human Resources.

She has been directly involved in driving change within the areas of Organisational Development, HR Transformation, Diversity and Inclusion.

Nadiah has accrued experiences from local and Global Fortune 500 companies. She is also part of the 30% Club for Malaysia, leading the Talent Pipeline Pillar. She was appointed as Adjunct Professor by UNITAR International University in January 2022.

Nadiah has been a Council Member for Malaysian Employers Federation ("MEF") and is currently serving her third term. She earned a BA (Hons) International Relations, from Staffordshire University, UK.

NURANISAH MOHD ANIS

Chief Risk, Integrity & Governance Officer ("CRIGO")

Female

50

Malaysian

Date of Appointment as CRIGO:
3 April 2017

Relevant Experience:
Notching more than 25 years of experience, Nuranisah Mohd Anis has run the gamut of Enterprise Risk Management, Business Continuity Management, Investment Management Business Process Improvement and Internal and External Audit, covering various public listed companies ("PLC"). Her experience includes both companies in Malaysia and international entities.

She is a Chartered Accountant registered with the MIA. She is a certified Risk Manager, obtained from the Academy of Risk Management Malaysia ("ARiMM") and she is also a Certified Integrity Officer ("CeIO") under the Malaysia Anti-Corruption Academy ("MACA").

Her other qualifications include the Certification in Risk Management Assurance ("CRMA") from the Institute of Internal Auditors ("IIA") Global, an associate member of the IIA Malaysia and an Associate Business Continuity Professional ("ABCP") registered with the Disaster Recovery Institute ("DRI"), USA. She graduated with an MBA from Universiti Teknologi MARA, Shah Alam.

JENNIFER MOK KHA WAI

Chief Internal Auditor ("CIA")

Female

50

Malaysian

Date of Appointment as CIA:
1 March 2017

Relevant Experience:
Jennifer Mok Kha Wai has accrued more than 28 years of experience in internal audit covering various industries such as property development, construction, information technology services, manufacturing, insurance, securities brokerage and gaming. She has been serving as CIA in various PLC prior to joining S P Setia.

Jennifer is a member of the IIA and the MIA.

She has a BCom (Accounting and Finance) from the University of Melbourne, Australia and is a Chartered Accountant with the MIA.

AZLINA BAHAROM

Chief Legal Officer ("CLO")

Female

55

Malaysian

Date of Appointment as CLO:
1 July 2020

Relevant Experience:
Azlina Baharom joined S P Setia in 2018 as General Counsel and advanced to becoming Chief Legal Officer in 2020.

Enrolled as an Advocate and Solicitor of both the Supreme Court of Singapore and the High Court of Malaya in 1990, Azlina practised as an lawyer before embarking on a career as an in-house counsel in both public listed and private companies holding several corporate service portfolios.

Her experience as an in-house counsel spans over 25 years with various competencies in agribusiness, manufacturing, construction, and engineering and real estate. A qualified company secretary since 1998, Azlina has served several key companies under Permodalan Nasional Berhad.

LINDAYANI TAJUDIN

FCCA
Chief Strategy Officer ("CSO")

Female

50

Malaysian

Date of Appointment as CSO:
1 July 2022

Relevant Experience:
Lindayani Tajudin is a Chartered Accountant with in-depth knowledge and experience in the infrastructure industries both locally and internationally.

Prior to joining S P Setia, Lindayani held senior management roles in a few listed companies. She was the Head, Group Strategy & Business Development in 2020 before being appointed as CSO in 2022.

Lindayani's core competencies include strategic planning, business development, mergers and acquisitions, project finance and investor relations, amongst others. She holds a BSc (Economics) (Hons) – Accounting and Finance from London School of Economics and Political Science, UK.

She is a Fellow of the ACCA ("FCCA") and a member of the MIA.

DATUK SOH PEE HIN

Divisional General Manager ("Div GM")

Male

59

Malaysian

Date of Appointment as Div GM:
1 January 2015

Relevant Experience:
Datuk Soh joined S P Setia as Senior Manager in April 1997 and worked up to the position of Div GM of the Company's Niche Development Division in 2015, overseeing development projects in Putrajaya, Kuala Lumpur and Selangor.

In Putrajaya, he completed the development of Precinct 9 and Precinct 15, comprising government quarters and private residential properties, a PPA1M apartment in Precinct 17, and the handing over works on the Prime Minister's Office project. His project work elsewhere includes Setiawalk, Setia Sky Residences, Kenny Hills Grande, Setia Sky Seputeh and TRIO by Setia.

He has also worked in Melbourne where he managed the development and launch of the Fulton Lane project in 2011.

Datuk Soh holds a BEng (Civil) from the University of New South Wales and is a member of the Institute of Engineers, Australia.

NG HAN SEONG

Div GM

Male

59

Malaysian

Date of Appointment as Div GM:
1 July 2020

Relevant Experience:
Ng Han Seong joined S P Setia in 1999 as Senior Manager, Infrastructure Department. He was promoted to General Manager in 2004, overseeing Infrastructure Department, Setia Precast and Property North.

Ng was promoted to Div GM in 2020 and is leading the Construction Division of the Group.

In 2014, he was assigned to oversee the northern region projects of S P Setia, which included the iconic Setia SPICE project. In 2018, he was appointed by REHDA as Deputy Chairman from 2018 to 2020.

Ng is a Chartered Engineer ("CEng") (England) and a member of the Institution of Civil Engineers ("ICE") (England).

He holds a BSc (Hons) in Civil Engineering; a MSc in Engineering, Foundation Engineering, both from Birmingham University, UK.

KEY MANAGEMENT TEAM

KEY MANAGEMENT TEAM

TAN SIOW CHUNG
Div GM

Male

49

Malaysian

Date of Appointment as Div GM:
1 July 2020

Relevant Experience:
Prior to joining S P Setia, Tan Siow Chung served as a consultant M&E engineer in Jentrikon Perunding. He then left to join electrical engineering company, ABB Malaysia, as a project engineer.

In 2000, upon joining the Company as Project Engineer, he first worked on the Wawasan Indera project in Pusat Bandar Puchong, one of the first few projects of the Company.

His career in S P Setia spans over 20 years and he has been spearheading the Company's flagship township, Bandar Setia Alam in Selangor. In 2020, he was promoted to Div GM.

Tan has a first class honours degree in Electrical Engineering from University of Technology Malaysia ("UTM").

GOH TZEN SERNZ
Div GM

Male

45

Malaysian

Date of Appointment as Div GM:
1 July 2020

Relevant Experience:
Prior to joining S P Setia in 2003 as Project Engineer for Setia Eco Park, Goh Tzen Sernz served as a Senior Engineer in a consulting firm.

He rose through the ranks to become Deputy General Manager in 2012 to lead the operations of Setia Eco Glades. He was then appointed General Manager in 2016 and was promoted to Div GM for Eco-themed Division in July 2020. In addition to Setia Eco Glades, he is also overseeing the developments of Setia Eco Templer and Setia Eco Park.

A qualified engineer, Goh has a BEng (Hons) in Civil Engineering from UTM with 20 years of experience in the property development industry.

YEO CHENG JWAY
Div GM

Male

52

Malaysian

Date of Appointment as Div GM:
1 July 2020

Relevant Experience:
Before joining S P Setia, Yeo Cheng Jway was attached to Resorts World Berhad, where he gained experience in finance, sales and marketing. He was then involved in the implementation of a strategic project in Malaysia spearheaded by Dow Corning, a multinational corporation based in the USA.

He then joined S P Setia in 2007 as Finance Manager in Johor. His current role is as the Div GM for the Group's projects in Penang.

Yeo holds a BSc (Computer Science and Statistics) from Campbell University, USA and an MBA (Finance & Business Policy) from Bradford University, UK. He is also an associate member of the Chartered Institute of Management Accountants ("CIMA") and a member of the MIA.

SANIMAN AMAT YUSOF
Div GM

Male

51

Malaysian

Date of Appointment as Div GM:
1 July 2022

Relevant Experience:
Prior to his ventures with S P Setia, Saniman Amat Yusof carries with him extensive experience as an engineer specialising in project planning and implementation from his placements in Chase Perdana Berhad from 1996 to 1998 and Ho Hup Construction Company Berhad from 1998 to 2000.

He joined S P Setia in 2000 as a Project Engineer in the Highway Division before his transfer to the Property Division in 2006. In his current role as Div GM, he oversees the developments of the Property South division in Johor.

Saniman is registered under the Board of Engineers Malaysia as a Professional Engineer with Practising Certificate. He holds a Bachelor of Civil Engineering from UTM.

RAZLY MOHAMMAD RUS
Div GM

Male

46

Malaysian

Date of Appointment as Div GM:
1 July 2022

Relevant Experience:
Upon graduation, Razly Mohammad Rus had a short stint with an engineering consultancy firm before joining a construction company as a project engineer overseeing site supervision and managing construction projects in Subang Jaya. He then joined I&P Group in 2000 where he gained experience in managing property and township development in Bandar Kinrara, Bayuemas, TemasyaGlenmarie and Alam Damai.

At S P Setia (after the merger with I&P Group), he further enhanced developments in Bandar Kinrara, Setia Bayuemas, Alam Damai and Alam Sutera.

Razly holds a Bachelor of Civil Engineering from Universiti Sains Malaysia and a MSc in Integrated Construction Project Management from Universiti Teknologi MARA. He is also a graduate engineer registered with the Board of Engineers Malaysia.

THEAN YAIN PENG
FCCA
Group Financial Controller ("GFC")

Female

54

Malaysian

Date of Appointment as GFC:
3 May 2017

Relevant Experience:
Thean Yain Peng has accumulated experience in financial reporting, financial accounting and managing company finances throughout her career.

Prior to joining S P Setia, she had been attached to property development companies for more than 20 years.

She was the Financial Controller and Executive Director for Sentoria Group Berhad in 2011, before joining Tropicana Corporation Berhad in 2012 and Naza TTDI Sdn Bhd in 2015, both as the General Manager of Group Finance.

She is an FCCA and a member of the MIA.

LEE WAI KIM
Group Company Secretary ("GCS")
SSM PC No. 202008001422,
MAICSA 7036446

Female

46

Malaysian

Date of Appointment as GCS:
1 July 2016

Relevant Experience:
Lee Wai Kim joined S P Setia in August 2014 and was appointed as Company Secretary on 15 April 2016.

She commands over 20 years of experience in corporate secretarial and governance matters covering private limited companies and public companies listed on Bursa Malaysia Securities Berhad and London Stock Exchange as well as financial institutions and stock exchange.

She is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators and has an MBA from Victoria University, Australia.

Notes:
1. *None of the Senior Management hold any directorship in any public companies and listed issuers other than in S P Setia Group.*
2. *None of the Senior Management have any family relationship with any Director and / or any major shareholder of S P Setia, nor any conflict of interest with S P Setia.*
3. *None of the Senior Management have been convicted of any offences over the past five years and there was no public sanction or penalty imposed on any of them by the relevant regulatory bodies during the financial year.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CHAIRMAN'S INTRODUCTION

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

DEAR SHAREHOLDERS,

On behalf of the Board, I am pleased to introduce our Corporate Governance Overview Statement for the year ended 31 December 2022. This statement sets out our approach to effective corporate governance and outlines key areas of focus of the Board and its activities undertaken during the year as we continue to drive long-term value creation for all our stakeholders.

PLANET, PEOPLE AND PRINCIPLES

In driving the growing importance of sustainability matters and to provide greater focus and oversight, the Board has established a new Sustainability Committee on 1 September 2022 to assist the Board in overseeing among others the Sustainability or Environmental, Social and Governance related framework, strategy, priorities, targets, policies and practices of the Company and its subsidiaries ("Group"). The Sustainability Framework provides clarity on our sustainability governance structures, and ensures a clear line of report from top down. The Nomination and Remuneration Committee ("NRC") has been tasked with overseeing and reviewing the Management's performance in meeting sustainability-related KPIs and designated persons within management are assigned to focus on the strategic management of sustainability.

In 2022, we have put in place a number of measures and targets to both reflect the Group's sustainability priorities and meet increased reporting and compliance obligations in this area and I am proud that we have set ambitious and achievable targets. As a point of highlight, we believe that carbon targets are essential to mitigate global climate-related risks while we pursue climate-related opportunities in our operations and contracts.

We look to be net zero by 2050 and Carbon Neutral by 2030.

COMPANY PURPOSE AND CULTURE

The Board is cognisant that it has the ultimate responsibility for ensuring an appropriate company culture to act as a backdrop to the way in which the Group behaves towards all its stakeholders. Our culture provides the foundation to drive our purpose and delivery of our strategy. As a Board, we continue to spend time focused on ensuring that our culture enables us to build the organisational capability required to deliver on our promises to our stakeholders, customers, employees, society and shareholders.

BOARD EVALUATION

It is extremely important that the Board, its Committees and individual Directors rigorously review their performance and embrace the opportunity to further develop, where necessary.

This year, the Board's effectiveness review was undertaken by an independent expert in line with Practice 6.1 of MCCG. Progress on last year's areas of focus as well as the outcome of this year's effectiveness review can be found in the NRC Report on Pages 179 to 182.

LOOKING FORWARD

We continued to make good strides as a business in 2022 and are focused on further driving the delivery of our strategy over 2023 and beyond, whilst maintaining the highest standards of corporate governance expected by our stakeholders.

FRAMEWORKS APPLIED:
- Bursa Malaysia's Corporate Governance Guide 4th Edition
- Companies Act 2016 ("CA 2016")
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities")
- Malaysian Code on Corporate Governance 2021 ("MCCG")

The Board presents this Corporate Governance Overview Statement ("CG Overview Statement") to provide shareholders and investors with an overview of the corporate governance practices of the Group under the leadership of the Board during the financial year 2022 ("FY2022"). The CG Overview Statement takes guidance from the 3 key Corporate Governance Principles as set out in the MCCG, which are:

PRINCIPLES

A	B	C
Board Leadership and Effectiveness	Effective Audit and Risk Management	Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

COMPLIANCE WITH THE MCCG

The Company was subject to the MCCG in respect of FY2022. The Board is pleased to confirm that the Company applied majority of the practices the MCCG. The remainder of this report contains the narrative reporting variously required by the MCCG and the MMLR, setting out in greater detail the framework and processes that the Company has in place to ensure the highest level of corporate governance.

This Statement should be read alongside our Corporate Governance Report which is available on the Company's website at https://www.spsetia.com/en-us/corporate-governance/corporate-governance-home

Page 172 Board Leadership
Page 173 Division of Responsibilities
Pages 174 to 178 Composition, Evaluation and Training
Pages 183 to 187 Audit, Risk and Internal Control
Pages 179 to 182 Nomination and Remuneration
Pages 188 to 195 Relationship with Stakeholders

A Board Leadership and Effectiveness

BOARD LEADERSHIP

Our Board is composed of highly skilled professionals who bring a range of skills, perspectives and corporate experience to our boardroom. To ensure sufficient time for discussion, the Board utilises its six principal committees to effectively manage its time. At each Board meeting, the agenda ensures sufficient time for the Chairman of each Board committee to report on the contents of discussions, any recommendations to the Board which require approval and the actions taken. The Board conducts a detailed annual review of our strategy (including our purpose and strategic objectives).

Promoting the long-term success of S P Setia

In accordance with the MCCG, the role of the Board is to promote the long-term sustainable success of the Company, generate value for shareholders and contribute to wider society. The appropriateness of our business model is regularly reviewed by the Board at its strategy review meetings to ensure that it remains capable of generating long-term sustainable value for our shareholders and other key stakeholders.

Purpose and Values

Our purpose communicates the Group's strategic direction and intentions to our employees and wider stakeholders. Our values articulate the qualities we embody and our underlying approach to doing business. Our values are embedded in our operational practices through the policies approved by the Board and the direct oversight and involvement of the Senior Management. The Senior Management, led by the President and Chief Executive Officer ("PCEO"), have been delegated the responsibility for ensuring that policies and behaviours set at Board level are effectively communicated and implemented across the business.

Culture

Our culture has been developed from our values and is a key strength of our business. The benefits of a strong culture is evident across our Group and reflects our levels of productivity. As the cultural tone of a business comes from the boardroom, safeguarding our culture is a key factor in the development of the Board's succession plans.

Governance arrangements and Board resources

Corporate governance is essential to ensuring our business is run in the right way for the benefit of all of our stakeholders. Our governance arrangements support the development and delivery of strategy by:

1. ensuring accountability and responsibility;
2. facilitating the sharing of information to informed decisions;
3. establishing engagement programmes with key stakeholders;
4. maintaining a sound system of risk oversight, management and an effective suite of internal controls;
5. providing independent insight and knowledge from the Non-Executive Directors ("NEDs"); and
6. facilitating the development and monitoring of key performance indicators.

There is a schedule of matters reserved specifically for the Board's decision which includes, among others, the approval of annual business plans and budgets, material acquisitions and disposals of assets, major capital projects, financial results, dividend recommendations, fund raising exercises and Board and Board Committee appointments.

The Company utilises a secured application to disseminate meeting papers to the Directors electronically. This serves to ensure that the Directors are able to have access to meeting materials more efficiently and expeditiously. The Chairman of the Board and the chairs of the committees set the agendas for upcoming meetings with support from the Company Secretary.

We aim to ensure that the information shared with our Board is of sufficient depth to facilitate debate and to fully understand the content without becoming unwieldy and unproductive. Papers are required to be clear and concise with material information to be provided to the Directors.

All Directors have access to the services of the Company Secretary and any Director may initiate an agreed procedure whereby independent professional advice may be sought at the Company's expense.

BOARD DIVERSITY AND EXPERIENCE

The Board takes cognisance of the need for diversity and inclusiveness in its composition which provides the Board the benefits of different perspectives to bear on issues and sound decisions that are aligned to stakeholder needs. The Board considers diversity from various areas, including gender, age, ethnicity, academic and professional qualification, experience and skills.

When determining new appointments or re-election of retiring Non-Executive Directors pursuant to the Company's Constitution, the Board considers diverse range of qualified candidates with no conscious or unconscious biasness against the candidate so as to ensure that a fair assessment is conducted to decide on the suitability of the qualified candidate in the best interest of S P Setia Group.

The NRC and Board shall undertake an annual review of the Board and Board Committee composition having regard to the mix of business and industry skills, experience, age, cultural and gender of the existing Directors. The right combination of different professionals and skills provide much insight and a diversity of perspectives to lead and guide the Group in an increasingly complex and competitive business environment and for the continued successful direction of the Group.

DIVISION OF RESPONSIBILITIES

There is clear division between executive and non-executive responsibilities which ensures accountability and oversight. During the year, the non-executive directors, led by the Chairman, regularly met without management present. The roles of Chairman, PCEO and Senior Independent Non-Executive Directors ("INED") are clearly defined, set out in writing and regularly reviewed by the Board and are available on our website under Corporate Governance.

Chairman

- Conducts meetings of the Board and shareholders and ensures that they are properly briefed at their respective meetings.
- Facilitates meetings of the Board and ensures that no Board member, whether executive or non-executive, dominates the discussion, and that healthy debate takes place.

PCEO

- Responsible for the overall management of the Group, ensuring that strategies, policies and matters set by the Board are effectively implemented in line with the Board's direction.
- Regularly reviews the performance of the heads of divisions and departments who are responsible for all functions contributing to the success of the Group.

Senior INED

- Designated contact to whom concerns pertaining to the Group may be conveyed to by shareholders and other stakeholders.
- Chairs meetings of the Board and shareholders in the absence of Chairman.
- All queries which require SID's attention can be emailed to apardas@spsetia.com

INED / NON-INED

- Ensure that business and investment proposals presented by Management, key transactions or critical decisions are fully deliberated, examined and decided on by the Board in a meeting.
- Play a key role by providing unbiased and independent views, advice and judgment, which take into account the interests of the Group and all its stakeholders including shareholders, employees, customers, business associates and the community as a whole.

Company Secretary

- Plays an advisory role to the Board, particularly with regard to the Company's Constitution and Board policies and procedures as well as compliance with relevant rules and regulations.
- Ensures that the discussions and deliberations at Board and Board Committee meetings are well documented and subsequently communicated to the relevant Management for appropriate action.
- Updates the Board and Board Committees on the follow-up of their decisions and recommendations by Management.
- The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging its functions in the year under review.

A Board Leadership and Effectiveness

GOVERNANCE STRUCTURE

We pride ourselves on conducting our business in an open and transparent manner. Our well-established culture ensures that our governance framework remains flexible, allowing for fast decision making and effective oversight.

BOARD

The Board is collectively responsible for effective oversight of the Company and the helming of the Company's strategic direction and objectives, business plan, viability, and governance structure that will help achieve strategic growth and deliver sustainable shareholders value.

AUDIT COMMITTEE ("AC")

Monitors and reviews the integrity of financial statements, the relationship with the external auditors, related party transactions and the Group's system of internal controls.

TENDER AND PROJECTS COMMITTEE ("TPC")

Oversees implementation of management decision as well as approval of contracts based on approved limits of authority.

FINANCE AND INVESTMENT COMMITTEE ("FIC")

Reviews investment and divestment proposals and strategies including fund raising exercises, and annual budget.

NOMINATION AND REMUNERATION COMMITTEE ("NRC")

Reviews the composition and balance of the Board to ensure the right structure and skills are in place to deliver the Group's strategy. Reviews overall Remuneration policy and strategy implementation of the Board and Senior Management.

RISK MANAGEMENT COMMITTEE ("RMC")

Reviews the effectiveness of the Group's risk management framework to identify, assess, manage and monitor risks and oversees the implementation of the initiatives by Integrity and Governance.

SUSTAINABILITY COMMITTEE ("SC")

Overseeing the Environment, Social and Governance ("ESG") related framework, strategy, priorities, targets, policies and the production of the annual report.

BOARD AND BOARD COMMITTEE MEETING ATTENDANCE FOR 2022

Board of Directors		Total Meetings Attended
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	Non-Independent Non-Executive Chairman	100% 14/14
Datuk Choong Kai Wai	PCEO	100% 13/13
Dato' Ahmad Pardas Bin Senin	Senior INED	93% 13/14
Dato' Halipah Binti Esa	INED	100% 14/14
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	INED	100% 14/14
Dato' Zuraidah Binti Atan	INED	100% 14/14
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	NON-INED	100% 14/14
Mr Philip Tan Puay Koon	INED	93% 13/14
Dato' Azmi Bin Mohd Ali	NON-INED	100% 14/14
Dato' Merina Binti Abu Tahir	INED	100% 14/14
Mr Sheranjiv Sammanthan	INED	100% 9/9[1]
Dato' Tengku Marina Binti Tunku Annuar	INED	89% 8/9[1]

AC

	Meetings Attended
Chairman	
Dato' Zuraidah Binti Atan	9/9 (100%)
Members	
Mr Philip Tan Puay Koon	9/9 (100%)
Dato' Merina Binti Abu Tahir	9/9 (100%)

TPC

	Meetings Attended
Chairman	
Dato' Halipah Binti Esa	13/13 (100%)
Members	
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	13/13 (100%)
Datuk Choong Kai Wai	13/13 (100%)
Dato' Merina Binti Abu Tahir	4/4 (100%)[2]
Mr Sheranjiv Sammanthan	4/4 (100%)[2]

RMC

	Meetings Attended
Chairman	
Dato' Ahmad Pardas Bin Senin	5/5 (100%)
Members	
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	5/5 (100%)
Dato' Halipah Binti Esa	5/5 (100%)
Dato' Seri Ir Hj Mohd Noor Bin Yaacob	4/4 (100%)[3]
Mr Sheranjiv Sammanthan	1/1 (100%)[2]
Dato' Zuraidah Binti Atan	1/1 (100%)[2]

FIC

	Meetings Attended
Chairman	
Mr Philip Tan Puay Koon	8/8 (100%)
Members	
Dato' Ahmad Pardas Bin Senin	8/8 (100%)
Dato' Azmi Bin Mohd Ali	8/8 (100%)
Dato' Merina Binti Abu Tahir	4/4 (100%)[2]
Mr Sheranjiv Sammanthan	4/4 (100%)[2]

NRC

	Meetings Attended
Chairman	
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	7/7 (100%)
Members	
Dato' Ahmad Pardas Bin Senin	7/7 (100%)
Mr Philip Tan Puay Koon	7/7 (100%)
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	7/7 (100%)[2]
Dato' Tengku Marina Binti Tunku Annuar	1/1 (100%)[2]
Dato' Merina Binti Abu Tahir	6/6 (100%)[3]

SC[4]

	Meetings Attended
Chairman	
Mr Sheranjiv Sammanthan	2/2 (100%)
Members	
Dato' Seri Ir Hj Mohd Noor Bin Yaacob	2/2 (100%)
Dato' Merina Binti Abu Tahir	2/2 (100%)
Dato' Tengku Marina Binti Tunku Annuar	2/2 (100%)
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	2/2 (100%)

Joint FIC and RMC

	Meetings Attended
Mr Philip Tan Puay Koon	3/3 (100%)
Dato' Ahmad Pardas Bin Senin	3/3 (100%)
Dato' Azmi Bin Mohd Ali	3/3 (100%)
Dato' Merina Binti Abu Tahir	1/1 (100%)
Mr Sheranjiv Sammanthan	1/1 (100%)
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	3/3 (100%)
Dato' Halipah Binti Esa	3/3 (100%)
Dato' Seri Ir Hj Mohd Noor Bin Yaacob	2/2 (100%)[3]
Dato' Zuraidah Binti Atan	1/1 (100%)[2]

Joint AC and RMC

	Meetings Attended
Dato' Zuraidah Binti Atan	1/1 (100%)
Mr Philip Tan Puay Koon	1/1 (100%)
Dato' Merina Binti Abu Tahir	1/1 (100%)
Dato' Ahmad Pardas Bin Senin	1/1 (100%)
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	1/1 (100%)
Dato' Halipah Binti Esa	1/1 (100%)
Dato' Seri Ir Hj Mohd Noor Bin Yaacob	0/1 (0%)[3]

Note:
1 Appointed on 1 June 2022
2 Appointed on 1 September 2022
3 Resigned on 1 September 2022
4 Constituted on 1 September 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A Board Leadership and Effectiveness

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group's sustainability governance structure is a work in progress. During the year under review, an external consultant was appointed with the purpose of identifying improvements in terms of managing sustainability in general and ESG and climate-related risks in particular following heightened expectations from stakeholders.

At Board level, the Board Sustainability Committee assists the Board in fulfilling its oversight responsibilities concerning sustainability, which includes strategy, operational model, reporting and frameworks. The Board is also assisted by the NRC in the fulfilment of its oversight responsibilities concerning the review of Board and Senior Management performance evaluations against agreed sustainability targets and KPIs.

At the management level, our sustainability governance structure includes a group-wide Sustainability Management Committee ("SMC") as a sub-committee of the PCEO's Group Leadership Team. The SMC comprises representatives from the business areas and group functions and serves as an executive preparatory body for the PCEO and the Board. The SMC monitors and reviews relevant group policies related to sustainability. It was also responsible for recommending to the PCEO participation in and exit from sustainability commitments, as well as for approving external position statements and guidelines. The SMC will also hold a role in helping to prepare the sustainability strategy, targets and the Sustainability Report for the PCEO and the Board. On ground support is assisted by Group Strategy and Business Development and various business and support units.

DIRECTORS' INDEMNITY

S P Setia continues to provide and maintain indemnification for its Directors throughout the year under review as allowed under the CA 2016 to the extent it is insurable, under the Directors' and Officers' Liability Insurance ("D&O") procured by the Company. Directors and Officers are indemnified against any liability incurred by them in discharging their duties as Directors and Officers of the Group.

DIRECTORS' COMMITMENT

The Board meets at least five (5) times a year at quarterly intervals with additional meetings convened as and when necessary to approve quarterly financial results, business plans, budgets and other business development activities. The Board and Board Committee meetings for the whole year are scheduled in advance by the third quarter of the preceding financial year to enable the Board members to plan their schedules accordingly. All proceedings of the Board meetings are duly minuted, approved by the Board and signed by the Chairman of the Meeting.

The Board places importance on the contributions given through robust discussions by the Directors at each Board and Board Committee Meetings. For the FY2022, all the Directors complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the MMLR and the Company's Constitution. The Board was satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

In line with the MMLR, none of the members of the Board holds more than five (5) directorships in listed issuers. During the FY2022, the Directors notified the Company Secretary as and when they were appointed to other boards, to ensure that such appointments would not unduly affect their time commitment and responsibilities to the Board. The Directors also provided updates of their directorships and shareholdings in other companies on a quarterly basis, which were tabled to the Board for notation.

DIRECTORS' INDEPENDENCE

The Board acknowledges the important contributions that INEDs make to good corporate governance. All Directors, regardless of their independent status, are required to act in the best interest of the Company and to exercise unfettered and independent judgement.

For the FY2022, the Board was, satisfied with the mix of independent and non-independent directors, the composition being diverse in demographics, skills and experience. Since 28 February 2018, the Board has comprised of a majority INEDs. The Board practised active, robust and open discussions at Board meetings so as to ensure that opportunities were given to all Directors to participate and contribute to the decision-making process. Vigorous deliberations and all the views given by the Directors were considered before decisions were made by the Board. There was an existing process for the Chairman and Directors to declare and abstain from participating in discussions where a conflict of interest situation might arise in order to uphold the integrity of the decisions made by the Board.

During the year under review, the NRC and Board assessed the independence of the INEDs as part of the Board Effectiveness Evaluation ("BEE") process. The Board was satisfied with the level of independence demonstrated by all the INEDs and that they could continue to bring sound, independent and objective judgement to Board deliberations through active participation in discussions and decision-making by the Board and their ability to act in the best interests of the Group. The NRC and the Board also agreed that the continuous contributions of the INEDs are beneficial to the Board and the Company as a whole. Each INED had also provided his / her confirmation on his / her independence to the NRC and Board.

The Board Charter specifies that the tenure of a Non-Executive Director shall not exceed a cumulative term of nine (9) years from the date of first appointment. As at the date of this Statement, none of the Non-Executive Directors has served the Board for more than nine (9) years.

Besides the annual assessment, a potential candidate must, prior to the appointment as an INED, submit his / her declaration of independence in compliance with the criteria set out in the MMLR, to the NRC and Board for consideration.

PRINCIPLE BOARD ACTIVITIES IN 2022

At every scheduled Board meeting, the Board receives an update from the Senior Management and the Company Secretary on financial matters, operational and strategic activities and governance. The table below provides examples of significant matters discussed in FY2022.

TOPIC	ACTIVITY AND OUTCOME
Strategic Growth and Sustainability Agenda	• Approved the Group's 5-year strategic plan (from year 2023 to 2027), presented by all the Heads of BUs locally and abroad and received updates on Support Functions relating to People Plan, Legal Outlook, Risk Outlook and Digital Transformation Strategies • Approved the updated Sustainability Framework including materiality matters and targets for FY2023 • Received update on the Company's Sustainability Journey
Financial and Business Performance	• Approved the Audited Financial Statements for FY2021 • Approved the Quarterly Results and Quarterly Press Releases for announcement to Bursa Securities • Approved the Group's Business Plan and Budget for FY2023 • Approved dividends paid in FY2022 • Approved report / contents of the Integrated Report for FY2021 • Approved the Group's funding plan • Approved the rights issue of Class C Islamic Redeemable Convertible Preference Shares • Approved the redemption of Class B Islamic Redeemable Convertible Preference Shares • Approved disposal of non-strategic landbanks
Governance, Integrity and Risks	• Received the Group's quarterly risk reports as well as updates on whistleblowing cases • Approved S P Setia's Enterprise Risk Management Manual and S P Setia's Business Continuity Management Policy and Framework • Approved half-yearly reports for submission to MACC • Approved amendments to the Gifts & Hospitality Policy • Received half-yearly Organisational Anti-Corruption Plan updates • Approved improvements to the Whistleblowing Policy • Approved the formalisation of the Corporate Disclosure Policy • Approved the Fit and Proper Policy for Directors of the Company and the Group • Approved the approach for the annual BEE for FY2022 and discussed the findings arising from the exercise • Noted Minutes of Board Committee Meetings and received updates from Chairman of respective Board Committees • Noted quarterly declaration of interest by Directors and time commitment
Board and Management Succession Planning	• Received updates on Management transition as well as approved the Organisational Restructuring based on Management Succession Plan • Approved updates to the Board Succession Plan and Diversity Policy
People and Leadership	• Reviewed the retirement of Directors by rotation and eligibility for re-election and recommended their re-election at the 47th AGM • Reviewed the trainings attended by Directors on a half yearly basis and identified training needs for the Board for FY2022 • Approved appointment of new Directors as part of the Board Succession Plan • Approved re-composition of Board Committees and setting up of a new SC • Received report on People Pulse Survey for FY2022 • Approved KPIs for FY2023 for the Group Company Secretary, Chief Internal Auditor ("CIA") and Chief Risk, Integrity & Governance Officer ("CRIGO") • Provided feedback on KPIs for FY2023 for Group, PCEO and other Senior Management Team members. The KPIs for FY2023 for Group and PCEO were subsequently approved in January 2023 while the KPIs for FY2023 for other Senior Management Team members were re-presented taking into account feedback from the Board.
Remuneration Matters	• Reviewed and recommended the Directors' Fees and Other Remuneration and Benefits for shareholders' approval at the 47th AGM • Reviewed the Non-Executive Directors Remuneration Framework benchmarked against peers and other public listed companies • Approved bonus, salary increment and promotions for the Group's employees • Approved the revisions to the benefits of the Group's employees

A **Board Leadership and Effectiveness**

CONTINUING DEVELOPMENT AND TRAINING

All new Directors appointed to the Board are given a comprehensive onboarding programme, covering areas of the business, including among others, the Company's strategies, business segments and operations, the corporate governance framework within the Group and key risks.

In line with Paragraph 15.08 of the MMLR, the Directors recognise the importance and value of attending conferences, training programs and seminars in order to keep themselves abreast of the development and changes in the industry the Group operates as well as being updated on new regulatory and statutory requirements.

The trainings / seminars / conferences attended by the Directors during the FY2022, among others, are set out below. For full details of the list of trainings, please refer to the Corporate Governance Report.

KEY AREAS OF FOCUS

	STRATEGIC GROWTH, SUSTAINABILITY AGENDA AND DIGITAL TRANSFORMATION	RISKS AND INTERNAL CONTROL	INTEGRITY AND GOVERNANCE	FINANCE, ACCOUNTING AND / OR TAX RELATED	LEGAL/ REGULATORY	PROPERTY DEVELOPMENT RELATED	REMUNERATION RELATED
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	✔		✔	✔	✔	✔	✔
Datuk Choong Kai Wai	✔			✔		✔	
Dato' Halipah Binti Esa	✔	✔		✔		✔	✔
Dato' Ahmad Pardas Bin Senin	✔			✔		✔	
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	✔			✔		✔	
Dato' Zuraidah Binti Atan	✔	✔	✔	✔	✔	✔	
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	✔		✔	✔		✔	
Philip Tan Puay Koon	✔			✔		✔	✔
Dato' Azmi Bin Mohd Ali	✔			✔	✔	✔	✔
Dato' Merina Binti Abu Tahir	✔	✔	✔	✔	✔	✔	
Dato' Tengku Marina Binti Tunku Annuar	✔		✔		✔	✔	
Mr Sheranjiv Sammanthan	✔		✔		✔	✔	

NOMINATION AND REMUNERATION COMMITTEE REPORT

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

Dear Shareholders,

Our focus for year FY2022 has been on executing our Board Succession Plan as well as ensuring smooth management transition to deliver sustainable organisational performance in the best interest of the Group and its stakeholders. We will continue to strengthen the Board composition and management talent pipeline that is required to meet organisational needs.

This report provides shareholders with valuable insight into the activities of the NRC during the year under review and the manner in which the NRC plays a key oversight role for the Board.

COMMITTEE MEETINGS IN 2022

Jan | 18 Feb | 24 Mac | Apr | 10 May | 20 Jun | 4 Jul | 9 Aug | Sep | Oct | Nov | 5 Dec

MEETING - Please refer to Pages 174 to 175 for number of NRC meetings held during the year.

OVERVIEW

The primary objective of the NRC is to assist the Board in proposing new nominees for the Board and Board Committees, as well as evaluating performance of the Board and Directors and key management personnel on an on-going basis. The NRC also reviews the Board composition and ensures that any Board appointment brings with it the right balance and mix of skills, experience and diversity to the Board. The NRC is additionally entrusted with the responsibility of developing and establishing competitive remuneration policies and packages as well as administering the Group Employees' Long Term Incentive Plan ("LTIP") comprising the Employee Share Option Scheme ("ESOS") and the Employee Share Grant Plan ("ESGP") in such manner as it shall in its discretion deem fit within such powers and duties as are conferred upon it by the Board as defined in the By-Laws of the LTIP.

In addition to the above, the NRC plays an oversight role of monitoring the status of the Company's application of the Practices under each of the Principles set out in the MCCG to ensure that the Company upholds best governance practices throughout the Group.

MEMBERS OF THE NRC

During FY2022, the NRC comprises solely NED with a majority being INEDs and includes a Senior INED. Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail, a Non-Independent Non-Executive Chairman, has been appointed by the Board as Chairman of the NRC since 31 May 2019 after taking into consideration his vast experience, knowledge and exemplary leadership needed in setting, driving and realising the objectives of the NRC.

The PCEO attends the meetings of the NRC upon invitation. Other members of Senior Management are invited to meetings of the NRC when necessary to provide support to the discussion on matters related to the agenda of the meeting. The Company Secretary of the Company is the secretary of the NRC who is in attendance at all NRC Meetings and records the proceedings thereat.

The NRC has direct and unrestricted access to the advice and services of the Company Secretary and Senior Management. The NRC may, either collectively or as individual members seek independent professional advice, at the Company's expense, if required, in furtherance of their duties.

The members of the NRC as at the date of this report are as follows:

Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail
(Chairman & Non-Independent Non-Executive Director)
(Appointed on 31 May 2019)
(Tenure: 3 years and 9 months)

Dato' Ahmad Pardas Bin Senin
(Senior Independent Non-Executive Director)
(Appointed on 12 March 2015)
(Tenure: 8 years)

Philip Tan Puay Koon
(Independent Non-Executive Director)
(Appointed on 3 March 2016)
(Tenure: 7 years)

Tengku Dato' Ab. Aziz Bin Tengku Mahmud
(Non-Independent Non-Executive Director)
(Appointed on 17 December 2020)
(Tenure: 2 years and 3 months)

Dato' Tengku Marina Binti Tunku Annuar
(Independent Non-Executive Director)
(Appointed on 1 September 2022)
(Tenure: 6 months)

TERMS OF REFERENCE ("TOR")

The TOR of the NRC is available online for reference in the Board of Directors' section of the Company's website at www.spsetia.com.

A Board Leadership and Effectiveness

APPOINTMENT/RE-ELECTION OF DIRECTORS

S P Setia practises a formal and transparent process on the appointment of new Directors. In its selection of suitable candidates, the NRC has a selection criteria based on competencies and attributes required to further strengthen to the Board's composition. All nominees to the Board are first considered by the NRC, taking into consideration among others the diversity in terms of mix of skills, competencies, experience, age and gender guided by the Diversity Policy adopted by the Board and time commitment required to effectively fulfil his or her role as a Director.

The NRC is responsible for recommending to the Board, Directors who are standing for re-election at the AGM pursuant to the Company's Constitution.

The NRC will consider the Directors who are due for re-election/re-appointment in the same manner as other Directors, taking into consideration the Director's performance during his/her term.

SUMMARY OF ACTIVITIES OF THE NRC DURING THE YEAR

The summary of activities of the NRC during the FY2022 is as follows:

With regard to nomination and related matters

1. Reviewed the performance of the Directors who were subject to re-election at the 47th AGM of the Company held on 27 April 2022 pursuant to Clauses 102 and 107 of the Company's Constitution, and recommended to the Board, the re-election/re-appointment of Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail, Mr Philip Tan Puay Koon, Dato' Azmi Bin Mohd Ali, Datuk Choong Kai Wai and Dato' Merina Binti Abu Tahir. The Directors had met the Board's expectations of high performance based on the performance and contribution of each Director as assessed through the BEE where applicable.

2. Kept abreast of progress of management transition plan following the departure of certain key management personnel and updated on the changes to organisation structure to further improve operational efficiency.

3. Reviewed and recommended the Fit and Proper Policy for Directors of the Company and the Group, to the Board for approval and adoption with reference to Paragraph 15.08A of the Listing Requirements. The Fit and Proper Policy was approved by the Board for adoption with effect from 23 May 2022.

4. Reviewed the composition of the Board as part of the Board Succession Plan. The NRC reviewed the curriculum vitae of 12 potential candidates with strong credentials and of different ethnicity nominated by Directors and independent sources. The Board had identified the required skillsets, expertise and experience of the potential candidates in the recruitment process that would further complement the existing Directors, namely in areas of sustainability, property development and finance, that was mapped against the Board Succession Plan and Board Diversity policy approved and adopted by the Board.

   After having considered the qualification and skillsets of all the potential candidates and Directors of the Company including the time commitment to discharge their duties and responsibilities, upon recommendation of the NRC, the appointment of Dato' Tengku Marina Binti Tunku Annuar and Mr Sheranjiv Sammanthan as INEDs of the Company, were approved by the Board to take effect on 1 June 2022.

   Dato' Tengku Marina Binti Tunku Annuar and Mr Sheranjiv Sammanthan had also confirmed that they satisfied the requirements set out in the Fit and Proper Policy.

5. Reviewed the approach for the BEE and recommended the same to the Board for approval. For the BEE 2022, the Board appointed KPMG Management and Risk Consulting Sdn Bhd to facilitate the BEE exercise. The areas of coverage of the BEE 2022 were on the Board, Board Skills Matrix, Directors' and Self Peer Assessment, Fit and Proper Assessment, Independence Assessment on INEDs, and Board Committees.

   The results of the BEE together with suggested action plans were presented to the NRC and thereafter, to the Board. The BEE results indicated that the Directors were satisfied that the Board was effective in discharging their responsibilities, had an effective composition and was enabled by current process/administration. The Directors were of the view that the composition of the Board was well-balanced, taking into consideration the diversity of gender, mix of skills, qualifications, experiences and the level of contribution from each of the members to the respective committees. Outcome of the BEE 2022 had revealed some Positive Highlights indicating the strengths of the Board where the Board should reflect and build upon these areas. Nonetheless, there were some Improvement Markers highlighted in the BEE 2022 report which served to suggest areas to further improve the Board's administration and processes, composition and management reporting.

   The Directors were also satisfied that the Board Committees provided added value to the Company's governance system and that the Company's business was being conducted in an effective and efficient manner.

   Meanwhile, the actions identified to further improve the Board processes set out in the Board Improvement Plan for FY2022 were monitored by the NRC until their completion during the year.

6. Received report on the results of the People Pulse Survey for 2022. The Company undertakes this annual survey which serves as a barometer to measure the overall climate of the Company and to identify key issues and concerns of employees in order for the Management to construct action plans to address issues and concerns.

7. Took cognisance of trainings attended by the Directors on a half-yearly basis including and recommending suitable areas of topics, if any.

   During the FY2022, all Directors attended the necessary training programmes and seminars to further broaden their perspectives, skills, knowledge and were kept abreast of the relevant changes in the law, regulations and the business environment. The trainings attended by the Directors are set out on page 178 of this Integrated Report 2022.

8. Performed annual assessment of the composition of the Board Committees, having regard to the mix of skills, experience, tenure of service, and the practices set out in the MCCG, to ensure that they remain effective and relevant in order for them to carry out the roles and responsibilities as delegated by the Board in an effective and efficient manner. The NRC recommended the changes to the composition of the NRC, TPC, FIC and RMC as well as formation of the SC all of which were approved by the Board to take effect on 1 September 2022.

9. Reviewed the Key Performance Indicators ("KPIs") for the FY2022 of Group, the PCEO, the CIA, CRIGO and Group Company Secretary, and made its recommendations to the Board for approval. The NRC also reviewed the KPIs of other Senior Management team.

10. Involved in the selection and interview of shortlisted candidates for the position of the Chief Financial Officer and made its recommendation to the Board for approval.

With regard to remuneration and related matters

1. Reviewed and recommended to the Board, the payment of bonus and salary increment for the PCEO and eligible employees with reference to their KPIs and the Group's performance.

2. Approved the total allocations to selected Senior Management under the LTIP for the FY2022 grant of options pursuant to ESOS in accordance with the LTIP By-Laws.

3. Benchmarked the remuneration practices of peers in the industry so as to ensure that the remuneration policy for the NEDs of the Company remained competitive to attract, retain and motivate Directors and to commensurate with the level of responsibility expected of the Directors.

The Remuneration Framework of the NEDs for the FY2022, as approved by the shareholders at the 47th AGM of the Company was as follows:

Monthly Directors' Fees

Chairman of the Board
RM50,000

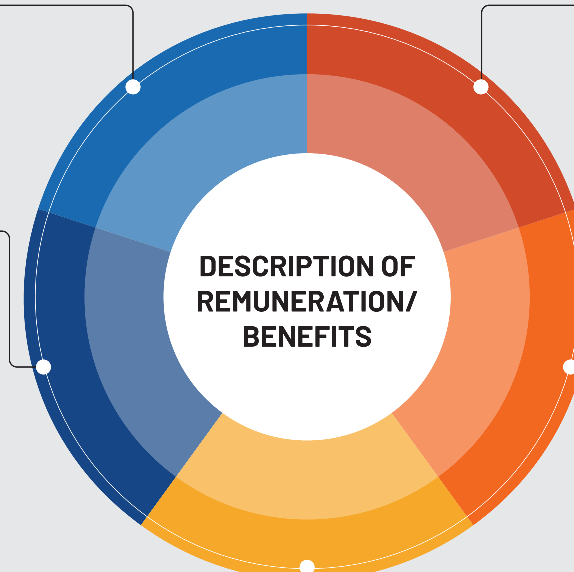
Member of the Board
RM12,000

Monthly Fixed Allowance

Chairman of Audit Committee
RM5,000

Chairman of other Board Committee
RM3,000

Member of Board Committee
RM2,000



Meeting Allowance

Board Member
RM1,500 per meeting

Board Committee Member
RM1,500 per meeting

Allowance for membership on the board of directors of significant project/investment as appointed by the Board of the Company

RM5,000 per month

Other Benefits

Car, petrol and driver for Chairman, security services, Directors and Officers Liability Insurance, medical, hospitalisation and travel insurance and other claimable benefits

A Board Leadership and Effectiveness

The details of the remuneration (excluding Sales and Services Tax) of each Director of the Company who served during the FY2022 are as follows:

	Basic Salary (RM'000)	Bonus (RM'000)	Fees (RM'000)	Other Emoluments (RM'000)	Benefits-in-Kind (RM'000)	Total (RM'000)
PCEO						
1) Datuk Choong Kai Wai	2,462	630	-	360	47	3,499
Non-Executive Directors						
1) Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	-	-	600	109	223	933
2) Dato' Halipah Binti Esa	-	-	144	116	8	268
3) Dato' Ahmad Pardas Bin Senin	-	-	144	201	9	354
4) Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	-	-	144	162	5	311
5) Dato' Zuraidah Binti Atan	-	-	144	161	11	315
6) Tengku Dato' Ab. Aziz Bin Tengku Mahmud	-	-	144	106	4	254
7) Philip Tan Puay Koon	-	-	144	209	5	357
8) Dato' Azmi bin Mohd Ali	-	-	144	63	11	218
9) Dato' Merina Binti Abu Tahir	-	-	144	129	6	279
10) Dato' Tengku Marina Binti Tunku Annuar [1]	-	-	84	33	2	119
11) Sheranjiv Sammanthan [1]	-	-	84	88	2	174

[1] *Appointed on 1 June 2022*

Going forward for year 2023, the Company would maintain the existing Remuneration Framework of the NEDs.

The Company did not disclose the remuneration of the top 5 Senior Management for the FY2022 in the Integrated Report 2022. The Board will consider the appropriateness of such disclosure in the future.

B Effective Audit and Risk Management

RISK MANAGEMENT FRAMEWORK

The Board is responsible for determining both the nature and extent of the Group's risk management framework and the risk appetite that is acceptable in seeking to achieve its strategic objectives. The framework and the ongoing process in place for identifying, evaluating andmanaging the principal risks faced by the Group are described on pages 44 to 45 of this Integrated Report. These are regularly reviewed by the Board.

Primary responsibility for operation of the Group's internal control and risk management systems, which are extended to include financial, operational and compliance controls has been delegated to the Management. These systems have been designed to manage, rather than eliminate, the risk of failure to achieve the Group's business goals and can provide only reasonable, not absolute, assurance against material misstatement or loss.

INTERNAL CONTROL

In delivering the board's commitment to maintain and implement a strong control structure and environment for the proper conduct of the Group's business operations, the key elements of the Group's Internal control are as follows:

1. An established organisational structure with clear lines of responsibility, approval levels and delegated authorities
2. A disciplined management and committee structure which facilitates regular performance review and decision-making
3. Undertaking review of the Group's financial performance at monthly Group Action Committee ("GAC") meetings
4. Having in place various policies, procedures and guidelines underpinning the development, asset management, financing and main operations of the business, together with professional support services including legal, human resources, information services, tax, Group secretarial and health, safety and security
5. A risk management and internal audit function whose work spans the whole group
6. a financial and property information management system

RISK MANAGEMENT

The oversight role of risk management is carried out by the RMC and the Board. The RMC and the Board set the strategic direction for risk roles, responsibilities and reporting structure.

The periodic reporting to both the RMC and the Board on risk management activities is undertaken by the Management via the Management Risk Team ("MRT").

The MRT and RMC receive and discuss on a quarterly basis following matters :

1. the Group's risk register, including significant and emerging risks, and how exposures have changed during the period
2. summary reports and progress of the agreed action plans

The Group has in place policies to promote good business conduct and a healthy corporate culture that reflects integrity, transparency and fairness, namely the COCBE and Whistleblowing Policy. Additionally, decision-making by the Board and Management is guided by the Group's Discretionary Authority Limits ("DAL").

B **Effective Audit and Risk Management**

AUDIT COMMITTEE REPORT

DATO' ZURAIDAH BINTI ATAN
Chairman, Audit Committee

Dear Shareholders,

During the year under review, the Audit Committee continued to effectively discharge its responsibility in ensuring that the Group's internal operational and financial controls remain robust to further drive excellence and efficiency in the Group's operations, as well as upholding good corporate governance practices and integrity in corporate reporting in compliance with the accounting standards. The Audit Committee recognises the importance of continuous improvements to the Group's system of internal controls taking into account the evolving business and regulatory landscape influencing the dynamics of the markets where the Group has operations in.

COMMITTEE MEETINGS IN 2022

Jan | 16, 25 Feb | Mar | Apr | 13,20 May | Jun | 18 Jul | 10, 17 Aug | Sep | Oct | 9,16 Nov | Dec

MEETING - Please refer to pages 174 to 175 for number of AC meetings held during the year.

Membership

The members of the AC as at the date of this report are as follows:

Dato' Zuraidah Binti Atan
(Chairman & Independent Non-Executive Director)
(Appointed as Chairman on 17 November 2021),
(Tenure:1 year and 4 months)
(Appointed on 15 May 2018),
(Tenure: 3 years and 6 months)

Philip Tan Puay Koon
(Independent Non-Executive Director)
(Appointed on 11 September 2015),
(Tenure: 7 years and 6 months)

Dato' Merina Binti Abu Tahir
(Independent Non-Executive Director)
(Appointed on 17 November 2021),
(Tenure: 1 year and 4 months)

The composition of the AC is in compliance with Paragraph 15.09 of the MMLR and Step-up Practice 9.4 of the MCCG.

The AC has an independent Chairman, Dato' Zuraidah Binti Atan, who is not the Chairman of the Board of S P Setia. She possesses the necessary skills, capabilities and attributes in ensuring AC Meetings are efficiently conducted by fostering open discussions with all members of the AC on the agenda items during meetings so as to facilitate thorough considerations to be given to all the subject matters presented to the AC. The AC Chairman together with the AC members play an active role in engaging with the Management, CFO, CIA, GFC and the External Auditors.

The member of the AC, Dato' Merina Binti Abu Tahir is a member of the MIA, ACCA and MICPA.

TOR
The TOR of the AC is available online for reference in the Board of Directors' section of the Company's website at: www.spsetia.com

MAIN RESPONSIBILITIES

- Compliance with financial reporting standards and relevant financial reporting requirements.
- Oversight of the financial, internal control environment and conflict of interest.
- Consideration of the internal and external audit programme and results.
- Review of the external audit relationship and provision of audit and non-audit services.

SUMMARY OF ACTIVITIES OF THE AC DURING THE YEAR

The summary of activities of the AC during the FY2022 is as follows:

With Regard to the Company and External Auditors and Related Matters

1. Reviewed the unaudited quarterly financial results, including its related Bursa Securities' announcements and press statements, the consolidated audited year financial statements of the Company and the Group, prior to recommending the same to the Board for approval, focusing particularly on:
   1. the overall performance of the Group, which included amongst others, sales, method of recognition of revenue and profit, land held for property development, the Group's investment properties, cashflow position, amount of receivables and payables and level of gearing;
   2. the prospects for the Group;
   3. the changes and implementation of major accounting policies and practices and the external auditor's report highlighting the key audit matters and the implications on the Group;
   4. compliance with accounting standards and other legal requirements; and
   5. significant accounting and audit matters raised by the External Auditors in the financial statements and the corresponding judgement made by the Management.
2. Discussed significant accounting and audit issues in respect of the financial statements of the Group for the financial year ended 31 December 2021 with the External Auditors and assessed the actions and procedures taken by the External Auditors in respect of those areas.
3. Reviewed the performance of the External Auditors, guided by the External Auditor Policy and independence of the External Auditors, and recommended their re-appointment to the Board. The annual assessment was carried out by the Group Finance Department via a questionnaire where performance of the External Auditors was rated according to a five-point scale. Areas of the performance review included the quality of service rendered, sufficiency of resources, level communication and interaction by the audit team and independence, objectivity and professionalism of the audit team. Upon conclusion of the audit, the External Auditors reconfirmed to the AC their independence in carrying out the audit of the financial statements of the Company for the financial year ended 31 December 2021 vide the report of audit results submitted to the AC as well confirmation obtained at the AC Meeting.

   The Board had recommended the re-appointment of Messrs Ernst & Young PLT as External Auditors of the Company for the financial year ended 31 December 2022 at the Company's 47th Annual General Meeting held on 27 April 2022, which was approved by the shareholders.
4. Reviewed the audit planning memorandum for the FY2022 with the External Auditors including the adequacy of the external audit team. The areas of audit emphasis and action plans were discussed at length with the External Auditors and the Management to ensure that adequate actions were carried out to ascertain compliance with the relevant accounting standards, prior to finalising the audited financial statements of the Group. Received the declaration of independence in writing by the External Auditors in respect of the audit for the FY2022.
5. Reviewed the Group's tax matters and deliberated on the proposed actions plans to be taken as advised by the appointed tax solicitors.
6. Reviewed and kept abreast of status of the Group's internal re-organisation of business activities and companies for business continuity and building enterprise resilience.

B Effective Audit and Risk Management

With Regard to the Company and External Auditors and Related Matters (Cont'd)

7. Reviewed the amount of audit and non-audit fees paid or payable by the Group and its subsidiaries to the External Auditors and their affiliated companies for the FY2021. The total amount of both the audit and non-audit fees for the FY2021 were compared against the previous year and any increase or decrease in fees was appropriately justified by the Management, taking into consideration the implementation of the MFRS framework, level of activities of the Group, inflationary factors and reference to the fees payable by other companies in the same industry. The accumulated fees quoted for non-audit services were within the allowable threshold set.
8. Reviewed the fixed assets of the Group to be written off and made its recommendation to the Board for approval.
9. Reviewed the new Fixed Assets Policy and amendments to Accounting Policy on the depreciation rate of motor vehicles.
10. Kept abreast of auditing and accounting standards in respect of Hedge Accounting Application pursuant to MFRS 9 : Financial Instruments.
11. Held two (2) private sessions with the External Auditors on 25 February 2022 and 16 November 2022 without the presence of the PCEO and Management to discuss relevant issues and obtain feedback for improvements. Material issues arose from the private sessions were brought to the Board's attention.

With Regard to Matters Relating to Internal Audit Function, Internal Controls and Operations were as follows:

1. Reviewed the internal audit reports prepared by the Internal Auditors of the Group and provided constructive feedback in ensuring the adequacy and effectiveness of the internal control system of the Group. Where appropriate, the AC directed the Management to rectify and improve internal control procedures.

   The AC also monitored the progress of follow-up audit on the agreed action plans taken by Management to close the audit findings by monitoring the progress of implementation of recommendations.
2. Reviewed and approved the internal audit framework to further improve the reporting and rating of the state of internal controls through 5 special additional meetings in addition to the quarterly AC meetings to focus on assessing, evaluating and strengthening system of internal controls of the Group, so as to ensure soundness of the Group's system of internal controls and that appropriate action plans are taken to address audit findings.

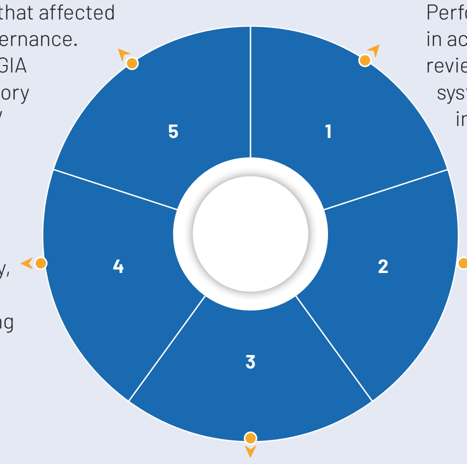
   This includes review on scheduled and special internal audit engagements on areas of concern and assessed the outcome of the review on the effectiveness of internal controls and recommending improvements, where necessary.
3. Reviewed the performance of the CIA against the approved KPIs for year 2022.
4. Responsible for assessing and setting of the KPIs of the CIA for year 2023.
5. Reviewed the internal audit reports of the audit conducted on an associate company of the Group.
6. Reviewed the Audit Committee Report and Statement of Risk Management and Internal Control for inclusion in the Integrated Report 2022.
7. Reviewed and approved the updates to the Group Internal Audit Charter by adopting Committee of Sponsoring Organisations of the Treadway Commission, an integrated framework which sets out the methodology and scope of internal audit.
8. Reviewed jointly with the RMC the high level analysis on oversight roles at corporate functions and alignment activities between Group Risk, Integrity & Governance and Group Internal Audit to ensure the Enterprise Risk Management and Internal Audit scopes are aligned.
9. Reviewed and approved the Internal Audit Plan Memorandum for 2023 including the resource requirement, manpower sufficiency, department budget and adequacy of the scope of internal audit function.
10. Reviewed the related party transactions, taking into account the nature and underlying details of the transactions, to establish that the transactions were on normal commercial terms and not to the detriment of the minority shareholders.
11. Reviewed the procedures for recurrent related party transactions for purposes of ensuring that the processes and controls were in place to ensure that recurrent related party transactions were not more favourable to the related parties than those generally available to the public and were not to the detriment of the minority shareholders.
12. Reviewed and verified the share option allocations for the ESOS and ESGP under the Company's LTIP for the FY2021 award that was confirmed by the External Auditors. The AC was satisfied that the allocation of the share option was in compliance with the LTIP By-Laws.
13. Reviewed the report of special reviews or investigations and monitoring the progress of implementation of recommendations as mandated by the Board.

INTERNAL AUDIT FUNCTION

Group Internal Audit ("GIA"), the Group's independent in-house internal audit function carried out all internal audit functions of the Group. GIA provides the Board, through the AC, reasonable assurance on the effectiveness and adequacy of risk management, internal control and governance processes within the Group. S P Setia is a corporate member of the Institute of the Internal Auditors Malaysia ("IIAM"), in which the internal audit activities performed are in accordance to the International Standards for the Professional Practice of Internal Auditing.

GIA is headed by the Chief Internal Auditor, Jennifer Mok, who has over 28 years of experience in internal auditing in various public listed companies. Jennifer is a chartered accountant and a member of the MIA and the IIAM, who reports functionally to the AC and administratively to the President and CEO to ensure her independence.

GIA carries out risk based audit and review, based on the approved annual audit plan by the AC and is guided by its Group Internal Audit Charter and the International Professional Practices Framework. A summary of activities of the internal audit function carried out during the FY2022 is as follows:



1. Performed internal audit engagements which are in accordance to the approved plan and additional reviews that covered reviews of internal control systems, policies and processes, management information systems, risk management and governance compliances.
2. Internal audit reports were issued and tabled to the AC where significant risks and key areas of concerns were identified with persons or individuals identified being held accountable together with their recommendations for improvements.
3. Performed follow up procedures on the implementation of agreed upon action plans to ensure that necessary actions had been taken/were being timely implemented as recommended.
4. Reported to the AC on review of the adequacy, appropriateness and compliance with the procedures established in relation to recurring related party transactions in accordance with the guidelines set out in the Circular to Shareholders dated 29 March 2022.
5. Reviewed areas where there were concerns that affected financial reporting, internal controls and governance. In an effort to provide value added services, GIA also provided additional assurance and advisory services to BUs upon request by the AC and / or Management in relation to compliance, governance, risk management and internal controls.

GIA is resourced with a total of 13 internal auditors and assisted by a senior office executive. All internal auditors are equipped with relevant experience and qualifications. In order to perform their functions effectively, the internal auditors undergo continuous training to equip themselves with the required skills, competencies and business acumen.

The total cost incurred for the internal audit function for the FY2022 was approximately RM2.7 million.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

STAKEHOLDER ENGAGEMENT

As a leading property developer, we are aware of how our business decisions affect our stakeholders, which include shareholders, customers, regulators, employees and the local communities. Throughout the year, we diligently consider feedbacks and comments gathered and through these encounters gain valuable input on our economic, environmental and social performance. Based on this information, we continuously improve our business processes and create products that our customers appreciate.

We continuously engage with our stakeholders to understand their concerns and areas of interest and to obtain feedback through various channel of engagements including meetings, events & roadshows, surveys and online platforms (website and social media) as summarised in the table below.

Frequency of Engagement: P Periodic, D Daily, W Weekly, M Monthly, Q Quarterly, HY Half yearly, A Annually

Investors / Shareholders

KEY STAKEHOLDERS GROUP

Our investors are the provider of our capital with the expectation they receive monetary benefits in return.

CHANNEL OF ENGAGEMENT	CONCERNS RAISED	Frequency
• Corporate and media announcements • Regular analysts and investors briefings • Annual reports • Company websites • Project launches	• Economic and financial performance • Sustainable revenue and profit growth • Dividend and growth prospects	D, W, M, Q, A

OUR RESPONSE

We engage with investors and potential investors regularly through our channel of engagement, ensuring they understand our prospects and future growth. Other areas we provide to investors include operational and financial performance, ESG agenda as well as outlook.

Fund Providers

KEY STAKEHOLDERS GROUP

Fund providers support us through the provision of short- and long-term capitals enabling us to manage our operation and achieve our business objectives.

CHANNEL OF ENGAGEMENT	CONCERNS RAISED	Frequency
• Periodic reporting • Loan covenant compliance reporting	• Economic and financial performance • Dividend and growth prospects	P, Q, HY, A

OUR RESPONSE

We report to our fund providers through periodic reporting such as regular loan covenant compliance report.

Local Communities

KEY STAKEHOLDERS GROUP

Our business impact the surrounding communities where we operate. We aim to provide social and economic benefits to the communities.

CHANNEL OF ENGAGEMENT	CONCERNS RAISED	Frequency
• Corporate and media announcements • Analysts briefings • Annual reports • Company websites • Project launches • Community activities • Festive seasons celebrations	• Economic well-being • Safety and health • Impact of operations on surrounding communities and environment • Employment opportunities	D, W

OUR RESPONSE

We aim to provide social and economic benefits to the communities, for example through sponsorship, financial assistance and charity; visits seminars and joint activities; and recruiting from impacted communities.

Analysts

KEY STAKEHOLDERS GROUP

Our analysts provide us with information such as economic conditions, business prospects and regulatory updates. They provide the information of our Company to our investors through media briefings, commentaries and articles.

CHANNEL OF ENGAGEMENT	CONCERNS RAISED	Frequency
• Corporate and media announcements • Analysts briefings • Annual reports • Company websites • Project launches	• Business overview • Strategic imperatives • Economic and financial performance • Growth prospects • Corporate governance • Sustainability performance and tracking	P, Q, A

OUR RESPONSE

We update our analysts through our regular briefing updates. We organise various events engaging our analysts briefing them about our businesses, its prospects and our achievements.

Government and Regulators

KEY STAKEHOLDERS GROUP

We work closely with both Federal, local governments and municipalities. Through our experience and expertise in private sector operation, we help managing infrastructure investments and to shape policy and regulatory changes relevant to our businesses.

CHANNEL OF ENGAGEMENT	CONCERNS RAISED	Frequency
• Industry associations • Regulatory requirements reporting • Compliance reporting • Site inspections and visits	• Regulatory requirements • Economic issues • Environment issues • Public and community engagements • Government policies	P

OUR RESPONSE

We regularly involve with various government and authorities' discussions related to our businesses and discuss government policies and regulatory requirements.

C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

Customers

KEY STAKEHOLDERS GROUP
Customers are at the heart of our business. We understand our market expectations. We care how our customers feel about us, our products and services so we can deliver improvements.

CHANNEL OF ENGAGEMENT
- Corporate and media announcements
- Company websites
- Project launches
- Customer satisfaction surveys
- Online platforms
- Customers events
- Corporate and product brochures

CONCERNS RAISED
- Product and service quality
- Product and services features / amenities and facilities
- Timely delivery
- Pricing of products and services
- Safety and security

OUR RESPONSE
We conduct regular planned meetings and briefings with both our potential and existing customers through project launches, community events, forum and customer satisfaction survey.

Media

KEY STAKEHOLDERS GROUP
Media comprise organisations, both profit and non-profit channels and formats controlled by communities of practice and interest – commercial media and news entities, brand communities, user forums, activist websites and many others.

CHANNEL OF ENGAGEMENT
- Corporate and media announcements
- Analysts briefings
- Annual reports
- Company websites
- Project launches

CONCERNS RAISED
- Long-term relationship building
- Impact to communities
- Awareness and promotions
- Advertisements

OUR RESPONSE
We brief media on our business operations, our products and services, business plans and strategies through series of programmes established as part of media communication.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Employees

KEY STAKEHOLDERS GROUP
Our people drive our businesses. We strive to create a diverse and inclusive workplace where all our colleagues can reach their full potential. We provide conducive working environment enabling our people to work comfortably, effectively and efficiently.

CHANNEL OF ENGAGEMENT
- Onboarding Programmes
- Employee engagement activities
- Team huddles – "Good Morning Setia" sessions
- Corporate activities – such as festive luncheon and PCEO / Chief Operating Officer ("COO") Dialogue (done in SOP compliant bubbles / virtually)
- Performance and leadership development programmes
- People Pulse Survey
- Succession planning

CONCERNS RAISED
- Compensation and benefits
- Career enhancements
- Health, Safety and Environment
- Performance development
- Exit and retirement benefits

OUR RESPONSE
We regularly involve with various government and authorities' discussions related to our businesses and discuss government policies and regulatory requirements.

Suppliers and Contractors

KEY STAKEHOLDERS GROUP
Our suppliers and contractors provide us with the materials and services we require enabling our businesses to serve the customers and communities.

CHANNEL OF ENGAGEMENT
- Daily contacts – telephones and e-mails
- Periodic meetings and briefings
- Tender briefings
- Contract and legal discussions
- Project updates and meetings

CONCERNS RAISED
- Payment terms
- Contract terms and conditions
- Future business dealings

OUR RESPONSE
Our suppliers and contractors are directly impacted our business operation. We ensure that our suppliers and contractors understand our business needs and areas covering integrity, labour & human rights, inclusivity and health, safety & environment.

Throughout the year, we diligently consider feedbacks and comments gathered and through these encounters gain valuable input on our economic, environmental and social performance. Based on this information, we continuously improve our business processes and create products that our customers appreciate.

C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

INVESTOR RELATIONS

S P Setia is fully committed to providing accurate, transparent and timely communication with our shareholders, fund managers, analysts and the public at large, allowing them to make informed investment decisions. Regular engagements with these stakeholders are vital and the Investor Relations ("IR") Team, which plays an important role in providing the ongoing updates and relevant information on strategies, outlook and prospects, emphasises the following:

1

Maintaining timely and transparent access to information
The IR Team emphasises the need to always provide clear, comprehensive and equal information to all stakeholders. Effective communication is mainatained with and disclosure of material corporate development is announced to Bursa Securities, as well as dissemination of presentation materials, press releases and press conferences – all in a timely manner.

During the enforcement of the Movement Control Order ("MCO"), the IR Team accelerated the use of digital platforms where engagements are largely conducted via calls, Microsoft Teams and Zoom applications. As the country progresses to endemic phase and the COVID-19 threat subsides, physical meetings and site visits to our key developments begin to gather traction.

2

Maintaining close rapport, instilling credibility and trust
The IR Team strives to instil credibility and trust in our investors and takes all the necessary steps to ensure that critical issues are addressed promptly, effectively and accurately. Our objective is to ensure that our investors are always kept abreast of corporate developments and have a broad and clear understanding of strategic issues.

Periodic and ad-hoc information is provided to the analysts and fund managers on the Group's performance. Presentation materials can be downloaded from the IR section of our website. In addition, our Senior Management also meets with analysts and fund managers on a regular basis while hosting site visits to our projects to provide a better understanding of the Group's developments.

- Credit Suisse ASEAN Conference
- CGS-CIMB Annual Malaysia Virtual Corporate Day
- UBS OneAsean Conference
- Citi Asia Pacific Property Conference
- Maybank Invest Asean Conference

BROAD RESEARCH COVERAGE

Being the No. 1 property developer in Malaysia, S P Setia Berhad is well covered by 17 local and foreign research houses. After the announcement of our FY2022 results, 13 research houses responded; there were four buy calls, four hold calls, one sell call, one outperformed call, one underperformed call and two neutral calls on the Company with an average target price of RM0.66.

Below, we provide a summary of the research houses' recommendations and target prices.

No.	Financial Institution	Target Price (RM)	Recommendation	RNAV	Discount
1	AffinHwang	0.62	Hold	2.05	70%
2	AmInvestment	0.64	Hold	1.60	60%
3	Citigroup	0.56	Neutral	2.24	75%
4	Hong Leong Investment Bank	0.64	Hold	4.89	87%
5	KAF Equities	0.55	Buy	NA	NA
6	Kenanga Investment Bank	0.38	Underperform	3.80	90%
7	Macquarie Capital Securities	0.60	Neutral	NA	NA
8	MIDF Finance	0.84	Buy	4.20	80%
9	Maybank Investment Bank	0.70	Hold	4.51	84.5%
10	Public Investment Bank	0.95	Outperform	2.37	60%
11	TA Securities	0.76	Buy	NA	NA
12	UBS Securities	0.55	Sell	2.20	75%
13	UOB Kay Hian	0.82	Buy	3.73	78%
	Average	**0.66**		**3.16**	**76%**

KEY IR ISSUES

The outlook of property developers continued to be challenging given the disruptive nature of the COVID-19 pandemic and its prolonged impact on the economy as well as the property sector, but as more initiatives are introduced to uplift the economy and to spur the property sector, there is renewed demand towards landed residential units in our matured townships.

The business outlook of developers is not always necessarily positive but nevertheless, S P Setia Berhad believes in portraying an honest assessment of the Group's business outlook, even if prospects may not be particularly positive. In doing so, the Group hopes that investors will obtain a realistic expectation of the business cycles and will be in a better position to make informed investment decisions.

EFFECTIVE SHAREHOLDER COMMUNICATION

The Company values the importance of having effective communication with its shareholders and investors.

Information disseminated is clear, relevant and comprehensive, and is timely and readily accessible by all stakeholders. Effective communication channels with the Company's shareholders, stakeholders and the public are maintained through the dissemination of press releases, press conferences, timely announcements and disclosures made to Bursa Securities.

The Company's Investor Relations plays an important role in providing ongoing updates on the Group's development activities and conducting regular dialogues and discussions with fund managers, financial analysts, shareholders and the media. These meetings provide a vital avenue and direct channel of communication where financial analysts and fund managers can gain a better understanding of the businesses and direction of the Group; enter into constructive dialogues and discussions based on mutual understanding of objectives; and where relevant, feedback is factored into the Group's business decisions. The media is also

CORPORATE GOVERNANCE OVERVIEW STATEMENT

C Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

invited to attend the Group's major events and property launches where briefings are given on the relevant projects. Currently the Company is covered by 17 local and foreign research houses and brokerages. The Company will continue to participate in investor conferences/roadshows locally and abroad.

A press conference is usually held after the conclusion of each AGM or Extraordinary General Meeting ("EGM") if any, and is attended by the Chairman, PCEO, Deputy President and COO, and CFO to keep the investing public abreast of the outcome of the meeting. At the same forum, the PCEO also clarifies issues which the media may have with regards to the performance of the Group and its corporate developments. If necessary, an analyst briefing is also convened after the press conference with the objective of updating the fund managers of the Group's performance for the year under review. The press conference and analyst briefing are also attended by the Senior Management of the Group. However, due to the prolonged COVID-19, the Company continued not to organise a physical press conference after its 47th AGM held on 27 April 2022 as part of its efforts to counter the spread of COVID-19. The Company continued to engage with the press and analysts leveraging digital platforms.

These are the few initiatives carried out by the Management as part of the continuous engagement programme to keep the relevant stakeholders apprised on the business development and financial performance of the Group.

Apart from the Company's website, enquiries on Investor Relations can be sent to Puan Lindayani Tajudin and Mr. Joseph Ong Meng Kwang of Group Strategy & Business Development at ir@spsetia.com or 603-33482595.

GENERAL MEETING

The Company's AGM and EGM remain the principal forum for dialogue and communication with shareholders, in particular private investors. Shareholders are encouraged to attend each AGM and EGM and given sufficient time and opportunity to participate in the proceedings, ask questions about the resolutions being proposed and the operations of the Group, and communicate their expectations and possible concerns. At the Company's AGM, presentations will also be given by the PCEO to brief shareholders on project updates or proposals for which the approval of shareholders is being sought. All Board members, Senior Management and the Group's external auditors as well as the Company's adviser are available to respond to shareholders' questions during the AGM/EGM as the case may be.

The Integrated Report 2021, together with the Notice of 47th AGM, was published on 29 March 2022 in accordance with the Company's Constitution and MMLR. Where necessary, explanatory notes were provided in the notice with the objective of providing shareholders with the relevant background information pertaining to the resolutions tabled for approval.

The Company's 47th AGM and EGMs held in FY2022 were conducted entirely through live streaming from the Broadcast Venue as part of the Company's effort to curb the spread of COVID-19. Only shareholders whose names appeared in the Record of Depositors as at the date determined by the Company in accordance with the Company's Constitution were entitled to attend, speak and vote (collectively referred to as "participate") at the 47th AGM and EGMs. Shareholders who were unable to participate were entitled to appoint proxy/ies to participate at the 47th AGM and EGMs.

The Directors' attendance at General Meetings are set out below:

Director	47th AGM	EGM held on 26 September 2022	EGM held on 18 October 2022	Adjourned EGM held on 18 October 2022
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	✓	✓	✓	✓
Datuk Choong Kai Wai	✓	✓	✓	✓
Dato' Ahmad Pardas Bin Senin	✓	✓	✗	✗
Dato' Halipah Binti Esa	✓	✓	✗	✗
Dato' Seri Ir Hj Mohd Noor Bin Yaacob	✓	✓	✓	✓
Dato' Zuraidah Binti Atan	✓	✓	✓	✓
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	✓	✓	✓	✓
Philip Tan Puay Koon	✓	✓	✓	✓
Dato' Azmi Bin Mohd Ali	✓	✓	✓	✓
Dato' Merina Binti Abu Tahir	✓	✓	✓	✓
Dato' Tengku Marina Binti Tunku Annuar	N/A	✓	✓	✓
Sheranjiv Sammanthan	N/A	✓	✓	✓

CORPORATE DISCLOSURE

Corporate Disclosure Policy

The Company is committed to ensuring that all information such as corporate announcements, circulars to shareholders and financial results are disseminated to the general public in a timely and accurate manner. The Board is responsible for presenting a balanced, clear and meaningful assessment of the Group's financial position to the shareholders, investors, stakeholders and regulatory authorities.

The Company's quarterly interim and full-year audited financial results are released within two (2) months from the end of each quarter/financial year, and the Integrated Report, which remains a key channel of communication, is published within four (4) months after the financial year-end. The Integrated Report is not merely a factual statement of financial information and performance of the Group; it provides an insightful interpretation of the Group's performance, operations, and other matters affecting shareholders' interest. It is hoped that such insights will allow shareholders and investors to make more informed investment decisions based not only on past performance but also premised on the future direction of the Group.

INFORMATION TECHNOLOGY

Leverage Information Technology for Effective Dissemination of Information

The Company maintains a website that serves as a forum for the general public to have access to information on the latest developments taking place in the Group. Corporate presentations, annual reports, corporate announcements and financial information utilised during analyst and fund manager briefings are also available on the Company's website at www.spsetia.com.

SUSTAINABILITY

Strategies that Promote Sustainability

The Company is committed to imbibing corporate responsibility practices into our business activities. Sustainability is embedded in the organisation's mission, vision and values and is manifested in our products. The scope of the Our Sustainability Review covers the Group's operations in Malaysia during the reporting period from January 2022 to December 2022.

Our Sustainability Review is set out from pages 94 to 147 of the Integrated Report 2022 and explains the Group's practices and activities carried out during the FY2022.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement and is satisfied that the Company has substantially complied with and applied the three key Principles of the MCCG for the FY2022.

Details of how the Company has applied the MCCG Principles and complied with its Practices are set out in the CG Report. Departures are further explained in the CG Report which is available on the Company's website at www.spsetia.com.

The Board is further satisfied that the Company has fulfilled its obligations under the relevant paragraphs of the MMLR, MCCG, CA 2016 and other applicable laws and regulations throughout the FY2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Setia continues to monitor and evaluate the changing business landscape and monitors changes to the legislative and regulatory requirement to proactively mitigate risks and possible benefit from any opportunities to remain competitive.

The Board of Directors ("Board") of S P Setia is committed in maintaining a sound internal control and risk management system. Each BU has implemented its own control processes under the leadership of the President and Chief Executive Officer ("CEO"), who is responsible for good business and regulatory governance.

The Statement on Risk Management and Internal Control was prepared pursuant to paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa Securities") MMLR and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

BOARD RESPONSIBILITY

The Board upholds its commitment and responsibility for the Group's risk management and internal control systems covering not only financial controls but also strategic, operational, compliance with regulatory requirements, as well as ensuring the adequacy and effectiveness of these systems.

The implementation of these control systems is undertaken by the management, which regularly reports on key risks identified and actions taken to mitigate and/or minimise such risks. The oversight of these critical areas is carried out by the Sub-Board Committees namely the RMC and the AC.

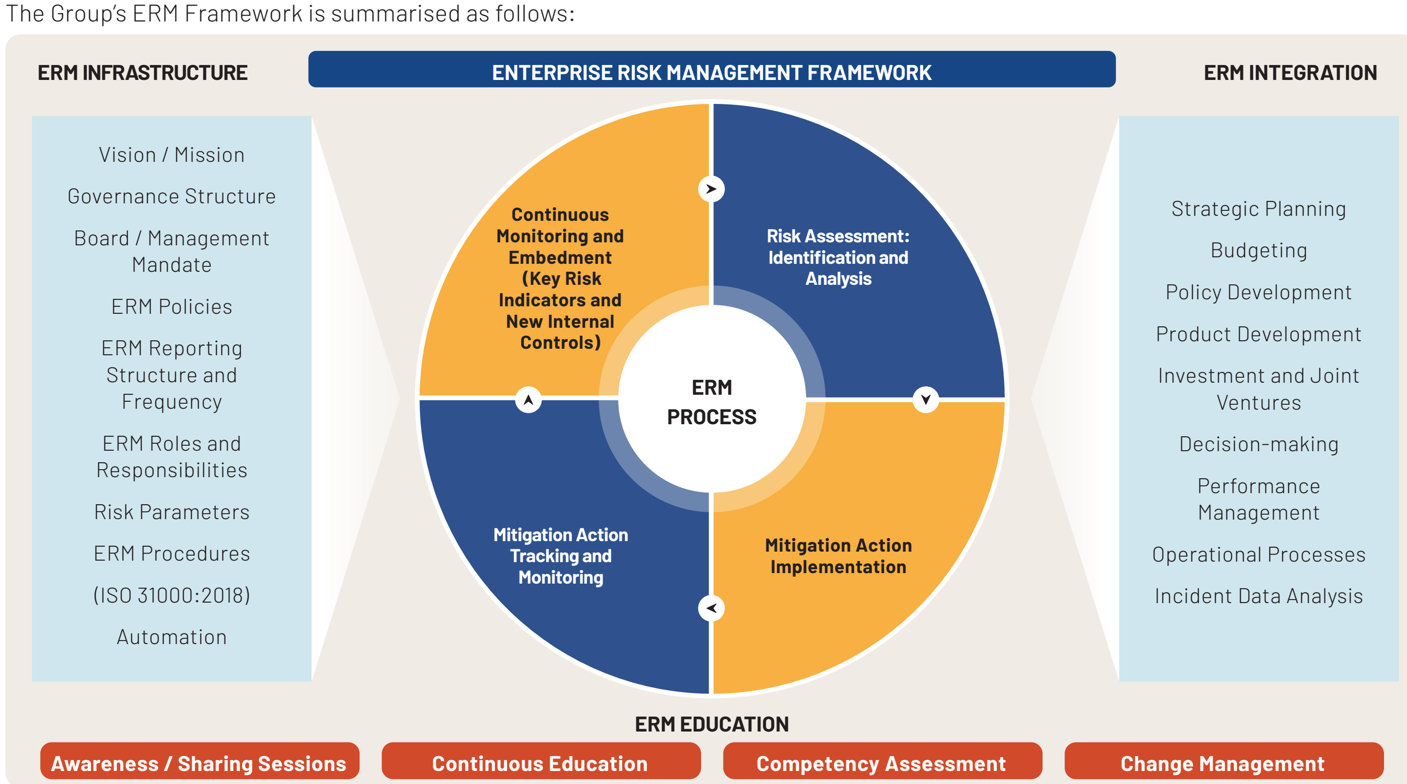
The Group's risk management and internal control systems are designed to efficiently and effectively manage risks to an acceptable level, to ensure the achievement of the Group's business objectives, and to provide information for accurate reporting, decision making, and ensuring compliance with regulatory and statutory requirements.

The Board also ensures that there is a robust framework of ongoing risk management processes in identifying, evaluating, and managing significant risks faced by the Group to promote long-term success of the Company. The design of these systems is mainly to manage and mitigate, rather than eliminate the risks which have been identified and reassessed by the Management.

ENTERPRISE RISK MANAGEMENT

The Group Risk, Integrity and Governance ("GRIG") has established an Enterprise Risk Management ("ERM") Framework to proactively identify, evaluate, and manage key risks to an acceptable level based on set of parameters. In line with the Group's commitment to deliver sustainable value, this ERM framework aims to provide an integrated and organised approach group-wide. It outlines the ERM methodology which is in line with the Principles and Guidelines of ISO31000:2018 Risk Management, primarily promoting the risk ownership and continuous monitoring of key risks identified.

The Group's ERM Framework is summarised as follows:

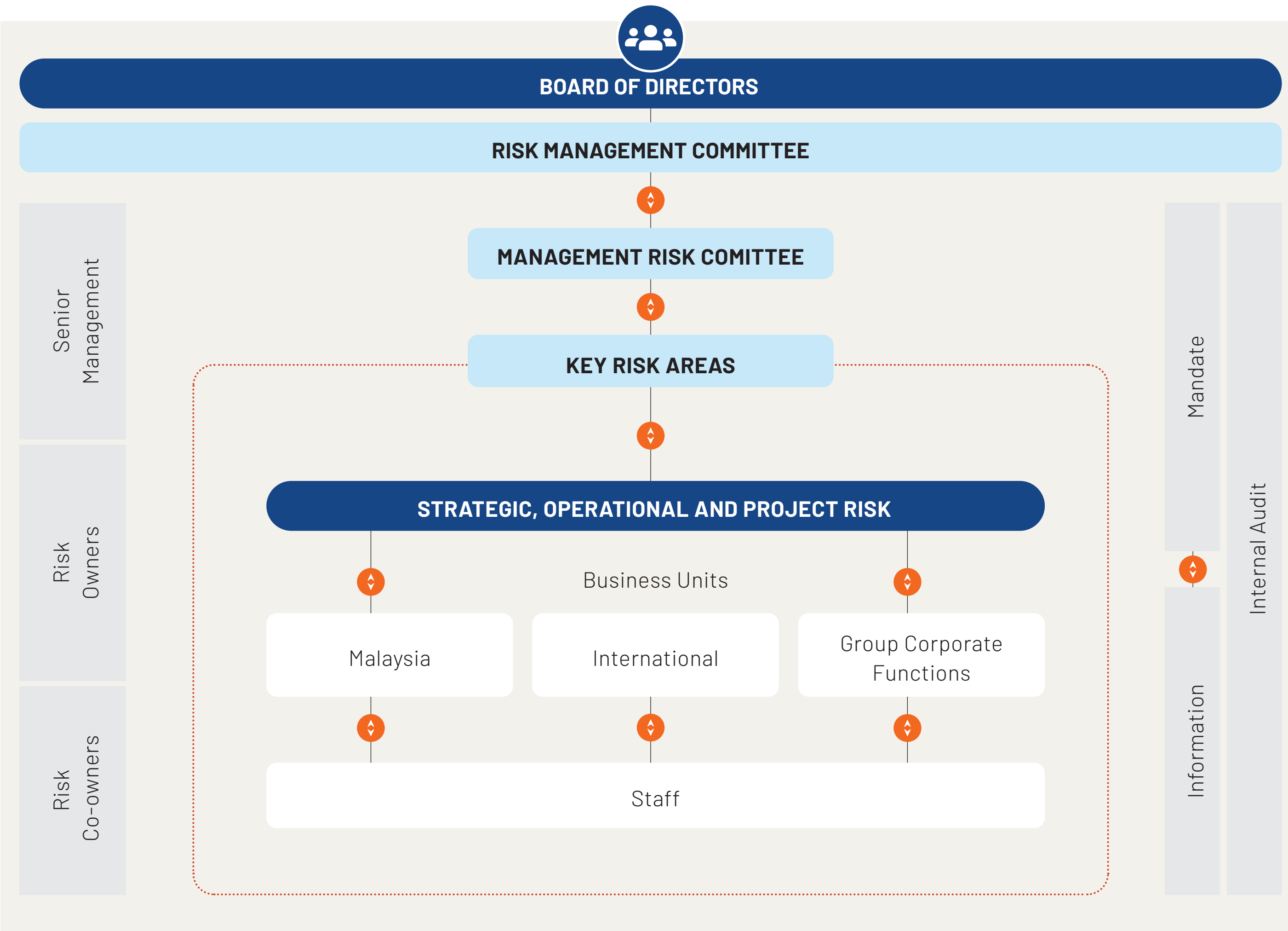


A. ENTERPRISE RISK MANAGEMENT OVERSIGHT

The oversight role of risk management is carried out by the RMC and the Board. The mandate and commitment from RMC and the Board are the key success factors in the implementation of the ERM programmes. The RMC and the Board set the strategic direction for risk policies, roles, responsibilities, and risk reporting structure. The periodic reporting to both the RMC and the Board on risk management initiatives is undertaken by Management via the MRT, which keeps the RMC and the Board apprised with respect to the Group's key risk areas, implementation of risk action plans and emerging risk and trends.

The MRT comprises key members of the Senior Management and is chaired by the PCEO. The MRT maintains the risk oversight within the Group at the management level, as outlined in the endorsed ERM Framework.

The ERM Reporting structure below illustrates the Board and Management's involvement in ensuring effective ERM communication and implementation:



The MRT is assisted by GRIG, where its primary role is to ensure effective implementation of the ERM and Business Continuity Management ("BCM") framework, programmes, and continuous education and awareness across the Group; and the provision of independent and objective assessment of key risks as well as timely reporting to the MRT, RMC and the Board.

B. ENTERPRISE RISK MANAGEMENT POLICY

The Board recognises that inherent risks are present in the normal course of the Group's core businesses, presenting both threats and opportunities. The ERM policy has been developed to ensure effective implementation of enterprise risk management framework, which is consistent with the Group's aspiration in achieving its corporate objectives and meeting shareholders' expectations. The following risk policy provides guidance on the management of risks and applies across all BUs:

- To manage risk proactively.
- To manage both negative and positive risks.
- To manage risks pragmatically to an acceptable level, given the particular circumstances of each situation.
- To ensure that risk assessment is performed and that the process is embedded in the system.
- To manage risk routinely and in an integrated and transparent way in accordance with good governance practices; and
- To require that an effective and formalised risk management framework is established and maintained by S P Setia.

C. RISK REPORTING

The Group's ERM Framework provides for regular review and reporting. The reports include the risk profiles, risk action plans, and status updates. During the year under review, these reports were presented on a quarterly basis and deliberated by the MRT, RMC and the Board.

D. RISK MANAGEMENT INITIATIVES

As part of the Group's effort to instil a proactive risk management culture and ownership, the following initiatives were undertaken during the year under review:

- Continuous ERM Education Programmes which includes ERM technical briefings/ trainings, awareness and refresher sessions.
- On 25 November 2022, GRIG, together with Group Internal Audit jointly organised the *"Sembang Nasi Lemak-Tone from the Top - The Governance Perspective"*, a virtual forum for members of the Board Management, and Team Setia. Panellists comprised the Chairman of Setia's Audit Committee and an officer from the Community Education Division of the MACC. Topics were focused on governance and fraud management.

Sembang Nasi Lemak -Tone from the Top - The Governance Perspective Forum 2022

These efforts formed part of the Group's initiatives in communicating and ensuring good governance practices in the day-to-day business operations.

- Held discussions with Heads of BUs to obtain endorsement on key risk areas.
- Provided risk advisory and independent assessment as well as facilitated workshops across the Group.

INTEGRITY AND GOVERNANCE

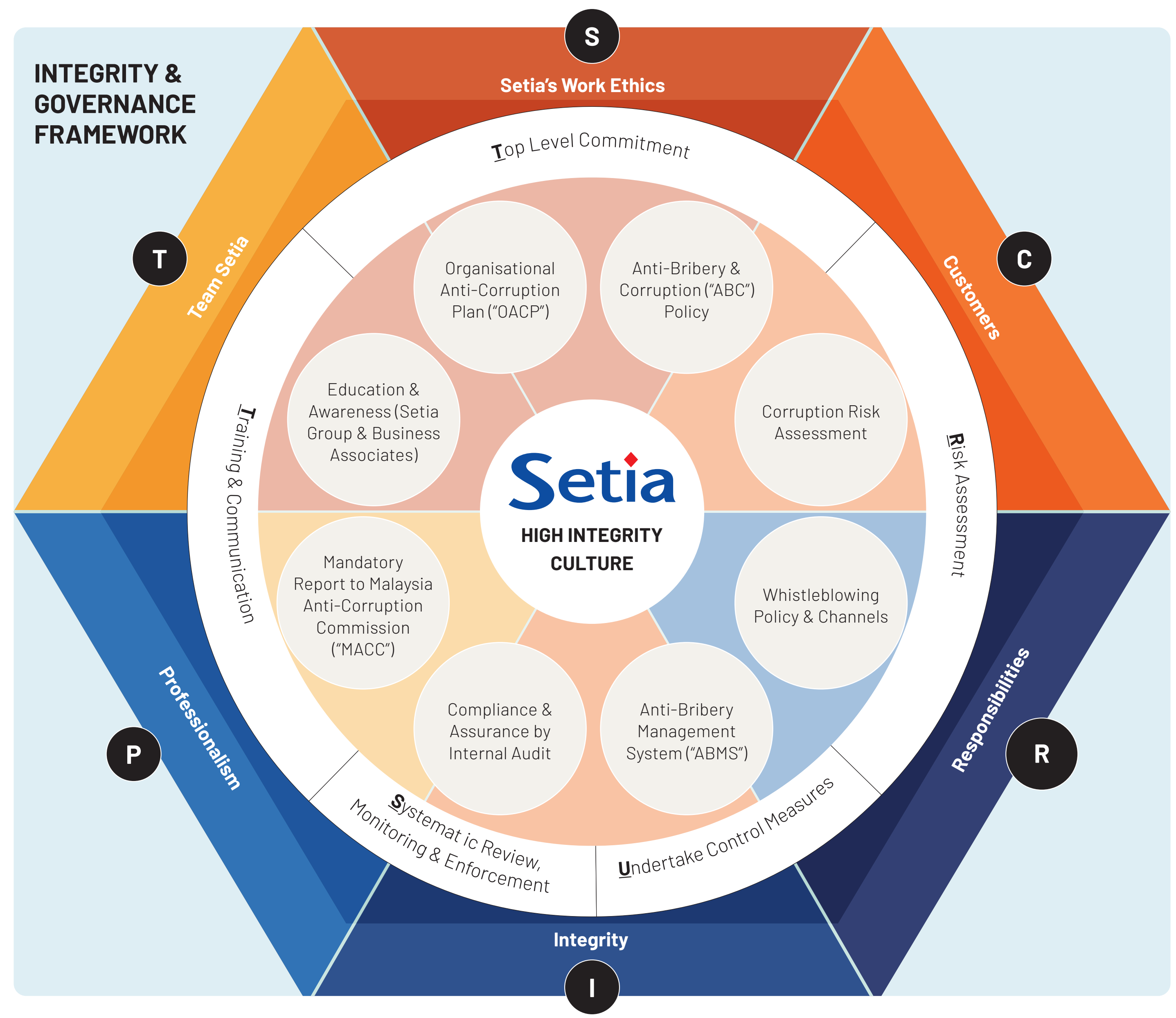
In line with the Government of Malaysia's aspiration in embarking on a journey to promote good ethical practices and good governance, Setia has also established its framework and initiatives for the embedment of high integrity culture and effective management of integrity and governance matters in S P Setia.

The Group Integrity & Governance Unit ("IGU") of S P Setia Berhad had been established in-line with the Prime Minister's directive to all Government Linked Companies ("GLCs") which was effective October 2018. The IGU will be facilitating the compliance to the Corporate Liability provision under the Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act, 2018 (Amendment), which had been enforced since 1 June 2020.

Based on the Guideline on the IGU Establishment and Management issued by the MACC in 2019, the IGU is responsible for the execution of the following four (4) core functions:

1. **Complaints Management**
   To receive and respond to all complaints and information concerning violation of possible criminal, improper conduct and ethics of S P Setia Berhad.
2. **Identification and Verification**
   To identify and verify complaints in regards to possible criminal, improper conduct and the violation of the Code of Conduct and Business Ethics of S P Setia Berhad and ensure appropriate actions are taken. To report criminal and corruption related offences to the relevant enforcement agencies.
3. **Strengthening Integrity**
   To inculcate, institutionalise and implement the concept of integrity in organisation.
4. **Governance**
   To ensure the implementation of good governance.

The IGU has a direct reporting line to the RMC and ultimately the Board of Directors.



Setia's integrity and governance framework had been established and endorsed by the Board of Directors with specific references to the:

I. The National Anti-Corruption Plan 2019
II. The Guidelines on Adequate Procedures by the Prime Minister's Department
III. ISO 37001:2016 on Anti-Bribery Management System ("ABMS")
IV. Setia's core values "SCRIPT"
V. ISO 37002:2021 on Whistleblowing Management Systems - Guidelines

The framework took into consideration Setia's readiness and preparedness in facing the possible challenges and impact of the enforcement of the Corporate Liability provision. Setia is continuously embarking on initiatives to ensure that adequate measures are in place as a defence mechanism based on the TRUST principle under the Guidelines on Adequate Procedures, issued by the Minister of the Prime Minister's Department.

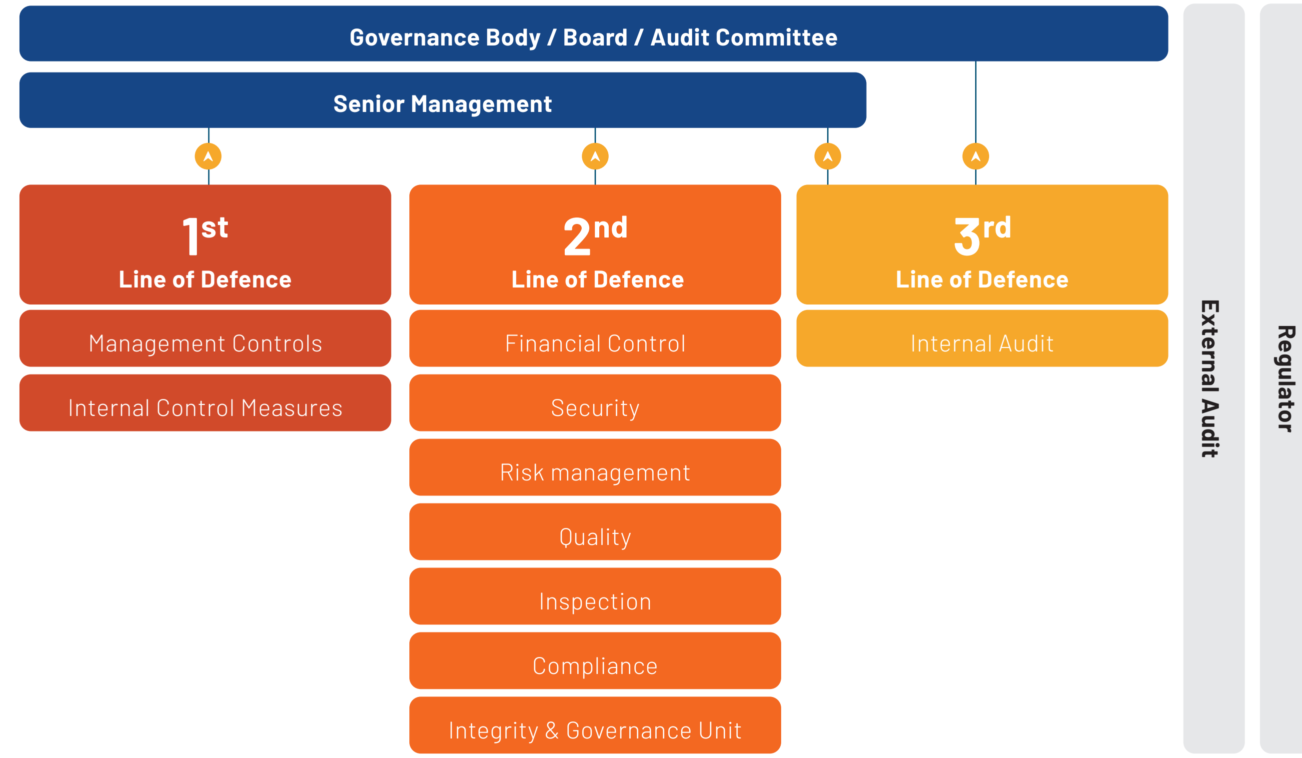
The following policies had been approved by the Board for implementation and compliance by Team Setia and our Business Associates:

I. ABC Policy
II. Code of Conduct and Business Ethics
III. Whistleblowing Policy
IV. Gifts and Hospitality Policy
V. Donations and Sponsorship Policy
VI. Third Party Engagement Policy

As per the Bursa Malaysia's listing requirements, these policies are accessible by the Public, Business Associates and Team Setia either via Setia's corporate website or Setia Intranet platforms. The IGU has the responsibility to facilitate and oversee the enforcement of these policies, ensure awareness and effectiveness of its implementation.

FEATURES OF KEY INTERNAL CONTROLS IN SETIA

In S P Setia, "Three Lines of Defence" model as depicted below guides our practice of effective internal controls:



First Line of Defence

The first line of defence is provided by the Senior Management; and the Heads of BUs, as the process owners are accountable for all risks and effective internal controls assumed under their respective areas of responsibility. Senior Management is also responsible for promotion of the risk culture, which will ensure greater understanding of the importance of risk management whilst ensuring its principles are embedded in key operational processes, including project evaluation and monitoring.

The Group's internal control systems do not apply to Associate Companies and Jointly-Controlled Entities where the Group does not have full management control. However, the Group's interest is served through representation on the Boards of the respective Associate Companies and Jointly-Controlled Entities.

Second Line of Defence

The second line of defence is provided by the GRIG, Group Quality Assurance ("GQM") and other corporate controls. GRIG is responsible for facilitating the Enterprise Risk Management processes based on the approved ERM Framework; whereas GQM is responsible in ensuring effective implementation and compliance with the Setia Group's safety & health and quality related policies and procedures.

Third Line of Defence

The third line of defence is provided by the Group Internal Audit ("GIA"). GIA provides independent assurance on the adequacy and reliability of the risk management processes and system of internal controls, and ensures compliance with related regulatory requirements.

COMMITMENT TO STRONG GOVERNANCE

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Key Internal Control System	Assurance Mechanism / Enabler
Policies, Guidelines and Procedures	**Group Quality Management ("GQM")** Facilitates the establishment and maintenance of the Group's approved policies and standard operating procedures. Establishes and manages an integrated quality, health & safety and environment management system for the Property Division, manufacturing and construction arms. The integrated system is progressively reviewed to ensure its relevance. GQM supports the Group in accomplishing its objectives by performing regular audits and assisting the Group to progressively improve its business processes relating to product and service quality as well as regulatory compliance. *(The details of GQM's initiatives i.e. HSE Governance and quality commitment have been described in the Sustainability Statement under Social section)*
	Group Finance **Discretionary Authority Limits ("DAL")** The DAL document is crucial to ensure there is an optimal balance between strong corporate governance practices and operational efficiency. It is a written delegation of authority by the Board to the respective Board Committees and Management within the Setia Group. Its key objectives are to provide a holistic view of the authority limits set, to encourage delegation, empowerment and accountability, and to eliminate guesswork, confusion and to provide clarity. The DAL document is subject to periodical review to incorporate any changes that affect the authority limits.
Financial Performance Tracking and Monitoring	**Group Finance** Group financial planning and budgeting, monitoring, reviewing, and reporting of the Group financial performance via periodic reviews of actual performance versus targets, and ensures initiatives and mitigating action are taken. The review and deliberation of financial performance of the Group are conducted on a monthly basis during the Group Action Committee ("GAC") meeting. Quarterly updates will be made in the AC, FIC and the Board of Directors meeting.
ICT and Digital Transformation	**Group Information Communication Technology ("ICT") and Digital Transformation** The core role are to plan, develop, implement, support, and improve IT and digital services to enable the business to: • Increase revenue and workplace productivity • Improve operational excellence and cost optimization • Mitigate cyber risk to ensure business continuity • Adopt emerging technologies to enable value creation • Leverage data and technology to improve liveability in Setia's community and enable smart and sustainable development *(The details of Digital Transformation initiatives have been described in the Sustainability Statement under Digital Transformation section)*

Key Internal Control System	Assurance Mechanism / Enabler
Manpower & Talent Management	**Group Human Resources ("GHR")** GHR plays a strategic role in ensuring that our People Plans are aligned to the Business. GHR is responsible for the formulation, implementation, monitoring, and review of the overall Human Resources Strategy. The scope covers the entire employee life cycle from Talent Acquisition, Performance Management, and Talent Development and drives Organisational Change in building organisational capabilities. *(The details of GHR initiatives i.e. employee engagement, development focus, etc have been described in the Sustainability Statement under Social section)*
Governance & Compliance	**Group Internal Audit ("GIA")** GIA is an independent internal audit function which provides independent and objective assurance on the adequacy and effectiveness of the internal control system implemented by the Group. GIA is an integral part of the Group's governance process, internal controls system and risk management, is headed by a Chief Internal Auditor, who reports to the AC, at least, on a quarterly basis. GIA proactively engage and contribute to the Group's effort to create awareness on the importance of upholding high standards of governance culture within the Group.
Corporate Investment & Divestment	**Group Strategy & Business Development ("GSBD")** GSBD oversees the Group's corporate investment and divestments policy, framework, requirements and practices to achieve the desired investment returns and goals, thus achievements of the overall corporate objectives as per the approved business plan. The corporate investment and divestment framework reinforces S P Setia's commitment to comply with the continuous investment disciplines imposed by the Malaysian securities laws and regulations and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia.

MONITORING, REPORTING AND REVIEWING

The Group's system of risk management and internal controls are monitored via periodic management review of financial and operational results, business processes, the state of internal controls and business risk profile by the respective Heads of BUs and reported to the GAC.

In addition, the Board is updated on the Group's performance on a quarterly basis and reviews are undertaken by GIA on the effectiveness of controls implementation at each individual BU. Reports on the reviews carried out by GIA are submitted on a regular basis to management and the AC. In addition, updates on the risk profiles and key mitigations are also tabled to the RMC and the Board on a quarterly basis.

BOARD COMMENTARY AND OPINION

For the financial year under review, the Board has received a written assurance from the PCEO, and CFO that the Group's enterprise risk management and internal control systems, in all material aspects, are operating adequately and effectively. There were no material control failures or adverse compliance events that directly resulted in any material loss to the Group. Taking into consideration the information and assurance given by the President and CEO, and CFO, the Board is satisfied that the enterprise risk management and internal control systems in place for the year under review and up to the date of approval of this Statement are sound and effective to safeguard the interest of all shareholders, the Group's assets, and other stakeholders. The Board has deliberated and approved the recommendations brought forth by the RMC and the AC.

REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY THE EXTERNAL AUDITORS

The External Auditors, Messrs. Ernst & Young PLT, have performed limited assurance procedures on the Statement in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3 - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control as issued by the Malaysia Institute of Accountants, included in this Annual Report of the Group for the year ended 31 December 2022. Messrs. Ernst & Young PLT have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control included in this annual report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate. AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 28 February 2023.

ADDITIONAL COMPLIANCE INFORMATION

STATUS OF UTILISATION OF PROCEEDS RAISED FROM THE RIGHTS ISSUE OF CLASS C ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RIGHTS ISSUE")

Purpose	Proposed utilisation RM'000	Actual unutilised RM'000	Balance utilisation RM'000
For redemption of Class B Islamic Redeemable Convertible Preference Shares	937,264	937,201	-
Estimated expenses in relation to the Rights Issue and amendments to the Constitution of the Company to facilitate the Rights Issue	2,100	2,163	-
Total	939,364	939,364	-

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable by the Company and its subsidiaries to the external auditors and their affiliated companies for financial year ended 31 December 2022 are as follows:

	Group (RM'000)	Company (RM'000)
Fees for statutory audits - current year		
- Ernst & Young PLT Malaysia	2,040	185
- Member firms of Ernst & Young Global	576	-
Other non-audit services		
- Ernst & Young PLT Malaysia	726	35

The amount of non-audit fees incurred for the services rendered to the Company and the Group by its external auditors, Messrs Ernst & Young PLT Malaysia and its member firms of Ernst & Young Global for the financial year ended 31 December 2022 are RM725,750 and RM34,600 respectively.

Services rendered by Messrs Ernst & Young PLT Malaysia were not prohibited by regulatory and other professional requirements, and are based on globally practised guidelines on auditors independence. Messrs Ernst & Young was engaged in these non-audit services based on their expertise and experience on the subject matter.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year except as disclosed in note 41 of the financial statements.

RECURRENT RELATED PARTY TRANSACTIONS

At the 47th AGM of the Company held on 27 April 2022, the Company had obtained the approval from its shareholders for the renewal of the shareholders' mandate to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business, with related parties.

The said mandate took effect on 27 April 2022 and will continue until the conclusion of the forthcoming AGM of the Company.

At the forthcoming AGM to be held on 27 April 2023, the Company intends to seek its shareholders' approval to renew the existing mandate for recurrent related party transactions of a revenue or trading nature. The details of the shareholders' mandate to be sought will be furnished in the Circular to Shareholders dated 29 March 2023 attached to this Integrated Report 2022.

EMPLOYEE SHARE SCHEME

During FY2022, the Company issued ordinary shares ("Shares") and options under the Employee Share Grant Plan ("ESGP") and Employee Share Option Scheme ("ESOS"), respectively, pursuant to the Long Term Incentive Plan ("LTIP"). Further information on the ESGP and ESOS is set out in the Directors' Report and Note 24 of the Annual Audited Financial Statements for FY2022 in this Annual Report.

Brief details on the number of Shares and options granted, vested and outstanding since the commencement of the LTIP on 10 April 2013 and from FY2013 to FY2022 are set out in the table below:

For the period from 10 April 2013 to 31 October 2013	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
ESGP				
Number of Shares granted ('000)	17,035	896	3,354	12,785
Number of Shares vested ('000)	-	-	-	-
Number of Shares lapsed ('000)	(521)	-	-	(521)
Number of Shares outstanding as at 31 October 2013 ('000)	**16,514**	**896**	**3,354**	**12,264**
ESOS				
Number of Options granted ('000)	80,864	25,600	55,264	-
Number of Options exercised ('000)	-	-	-	-
Number of Options lapsed ('000)	-	-	-	-
Number of Shares outstanding as at 31 October 2013 ('000)	**80,864**	**25,600**	**55,264**	**-**

For the period from 1 November 2013 to 31 October 2014	Total	Executive Directo / CEO	Senior Management	Other Entitled Employees
ESGP				
As at 1 November 2013 ('000)	16,514	896	3,354	12,264
Number of Shares granted ('000)	13,110	300	2,608	10,202
Number of Shares vested ('000)	(4,064)	(203)	(759)	(3,102)
Number of Shares lapsed ('000)	(5,145)	(505)	(1,166)	(3,474)
Number of Shares outstanding as at 31 October 2014 ('000)	**20,415**	**488**	**4,037**	**15,890**
ESOS				
As at 1 November 2013 ('000)	80,864	25,600	55,264	-
Number of Options granted ('000)	3,312	-	3,312	-
Number of Options exercised ('000)	(9,311)	(4,800)	(4,511)	-
Number of Options lapsed ('000)	(27,193)	(12,800)	(14,393)	-
Number of Options outstanding as at 31 October 2014 ('000)	**47,672**	**8,000**	**39,672**	**-**

For the period from 1 November 2014 to 31 December 2015	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
ESGP				
As at 1 November 2014 ('000)	20,415	488	4,037	15,890
Number of Shares granted ('000)	8,825	160	1,643	7,022
Number of Shares vested ('000)	(6,832)	(191)	(1,446)	(5,195)
Number of Shares lapsed ('000)	(3,745)	-	(1,391)	(2,354)
Number of Shares outstanding as at 31 December 2015 ('000)	**18,663**	**457**	**2,843**	**15,363**
ESOS				
As at 1 November 2014 ('000)	47,672	8,000	39,672	-
Number of Options granted ('000)	15,500	-	15,500	-
Number of Options exercised ('000)	(7,380)	-	(7,380)	-
Number of Options lapsed ('000)	(11,439)	-	(11,439)	
Number of Options outstanding as at 31 December 2015 ('000)	**44,353**	**8,000**	**36,353**	**-**

For the period from 1 January 2016 to 31 December 2016	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
ESGP				
As at 1 January 2016 ('000)	18,663	457	2,843	15,363
Number of Shares granted ('000)	5,429	150	1,141	4,138
Number of Shares vested ('000)	(9,129)	(247)	(1,883)	(6,999)
Number of Shares lapsed ('000)	(664)	-	(53)	(611)
Number of Shares outstanding as at 31 December 2016 ('000)	**14,299**	**360**	**2,048**	**11,891**
ESOS				
As at 1 January 2016 ('000)	44,353	8,000	36,353	-
Number of Options granted ('000)	9,586	1,600	7,986	-
Number of Options exercised ('000)	(1,703)	-	(1,703)	-
Number of Options lapsed ('000)	(450)	-	(450)	-
Number of Options outstanding as at 31 December 2016 ('000)	**51,786**	**9,600**	**42,186**	**-**

For the period from 1 January 2017 to 31 December 2017	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
ESGP				
As at 1 January 2017 ('000)	14,299	360	2,048	11,891
Number of Shares granted ('000)	15,339	300	2,500	12,539
Number of Shares vested ('000)	(7,427)	(204)	(1,404)	(5,819)
Number of Shares lapsed ('000)	(1,083)	-	(128)	(955)
Number of Shares outstanding as at 31 December 2017 ('000)	**21,128**	**456**	**3,016**	**17,656**

ADDITIONAL COMPLIANCE INFORMATION

For the period from 1 January 2017 to 31 December 2017	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
ESOS				
As at 1 January 2017 ('000)	51,786	9,600	42,186	-
Number of Options granted ('000)	142,889	15,518	114,575	12,796
Number of Options exercised ('000)	(2,370)	-	(2,370)	-
Number of Options lapsed ('000)	(1,371)	-	(893)	(478)
Number of Options outstanding as at 31 December 2017 ('000)	**190,934**	**25,118**	**153,498**	**12,318**

For the period from 1 January 2018 to 31 December 2018	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
ESGP				
As at 1 January 2018 ('000)	21,128	456	3,016	17,656
Number of Shares granted ('000)	16,969	300	3,026	13,643
Number of Shares vested ('000)	(10,728)	(254)	(2,063)	(8,411)
Number of Shares lapsed ('000)	(1,401)	-	(87)	(1,314)
Number of Shares outstanding as at 31 December 2018 ('000)	**25,968**	**502**	**3,892**	**21,574**
ESOS				
As at 1 January 2018 ('000)	190,934	25,118	153,498	12,318
Number of Options granted ('000)	18,665	-	16,112	2,553
Number of Options exercised ('000)	(1,018)	-	(1,018)	-
Number of Options lapsed ('000)	(3,588)	-	(3,137)	(451)
Number of Options outstanding as at 31 December 2018 ('000)	**204,993**	**25,118**	**165,455**	**14,420**

For the period from 1 January 2019 to 31 December 2019	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
ESGP				
As at 1 January 2019 ('000)	25,968	502	3,892	21,574
Number of Shares granted ('000)	13,970	225	2,131	11,614
Number of Shares vested ('000)	(9,982)	(198)	(1,661)	(8,123)
Number of Shares lapsed ('000)	(1,248)	-	-	(1,248)
Number of Shares outstanding as at 31 December 2019 ('000)	**28,708**	**529**	**4,362**	**23,817**
ESOS				
As at 1 January 2019 ('000)	204,993	25,118	165,455	14,420
Number of Options granted ('000)	3,447	-	-	3,447
Number of Options exercised ('000)	-	-	-	-
Number of Options lapsed ('000)	(3,440)	-	-	(3,440)
Number of Options outstanding as at 31 December 2019 ('000)	**205,000**	**25,118**	**165,455**	**14,427**

ADDITIONAL COMPLIANCE INFORMATION

For the period from 1 January 2020 to 31 December 2020	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
ESGP				
As at 1 January 2020 ('000)	28,708	529	4,362	23,817
Number of Shares granted ('000)	6,695	38	470	6,187
Number of Shares vested ('000)	(14,228)	(275)	(2,361)	(11,592)
Number of Shares lapsed ('000)	(1,097)	-	-	(1,097)
Number of Shares outstanding as at 31 December 2020 ('000)	**20,077**	**291**	**2,471**	**17,315**
ESOS				
As at 1 January 2020 ('000)	205,000	25,118	165,455	14,427
Number of Options granted ('000)	3,282	-	1,791	1,491
Number of Options exercised ('000)	-	-	-	-
Number of Options lapsed ('000)	(4,612)	-	-	(4,612)
Number of Options outstanding as at 31 December 2020 ('000)	**203,670**	**25,118**	**167,246**	**11,306**

For the period from 1 January 2021 to 31 December 2021	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
ESGP				
As at 1 January 2021 ('000)	20,077	291	2,471	17,315
Number of Shares granted ('000)	5,656	-	76	5,580
Number of Shares vested ('000)	(10,877)	(189)	(1,506)	(9,183)
Number of Shares lapsed ('000)	(1,609)	(102)	(177)	(1,329)
Number of Shares outstanding as at 31 December 2021 ('000)	**13,247**	**-**	**864**	**12,383**
ESOS				
As at 1 January 2021 ('000)	203,670	25,118	167,246	11,306
Number of Options granted ('000)	-	-	-	-
Number of Options exercised ('000)	(368)	-	(361)	(7)
Number of Options lapsed ('000)	(65,057)	(25,118)	(38,929)	(1,010)
Number of Options outstanding as at 31 December 2021 ('000)	**138,245**	**-**	**127,956**	**10,289**

For the period from 1 January 2022 to 31 December 2022	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
ESGP				
As at 1 January 2022 ('000)	13,247	68	796	12,383
Number of Shares granted ('000)	-	-	-	-
Number of Shares vested ('000)	(7,376)	(59)	(534)	(6,783)
Number of Shares lapsed ('000)	(951)	-	(112)	(839)
Number of Shares outstanding as at 31 December 2022 ('000)	**4,920**	**9**	**150**	**4,761**
ESOS				
As at 1 January 2022 ('000)	138,245	11,771	116,185	10,289
Number of Options granted ('000)	1,631	749	407	475
Number of Options exercised ('000)	(134)	-	(89)	(45)
Number of Options lapsed ('000)	(43,072)	-	(36,417)	(6,655)
Number of Options outstanding as at 31 December 2022 ('000)	**96,710**	**12,520**	**80,086**	**4,064**

Maximum Allowable Allocation of the LTIP

Based on the LTIP By-Laws, the aggregate number of Shares comprised in the LTIP Awards to be awarded to a selected person in accordance with the LTIP shall be determined at the discretion of the Nomination and Remuneration Committee subject to the following:-

i. The total number of new Shares made available under the LTIP shall not exceed 15% of the issued and paid-up share capital of the Company (excluding treasury shares, if any) at the point in time when an LTIP Award is offered; and
ii. Not more than ten percent (10%) of the total new Shares to be issued under the LTIP at the point in time when an LTIP Award is offered be allocated to any individual Selected Person who, either singly or collectively through persons connected with him, holds twenty per cent (20%) or more in the issued and paid-up share capital of the Company (excluding treasury shares, if any).

As of 31 December 2022, 18.75% of the Shares granted pursuant to the ESGP (excluding number of shares lapsed) has been granted to the Executive Director/CEO and Senior Management since the commencement of the LTIP up to FY2022.

Options under the ESOS were granted to the Executive Director/CEO, Senior Management and other eligible employees of the Company during FY2022.

Financial Report

Setia Marina 2, Setia Eco Glades, Cyberjaya

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of S P Setia Berhad ("the Company" or "S P Setia") for the financial year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities and other information relating to the subsidiary companies are provided in Note 8 to the financial statements.

RESULTS

	GROUP RM'000	COMPANY RM'000
Net profit for the financial year	363,564	270,430
Attributable to:		
Owners of the Company	308,093	270,430
Non-controlling interests	55,471	-
	363,564	270,430

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

At the Extraordinary General Meeting of the Company held on 20 March 2014, the shareholders of the Company resolved to approve the Company's Dividend Reinvestment Plan ("DRP"). The authority granted to the Company to allot and issue new shares of the Company pursuant to the DRP was renewed by the shareholders at the 47th Annual General Meeting ("AGM") of the Company held on 27 April 2022.

The DRP provides an option to the shareholders to reinvest either all or a portion of the declared dividends in new shares in lieu of receiving cash. Shareholders who elect not to participate in the option to reinvest, will receive the entire dividend wholly in cash.

During the financial year, the Company paid a single-tier dividend of 0.65 sen per ordinary share each amounting to RM26,442,613 in respect of the financial year ended 31 December 2021 on 15 April 2022. The Company did not offer the DRP for this single-tier ordinary dividend.

Subsequent to 31 December 2022, the Directors declared a single-tier dividend of 1.47 sen per share amounting to RM59,909,679 in respect of the financial year ended 31 December 2022. The financial statements for the current financial year do not reflect this proposed dividend. It will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2023.

PREFERENTIAL DIVIDENDS

During the financial year, the Company paid the following preferential dividends:

(a) a semi-annual preferential dividend of 6.49% per annum in respect of the Islamic Redeemable Convertible Preference Shares ("RCPS-i A") and 5.93% per annum in respect of the Class B Islamic Redeemable Convertible Preference Shares ("RCPS-i B") for financial period from 1 July 2021 to 31 December 2021. A total of RM66,021,141 was paid in cash on 15 April 2022;

PREFERENTIAL DIVIDENDS (CONTINUED)

(b) a semi-annual preferential dividend of 6.49% per annum in respect of the RCPS-i A and 5.93% per annum in respect of the RCPS-i B for financial period from 1 January 2022 to 30 June 2022. A total of RM66,021,141 was paid in cash on 30 September 2022;

(c) a pro-rated preferential dividend of 5.93% per annum in respect of the RCPS-i B for financial period from 1 July 2022 to 28 December 2022. A total of RM30,468,332 was paid in cash on 30 December 2022; and

(d) a stepped-up preferential dividend of 6.93% per annum in respect of the RCPS-i B for financial period from 29 December 2022 to 30 December 2022. A total of RM352,913 was paid in cash on 30 December 2022.

Subsequent to 31 December 2022, the Directors declared a semi-annual preferential dividend of 6.49% per annum amounting to RM35,326,948 in respect of the RCPS-i A for financial period from 1 July 2022 to 31 December 2022 and 5.43% per annum amounting to RM5,170,619 in respect of the RCPS-i C for financial period from 24 November 2022 to 31 December 2022. The financial statements for the current financial year do not reflect this proposed dividend. It will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2023.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital by way of following:

(a) Allotment of 7,376,071 new ordinary shares pursuant to the vesting of shares under the Employee Share Grant Plan ("ESGP") at the price of RM0.67 per share;

(b) Issuance of 133,450 new ordinary shares pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS") at the price of RM0.77 per share;

(c) Conversion of 42 RCPS-i B to 11 ordinary shares with the conversion ratio of five (5) new S P Setia Berhad shares for eighteen (18) RCPS-i B held; and

(d) Issuance of 2,472,010,007 Class C Islamic Redeemable Convertible Preference Shares ("RCPS-i C") at an issue price of RM0.38 per share.

During the financial year, the Company has issued the following Islamic Medium Term Notes ("Sukuk Wakalah") pursuant to a rated Islamic Medium Term Notes Programme of up to RM3.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme"):

TRANCHE	ISSUANCE DATE	AMOUNT (RM MILLION)	TENURE	PERIODIC DISTRIBUTION RATE (PER ANNUM)
3	21 April 2022	350	5 Years	4.22%
4	21 April 2022	600	7 Years	4.67%
5	21 April 2022	250	10 Years	4.80%
		1,200		

The proceeds raised from the issuance of these Sukuk Wakalah were utilised for refinancing and repayment of existing borrowings of the Group.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

EMPLOYEE SHARE GRANT PLAN AND EMPLOYEE SHARE OPTION SCHEME

The Company's Long Term Incentive Plan ("LTIP" or "Scheme") is governed by the By-Laws which was approved by the shareholders on 28 February 2013 and is administered by the Nomination and Remuneration Committee ("NRC") which is appointed by the Board of Directors, in accordance with the By-Laws of LTIP.

On 23 February 2017, the Board of Directors approved the extension of the LTIP for another 5 years pursuant to By-Laws 18.2 of the By-Laws of LTIP and as such the LTIP shall be in force for a period of 10 years up to 9 April 2023.

The LTIP comprised the ESGP and Employee Share Option Scheme ("ESOS"). The salient features, terms and details of the LTIP are disclosed in Note 24 to the financial statements. During the financial year, the Company granted 1,630,869 options under the ESOS to eligible employees of the Company and/or its eligible subsidiary companies. The details of the options granted under LTIP and its vesting conditions during the financial year and the number of shares and options outstanding at the end of the financial year are disclosed in Note 24 to the financial statements.

DIRECTORS

The Directors in office since the beginning of the financial year to the date of this report are:

Y.A.M Tan Sri Dato' Seri Syed Anwar Jamalullail
Datuk Choong Kai Wai
Dato' Halipah Binti Esa
Dato' Ahmad Pardas Bin Senin
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob
Dato' Zuraidah Binti Atan
Tengku Dato' Ab. Aziz Bin Tengku Mahmud
Mr Philip Tan Puay Koon
Dato' Azmi Bin Mohd Ali
Dato' Merina Binti Abu Tahir
Dato' Tengku Marina Binti Tunku Annuar (appointed on 1 June 2022)
Mr Sheranjiv A/L M Sammanthan (appointed on 1 June 2022)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Dato' Seri Koe Peng Kang (resigned on 15 September 2022)
Datuk Choy Kah Yew (resigned on 8 May 2022)
Datuk Tan Hon Lim
Datuk Yuslina Binti Mohd. Yunus
Datuk Saw Kim Suan
Datuk Soh Hee Pin
Datuk Zaini Bin Yusoff
Ng Han Seong
Neo Keng Hoe
Yeo Cheng Jway
Sha'ari Bin Hanapi
Tan Mui Hiang
Saniman Bin Amat Yusof
Hong Boon Toh (resigned on 11 January 2022)
Zulfakar Bin Abdullah (resigned on 1 July 2022)
Liong Kok Kit
Li Wai Chee
Goh Tzen Sernz
Datuk Ling Thou Lung
Tan Siow Chung

DIRECTORS (CONTINUED)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are: (continued)

Tuan Hj Ahmad Khalif Bin Tan Sri Datuk (Dr) Hj Mustapha Kamal
Gan Hwa Leong
Gan Hua Tiong
Mohd Auzir Zakri Bin Abd Hamid (resigned on 28 January 2022)
Mohamad Azhar Bin Aripin (appointed on 28 January 2022)
Nasleena Binti Mohamad Shariff
Mohd. Salem Bin Kailany
Puar Chin Jong (resigned on 21 January 2022)
Dato' Sri Ghazali Bin Mohd. Ali (ceased on 21 January 2022)
Dato' Sri Syed Saleh Bin Syed Abdul Rahman (resigned on 23 August 2022)
Iszad Jeffri Bin Ismail
Dato' Beh Hang Kong
Dr Shahril Bin Simon
Datin Paduka Kartini Binti Hj. Abdul Manaf
Ahmad Shahriman Bin Johari
Tan Sri Dato' Sri Rodzali Bin Daud
Zahrin Bin Zakaria
Chong Wai Hong (resigned on 1 September 2022)
Lindayani Binti Tajudin
Thean Yain Peng (appointed on 8 May 2022)
See Hunt Soon (appointed on 8 November 2022)
Razly Bin Mohammad Rus (appointed on 1 September 2022)

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

DIRECTORS' INTEREST IN SHARES AND LTIP

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiary companies during the financial year except for the following:

	<———— NO. OF ORDINARY SHARES ————>			
	AT 1.1.2022	ADDITION	DISPOSAL	AT 31.12.2022
Datuk Choong Kai Wai				
- direct	411,250	59,250	-	470,500

	<———— NO. OF RCPS-i C ————>			
	AT 1.1.2022	ADDITION	DISPOSAL	AT 31.12.2022
Datuk Choong Kai Wai				
- direct	-	315,235	-	315,235

The following Director had an interest in LTIP during the financial year:

	<———— NO. OF SHARES UNDER THE ESGP ————>				
	AT 1.1.2022	GRANTED	VESTED	LAPSED	AT 31.12.2022
Datuk Choong Kai Wai					
- direct	67,750	-	(59,250)	-	8,500

	<———— NO. OF SHARES OPTIONS UNDER THE ESOS ————>				
	AT 1.1.2022	GRANTED	EXERCISED	LAPSED	AT 31.12.2022
Datuk Choong Kai Wai					
- direct	11,771,706	2,692,071	-	-	14,463,777

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 36 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have arisen from the transactions disclosed in Note 41 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the shares or share options granted under the LTIP.

The Directors and officers of the Group and of the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties while holding office. During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and officers of the Group and the Company are RM30,000,000 and RM70,000 respectively. The Directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values in the ordinary course of business as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

OTHER STATUTORY INFORMATION (CONTINUED)

(e) In the opinion of the Directors:

(i) no contingent or other liability of the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Details of auditors' remuneration are set out in Note 36 to the financial statements.

This report is approved by the Board of Directors on 28 February 2023.

Signed on behalf of the Board of Directors

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

DATUK CHOONG KAI WAI
Director

Shah Alam, Malaysia

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		<------- GROUP ------->		<------ COMPANY ------>	
	NOTE	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	**789,465**	725,965	**4,140**	1,077
Right-of-use - property, plant and equipment	3	**1,415**	1,852	**-**	-
Investment properties	4	**2,057,561**	2,046,487	**3,438**	3,438
Right-of-use - investment properties	5	**60,372**	46,940	**-**	-
Inventories - land held for property development	6	**12,522,729**	12,534,255	**-**	-
Intangible asset	7	**12,954**	13,488	**-**	-
Investments in subsidiary companies	8	**-**	-	**11,743,683**	12,324,246
Investments in joint ventures	9	**2,974,523**	3,455,185	**35,251**	35,251
Investments in associated companies	10	**555,383**	565,362	**92,193**	92,971
Other investments	11	**96**	96	**-**	-
Amounts owing by subsidiary companies	12	**-**	-	**2,888,523**	1,769,088
Amounts owing by joint ventures	13	**69,785**	69,785	**-**	-
Trade receivables	17	**61,634**	64,891	**-**	-
Other receivables, deposits and prepayments	19	**85,105**	79,606	**-**	-
Deferred tax assets	16	**364,910**	315,812	**1,940**	1,918
		19,555,932	19,919,724	**14,769,168**	14,227,989
Current assets					
Trade receivables	17	**613,491**	738,641	**-**	-
Contract assets	18	**1,506,744**	1,290,160	**-**	-
Other receivables, deposits and prepayments	19	**208,964**	233,651	**2,034**	1,886
Inventories - land held for sales	6	**144,600**	139,670	**-**	-
Inventories - property development costs	6	**2,676,654**	2,895,419	**-**	-
Inventories - completed properties and others	6	**1,238,554**	1,049,646	**-**	-
Contract cost assets	20	**1,096,668**	1,708,206	**-**	-
Amounts owing by subsidiary companies	12	**-**	-	**1,824,549**	1,847,574
Amounts owing by joint ventures	13	**94,722**	84,514	**60,122**	59,179
Amounts owing by associated companies	14	**-**	2,464	**-**	-
Amounts owing by related parties	15	**319**	276	**-**	-
Current tax assets		**49,631**	50,793	**4,775**	11,259
Short-term funds	21	**-**	1,401,604	**-**	304,467
Short-term deposits	22	**774,206**	206,190	**101,029**	86,875
Cash and bank balances	23	**1,858,702**	1,463,422	**173,106**	141,669
		10,263,255	11,264,656	**2,165,615**	2,452,909
TOTAL ASSETS		**29,819,187**	31,184,380	**16,934,783**	16,680,898

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	NOTE	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	24	**8,499,642**	8,490,225	**8,499,642**	8,490,225
Share capital - RCPS-i A	25	**1,087,363**	1,087,363	**1,087,363**	1,087,363
Share capital - RCPS-i B	25	**-**	1,035,218	**-**	1,035,218
Share capital - RCPS-i C	25	**937,201**	-	**937,201**	-
Share-based payment reserve *(non-distributable)*	26	**57,888**	86,927	**57,888**	86,927
Reserve on acquisition arising from common control *(non-distributable)*	26	**(1,295,884)**	(1,295,884)	**-**	-
Exchange translation reserve *(non-distributable)*	26	**(11,649)**	107,157	**-**	-
Retained earnings *(distributable)*		**4,807,957**	4,664,527	**610,367**	529,243
Equity attributable to owners of the Company		**14,082,518**	14,175,533	**11,192,461**	11,228,976
Non-controlling interests		**1,263,912**	1,456,206	**-**	-
Total equity		**15,346,430**	15,631,739	**11,192,461**	11,228,976
Non-current liabilities					
Redeemable cumulative preference shares	27	**17,113**	37,965	**-**	-
Other payables and accruals	28	**68,078**	61,850	**-**	-
Long-term borrowings	29	**6,959,185**	9,308,641	**3,256,774**	3,388,146
Lease liabilities	30	**302**	823	**-**	-
Deferred tax liabilities	16	**506,016**	446,104	**-**	-
Amounts owing to subsidiary companies	12	**-**	-	**343,827**	-
		7,550,694	9,855,383	**3,600,601**	3,388,146
Current liabilities					
Redeemable cumulative preference shares	27	**21,000**	-	**-**	-
Trade payables	31	**1,423,286**	1,495,050	**-**	-
Contract liabilities	18	**118,807**	119,275	**-**	-
Other payables and accruals	28	**886,592**	804,019	**34,639**	24,182
Short-term borrowings	29	**4,420,411**	3,247,231	**1,683,795**	1,357,797
Lease liabilities	30	**1,129**	1,155	**-**	-
Current tax liabilities		**50,458**	30,012	**-**	-
Amounts owing to subsidiary companies	12	**-**	-	**423,287**	681,797
Amounts owing to related parties	15	**380**	516	**-**	-
		6,922,063	5,697,258	**2,141,721**	2,063,776
Total liabilities		**14,472,757**	15,552,641	**5,742,322**	5,451,922
TOTAL EQUITY AND LIABILITIES		**29,819,187**	31,184,380	**16,934,783**	16,680,898

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	NOTE	GROUP 2022 RM'000	GROUP 2021 RM'000	COMPANY 2022 RM'000	COMPANY 2021 RM'000
Revenue	32	**4,454,447**	3,762,748	**788,615**	286,837
Cost of sales	33	**(3,389,125)**	(2,755,721)	**-**	-
Gross profit		**1,065,322**	1,007,027	**788,615**	286,837
Other income	34	**218,240**	154,173	**271,323**	164,042
Selling and marketing expenses		**(59,178)**	(50,072)	**-**	-
Administrative and general expenses		**(378,785)**	(389,071)	**(559,946)**	(185,375)
Share of results of joint ventures		**(36,711)**	5,644	**-**	-
Share of results of associated companies		**15,580**	8,888	**-**	-
Finance costs	35	**(260,348)**	(194,125)	**(219,265)**	(164,671)
Profit before tax	36	**564,120**	542,464	**280,727**	100,833
Taxation	38	**(200,556)**	(195,119)	**(10,297)**	226
Profit for the year		**363,564**	347,345	**270,430**	101,059
Other comprehensive income, net of tax:					
(Items that may be reclassified subsequently to profit or loss)					
Exchange differences on translation of foreign operations		**(118,730)**	32,183	**-**	-
Total comprehensive income for the year		**244,834**	379,528	**270,430**	101,059
Profit attributable to:					
Owners of the Company		**308,093**	284,365	**270,430**	101,059
Non-controlling interests		**55,471**	62,980	**-**	-
		363,564	347,345	**270,430**	101,059
Total comprehensive income attributable to:					
Owners of the Company		**189,287**	316,480	**270,430**	101,059
Non-controlling interests		**55,547**	63,048	**-**	-
		244,834	379,528	**270,430**	101,059
Basic earnings per share (sen)	39	**3.57**	3.75		
Diluted earnings per share (sen)	39	**3.56**	3.74		

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		<----------Attributable to owners of the Company----------									
					<----Non-distributable---->			Distributable			
	Note	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 1.1.2021		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 year, represented by exchange differences on translation of foreign operations		-	-	-	-	-	32,115	-	32,115	68	32,183
Profit for the year		-	-	-	-	-	-	284,365	284,365	62,980	347,345
Transactions with owners:											
Issuance of ordinary shares											
- vesting of ESGP		21,552	-	-	(21,552)	-	-	-	-	-	-
- exercise of ESOS		386	-	-	(103)	-	-	-	283	-	283
Acquisition of additional shares in existing subsidiary companies		-	-	-	-	-	-	-		16,008	16,008
RCPS-i A preferential dividends paid	40	-	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i B preferential dividends paid	40	-	-	-	-	-	-	(61,388)	(61,388)	-	(61,388)
Dividends paid	40	-	-	-	-	-	-	-	-	(41,217)	(41,217)
Share-based payment under the LTIP		-	-	-	(23,818)*	-	-	33,388	9,570	-	9,570
Balance at 31.12.2021		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

** This is stated net of the effect of reversal of share-based payments relating to lapsed entitlements*

		<----------Attributable to owners of the Company----------										
						<---- Non-distributable ---->			Distributable			
	Note	Share capital RM'000	Share capital - RCPS-i A RM'000	Share capital - RCPS-i B 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 1.1.2022		**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 year, represented by exchange differences on translation of foreign operations		**-**	**-**	**-**	**-**	**-**	**-**	**(118,806)**	**-**	**(118,806)**	**76**	**(118,730)**
Profit for the year		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**308,093**	**308,093**	**55,471**	**363,564**
Transactions with owners:												
Issuance of ordinary shares												
- vesting of ESGP		**9,277**	**-**	**-**	**-**	**(9,277)**	**-**	**-**	**-**	**-**	**-**	**-**
- exercise of ESOS		**140**	**-**	**-**	**-**	**(37)**	**-**	**-**	**-**	**103**	**-**	**103**
Redemption of RCPS-i B		**-**	**-**	**(1,035,218)**	**-**	**-**	**-**	**-**	**-**	**(1,035,218)**	**-**	**(1,035,218)**
Issuance of RCPS-i C		**-**	**-**	**-**	**939,364**	**-**	**-**	**-**	**-**	**939,364**	**-**	**939,364**
Share issuance expenses		**-**	**-**	**-**	**(2,163)**	**-**	**-**	**-**	**-**	**(2,163)**	**-**	**(2,163)**
RCPS-i A preferential dividends paid	40	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(70,654)**	**(70,654)**	**-**	**(70,654)**
RCPS-i B preferential dividends paid	40	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(92,209)**	**(92,209)**	**-**	**(92,209)**
Dividends paid	40	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(26,443)**	**(26,443)**	**(247,841)**	**(274,284)**
Share-based payment under the LTIP		**-**	**-**	**-**	**-**	**(19,725)***	**-**	**-**	**24,643**	**4,918**	**-**	**4,918**
Balance at 31.12.2022		**8,499,642**	**1,087,363**	**-**	**937,201**	**57,888**	**(1,295,884)**	**(11,649)**	**4,807,957**	**14,082,518**	**1,263,912**	**15,346,430**

** This is stated net of the effect of reversal of share-based payments relating to lapsed entitlements*

The accompanying notes form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

						NON-DISTRIBUTABLE	DISTRIBUTABLE	
	NOTE	SHARE CAPITAL RM'000	SHARE CAPITAL - RCPS-i A RM'000	SHARE CAPITAL - RCPS-i B RM'000	SHARE CAPITAL - RCPS-i C RM'000	SHARE-BASED PAYMENT RESERVE RM'000	RETAINED EARNINGS RM'000	TOTAL RM'000
Balance at 1.1.2021		8,468,287	1,087,363	1,035,218	-	132,400	560,226	11,283,494
Total other comprehensive income for the year, represented by profit for the year		-	-	-	-	-	101,059	101,059
Transactions with owners:								
Issuance of ordinary shares:								
- vesting of ESGP		21,552	-	-	-	(21,552)	-	-
- exercise of ESOS		386	-	-	-	(103)	-	283
RCPS-i A preferential dividends paid	*40*	-	-	-	-	-	(70,654)	(70,654)
RCPS-i B preferential dividends paid	*40*	-	-	-	-	-	(61,388)	(61,388)
Share-based payment under the LTIP		-	-	-	-	(23,818)*	-	(23,818)
Balance at 31.12.2021/1.1.2022		**8,490,225**	**1,087,363**	**1,035,218**	**-**	**86,927**	**529,243**	**11,228,976**
Total other comprehensive income for the year, represented by profit for the year		**-**	**-**	**-**	**-**	**-**	**270,430**	**270,430**
Transactions with owners:								
Issuance of ordinary shares:								
- vesting of ESGP		**9,277**	**-**	**-**	**-**	**(9,277)**	**-**	**-**
- exercise of ESOS		**140**	**-**	**-**	**-**	**(37)**	**-**	**103**
Redemption of RCPS-i B		**-**	**-**	**(1,035,218)**	**-**	**-**	**-**	**(1,035,218)**
Issuance of RCPS-i C		**-**	**-**	**-**	**939,364**	**-**	**-**	**939,364**
Share issuance expenses		**-**	**-**	**-**	**(2,163)**	**-**	**-**	**(2,163)**
RCPS-i A preferential dividends paid	*40*	**-**	**-**	**-**	**-**	**-**	**(70,654)**	**(70,654)**
RCPS-i B preferential dividends paid	*40*	**-**	**-**	**-**	**-**	**-**	**(92,209)**	**(92,209)**
Dividends paid	*40*	**-**	**-**	**-**	**-**	**-**	**(26,443)**	**(26,443)**
Share-based payment under the LTIP		**-**	**-**	**-**	**-**	**(19,725)***	**-**	**(19,725)**
Balance at 31.12.2022		**8,499,642**	**1,087,363**	**-**	**937,201**	**57,888**	**610,367**	**11,192,461**

** This is stated net of the effect of reversal of share-based payment relating to lapsed entitlements.*

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**564,120**	542,464	**280,727**	100,833
Amortisation of intangible assets	**534**	(103)	**-**	-
Bad debts written off	**69**	113	**-**	-
Allowance for impairment loss on receivables	**3,199**	243	**2,069**	-
Depreciation of property, plant and equipment	**33,436**	29,565	**503**	205
Depreciation of right-of-use property, plant and equipment	**1,095**	874	**-**	-
Gain on disposal of property, plant and equipment	**(574)**	(429)	**-**	-
(Gain)/Loss on fair value adjustment of investment properties	**(7,505)**	24	**-**	-
Loss on disposal of investment properties	**1,078**	3,628	**-**	-
Loss on liquidation of subsidiary companies	**-**	62	**-**	(5,044)
Property, plant and equipment written off	**1,019**	849	**1**	-
Impairment loss - investment in subsidiary companies	**-**	-	**464,760**	87,175
Share of results of joint ventures	**36,711**	(5,644)	**-**	-
Share of results of associated companies	**(15,580)**	(8,888)	**-**	-
Interest income from financial assets measured at amortised cost	**-**	-	**(561)**	(1,182)
Interest expense on financial liabilities measured at amortised cost	**863**	1,486	**-**	-
Amortisation of transaction costs on borrowings	**2,868**	1,784	**1,013**	778
Interest expense on lease liabilties	**(16)**	135	**-**	-
Interest income from significant financing component	**(21,824)**	(11,623)	**-**	-
Loss from fair value adjustment of financial assets	**-**	-	**-**	831
Distribution from subsidiary companies	**-**	-	**(29,577)**	-
Fair value adjustment on right-of-use - investment properties	**(13,432)**	22,114	**-**	-
Share-based payment	**4,918**	9,056	**1,162**	2,177
Unrealised foreign exchange (gain)/loss	**(30,769)**	12,727	**(45,923)**	12,981
Write-down in value of completed inventories	**4,218**	-	**-**	-
Write-down of land held for property development	**12,107**	-	**-**	-
Reversal of write-down of completed properties	**(567)**	(1,534)	**-**	-
Interest expense	**256,633**	190,720	**218,252**	163,893
Dividend income	**-**	-	**(788,615)**	(286,837)
Interest income	**(56,059)**	(53,680)	**(124,213)**	(92,496)
Rental income	**(65,189)**	(56,410)	**-**	-
Operating profit/(loss) before working capital changes	**711,353**	677,533	**(20,402)**	(16,686)
Changes in inventories - property development costs and contract cost assets	**698,459**	71,462	**-**	-
Changes in inventories - completed properties and others	**399,410**	433,199	**-**	-
Changes in contract assets/liabilities	**(193,625)**	(48,554)	**-**	-
Changes in receivables	**158,916**	57,735	**(148)**	27
Changes in payables	**47,741**	58,652	**644**	(11,021)
Net cash from/(used in) operations	**1,822,254**	1,250,027	**(19,906)**	(27,680)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)				
Rental received	**12,232**	9,792	**-**	-
Interest received	**25,066**	21,227	**1,419**	134
Interest paid on lease liabilities	**(39)**	(135)	**-**	-
Net tax paid	**(167,136)**	(162,849)	**(3,835)**	(20,742)
Net cash from/(used in) operating activities	**1,692,377**	1,118,062	**(22,322)**	(48,288)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to inventories - land held for property development	**(305,562)**	(345,295)	**-**	-
Additions to property, plant and equipment	**(98,434)**	(57,118)	**(3,567)**	(858)
Additions to investment properties	**(19,644)**	(24,908)	**-**	-
Proceeds from disposal of property, plant and equipment	**1,315**	566	**-**	-
Proceeds from disposal of investment properties	**15,574**	22,855	**-**	-
Redemption of subsidiary company's preference shares	**-**	-	**23,000**	-
Net cash (outflow)/inflow from liquidation of subsidiary companies	**-**	(43)	**-**	43
Acquisition of additional shares in joint ventures	**(215,942)**	(675,592)	**-**	-
Proceeds from repatriation of capital from joint ventures	**485,608**	-	**-**	-
Repayment from an associated company	**793**	3,296	**778**	3,296
Advances to subsidiary companies	**-**	-	**(678,754)**	(622,490)
(Advances to)/Repayment from joint ventures	**(11,487)**	(1,607)	**(456)**	110
Placement of sinking fund, debt service reserve, escrow accounts and short-term deposits	**(73,393)**	(15,087)	**(1,250)**	(194)
Dividends received from associated companies	**22,870**	10,620	**-**	-
Redeemable cumulative preference share dividends received	**-**	-	**1,596**	1,596
Interest received	**30,993**	32,453	**10,999**	20,034
Dividends received	**-**	-	**665,588**	176,016
Rental received	**44,999**	39,708	**-**	-
Net cash (used in)/from investing activities	**(122,310)**	(1,010,152)	**17,934**	(422,447)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of RCPS-i C	**939,364**	-	**939,364**	-
Redemption of RCPS-i B	**(1,035,218)**	-	**(1,035,218)**	-
Proceeds from issuance of ordinary shares - exercise of ESOS	**103**	283	**103**	283
Payment of RCPS-i C issuance expenses	**(2,163)**	-	**(2,163)**	-
Repayment to non-controlling shareholder of subsidiary companies	**-**	(3,743)	**-**	-
Proceeds from issuance of Sukuk Wakalah	**1,200,000**	800,000	**1,200,000**	800,000
Drawdown of bank borrowings	**1,951,125**	1,428,340	**796,475**	296,977
Repayment of bank borrowings	**(4,198,121)**	(1,648,526)	**(1,747,682)**	(646,000)
Repayment of lease liabilities	**(1,420)**	(1,258)	**-**	-
Interest paid	**(463,034)**	(390,327)	**(208,055)**	(163,257)
Payment of transaction cost on borrowings	**(4,007)**	(3,079)	**(4,007)**	(3,048)
Redeemable cumulative preference share dividends paid to non-controlling interests	**(1,734)**	(1,734)	**-**	-
Dividends paid to non-controlling interests	**(247,298)**	(41,217)	**-**	-
Dividends paid	**(26,443)**	-	**(26,443)**	-
RCPS-i A preferential dividends	**(70,654)**	(70,654)	**(70,654)**	(70,654)
RCPS-i B preferential dividends	**(92,209)**	(61,388)	**(92,209)**	(61,388)
Net cash (used in)/from financing activities	**(2,051,709)**	6,697	**(250,489)**	152,913
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(481,642)**	114,607	**(254,877)**	(317,822)
EFFECT OF EXCHANGE RATE CHANGES	**(640)**	5,723	**(5,249)**	(2,542)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**2,941,620**	2,821,290	**517,741**	838,105
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**2,459,338**	2,941,620	**257,615**	517,741
Cash and cash equivalents included in cash flows comprise the following amounts:				
Short-term funds	**-**	1,401,604	**-**	304,467
Short-term deposits	**774,206**	206,190	**101,029**	86,875
Cash and bank balances	**1,858,702**	1,463,422	**173,106**	141,669
Bank overdrafts (Note 29)	**-**	(29,419)	**-**	-
	2,632,908	3,041,797	**274,135**	533,011
Less: Amounts restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	**(173,570)**	(100,177)	**(16,520)**	(15,270)
	2,459,338	2,941,620	**257,615**	517,741

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. SIGNIFICANT ACCOUNTING POLICIES

Corporate Information

S P Setia Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Company is principally an investment holding company. The principal activities and other information relating to the subsidiary companies are provided in Note 8.

The registered office and principal place of business of the Company are located at S P Setia Berhad Corporate HQ No.12, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan.

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

Changes in accounting policies

On 1 January 2022, the Group and the Company adopted the following Amendments to MFRSs:

Effective for financial periods beginning on or after 1 January 2022:

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

Adoption of the above, Amendments to MFRSs and Annual Improvements to MFRSs did not have any material effect on the financial performance or position of the Group and the Company.

Standards issued but not yet effective

The standards, amendments and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts (Amendments to MFRS 17)	*1 January 2023*
MFRS 17: Initial Application of MFRS 17 and MFRS 9 – Comparative Information (Amendments to MFRS 17)	*1 January 2023*
MFRS 112: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112)	*1 January 2023*
MFRS 16: Lease Liability in a Sale and Leaseback (Amendments to MFRS 16)	*1 January 2024*
MFRS 101: Non-current Liabilities with Covenants (Amendments to MFRS 101)	*1 January 2024*
MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	*Deferred*

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

The Amendments to MFRSs above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of these Amendments to MFRSs.

(b) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the reporting date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) Critical judgement made in applying accounting policies

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on amounts recognised in the financial statements:

Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and has developed certain criteria based on *MFRS 140 Investment Property* in making that judgement.

In making its judgement, the Group considers whether a property generates cash flows largely independently of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property, but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately.

If the portions could not be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production and supply of goods and services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Capitalisation of borrowing costs

The Group capitalises borrowings cost during the period in which development activities are being undertaken or where there is on-going development activities which benefits an entire township.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Significant accounting judgements and estimates (cont'd)

(i) Critical judgement made in applying accounting policies (cont'd)

Capitalisation of borrowing costs (cont'd)

Significant judgement is involved in determining whether the development activities carried out meet the criteria of an active development in ascertaining whether or not borrowing costs incurred should be capitalised. Besides that, management is also required to estimate the appropriate apportionment of borrowing costs eligible for capitalisation to the various development phases.

The borrowing costs capitalised are as disclosed in Note 2, 4 and 6.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Revenue recognition of property development activities

Revenue on property development activities are recognised in accordance with the accounting policy set out in Note 1(t)(i) below. The terms of the property development contracts and the laws that apply to these contracts, will determine whether the control of the properties sold is transferred and the corresponding revenue is recognised over time or at a point in time.

The Group recognises certain of its property development activities over time or based on the percentage of completion method using the input method which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects. Revenue from property development activities of the Group that is recognised over time amounts to RM2,750,882,000 (2021: RM2,753,285,000).

Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation and this includes determining the extent of property development costs incurred and the total estimated costs of property development, which in turn is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group. In making these judgements, management relies on past experience and the work of specialists.

Allowance for stock obsolescence and inventories write down

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories are reviewed on a regular basis and the Group will make an allowance for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, changes in product preference and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories and additional allowances for slow moving inventories may be required.

In the current financial year, there was a write down in value of property inventories of RM16,325,000.

The carrying amounts of the Group's inventories as at 31 December2022 are disclosed in Note 6.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Significant accounting judgements and estimates (cont'd)

(ii) Key sources of estimation uncertainty (cont'd)

Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent professional valuers to perform valuations on its investment properties at each reporting date. The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as location, size, condition, accessibility and design of the respective properties and the investment method which entails determination of the net income applying suitable growth rates and capitalising of the net income by a suitable rate of return.

Certain properties were valued based on the cost method which is based on current estimates of construction costs less depreciation, obsolescence and existing physical conditions of the respective properties.

The details of the investment properties are disclosed in Note 4 whilst the valuation techniques and key assumptions applied on the determination of the fair values are disclosed in Note 47(a).

Impairment of investment in subsidiary companies

At the reporting date, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective cash generating units ("CGU"s) based on their fair value less cost to sell or their respective value-in-use ("VIU"), whichever is higher. Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGUs, and discounting them at the appropriate rate. The cash flow forecasts included a number of significant judgements and estimates such as the timing of the project launches and sales, product pricing and costing and discount rate.

The annual impairment review resulted in the Company recognising impairment losses in respect of its investment in certain of its subsidiary companies as disclosed in Note 8.

Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts of the Group's and the Company's tax assets as at 31 December 2022 were RM49,631,000 and RM4,775,000 (2021: RM50,793,000 and RM 11,259,000) respectively.

The carrying amounts of the Group's tax liabilities as at 31 December 2022 was RM50,458,000 (2021: RM30,012,000).

Deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed capital allowances and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, capital allowances and tax losses can be utilised.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Significant accounting judgements and estimates (cont'd)

(ii) Key sources of estimation uncertainty (cont'd)

Deferred tax assets (cont'd)

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. When an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

The Group has recognised the deferred tax assets as it is probable that its development projects and its cost and efficiency rationalisation strategies would generate sufficient taxable profits in future against which the deferred tax assets can be utilised.

The carrying amount of the Group's recognised and unrecognised deferred tax assets as at 31 December 2022 are disclosed in Note 16.

(c) Subsidiary companies

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses. The method of assessing impairment of the investment in subsidiary companies is as disclosed in Note 1(p) below. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary company disposed off is taken to profit or loss.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary companies made up to the end of the financial year. The consolidated financial statements are prepared using uniform accounting policies for like transactions in similar circumstances.

The Group controls an investee if and only if the Group has all the followings:

(i) power over the entity;
(ii) exposure, or rights, to variable returns from its involvement with the entity; and
(iii) the ability to use its power over the entity to affect the amount of the investor's returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

(i) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of other vote holders;
(ii) potential voting rights held by the Company, other vote holders or other parties;
(iii) rights arising from other contractual arrangements; and
(iv) any additional facts and circumstances that indicated that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

The Group reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

All subsidiary companies are consolidated using the acquisition method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases except for I & P Group Sdn. Berhad, Syarikat Kemajuan Jerai Sdn Bhd and Wawasan Indera Sdn Bhd which are accounted for based on the pooling of interests method.

Business combinations under common control are accounted for using the pooling of interests method, where the results of entities or businesses under common control are accounted for as if the combination had been effected throughout the current and previous financial periods. The assets, liabilities and reserves of these entities are recorded at their pre-combination carrying amounts or existing carrying amounts are accounted for from the perspective of the common shareholder. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that would otherwise be done under the acquisition method. No new goodwill is recognised as a result of the combination. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reserve on acquisition arising from common control.

Under the acquisition method of accounting, the cost of an acquisition is measured as the aggregate of the fair values of the assets acquired, liabilities incurred or assumed and equity instruments issued at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interests in the subsidiary. Acquisition-related costs are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interests in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

The excess of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interests in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is stated at cost less accumulated impairment losses. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

Non-controlling interests are the part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the shareholders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Basis of consolidation (cont'd)

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in retained earnings within equity attributable to the shareholders of the Company.

(e) Investments in associated companies and joint ventures

An associated company is an entity in which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

In the Company's separate financial statements, investments in associated companies and joint ventures are stated at cost less impairment losses. The method of assessing impairment of the investment in associated companies and joint ventures is as disclosed in Note 1(p) below. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associated companies and the joint ventures are included in profit or loss.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements by the equity method of accounting based on the latest audited financial statements and supplemented by management accounts of the associated companies and the joint ventures made up to the Group's financial year end. Under the equity method, the investments in associated companies and joint ventures are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associated companies and joint ventures. Distribution received from associated companies and joint ventures reduce the carrying amount of the investment. Where there has been change recognised in other comprehensive income by the associated companies and joint ventures, the Group recognised its share of such changes in other comprehensive income.

An investment in an associated company or a joint venture is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control over the associated company or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'share of results of associated companies and joint ventures' in the statement of profit or loss.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of results of the associated companies or joint ventures in the period in which the investment is acquired.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(e) Investments in associated companies and joint ventures (cont'd)

Equity accounting is discontinued when the carrying amount of the investment in an associated company or a joint venture diminishes by virtue of losses to zero, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associated company or the joint venture.

The results and reserves of associated companies or joint ventures are accounted for in the consolidated financial statements based on audited and/or unaudited management financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

When changes in the Group's interests in an associated company or a joint venture do not respectively result in a loss of significant influence and loss of joint control, the retained interests in the associated company or joint venture are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associated company or joint venture is recognised in profit or loss.

When the Group ceases to have significant influence over an associated company or joint control over a joint venture, any retained interest in the former associated company or joint venture is recognised at fair value on the date when significant influence or joint control is lost. Any gain or loss arising from the loss of significant influence or joint control over an associated company or joint venture respectively is recognised in profit or loss.

(f) Property, plant and equipment

(i) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

(ii) Depreciation

Freehold land and capital work-in-progress are not depreciated.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost.

The principal annual rates used for this purpose are:

Leasehold land	Lease term of 99 years
Buildings	2% - 10%
Plant, machinery, cranes and trucks	5% - 20%
Renovations, computer equipment, office equipment, furniture and fittings	5% - 33%
Motor vehicles	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Investment properties

Investment properties are properties which are owned or held under a freehold and leasehold interest either to earn rental income or for capital appreciation or for both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. The fair value assessment is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and categories of the properties being valued.

When the fair value of the Investment Property Under Construction ("IPUC") is not reliably determinable, the IPUC is measured at cost until either its fair value has been reliably determinable or construction is complete, whichever is earlier. Investment properties are derecognised either when they have been disposed off (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in MFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

(h) Build-Operate-Transfer ("BOT") agreement

The Group recognises revenue from the construction and upgrading of infrastructure projects under BOT agreement in accordance with the accounting policy for construction contracts set out in Note 1(n) below. Where the Group performs more than one service under the arrangement, consideration received or receivable is allocated to the components by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 1(o) below.

When the consideration receivable does not represent an unconditional right to receive cash or another financial asset, the Group recognises the consideration receivable as either development rights or as intangible assets, based on the allocation of the fair value of the construction services rendered. The accounting policies for the development rights and intangible assets are disclosed in Notes 1(k)(iii) and 1(i) respectively.

Subsequent costs and expenditures related to infrastructure and equipment arising from the Group's commitments to the BOT agreement or that increase future revenue are recognised as additions to the intangible asset and are stated at cost. Capital expenditures necessary to support the Group's operation as a whole are recognised as property, plant and equipment, and accounted for in accordance with the policy stated under property, plant and equipment in Note 1(f) above. When the Group has contractual obligations that it must fulfill as a condition of its license to:

- maintain the infrastructure to a specified standard; or
- restore the infrastructure when the infrastructure has deteriorated below a specified condition,

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Build-Operate-Transfer ("BOT") agreement (cont'd)

it recognises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 1(x) below. Repairs and maintenance and other expenses that are routine in nature are expensed and recognised in profit or loss as incurred.

(i) Intangible assets

Intangible assets are recognised to the extent that the Group has acquired a right (a licence) to charge users of public services.

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 1(p) below.

Amortisation of the intangible assets begins when it is available for use, which means when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The right to operate Subterranean Penang International Convention & Exhibition Centre ("Setia SPICE") is amortised over a period of 30 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceed and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

(j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

- Right-of-use assets

  The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities, unless the right-of-use asset meet the definition of an investment property, in which case, the asset would be accounted for based on the fair value model in accordance with Note 1(g) above. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	1 to 3 years

  If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The method of assessing impairment of the right-of-use assets is as disclosed in Note 1(p) below. Impairment losses are recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) Leases (cont'd)

(i) Group as a Lessee (cont'd)

- Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(ii) Group as a Lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income. The accounting policy for lease income is set out in Note 1(t)(viii) below.

When the assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

(k) Inventories

(i) Inventory properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Inventories (cont'd)

(i) Inventory properties (cont'd)

- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date, less costs to completion and the estimated costs of sales.

Inventory properties under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once contracted to be sold, the related costs of these inventories would be transferred to cost to fulfill contracts, and subsequently recognised in profit or loss as and when control passes to the respective purchasers.

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land, direct building costs and other related development costs.

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. Generally no significant development work would have been undertaken on these lands other than project planning, infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Raw materials, consumable goods and others

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average and first-in, first-out basis. In the case of finished goods and work-in-progress, cost comprises materials, direct labour, other direct charges and an appropriate proportion of factory overheads.

Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

(iii) Development rights

Development rights represent the rights to additional density over and above the maximum permissible density for the Group's development projects within the island of Penang, granted pursuant to a BOT agreement for the construction and refurbishment of the Subterranean Penang International Convention & Exhibition Centre ("SPICE") and complementary retail, food and beverage outlets and offices.

Development rights are recognised to the extent that the Group has performed the construction services for the BOT agreement. Development rights are initially measured at cost, which is represented by the allocated fair value of the construction services rendered.

Development rights recognised are included as part of the cost of the land held for property development or the property development costs of the Group, based on the allocation of the expected utilisation of the development rights for the planned property development projects of the Group.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(l) Contract assets and contract liabilities

A contract asset is the right of the Group or the Company to consideration in exchange for goods or services that it has transferred to the customer when that right is conditional upon future performance but not through the passage of time. If the Group or the Company has performed its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised and presented net of any amounts that has been recognised as receivables. Contract asset is presented as the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance of *MFRS 9: Financial Instruments*.

A contract liability is the obligation of the Group or the Company to transfer goods and services to a customer for which it has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration or the Group or the Company has a right to an amount of consideration that is unconditional before it transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group or the Company performs its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss. Contract liabilities include advance payment and downpayments received from customers and other amounts where the Group or the Company has billed before the goods are delivered or services are provided to the customers.

(m) Contract cost assets

(i) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs to be recoverable.

(ii) Costs to fulfill a contract

The costs incurred in fulfilling a contract with a customer which are not within the scope of other MFRSs, such as *MFRS 102: Inventories, MFRS 116: Property, Plant and Equipment* and *MFRS 138: Intangible Assets*, are recognised as contract cost assets when all of the following criteria are met:

- the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with *MFRS 108: Accounting Policies, Changes in Accounting Estimate and Errors*.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Contract cost assets (cont'd)

(ii) Costs to fulfill a contract (cont'd)

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying *MFRS 136: Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

(n) Long-term construction contracts

The Group's long-term construction contracts are all fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to-date bear to the estimated total costs, and for this purpose, only those costs that reflect actual contract work performed are included as costs incurred.

Where the outcome of a long-term construction contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. At the same time, all contract costs incurred are recognised as an expense in the period in which they are incurred.

Costs that relate directly to a contract and which are incurred in securing the contract are also included as part of contract costs if they can be separately identified and measured reliably and it is probable that the contract will be secured.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in profit or loss irrespective of whether contract work has commenced or not, or of the stage of completion of contract activity, or of the amounts of profits expected to arise on other unrelated contracts.

On the statement of financial position, contracts in progress are reflected either as contract assets which is the surplus of (i) work performed to date recognised under the percentage of completion method or over time, or (ii) the billings made to date. A contract liability would represent the surplus of (ii) over (i).

(o) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company applied the practical expedient, the Group and the Company have initially measured a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments - initial recognition and subsequent measurement (cont'd)

(i) Financial assets (cont'd)

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets of the Group and of the Company are classified into two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost are disclosed in Note 46.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income ("OCI"), debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments - initial recognition and subsequent measurement (cont'd)

(i) Financial assets (cont'd)

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with the net changes in fair value recognised in the statement of profit or loss.

This category includes investments and short-term funds which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

The Group's and the Company's financial assets at fair value through profit or loss are disclosed in Note 46.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or

- The Group or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group or the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group or the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group or the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group or the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments - initial recognition and subsequent measurement (cont'd)

(i) Financial assets (cont'd)

The Group has performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by the purchasers or the purchasers' end-financiers.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss.

The Group and the Company initially measure a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gain or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

Amortised cost

Financial liabilities are measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the financial liabilities. The effective interest rate is calculated at initial recognition and is the rate that discounts the estimated future cash flows (including all fees and points paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortised cost of the financial liability.

Subsequent to initial recognition, the amortised cost of a financial liability is the amount at initial recognition minus principal repayments, plus the cumulative amortisation using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Financial instruments - initial recognition and subsequent measurement (cont'd)

(ii) Financial liabilities (cont'd)

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(p) Impairment of non-financial assets

Property, plant and equipment, right-of-use - property, plant and equipment, intangible asset, investments in subsidiary companies, associated companies and joint ventures

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the asset. Recoverable amounts are estimated for individual assets, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs to.

An impairment loss is recognised whenever the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are charged to profit or loss immediately.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

(q) Share capital and Islamic redeemable convertible preference shares ("RCPS-i A", "RCPS-i B" and "RCPS-i C")

Ordinary shares, RCPS-i A, RCPS-i B and RCPS-i C are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the issuer.

Ordinary shares, RCPS-i A, RCPS-i B and RCPS-i C are recorded at nominal value.

The proceeds received net of any directly attributable transaction costs are credited to share capital.

Dividends on ordinary shares, RCPS-i A, RCPS-i B and RCPS-i C are recognised in equity in the period in which they are declared.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Redeemable cumulative preference shares ("RCPS")

Redeemable cumulative preference shares are classified as financial liabilities in accordance with the substance of the contractual arrangement of the RCPS.

Dividends to shareholders of the RCPS are recognised as finance costs, on an accrual basis.

RCPS are measured at amortised cost.

(s) Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event not wholly within the control of the Group or of the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group except for contingent liabilities assumed in a business combination of which the fair value can be reliably measured.

(t) Revenue recognition

(i) Revenue from property development

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan, and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and

- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue recognition (cont'd)

(i) Revenue from property development (cont'd)

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

The Group has determined that it has a significant financing component related to the sales of its property units being developed under the deferred payment scheme (10:90 scheme). As a result of this the amount of the promised consideration is adjusted for the significant financing component and the related interest income is recognised using the effective interest method over the term of the deferment.

(ii) Revenue from construction contracts

Under such contracts, the Group is engaged to construct buildings and related infrastructure and in certain instances to supply equipments. These contracts may include multiple promises to the customers and therefore accounted for as separate performance obligations. The fair value of the revenue, which is based on fixed price under the agreement will be allocated based on relative stand-alone selling price of the considerations of each of the separate performance obligations.

The Group recognises construction revenue over time as the project being constructed has no alternative use to the Group and it has an enforceable right to the payment for performance completed to date. The stage of completion is measured using the input method, which is based on the total actual construction cost incurred to date as compared to the total budgeted costs for the respective construction projects.

(iii) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration receivable and is recognised in profit or loss when the significant risks and rewards of ownership and control of the goods have been transferred to the buyer.

(iv) Management fees

Management fees are recognised when services are rendered.

(v) Hotel operations

Revenue from hotel operations is recognised net of service taxes and discounts upon rendering of the relevant services or sales of goods.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) Revenue recognition (cont'd)

(vi) Recreational club operations

Revenue from recreational club activities including club membership fees and banqueting income are recognised when the services are rendered, The payment of the transaction price is due immediately upon delivery of the services. Recreational club membership fees which are received upfront are recognised on a straight-line basis over the tenure of the respective memberships.

The revenue recognition of other classes of revenue that are not within the scope of MFRS 15 are set out below:

(vii) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(viii) Interest income

Interest income is recognised on a time proportion basis.

(ix) Lease income

Lease income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of lease income over the lease term on a straight-line basis.

Other than the above, all other income are recognised on an accrual basis.

(u) Foreign currencies

(i) Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currencies.

(ii) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the reporting date are translated at foreign exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair values were determined.

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in profit or loss.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(u) Foreign currencies (cont'd)

(ii) Transactions and balances in foreign currencies (cont'd)

When a gain or loss on a non-monetary item is recognised directly in equity, any corresponding exchange gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

(iii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within equity. On the disposal of a foreign operation, the exchange translation differences relating to that foreign operation are recognised in profit or loss as part of gain or loss on disposal.

(v) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave, maternity leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees other than those that are attributable to property development activities or construction contract in which case such expenses are capitalised as part of the costs of the relevant assets.

(ii) Post-employment benefits

The Company and its subsidiary companies incorporated in Malaysia make contributions to the Employees Provident Fund ("EPF") and foreign subsidiary companies make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contributions already paid and as expenses in the period in which the employees render their services.

(iii) Share-based payment transactions

The Group operates an equity-settled share-based long term incentive plan ("LTIP" or "Scheme"), which comprises the Employee Share Grant Plan ("ESGP") and Employee Share Option Scheme ("ESOS") for its employees and Executive Directors.

<u>ESGP</u>

Employees and Executive Directors are entitled to ESGP in the form of Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") as consideration for services rendered. The RSP is a restricted share plan for employees and Executive Directors, while the PSP is a performance share plan for selected senior management and Executive Directors.

The RSP and PSP are settled by way of issuance and transfer of new shares upon vesting. The total fair value of RSP and PSP granted is recognised as an employee cost with a corresponding increase in the share options reserve within equity over the vesting period after taking into account the probability that the RSP and PSP will vest.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Employee benefits (cont'd)

(iii) Share-based payment transactions (cont'd)

The fair value of RSP and PSP is measured at grant date, taking into account, if any, the market vesting conditions upon which the RSP and PSP were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest on the vesting date.

At each reporting date, the Group revises its estimates of the number of RSP and PSP that are expected to vest on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share-based payment reserve.

<u>ESOS</u>

The ESOS allows the Group's employees and Executive Directors to acquire shares of the Company. The total fair value of share options granted is recognised as an employee cost with a corresponding increase in the share options reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date using the binomial model, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share-based payment reserve.

The fair value of the share options recognised in the share-based payment reserve is transferred to share capital when the share options are exercised, or transferred to retained earnings upon expiry of the share-based payment options.

The proceeds received net of any direct attributable transaction costs are credited to equity when the option are exercised.

(w) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an inventory property that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

Capitalisation commences when: (1) the Group incurs expenditures for the asset; (2) the Group incurs borrowing costs; and (3) the Group undertakes activities that are necessary to prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalised is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Borrowing costs are capitalised until the asset is substantially completed for its intended use or sale.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(w) Borrowing costs (cont'd)

The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

(x) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(y) Income tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiary companies, associated companies and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(y) Income tax

(ii) Deferred tax (cont'd)

- in respect of deductible temporary differences associated with investments in subsidiary companies, associated companies and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(z) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, short-term deposits with licensed banks and other financial institutions and fixed income trust funds, which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude sinking fund, debt service reserve, escrow accounts and short-term deposits pledged to secure banking facilities.

(aa) Operating segments

Segment reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenues, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenues, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ab) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is classified as current when it is:

(i) expected to be realised or intended to be sold or consumed in normal operating cycle;
(ii) held primarily for the purpose of trading;
(iii) expected to be realised within twelve months after the reporting period; or
(iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(i) it is expected to be settled in normal operating cycle;
(ii) it is held primarily for the purpose of trading;
(iii) it is due to be settled within twelve months after the reporting period; or
(iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(ac) Fair value measurement

The Group measures financial instruments, such as short-term funds, quoted and unquoted securities and non-financial assets such as investment properties at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ac) Fair value measurement (cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether the transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring and non-recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the management. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movement in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

(ad) Disposal groups held for sale and discontinued operations

Disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the assets and liabilities in a disposal group is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, disposal groups are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed and such a component represents a separate major line of business or geographical area of operations, is part of a single coordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

2. PROPERTY, PLANT AND EQUIPMENT

GROUP 2022	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	BUILDINGS RM'000	PLANT, MACHINERY, CRANES AND TRUCKS RM'000	COMPUTER EQUIPMENT, OFFICE EQUIPMENT, RENOVATIONS, FURNITURE AND FITTINGS RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
Cost								
At 1.1.2022	34,960	14,242	409,942	41,208	218,191	37,630	277,590	1,033,763
Additions	-	-	523	954	26,649	2,480	71,003	101,609
Disposals	-	-	(300)	(356)	(9,364)	(3,307)	(217)	(13,544)
Write-offs	-	-	(6,299)	(4,480)	(41,839)	(381)	-	(52,999)
Reclassification	-	-	298,438	-	1,366	-	(299,804)	-
Exchange differences	-	-	(64)	-	173	(3)	-	106
At 31.12.2022	34,960	14,242	702,240	37,326	195,176	36,419	48,572	1,068,935
Accumulated depreciation								
At 1.1.2022	-	913	78,760	35,089	164,928	27,869	-	307,559
Charge for the year	-	146	11,626	3,225	14,778	6,521	-	36,296
Disposals	-	-	(220)	(356)	(9,316)	(2,911)	-	(12,803)
Write-offs	-	-	(6,447)	(4,475)	(40,723)	(335)	-	(51,980)
Exchange differences	-	-	6	-	157	(4)	-	159
At 31.12.2022	-	1,059	83,725	33,483	129,824	31,140	-	279,231
Accumulated impairment losses								
At 1.1.2022/31.12.2022	-	-	202	-	37	-	-	239
Net carrying amount								
At 31.12.2022	34,960	13,183	618,313	3,843	65,315	5,279	48,572	789,465

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

GROUP 2021	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	BUILDINGS RM'000	PLANT, MACHINERY, CRANES AND TRUCKS RM'000	COMPUTER EQUIPMENT, OFFICE EQUIPMENT, RENOVATIONS, FURNITURE AND FITTINGS RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
Cost								
At 1.1.2021	34,960	14,242	376,864	42,125	218,073	37,867	260,763	984,894
Additions	-	-	1,400	37	4,691	646	55,808	62,582
Disposals	-	-	(118)	(955)	(2,417)	(840)	-	(4,330)
Write-offs	-	-	-	-	(3,203)	(39)	-	(3,242)
Net transfer to investment properties (see Note 4)	-	-	(6,119)	-	-	-	-	(6,119)
Reclassification	-	-	37,956	1	1,024	-	(38,981)	-
Exchange differences	-	-	(41)	-	23	(4)	-	(22)
At 31.12.2021	34,960	14,242	409,942	41,208	218,191	37,630	277,590	1,033,763
Accumulated depreciation								
At 1.1.2021	-	767	67,572	32,261	154,013	26,231	-	280,844
Charge for the year	-	146	11,256	3,765	15,648	2,436	-	33,251
Disposals	-	-	(97)	(936)	(2,400)	(760)	-	(4,193)
Write-offs	-	-	-	-	(2,359)	(34)	-	(2,393)
Reclassification	-	-	-	(1)	1	-	-	-
Exchange differences	-	-	29	-	25	(4)	-	50
At 31.12.2021	-	913	78,760	35,089	164,928	27,869	-	307,559
Accumulated impairment losses								
At 1.1.2021/31.12.2021	-	-	202	-	37	-	-	239
Net carrying amount								
At 31.12.2021	34,960	13,329	330,980	6,119	53,226	9,761	277,590	725,965

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

COMPANY	COMPUTER EQUIPMENT, OFFICE EQUIPMENT, RENOVATIONS, FURNITURE AND FITTINGS RM'000	MOTOR VEHICLES RM'000	CAPITAL WORK-IN-PROGRESS RM'000	TOTAL RM'000
2022				
Cost				
At 1.1.2022	**3,083**	**655**	**-**	**3,738**
Additions	**3,210**	**47**	**310**	**3,567**
Write-offs	**(2,330)**	**(4)**	**-**	**(2,334)**
At 31.12.2022	**3,963**	**698**	**310**	**4,971**
Accumulated depreciation				
At 1.1.2022	**2,442**	**219**	**-**	**2,661**
Charge for the year	**319**	**184**	**-**	**503**
Write-offs	**(2,329)**	**(4)**	**-**	**(2,333)**
At 31.12.2022	**432**	**399**	**-**	**831**
Net carrying amount				
At 31.12.2022	**3,531**	**299**	**310**	**4,140**
2021				
Cost				
At 1.1.2021	2,329	551	-	2,880
Additions	754	104	-	858
At 31.12.2021	3,083	655	-	3,738
Accumulated depreciation				
At 1.1.2021	2,329	127	-	2,456
Charge for the year	113	92	-	205
At 31.12.2021	2,442	219	-	2,661
Net carrying amount				
At 31.12.2021	641	436	-	1,077

Land and buildings of the Group included above at a net carrying amount of RM485,596,000 (2021: RM162,974,000) have been charged to banks to partially secure the long term borrowings, revolving credits and bank overdrafts referred to in Note 29 below.

Included under the Group's property, plant and equipment is borrowing costs of RM3,834,000 (2021: RM5,304,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

3. RIGHT-OF-USE - PROPERTY, PLANT AND EQUIPMENT

	BUILDINGS	
	GROUP	
	2022 RM'000	2021 RM'000
Cost		
At beginning of the year	**6,864**	6,551
Additions	**1,592**	761
Early termination of lease contracts	**(2,172)**	(22)
Expirations of lease contracts	**(46)**	(488)
Exchange differences	**217**	62
At end of the year	**6,455**	6,864
Accumulated depreciation		
At beginning of the year	**5,012**	4,210
Charge for the year	**1,361**	1,268
Early termination of lease contracts	**(1,459)**	(11)
Expirations of lease contracts	**(46)**	(488)
Exchange differences	**172**	33
At end of the year	**5,040**	5,012
Net carrying amount		
At end of the year	**1,415**	1,852

4. INVESTMENT PROPERTIES

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At beginning of the year	**2,046,487**	2,034,472	**3,438**	3,438
Additions	**20,138**	26,028	**-**	-
Disposals	**(16,652)**	(26,483)	**-**	-
Net transfer from property, plant and equipment *(see Note 2)*	**-**	6,119	**-**	-
Transfer from inventory	**-**	6,620	**-**	-
Changes in fair value *(see Note 34 & 36)*	**7,505**	(24)	**-**	-
Exchange differences	**83**	(245)	**-**	-
At end of the year	**2,057,561**	2,046,487	**3,438**	3,438
Included in the above are:				
At fair value:				
Freehold land and building	**1,266,636**	1,162,377	**1,273**	1,273
Leasehold land and building	**790,925**	790,425	**2,165**	2,165
	2,057,561	1,952,802	**3,438**	3,438
At cost:				
Investment properties under construction	**-**	93,685	**-**	-
	2,057,561	2,046,487	**3,438**	3,438

The Group's investment properties at a net carrying amount of RM1,330,171,000 (2021: RM1,304,056,000) have been charged to banks to secure the borrowings referred to in Note 29 below.

Included under the Group's investment properties is borrowing costs of RM494,000 (2021: RM1,120,000) incurred during the financial year.

The fair values of the investment properties of the Group were assessed with reference to open market value of properties in the similar vicinity. The fair value of the investment properties as at 31 December 2022 was substantially arrived at via valuations performed by certified external valuers.

Investment properties of the Group are measured at fair value except for investment properties under construction which are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

The fair value hierarchy of the investment properties are disclosed in Note 47.

The Group has no restriction on the realisability of its investment properties and no contractual obligation to either purchase, construct or develop the investment properties or for repairs, maintenance and enhancements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

5. RIGHT-OF-USE - INVESTMENT PROPERTIES

	GROUP	
	2022 RM'000	2021 RM'000
At beginning of the year	**46,940**	69,054
Changes in fair value *(see Note 34 & 36)*	**13,432**	(22,114)
At end of the year	**60,372**	46,940
Included in the above are:		
At fair value:		
Leasehold land and building	**60,372**	46,940

6. INVENTORIES

	GROUP	
	2022 RM'000	2021 RM'000
Non-current		
Cost:		
- Land held for property development *(Note (a))*	**12,094,771**	12,534,255
Net realisable value:		
- Land held for property development *(Note (a))*	**427,958**	-
	12,522,729	12,534,255
Current		
Cost:		
- Land held for sales	**144,600**	139,670
- Property development costs *(Note (b))*	**2,676,654**	2,895,419
- Completed properties	**982,171**	786,917
- Consumable goods, raw materials and others	**18,416**	14,948
	3,821,841	3,836,954
Net realisable value:		
- Completed properties	**237,967**	247,781
	4,059,808	4,084,735
Total inventories	**16,582,537**	16,618,990

During the financial year, the amount of completed properties, consumable goods, raw materials and others recognised as an expense in cost of sales of the Group was RM432,963,000 (2021: RM474,700,000).

In the current financial year, the Group recognised a write-down of inventories amounting to RM16,325,000 in the cost of sales.

The following inventories have been charged to various banks to partially secure the borrowings referred to in Note 29 below:

	GROUP	
	2022 RM'000	2021 RM'000
Land held for property development	**3,019,469**	3,589,130
Property development costs	**656,609**	252,452
Completed properties	**-**	1,531
	3,676,078	3,843,113

6. INVENTORIES (CONT'D)

(a) LAND HELD FOR PROPERTY DEVELOPMENT

GROUP	FREEHOLD LAND RM'000	LEASEHOLD LAND RM'000	DEVELOPMENT EXPENDITURE RM'000	TOTAL RM'000
2022				
At 1.1.2022	**5,177,812**	**3,133,474**	**4,222,969**	**12,534,255**
Additions	**7,145**	**4,531**	**468,861**	**480,537**
Write-down	**-**	**-**	**(12,107)**	**(12,107)**
Transfer to land held for sales	**(18,450)**	**-**	**(12,460)**	**(30,910)**
Transfer to inventories - property development costs *(see Note (b))*	**(264,864)**	**(16,786)**	**(140,700)**	**(422,350)**
Transfer to contract cost assets - costs to fulfil contracts with customers *(see Note 20)*	**(19,137)**	**(8)**	**(2,427)**	**(21,572)**
Exchange differences	**(4,906)**	**342**	**(560)**	**(5,124)**
At 31.12.2022	**4,877,600**	**3,121,553**	**4,523,576**	**12,522,729**
2021				
At 1.1.2021	5,417,596	3,169,570	4,073,903	12,661,069
Additions	129,348	7,233	386,495	523,076
Transfer to land held for sales	(129,121)	-	(10,549)	(139,670)
Transfer to inventories - property development costs *(see Note (b))*	(183,784)	(36,284)	(185,071)	(405,139)
Transfer to contract cost assets - costs to fulfill contracts with customers *(see Note 20)*	(51,976)	(8,375)	(41,486)	(101,837)
Exchange differences	(4,251)	1,330	(323)	(3,244)
At 31.12.2021	5,177,812	3,133,474	4,222,969	12,534,255

Included in additions incurred during the financial year are borrowing costs of RM172,043,000 (2021: RM173,950,000).

6. INVENTORIES (CONT'D)

(b) PROPERTY DEVELOPMENT COSTS

	GROUP	
	2022 RM'000	2021 RM'000
Freehold land at cost	**475,918**	495,770
Leasehold land at cost	**118,104**	420,993
Development costs	**2,301,397**	2,210,453
At 1 January	**2,895,419**	3,127,216
Costs transferred from inventories - land held for property development *(see Note (a))*		
- freehold land	**264,864**	183,784
- leasehold land	**16,786**	36,284
- development costs	**140,700**	185,071
Costs transferred to contract cost assets *(see Note 20)*		
- freehold land	**(193,352)**	(191,245)
- leasehold land	**(31,186)**	(327,910)
- development costs	**(556,433)**	(642,610)
Costs incurred during the year		
- freehold land	**95**	1,654
- leasehold land	**7,516**	716
- development costs	**745,546**	932,183
Exchange differences	**(18,799)**	(18,447)
	375,737	159,480
Unsold completed properties transferred to inventories	**(594,502)**	(391,277)
	2,676,654	2,895,419
At 31 December		
Freehold land at cost	**524,630**	475,918
Leasehold land at cost	**98,954**	118,104
Development costs	**2,053,070**	2,301,397
	2,676,654	2,895,419

Included under development and construction costs incurred and accounted for under inventories - property development costs and contract cost assets during the financial year are borrowing costs of RM41,278,000 (2021: RM19,911,000).

7. INTANGIBLE ASSET - RIGHT TO OPERATE SETIA SPICE

	GROUP	
	2022 RM'000	**2021 RM'000**
Cost		
At beginning and end of the year	**16,025**	16,025
Accumulated amortisation		
At beginning of the year	**2,537**	2,640
Charge for the year	**534**	534
Adjustments	**-**	(637)
At end of the year	**3,071**	2,537
Net carrying amount		
At end of the year	**12,954**	13,488

The Group had entered into a BOT agreement with Majlis Perbandaran Pulau Pinang ("MPPP") to construct the Subterranean Penang International Convention & Exhibition Centre ("Setia SPICE") and complementary retail, food and beverage outlets and offices in year 2011. The terms of the arrangement also require the Group to improve and refurbish the existing Penang International Sports Arena indoor stadium and aquatic centre.

The terms of the arrangement allow the Group to operate Setia SPICE for up to a period of thirty years ("Concession Period") after the completion of construction. Upon expiry of the concession arrangement, subject to the agreement between the Group and MPPP, the Group may be able to operate Setia SPICE for two further terms, consisting of a period of not less than fifteen years each.

The BOT agreement also grants the Group the right to additional density for the Group's development project within the island of Pulau Pinang. Such development rights are limited to 1,500 residential units. The development rights are only exercisable during the Concession Period and any right not exercised by the end of the Concession Period shall lapse.

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	COMPANY	
	2022 RM'000	**2021 RM'000**
Unquoted shares in subsidiary companies, at cost	**4,738,912**	4,738,912
Capital contribution to subsidiary companies, at cost	**7,614,159**	7,696,207
LTIP granted to employees of subsidiary companies	**144,276**	178,031
	12,497,347	12,613,150
Impairment losses	**(753,664)**	(288,904)
	11,743,683	12,324,246

The capital contribution to subsidiary companies represents additional shareholders' net investment. The capital contribution is unsecured, interest free and the repayment of such balances are not expected in the foreseeable future until such time the subsidiary companies are in the position to repay the amount without impairing its liquidity position.

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The movement in the impairment losses during the financial year are as follows:

	COMPANY	
	2022 RM'000	**2021 RM'000**
At beginning of the year	**288,904**	204,453
Impairment loss during the year	**487,020**	87,175
Reversal of impairment loss during the year	**(22,260)**	-
Liquidation of subsidiary	**-**	(2,724)
At end of the year	**753,664**	288,904

Impairment loss on investment in subsidiary companies

At the reporting date, the Company conducted an impairment review of its investment in certain subsidiary companies where indications of impairment were noted.

Consequently, the Company has recognised impairment losses in respect of its investment in subsidiaries where their respective recoverable amounts are lower than their carrying amounts. The recoverable amount is determined based on the higher of;

(i) Value in use, which is calculated using cash flow projections based on approved financial budgets, at a post-tax discount rate of 8.5% per annum;

or

(ii) Fair value less costs of disposal (Level 3 in the fair value hierarchy).

The review gave rise to the recognition of impairment losses of investments in subsidiary companies of RM487,020,000 (2021: RM87,175,000) as disclosed in Note 36 based on recoverable amounts of RM1,023,597,000 (2021: RM495,001,000). The impairment losses arose mainly because the subsidiaries either did not have viable business plans, have scaled down their business plans/ activities or have recorded a decline in value of their assets.

Conversely, the review has brought about a reversal of previously recognised impairment losses of RM22,260,000, attributed to the improved financial performance of a previously impaired subsidiary.

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies are as follows:

	EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	DIRECT		INDIRECT			
	2022 %	2021 %	2022 %	2021 %		
Bandar Setia Alam Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Indah Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Syarikat Kemajuan Jerai Sdn Bhd	**100**	100	**-**	-	Malaysia	Under member's voluntary winding-up
S P Setia Project Management Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and project management
Wawasan Indera Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and project management services
S P Setia Eco-Projects Management Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development, project development, project management and other related activities
Setia Fontaines Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia HC Ventures Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding
Bukit Indah (Johor) Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Bina Raya Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Precast Sdn Bhd	**100**	100	**-**	-	Malaysia	Building contractors
Setia-Wood Industries Sdn Bhd	**100**	100	**-**	-	Malaysia	Fabrication, installation and sale of wood products, provision of of kiln dry services, sale of building materials and household goods

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	DIRECT		INDIRECT			
	2022 %	2021 %	2022 %	2021 %		
S P Setia Marketing Sdn Bhd	**-**	-	**100**	100	Malaysia	Sale of wood products and building materials
Setia Readymix Sdn Bhd	**100**	100	**-**	-	Malaysia	Building contractors and manufacturing and sale of building materials
S P Setia Management Services Sdn Bhd	**100**	100	**-**	-	Malaysia	Under member's voluntary winding-up
Futurecrest (M) Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding
Shabra Development Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development
KL Eco City Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Manih System Construction Sdn Bhd	**100**	100	**-**	-	Malaysia	Under member's voluntary winding-up
Tenaga Raya Sdn Bhd	**100**	100	**-**	-	Malaysia	Dormant
Indera Perasa Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding, project management services, property and building management
Setia Eco Templer Recreation Sdn Bhd	**-**	-	**100**	100	Malaysia	Operate and manage a recreation club, banqueting and leasing of retail and food and beverage outlets
Setia IP Holdings Sdn Bhd	**100**	100	**-**	-	Malaysia	Custodian and management of Group's intellectual property rights

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	DIRECT		INDIRECT			
	2022 %	2021 %	2022 %	2021 %		
Kenari Kayangan Sdn Bhd	**99.99**	99.99	**-**	-	Malaysia	Under member's voluntary winding-up
Setia Ecohill 2 Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Ecohill Recreation Sdn Bhd	**-**	-	**100**	100	Malaysia	Operate and manage a recreation club
Setia Hicon Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development
S P Setia Technology Sdn Bhd	**100**	100	**-**	-	Malaysia	Provision of money lending service
S P Setia PMC Sdn Bhd	**100**	100	**-**	-	Malaysia	Provision of accounting, finance and corporate secretarial services
Setia Promenade Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Bukit Indah Property Management Sdn Bhd	**70**	70	**-**	-	Malaysia	Property development
Kewira Jaya Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Kay Pride Sdn Bhd	**-**	-	**100**	100	Malaysia	Property development, property investment holding and project management services
Aeropod Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development, property investment holding and general construction
Setia Japan Holding Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding
Eco Meridian Sdn Bhd	**100**	100	**-**	-	Malaysia	Construction and operation of concession asset, hotel and hotel resort operator and property investment holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	DIRECT		INDIRECT			
	2022 %	2021 %	2022 %	2021 %		
Setia Ecohill Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
S P Setia (Indonesia) Sdn Bhd	**100**	100	**-**	-	Malaysia	Under member's voluntary winding-up
Setia City Development Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development, property investment holding and project management services
Gita Kasturi Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Intra Hillside Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Eco Green Sdn Bhd	**100**	100	**-**	-	Malaysia	Property investment holding
Setia Eco Heights Sdn Bhd	**100**	100	**-**	-	Malaysia	Dormant
Setia Eco Land Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Alam Recreation Sdn Bhd	**-**	-	**100**	100	Malaysia	Operate and manage a recreation club
Setia Alamsari Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
S P Setia Property Services Sdn Bhd	**100**	100	**-**	-	Malaysia	Operation of convention centre
Flexrise Projects Sdn Bhd	**100**	100	**-**	-	Malaysia	Property investment holding
Pelita Mentari Sdn Bhd	**100**	100	**-**	-	Malaysia	Property investment holding and project management services

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	DIRECT		INDIRECT			
	2022 %	2021 %	2022 %	2021 %		
Setia Eco Templer Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment
Setia EM (Central) Sdn Bhd	**100**	100	**-**	-	Malaysia	Property management services
S P Setia DMC Sdn Bhd	**100**	100	**-**	-	Malaysia	Development management consultancy
Exceljade Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and project management services
Sendiman Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development
Setia Ventures Excellence Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding
Kemboja Mahir Sdn Bhd	**70**	70	**-**	-	Malaysia	Property development and investment holding
Bandar Eco-Setia Sdn Bhd	**50**	50	**-**	-	Malaysia	Property development and property investment
Setia Eco Park Recreation Sdn Bhd	**-**	-	**50**	50	Malaysia	Operate and manage a recreation club and banqueting
Ganda Anggun Sdn Bhd	**-**	-	**70**	70	Malaysia	Property development
Kesas Kenangan Sdn Bhd	**-**	-	**70**	70	Malaysia	Property development and property investment
Setia Eco Glades Sdn Bhd	**70**	70	**-**	-	Malaysia	Property development and property investment holding
Setia Safiro Sdn. Bhd.	**70**	70	**-**	-	Malaysia	Property development and property investment holding

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	DIRECT		INDIRECT			
	2022 %	2021 %	2022 %	2021 %		
Setia Federal Hill Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development
Setia International Limited	**100**	100	**-**	-	Malaysia	Investment holding
Setia MyPhuoc Limited	**-**	-	**100**	100	Malaysia	Investment holding
Setia Australia Limited	**-**	-	**100**	100	Malaysia	Investment holding
Setia Lai Thieu Limited	**-**	-	**95**	95	British Virgin Islands	Investment holding
+ Setia Lai Thieu One Member Company Limited	**-**	-	**95**	95	Vietnam	Property development
+ Setia (Melbourne) Development Company Pty Ltd	**-**	-	**100**	100	Australia	Property development
+ Setia St Kilda (Melbourne) Pty Ltd	**-**	-	**100**	100	Australia	Property development
+ Setia Carnegie Pty Ltd	**-**	-	**100**	100	Australia	Property development
+ Setia A'Beckett (Melbourne) Pty Ltd	**-**	-	**100**	100	Australia	Property development
+ S P Setia International (S) Pte. Ltd.	**100**	100	**-**	-	Singapore	Promotion, marketing and other activities related to property development
+ Setia (Bukit Timah) Pte. Ltd.	**-**	-	**100**	100	Singapore	Promotion, marketing and other activities related to property development
+ S P Setia Development Pte. Ltd.	**100**	100	**-**	-	Singapore	Promotion, marketing and other activities related to property development

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

		EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
		DIRECT		INDIRECT			
		2022 %	2021 %	2022 %	2021 %		
	Setia International Japan Co. Ltd.	**100**	100	**-**	-	Japan	Investment holding
+	Setia Osaka Tokutei Mokuteki Kaisha	**-**	-	**100**	100	Japan	Property development
α μ	S P Setia Foundation	**-**	-	**-**	-	Malaysia	A trust established under the provision of Trustees (Incorporation) Act 1952, for promotion and advancement of education, research and dissemination of knowledge
* α μ	Setia Badminton Academy	**-**	-	**-**	-	Malaysia	A trust established for promotion of badminton
	I & P Group Sdn. Berhad	**100**	100	**-**	-	Malaysia	Investment holding and provision of management services to subsidiaries
	I & P Menara Sendirian Berhad	**-**	-	**100**	100	Malaysia	Property development
	I & P Alam Impian Sdn. Bhd.	**-**	-	**99**	99	Malaysia	Property development
	I & P Setiawangsa Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development
	Petaling Garden Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development and investment holding
	Setia Mayuri Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development
	Biltmore (M) Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development
^	PG Resorts Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

		EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
		DIRECT		INDIRECT			
		2022 %	2021 %	2022 %	2021 %		
	Temasya Development Co. Sdn. Bhd.	**-**	-	**66.06**	66.06	Malaysia	Property development
	Alpine Affluent Sdn. Bhd.	**-**	-	**66.06**	66.06	Malaysia	Property development
	Scenic Promenade Sdn. Bhd.	**-**	-	**66.06**	66.06	Malaysia	Sublease of land
	Syarikat Perumahan Pegawai Kerajaan Sendirian Berhad	**-**	-	**70.09**	70.09	Malaysia	Development and sale of land, residential and commercial properties and rental of properties
	Plaza Damansara Sdn. Bhd.	**-**	-	**70.09**	70.09	Malaysia	Dormant
	Perumahan Kinrara Berhad	**-**	-	**51**	51	Malaysia	Property development and operation of golf course
	Kinrara Golf Club Sdn. Bhd.	**-**	-	**51**	51	Malaysia	Dormant
	Kinrara Urusharta Sdn. Bhd.	**-**	-	**51**	51	Malaysia	Dormant
#	I & P Kota Bayuemas Sdn. Bhd.	**-**	-	**51.91**	51.91	Malaysia	Property development
	Pelangi Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development and investment holding
	Yukong Development (Pte) Limited	**-**	-	**100**	100	Singapore	Property development and investment in real properties
	Taman Gunong Hijau Sdn. Bhd.	**-**	-	**89.14**	89.14	Malaysia	Property development and investment in real properties
	I & P Multi Resources Sdn. Berhad	**-**	-	**100**	100	Malaysia	Investment holding
	I & P Development Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Dormant

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	DIRECT		INDIRECT			
	2022 %	2021 %	2022 %	2021 %		
I & P Supply Berhad	-	-	**100**	100	Malaysia	Dormant
I & P Inderawasih Jaya Sdn. Bhd.	-	-	**100**	100	Malaysia	Dormant
Peninsular Land Development Sdn. Berhad	-	-	**100**	100	Malaysia	Dormant
I & P Nibong Sdn. Bhd.	-	-	**100**	100	Malaysia	Dormant
Perusahaan Minyak Sawit Bintang Sendirian Berhad	-	-	**100**	100	Malaysia	Dormant
Yong Peng Realty Sdn. Bhd.	-	-	**100**	100	Malaysia	Dormant
Pelangi Concrete Industries Sdn. Bhd.	-	-	**100**	100	Malaysia	Investment holding
Eng Lee Knitting Factory Sdn. Bhd.	-	-	**100**	100	Malaysia	Under member's voluntary winding-up
Petaling Garden Industrial Estate Sdn. Bhd.	-	-	**100**	100	Malaysia	Under member's voluntary winding-up

* *Audited by a firm other than Ernst & Young PLT*
\+ *Audited by member firms of Ernst & Young Global*
α *A trust established under the Trustees (Incorporation) Act 1952*
μ *S P Setia Berhad has effective interest of 100%*
51% directly owned by Perumahan Kinrara Berhad and 25.9% directly owned by I & P Group Sdn. Berhad
^ *70% directly owned by Petaling Garden Sdn. Bhd. and 30% directly owned by I & P Group Sdn. Berhad*

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Subsidiary companies that have material non-controlling interests

Details of the Group's subsidiary companies that have material non-controlling interests at the end of the reporting period are as follows:

NAME OF SUBSIDIARY COMPANY	PLACE OF INCORPORATION AND OPERATION	PROPORTION OF OWNERSHIP INTERESTS HELD BY NON-CONTROLLING INTEREST		PROFIT ALLOCATED TO NON-CONTROLLING INTERESTS		CARRYING AMOUNT OF NON-CONTROLLING INTERESTS	
		2022	2021	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Bandar Eco-Setia Sdn Bhd Group	Malaysia	**50%**	50%	**18,942**	12,522	**304,880**	346,168
Setia Eco Glades Sdn Bhd	Malaysia	**30%**	30%	**1,719**	2,744	**60,835**	59,836
Kesas Kenangan Sdn Bhd	Malaysia	**30%**	30%	**3,490**	1,217	**83,857**	80,367
Perumahan Kinrara Berhad Group	Malaysia	**49%**	49%	**22,250**	30,931	**489,750**	575,300
Syarikat Perumahan Pegawai Kerajaan Sendirian Berhad Group	Malaysia	**29.91%**	29.91%	**5,056**	3,105	**169,689**	202,433
Temasya Development Co. Sdn. Bhd. Group	Malaysia	**33.94%**	33.94%	**2,037**	6,202	**133,270**	171,975
Individually immaterial subsidiary companies with non-controlling interests						**21,631**	20,127
						1,263,912	1,456,206

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amounts before intra-group elimination) is as follows:

	2022 RM'000	2021 RM'000
Bandar Eco-Setia Sdn Bhd Group		
Non-current assets	**460,977**	465,065
Current assets	**240,791**	291,322
Non-current liabilities	**(19,524)**	(18,390)
Current liabilities	**(72,484)**	(45,661)
Net assets	**609,760**	692,336
Revenue	**124,485**	92,255
Profit for the year, representing total comprehensive income for the year	**37,884**	25,044
Dividends paid to non-controlling interests	**60,230**	6,280
Net cash from operating activities	**20,281**	48,343
Net cash from investing activities	**36,708**	1,168
Net cash used in financing activities	**(120,460)**	(12,560)
Net (decrease)/increase in cash and cash equivalents	**(63,471)**	36,951

	2022 RM'000	2021 RM'000
Setia Eco Glades Sdn Bhd		
Non-current assets	**274,597**	317,715
Current assets	**133,782**	126,762
Non-current liabilities	**(15,136)**	(30,225)
Current liabilities	**(190,458)**	(214,798)
Net assets	**202,785**	199,454
Revenue	**74,141**	109,205
Profit for the year, representing total comprehensive income for the year	**5,731**	9,148
Dividends paid to non-controlling interests	**720**	16,698
Net cash from operating activities	**31,050**	62,731
Net cash (used in)/from investing activities	**(2,850)**	3,399
Net cash used in financing activities	**(55,482)**	(54,516)
Net (decrease)/increase in cash and cash equivalents	**(27,282)**	11,614

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	2022 RM'000	2021 RM'000
Kesas Kenangan Sdn Bhd		
Non-current assets	**444,720**	439,930
Current assets	**101,946**	130,265
Non-current liabilities	**(80,779)**	(150,273)
Current liabilities	**(186,363)**	(152,033)
Net assets	**279,524**	267,889
Revenue	**74,305**	45,461
Profit for the year, representing total comprehensive income for the year	**11,635**	4,055
Dividends paid to non-controlling interests	**-**	-
Net cash from operating activities	**48,538**	1,156
Net cash used in investing activities	**(10,704)**	(12,929)
Net cash used in financing activities	**(35,699)**	(32,161)
Net increase/(decrease) in cash and cash equivalents	**2,135**	(43,934)

	2022 RM'000	2021 RM'000
Perumahan Kinrara Berhad Group		
Non-current assets	**725,088**	765,464
Current assets	**446,735**	586,214
Non-current liabilities	**(62,556)**	(72,701)
Current liabilities	**(109,776)**	(104,895)
Net assets	**999,491**	1,174,082
Revenue	**241,588**	278,322
Profit for the year, representing total comprehensive income for the year	**45,409**	63,124
Dividends paid to non-controlling interests	**107,800**	9,932
Net cash from operating activities	**78,963**	283,639
Net cash used in investing activities	**(46,169)**	(65,913)
Net cash used in financing activities	**(221,108)**	(21,185)
Net (decrease)/increase in cash and cash equivalents	**(188,314)**	196,541

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	2022 RM'000	2021 RM'000
Syarikat Perumahan Pegawai Kerajaan Sendirian Berhad Group		
Non-current assets	**165,696**	166,047
Current assets	**419,938**	530,294
Current liabilities	**(18,301)**	(19,533)
Net assets	**567,333**	676,808
Revenue	**30,369**	24,538
Profit for the year, representing total comprehensive income for the year	**16,904**	10,382
Dividends paid to non-controlling interests	**37,800**	4,899
Net cash from operating activities	**25,731**	64,588
Net cash from investing activities	**13,228**	8,821
Net cash used in financing activities	**(126,380)**	(16,380)
Net (decrease)/increase in cash and cash equivalents	**(87,421)**	57,029

	2022 RM'000	2021 RM'000
Temasya Development Co. Sdn. Bhd. Group		
Non-current assets	**84,293**	87,717
Current assets	**342,312**	454,026
Non-current liabilities	**(4,704)**	(4,609)
Current liabilities	**(29,237)**	(30,431)
Net assets	**392,664**	506,703
Revenue	**7,291**	50,298
Profit for the year, representing total comprehensive income for the year	**6,002**	18,274
Dividends paid to non-controlling interests	**40,742**	3,408
Net cash from operating activities	**29,944**	43,972
Net cash from investing activities	**9,583**	9,305
Net cash used in financing activities	**(120,042)**	(10,042)
Net (decrease)/increase in cash and cash equivalents	**(80,515)**	43,235

9. INVESTMENTS IN JOINT VENTURES

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted ordinary shares, at cost	**3,253,993**	3,523,659	**35,251**	35,251
Capital contribution to a joint venture, at cost	**2,450**	-	**-**	-
Group's share of post-acquisition profits less losses	**(187,963)**	(151,252)	**-**	-
Group's share of non- distributable reserves	**(93,957)**	82,778	**-**	-
	2,974,523	3,455,185	**35,251**	35,251

The joint ventures are as follows:

	EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	DIRECT		INDIRECT			
	2022 %	2021 %	2022 %	2021 %		
Setia Putrajaya Sdn Bhd	**60**	60	**-**	-	Malaysia	Property development, building construction and investment holding
Setia Putrajaya Development Sdn Bhd	**-**	-	**60**	60	Malaysia	Property development
Greenhill Resources Sdn Bhd	**-**	-	**50**	50	Malaysia	Property investment holding, as the owner, landlord and operator of a retail mall
Setia City Healthcare Sdn Bhd	**-**	-	**49**	-	Malaysia	Develop and operate an ambulatory care centre
# SetiaBecamex Joint Stock Company	**-**	-	**57.25**	57.25	Vietnam	Property development
Retro Highland Sdn Bhd	**50**	50	**-**	-	Malaysia	Property development
# Battersea Project Holding Company Limited	**-**	-	**40**	40	Jersey	Mixed use redevelopment of Battersea Power Station
# Battersea Power Station Development Company Limited	**-**	-	**40**	40	United Kingdom	Property development and estate management services
# Battersea Power Station Estates Limited	**-**	-	**40**	40	United Kingdom	Provision of letting and management services

Audited by a firm other than Ernst & Young PLT or a member firm of Ernst & Young Global

9. INVESTMENTS IN JOINT VENTURES (CONT'D)

Notwithstanding that the Group has ownership of more than half of the equity shareholding in certain companies, they are treated as joint ventures pursuant to the contractual rights and obligations of the respective joint venture agreements.

The Group's joint ventures are accounted for using the equity method in the financial statements.

The Group's share of capital commitments of the joint ventures at the reporting date are as below:

	2022 RM'000	2021 RM'000
Capital commitments:		
- Commitments for construction of property, plant and equipment	**2,744**	-
- Commitments for acquisition of development land	**112,542**	124,650

There is no share of contingent liability and operating lease commitment of the joint ventures of the Group as at the reporting date.

Summarised financial information in respect of the Group's material joint ventures which comprise the Battersea Group of companies are set out below.

Battersea Group of companies

Summarised statements of financial position:

	2022 RM'000	2021 RM'000
Non-current assets	**3,081,358**	3,884,657
Current assets		
Cash and cash equivalents	**275,503**	922,414
Other current assets	**8,347,659**	11,176,752
	8,623,162	12,099,166
Non-current liabilities		
Other non-current liabilities	**3,790,925**	606,972
Current liabilities		
Trade and other payables and provisions	**1,417,961**	7,697,891
Net assets	**6,495,634**	7,678,960

9. INVESTMENTS IN JOINT VENTURES (CONT'D)

Battersea Group of companies (cont'd)

Summarised statements of comprehensive income:

	2022 RM'000	2021 RM'000
Revenue	**5,520,832**	1,787,823
Depreciation and amortisation	**(5,894)**	(17,683)
Interest income	**2,751**	289
Interest expense	**(37,679)**	(4,033)
Loss before tax	**(61,582)**	(53,456)
Taxation	**(150)**	(3,552)
Loss for the financial year	**(61,732)**	(57,008)
Total comprehensive loss for the financial year	**(61,732)**	(57,008)
Share of results of joint ventures	**(24,693)**	(22,803)

Reconciliation of the above summarised financial information to the carrying amount of the Group's interest in the Battersea Group of companies is as follows:

	2022 RM'000	2021 RM'000
Net assets		
At the beginning of the financial year	**7,678,960**	5,916,178
Additional shares issued during the year	**538,629**	1,652,727
Capital repatriation	**(1,214,021)**	-
Non-distributable reserves	**(446,202)**	167,063
Total comprehensive loss for the financial year	**(61,732)**	(57,008)
At end of the financial year	**6,495,634**	7,678,960
Proportion of ownership interest held by the Group	**40%**	40%
Carrying amount of the Group's interest in the joint venture	**2,598,253**	3,071,584

9. INVESTMENTS IN JOINT VENTURES (CONT'D)

There is no dividend paid by Battersea Group of companies during the financial year (2021: RM Nil).

The summarised aggregate financial information of the Group's share of other individually non-material joint ventures as at 31 December is set out below:

	2022 RM'000	2021 RM'000
(Loss)/Profit for the year, representing total comprehensive (loss)/income for the financial year	**(12,018)**	28,447
Carrying amount of the Group's interest in individually non-material joint ventures	**376,270**	383,601

10. INVESTMENTS IN ASSOCIATED COMPANIES

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted ordinary shares, at cost	**71,138**	71,138	**900**	900
Capital contribution to an associated company, at cost	**91,293**	92,071	**91,293**	92,071
Group's share of post- acquisition profits less losses	**378,097**	382,937	**-**	-
Group's share of non-distributable reserves	**16,227**	20,588	**-**	-
Impairment losses	**(1,372)**	(1,372)	**-**	-
	555,383	565,362	**92,193**	92,971

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

The associated companies are as follows:

	EQUITY INTERESTS				PLACE OF BUSINESS/ COUNTRY OF INCORPORATION	PRINCIPAL ACTIVITIES
	DIRECT		INDIRECT			
	2022 %	2021 %	2022 %	2021 %		
∞ PTB Property Developer Sdn. Bhd.	-	-	49	49	Malaysia	Dormant
∞ Qinzhou Development (Malaysia) Consortium Sdn. Bhd.	**45**	45	**-**	-	Malaysia	Investment holding
∞ China-Malaysia Qinzhou Industrial Park (Guangxi) Development Co. Ltd	**-**	-	**22**	22	China	Property development
* Tanah Sutera Development Sdn. Bhd.	**-**	-	**35**	35	Malaysia	Property development and investment in real properties
* Merit Properties Sdn. Bhd.	**-**	-	**20**	20	Malaysia	Property development, investment in real properties and providing management services
∞ β Fahim-I Hitech Sdn. Bhd.	**-**	-	**20**	20	Malaysia	Dormant

* *Audited by member firms of Ernst & Young PLT*
∞ *Audited by a firm other than Ernst & Young PLT or a member firm of Ernst & Young Global*
β *Financial year end 30 June*

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Summarised financial information in respect of the Group's material associated companies is set out below. The summarised financial information below represents amounts based on the associated companies' financial statements adjusted for any material differences with the Group's accounting policies.

Summarised statements of financial position:

	TANAH SUTERA DEVELOPMENT SDN. BHD. GROUP		MERIT PROPERTIES SDN. BHD.	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	**625,675**	593,516	**385,160**	378,328
Current assets				
Cash and cash equivalents	**286,982**	278,449	**38,814**	42,351
Other current assets	**149,330**	174,806	**868**	1,845
	436,312	453,255	**39,682**	44,196
Non-current liabilities				
Trade and other payables and provisions	**-**	227	**-**	-
Other non-current liabilities	**36,925**	30,943	**12,077**	12,171
	36,925	31,170	**12,077**	12,171
Current liabilities				
Trade and other payables and provisions	**44,481**	37,602	**2,222**	2,896
Net assets	**980,581**	977,999	**410,543**	407,457

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Summarised statements of comprehensive income:

	TANAH SUTERA DEVELOPMENT SDN. BHD. GROUP		MERIT PROPERTIES SDN. BHD.	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	**113,288**	97,689	**459**	802
Depreciation and amortisation	**(1,479)**	(1,520)	**(50)**	(27)
Interest income	**6,471**	5,584	**874**	630
Interest expense	**(50)**	(59)	**(20)**	(15)
Profit/(loss) before tax	**75,408**	25,478	**7,412**	(7,561)
Taxation	**(16,826)**	(5,058)	**(226)**	(151)
Profit/(loss) for the financial year	**58,582**	20,420	**7,186**	(7,712)
Total comprehensive income/(loss) for the financial year	**58,582**	20,420	**7,186**	(7,712)
Share of results of associated companies	**20,504**	7,147	**1,437**	(1,542)
Dividend from associated companies	**19,600**	8,575	**820**	820

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the associated companies are as follows:

	TANAH SUTERA DEVELOPMENT SDN. BHD. GROUP		MERIT PROPERTIES SDN. BHD.	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net assets				
At beginning of the financial year	**977,999**	982,079	**407,457**	419,269
Total comprehensive income/(loss) for the financial year	**58,582**	20,420	**7,186**	(7,712)
Dividends paid	**(56,000)**	(24,500)	**(4,100)**	(4,100)
At end of the financial year	**980,581**	977,999	**410,543**	407,457
Group's interest in the associated companies	**35%**	35%	**20%**	20%
Carrying amount at end of the financial year	**343,203**	342,300	**82,109**	81,491

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

The summarised aggregate financial information of the Group's share of other individually non-material associated companies as at 31 December is set out below:

	2022 RM'000	2021 RM'000
(Loss)/Profit for the year, representing total comprehensive (loss)/income for the year	**(6,361)**	3,283
Carrying amount of the Group's interest in individually non-material associated companies companies	**38,778**	49,500
Capital contribution to an associated company, at cost *	**91,293**	92,071
	130,071	141,571

* This amount relates to the capital contribution to Qinzhou Development (Malaysia) Consortium Sdn Bhd, an associated company which holds the investment in China-Malaysia Qinzhou Industrial Park (Guangxi) Development Co. Ltd. in China.

The capital contribution is unsecured, interest free and is not expected to be recalled within the foreseeable future.

11. OTHER INVESTMENTS

	GROUP	
	2022 RM'000	2021 RM'000
Non-current		
At fair value through profit or loss Equity instruments (unquoted in Malaysia)	**96**	96

12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

Amounts owing by subsidiary companies included under non-current assets

The amounts owing by subsidiary companies included under non-current assets represent unsecured advances which are not expected to be recalled within the next 12 months and are analysed as follows:

	COMPANY	
	2022 RM'000	2021 RM'000
Bearing interest at 3.06% to 8.00% (2021: 2.57% to 8.00%) per annum	**1,936,848**	1,731,100
Interest free	**915,410**	-
Unquoted redeemable cumulative preference shares	**38,334**	37,988
	2,890,592	1,769,088
Allowance for impairment loss	**(2,069)**	-
	2,888,523	1,769,088

12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES (CONT'D)

Amounts owing by subsidiary companies included under current assets

	COMPANY	
	2022 RM'000	2021 RM'000
Trade accounts:		
- staff secondment fee	**6,539**	5,703
Unsecured advances:		
- bearing interest at 3.06% to 8.00% (2021: 2.57% to 8.00%) per annum	**1,161,011**	622,579
- interest free	**658,290**	1,197,798
- unquoted redeemable cumulative preference shares	**-**	22,785
	1,825,840	1,848,865
- allowance for impairment loss	**(1,291)**	(1,291)
	1,824,549	1,847,574

The movement in the allowance for impairment losses during the financial year is as follows:

	COMPANY	
	2022 RM'000	2021 RM'000
At beginning of the year	**1,291**	1,291
Allowance for impairment loss during the year	**2,069**	-
At end of the year	**3,360**	1,291

The trade accounts are expected to be settled within the normal credit periods. Unsecured advances are repayable on demand.

Amounts owing to subsidiary companies included under non-current liabilities

The amounts owing to subsidiary companies included under non-current liabilities represent unsecured advances which are not expected to be repaid within the next 12 months and are analysed as follows:

	COMPANY	
	2022 RM'000	2021 RM'000
Unsecured advances:		
- bearing interest at 3.20% to 4.20% per annum	**215,000**	-
- interest free	**128,827**	-
	343,827	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES (CONT'D)

Amounts owing to subsidiary companies included under current liabilities

	COMPANY	
	2022 RM'000	2021 RM'000
Unsecured advances:		
- bearing interest at 3.67% to 4.67% (2021: 3.20% to 3.67%) per annum	**340,000**	505,000
- interest free	**83,287**	176,797
	423,287	681,797

Unsecured advances are repayable on demand.

13. AMOUNTS OWING BY JOINT VENTURES

Amounts owing by joint ventures included under non-current assets

	GROUP	
	2022 RM'000	2021 RM'000
Unsecured advances:		
- bearing interest at 8.00% (2021: 8.00%) per annum	**69,785**	69,785

The unsecured advances owing by a joint venture is not repayable within 12 months.

Amounts owing by joint ventures included under current assets

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unsecured advances:				
- bearing interest at 4.00% to 6.25% (2021: 4.00% to 5.25%) per annum	**31,345**	29,716	**8,629**	8,624
- interest free	**63,377**	54,798	**51,493**	50,555
	94,722	84,514	**60,122**	59,179

Unsecured advances are repayable on demand.

14. AMOUNTS OWING BY ASSOCIATED COMPANIES

Amounts owing by associated companies included under current assets

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unsecured advances:				
- interest free	**-**	2,464	**-**	-

Unsecured advances are repayable on demand.

15. AMOUNTS OWING BY/TO RELATED PARTIES

These represent amounts owing by/to Permodalan Nasional Berhad ("PNB") and the government related entities disclosed in Note 41(a) ("PNB Group"). PNB was I & P Group Sdn. Berhad's previous shareholder and immediate holding company.

The amounts owing by/to related parties are repayable/payable on demand.

16. DEFERRED TAX

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred tax assets	**364,910**	315,812	**1,940**	1,918
Deferred tax liabilities	**(506,016)**	(446,104)	**-**	-
	(141,106)	(130,292)	**1,940**	1,918
At beginning of the year	**(130,292)**	(135,240)	**1,918**	500
(Charged)/Credited to profit or loss	**(11,351)**	4,591	**22**	1,418
Exchange rate differences	**537**	357	**-**	-
At end of the year	**(141,106)**	(130,292)	**1,940**	1,918

The Group has recognised the deferred tax assets as it is probable that its development projects and its cost and efficiency rationalisation strategies would generate sufficient taxable profits in future against which the deferred tax assets can be utilised.

16. DEFERRED TAX (CONT'D)

The temporary differences on which deferred tax assets/liabilities have been recognised are as follows:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Tax effects of:				
- unabsorbed capital allowances	**8,509**	8,196	**589**	82
- unutilised tax losses	**67,666**	84,961	**-**	-
- valuation of development land and property development and construction profits	**(134,809)**	(145,210)	**-**	-
- excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	**(33,040)**	(31,148)	**(255)**	(56)
- fair value changes on investment properties	**(55,348)**	(51,719)	**(109)**	(109)
- others	**5,916**	4,628	**1,715**	2,001
	(141,106)	(130,292)	**1,940**	1,918

Unutilised tax losses, unabsorbed capital allowances and other temporary differences which exist as at 31 December on which deferred tax assets have not been recognised in the financial statements are as follows:

	GROUP	
	2022 RM'000	2021 RM'000
Unutilised tax losses	**493,514**	396,618
Unabsorbed capital allowances	**18,441**	18,834
Others - deductible temporary differences	**110,048**	190,440
	622,003	605,892

Tax losses for which the tax effects have not been recognised in the financial statements:

	GROUP	
	2022 RM'000	2021 RM'000
- Expiring within 1 to 5 years	**-**	-
- Expiring within 6 to 10 years	**493,514**	396,618
	493,514	396,618

Deferred tax assets have not been recognised in respect of these items for certain subsidiary companies as it is not probable that taxable profits of the subsidiary companies would be available against which the unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences could be utilised.

16. DEFERRED TAX (CONT'D)

The unutilised capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Based on the latest Malaysian Finance Act gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses is 10 years.

The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. from years of assessment 2019 to 2028) and any balance of the unutilised losses thereafter shall be disregarded.

As for any unutilised tax losses that originated from the year of assessment 2019 onwards, these are allowed to be carried forward for a maximum period of 10 consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilised tax losses thereafter shall be disregarded.

The foreign unutilised losses and unabsorbed capital allowances applicable to foreign incorporated subsidiary companies, if any, are pre-determined by and subject to the tax legislations of the respective countries.

17. TRADE RECEIVABLES

	GROUP	
	2022 RM'000	2021 RM'000
Non-Current		
Gross progress billings receivable	**61,634**	64,891
Current		
Gross progress billings receivable	**465,355**	585,535
Gross retention sums receivable	**121,543**	137,919
Other gross receivables	**28,104**	16,958
Total gross receivables	**615,002**	740,412
Allowance for impairment loss	**(1,511)**	(1,771)
	613,491	738,641
Total	**675,125**	803,532

The progress billings are due within 14 to 90 days (2021: 14 to 90 days) as stipulated in sale and purchase agreements and construction contracts. The retention sums are due upon the expiry of the defect liability period stated in the respective sale and purchase agreements and construction contracts.

Non-current gross progress billings receivables are due within 2 to 5 years (2021: 2 to 5 years). Current other gross receivables are due within 7 to 90 days (2021: 7 to 90 days).

17. TRADE RECEIVABLES (CONT'D)

Ageing analysis of the Group's trade receivables are as follows:

	GROUP	
	2022 RM'000	2021 RM'000
Neither past due nor impaired	**534,716**	461,605
1 to 30 days past due but not impaired	**66,928**	106,255
31 to 60 days past due but not impaired	**20,273**	54,572
61 to 90 days past due but not impaired	**15,527**	31,195
91 to 120 days past due but not impaired	**4,415**	70,712
More than 121 days past due but not impaired	**33,266**	79,193
	675,125	803,532
Individually impaired	**1,511**	1,771
	676,636	805,303

Receivables that are neither past due nor impaired

The receivables that are neither past due nor impaired are creditworthy debtors with good payment track records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The receivables that are past due but not impaired are mainly related to the progress billings to be settled by the purchasers or the purchasers' end-financiers. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business as the legal title to the properties sold remains with the Group until the purchase consideration is fully settled/paid.

Receivables that are impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

The Group measures allowance for impairment losses of trade receivables based on lifetime ECLs.

The expected credit losses on trade receivables are estimated by reference to historical loss experience of the debtors and an analysis of the debtor's current financial position, adjusted for forward-looking factors specific to the debtors and the general economic conditions, where applicable. The Group generally performs impairment assessment on trade receivables on an individual basis or on an account-by-account basis. In respect of its property development activities, the Group has assessed that these debts should be realised in full without material losses in the ordinary course of business as the legal title to the properties sold remains with the Group until the purchase consideration is fully settled/paid.

17. TRADE RECEIVABLES (CONT'D)

The movement in the allowance for impairment losses of trade receivables during the financial year is as follows:

	GROUP	
	2022 RM'000	2021 RM'000
At beginning of the year	**1,771**	1,992
Allowance for impairment loss during the year	**169**	311
Reversal of allowance for impairment loss during the year	**(388)**	(68)
Bad debts written off	**(41)**	(464)
At end of the year	**1,511**	1,771

The currency exposure profile of trade receivables net of allowance for impairment losses is as follows:

	GROUP	
	2022 RM'000	2021 RM'000
Malaysian Ringgit	**514,895**	800,739
Singapore Dollar	**160,230**	2,793
	675,125	803,532

18. CONTRACT ASSETS/(LIABILITIES)

	GROUP	
	2022 RM'000	2021 RM'000
Contract assets		
Property development *(see Note (a))*	**1,505,309**	1,289,164
Construction and other contracts *(see Note (b))*	**1,435**	996
	1,506,744	1,290,160
Contract liabilities		
Property development *(see Note (a))*	**(72,046)**	(71,812)
Construction and other contracts *(see Note (b))*	**(46,761)**	(47,463)
	(118,807)	(119,275)
	1,387,937	1,170,885

18. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(a) Contract assets and contract liabilities from property development activities

	GROUP	
	2022 RM'000	2021 RM'000
Contract assets	**1,505,309**	1,289,164
Contract liabilities	**(72,046)**	(71,812)
	1,433,263	1,217,352
At beginning of the year	**1,217,352**	1,159,112
Consideration payable to customers	**39,438**	50,206
Revenue recognised during the year	**4,240,595**	3,577,105
Interest income relating to deferred payment scheme	**21,824**	11,623
Progress billings during the year	**(4,100,715)**	(3,577,239)
Exchange rate differences	**14,769**	(3,455)
At end of the year	**1,433,263**	1,217,352

Revenue from property development activities are recognised over time using the input method, which is based on the actual cost incurred to date on the property development projects as compared to the total budgeted cost for the respective development projects.

The transaction price allocated to the unsatisfied performance obligations as at 31 December 2022 is RM4,318,098,000 (2021: RM5,133,469,000). The remaining performance obligations are expected to be recognised as follows:

	GROUP	
	2022 RM'000	2021 RM'000
Within 1 year	**3,720,335**	3,947,384
Between 1 and 4 years	**597,763**	1,186,085
	4,318,098	5,133,469

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(b) Contract assets and contract liabilities from construction and other contracts

	GROUP	
	2022 RM'000	2021 RM'000
Contract assets	**1,435**	996
Contract liabilities	**(46,761)**	(47,463)
	(45,326)	(46,467)
At beginning of the year	**(46,467)**	(47,688)
Revenue recognised during the year	**111,184**	83,707
Progress billings during the year	**(110,043)**	(82,486)
At end of the year	**(45,326)**	(46,467)

Contract expenditure includes the following expenses incurred during the financial year:

	GROUP	
	2022 RM'000	2021 RM'000
Depreciation of property, plant and equipment	**2,860**	3,686
Depreciation of right-of-use - property, plant and equipment	**266**	394
Hire of machinery	**2,936**	11,334
Rental expense	**52**	111

The construction revenue is recognised progressively based on the actual cost incurred to date on the construction projects as compared to the total budgeted cost for the respective projects.

The transaction price allocated to the unsatisfied performance obligations for construction and other contracts as at 31 December 2022 is RM46,761,000 (2021: RM47,464,000).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Lease receivable	**85,105**	79,606	**-**	-
Current				
Dividend receivable	**-**	-	**1,596**	1,596
Deposits	**85,161**	94,967	**112**	112
Value Added Tax/Goods and Services Tax receivables	**18,497**	14,985	**-**	-
Prepayments	**20,001**	32,653	**-**	3
Other sundry receivables	**92,630**	94,953	**326**	175
	216,289	237,558	**2,034**	1,886
Allowance for impairment loss	**(7,325)**	(3,907)	**-**	-
	208,964	233,651	**2,034**	1,886
Total	**294,069**	313,257	**2,034**	1,886

The movement in the allowance for impairment losses of other receivables during the financial year is as follows:

	GROUP	
	2022 RM'000	2021 RM'000
At beginning of the year	**3,907**	3,984
Allowance for impairment loss during the year	**3,418**	-
Written off during the year	**-**	(77)
At end of the year	**7,325**	3,907

The currency exposure profile of other receivables, deposits and prepayments net of allowance for impairment losses is as follows:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysian Ringgit	**270,910**	291,155	**2,034**	1,886
Australian Dollar	**20,298**	19,647	**-**	-
Singapore Dollar	**494**	316	**-**	-
Vietnamese Dong	**2,100**	1,862	**-**	-
Japanese Yen	**260**	269	**-**	-
United States Dollar	**7**	8	**-**	-
	294,069	313,257	**2,034**	1,886

20. CONTRACT COST ASSETS

	GROUP	
	2022 RM'000	2021 RM'000
Contract cost assets		
Costs to fulfil contracts with customers *(Note (a))*	**991,333**	1,595,914
Costs to obtain contracts with customers *(Note (b))*	**105,335**	112,292
	1,096,668	1,708,206
(a) Costs to fulfil contracts with customers		
At beginning of the financial year	**1,595,914**	1,331,233
Costs transferred from inventories - land held for property development *(see Note 6)*	**21,572**	21,748
Costs transferred from inventories - land held for sales	**25,980**	80,089
Costs transferred from inventories - property development costs *(see Note 6)*	**780,971**	1,161,765
Costs incurred during the year	**1,296,631**	1,105,354
Costs recognised in profit or loss during the year	**(2,733,996)**	(2,092,194)
Exchange differences	**4,261**	(12,081)
At end of the financial year	**991,333**	1,595,914
(b) Costs to obtain contracts with customers		
At beginning of the financial year	**112,292**	102,297
Costs incurred during the year	**36,523**	80,878
Costs recognised in profit or loss during the year	**(43,440)**	(70,452)
Exchange differences	**(40)**	(431)
At end of the financial year	**105,335**	112,292

21. SHORT-TERM FUNDS

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At fair value through profit or loss:				
- investments in trust funds in Malaysia	**-**	1,401,604	**-**	304,467

Investments in short-term funds in Malaysia represent investments in trust funds investing in highly liquid money market instrument and deposits with financial institutions in Malaysia and are redeemable with one (1) day notice without penalty or redemption charges. These short-term funds were subject to an insignificant risk of changes in value.

All the short-term funds were denominated in Malaysian Ringgit.

At the previous financial year end, the effective interest rates for the Group's and the Company's short-term funds ranged from 1.46% to 1.91% per annum respectively.

22. SHORT-TERM DEPOSITS

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short-term deposits with licensed banks	**774,206**	206,190	**101,029**	86,875

Included in short-term deposits of the Group is an amount of RM27,936,000 (2021: RM19,428,000) which has been charged to banks as security for banking facilities.

As at reporting date, the effective interest rates for the Group's short-term deposits range from 0.05% to 9.50% (2021: 0.05% to 3.50%). As at reporting date, the effective interest rates for the Company's short-term deposits range from 2.90% to 3.40% (2021: 0.11% to 0.15%). All short-term deposits have average maturity periods of within a year.

The currency exposure profile of short-term deposits is as follows:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysian Ringgit	**269,876**	11,575	**99**	-
Australian Dollar	**271,756**	57,522	**1,629**	-
Singapore Dollar	**-**	15,448	**-**	-
Vietnamese Dong	**58,850**	34,770	**-**	-
United States Dollar	**-**	10,585	**-**	10,585
Great British Pound	**173,724**	76,290	**99,301**	76,290
	774,206	206,190	**101,029**	86,875

23. CASH AND BANK BALANCES

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash and bank balances include monies in:				
- Housing Development Accounts	**940,465**	881,743	**-**	-
- Sinking Fund Accounts	**3,128**	6,911	**-**	-
- Debt Service Reserve Accounts	**59,663**	49,449	**16,520**	15,270
- Escrow Accounts	**22,835**	25,370	**-**	-
- Revenue Accounts	**5,002**	10,489	**-**	-
- Rights and Excess Accounts	**26**	100	**26**	100

Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Developers (Housing Development Account) Regulations 1991.

Funds maintained in the Housing Development Accounts earn interest ranging from 0.25% to 3.82% (2021: 0.25% to 1.55%) per annum.

23. CASH AND BANK BALANCES (CONT'D)

The sinking fund, debt service reserve, escrow and revenue accounts were opened in accordance with the terms and conditions set out in the term loan agreements referred to in Note 29 below.

The currency exposure profile of cash and bank balances is as follows:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysian Ringgit	**1,362,235**	1,251,945	**160,942**	135,017
Singapore Dollar	**179,239**	138,674	**-**	-
Australian Dollar	**204,122**	19,746	**29**	109
Great British Pound	**96,953**	10,985	**10,745**	6,457
Vietnamese Dong	**11,566**	27,586	**-**	-
United States Dollar	**3,873**	12,211	**1,390**	86
Japanese Yen	**714**	2,275	**-**	-
	1,858,702	1,463,422	**173,106**	141,669

24. SHARE CAPITAL

	GROUP/COMPANY			
	2022		2021	
	NUMBER OF SHARES '000	AMOUNT RM'000	NUMBER OF SHARES '000	AMOUNT RM'000
Issued and fully paid share capital:				
At beginning of the year	**4,067,978**	**8,490,225**	4,056,733	8,468,287
Issuance of shares:				
- vesting of ESGP	**7,376**	**9,277**	10,877	21,552
- exercise of ESOS	**133**	**140**	368	386
Conversion from RCPS-i B *	**0**	**0**	-	-
At end of the year	**4,075,487**	**8,499,642**	4,067,978	8,490,225

* *Conversion of 42 RCPS-i B to 11 ordinary shares amounting to RM37*

24. SHARE CAPITAL (CONT'D)

During the financial year, the issued and paid-up ordinary share capital of the Company was increased by way of the following:

(a) Allotment of 7,376,071 new ordinary shares pursuant to the vesting of shares under the Employee Share Grant Plan ("ESGP") at the price of RM0.67 per share;

(b) Issuance of 133,450 new ordinary shares pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS") at the price of RM0.77 per share; and

(c) Conversion of 42 RCPS-i B to 11 ordinary shares with the conversion ratio of five (5) new S P Setia Berhad shares for eighteen (18) RCPS-i B held.

The Long Term Incentive Plan ("LTIP" or "Scheme") was implemented on 10 April 2013. The LTIP, which comprises the ESGP and ESOS allows the Company to grant shares and/or share options under the ESGP and ESOS respectively to eligible employees and Executive Directors of the Group of up to 15% of the issued and paid-up share capital of the Company. The LTIP is governed by the By-Laws of the LTIP which was approved by the shareholders on 28 February 2013 and is administered by the Nomination and Remuneration Committee ("NRC") which is appointed by the Board, in accordance with the By-Laws.

On 23 February 2017, the Board of Directors approved the extension of the LTIP for another 5 years pursuant to By-Laws 18.2 of the By-Laws of LTIP and as such the LTIP shall be in force for a period of 10 years up to 9 April 2023.

The main features of the Scheme are as follows:

(a) The maximum number of new ordinary shares which may be made available under the Scheme at the point in time when an LTIP award is offered shall not be more than fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company.

(b) The LTIP awards shall be awarded after taking into consideration the employee's position, contribution and performance (where applicable) or such criteria as the NRC may deem fit subject to the following:

   (i) that the number of new ordinary shares made available under the Scheme shall not exceed the amount stipulated in (a) above; and

   (ii) that not more than ten percent (10%) of the total new ordinary shares to be issued under the Scheme at the point in time when an LTIP award is offered be allocated to any employee or Executive Director who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more in the issued and paid-up share capital of the Company.

(c) In the case of the ESGP, the shares will be vested with the grantee at no consideration on the vesting date; while in the case of the ESOS, the option price will be determined based on the five (5) days volume weighted average market price of the ordinary shares on the date the ESOS award is offered with a potential discount of not more than ten percent (10%) or any such other limit in accordance with any prevailing guideline issued by Bursa Malaysia Securities Berhad or any other relevant authorities as may be amended from time to time.

(d) The shares and share options granted under the ESGP and ESOS will vest over a remaining period of less than one (1) year from the financial year end.

24. SHARE CAPITAL (CONT'D)

The movement during the financial year in the number of shares and share options in which employees of the Group and the Company are entitled to are as follows:

ESGP

	AT 1.1.2022 '000	GRANTED '000	VESTED '000	LAPSED '000	AT 31.12.2022 '000
Offer 8	**-**	-	-	-	**-**
Offer 9	**3,812**	-	(3,758)	(54)	**-**
Offer 10	**3,939**	-	(1,900)	(363)	**1,676**
Offer 11	**5,496**	-	(1,718)	(534)	**3,244**
	13,247	-	(7,376)	(951)	**4,920**

ESOS

	AT 1.1.2022 '000	GRANTED '000	EXERCISED '000	LAPSED '000	AT 31.12.2022 '000
Offer 1	**5,132**	-	-	(1,492)	**3,640**
Offer 3	**1,064**	-	-	(685)	**379**
Offer 4	**9,967**	-	-	(5,103)	**4,864**
Offer 5	**6,517**	-	-	(3,105)	**3,412**
Offer 6	**93,005**	-	-	(25,689)	**67,316**
Offer 7	**17,569**	-	-	(6,430)	**11,139**
Offer 8	**2,193**	-	-	(137)	**2,056**
Offer 9	**2,798**	-	(133)	(56)	**2,609**
Offer 10	**-**	882	-	(374)	**508**
Offer 11	**-**	749	-	-	**749**
	138,245	1,631	(133)	(43,071)	**96,672**

24. SHARE CAPITAL (CONT'D)

The fair values of the shares and share options granted under the ESGP and ESOS to which MFRS 2 applies were determined using the binomial model. The significant inputs into the model were as follows:

	ESGP										
	Offer 1	Offer 2	Offer 3	Offer 4	Offer 5	Offer 6	Offer 7	Offer 8	Offer 9	Offer 10	Offer 11
Exercise price	*	*	*	*	*	*	*	*	*	*	*
Date of grant	6 May 2013	19 August 2013	31 October 2014	20 August 2015	17 August 2016	7 August 2017	2 January 2018	9 August 2018	20 August 2019	25 August 2020	24 August 2021
Fair value at grant date	RM3.15	RM3.14	RM3.13	RM3.01	RM3.27	RM3.05	RM3.21	RM2.85	RM1.57	RM0.81	RM1.07
Vesting period / Option life	3 years	3 years	3 years	3 years	1 year 5 months	3 years	3 years	3 years	3 years	2 years	1 year 8 months
Weighted average share price at grant date	RM3.42	RM3.37	RM3.35	RM3.02	RM3.17	RM3.30	RM3.40	RM2.96	RM1.73	RM0.81	RM1.10
Expected dividend yield	4.1%	4.2%	3.3%	3.0%	5.3%	6.0%	5.8%	5.1%	5.2%	1.2%	3.7%
Risk-free interest rates	3.21%	3.67%	3.71%	4.01%	3.4%	3.4%	3.4%	3.7%	3.5%	2.0%	1.9%
Expected volatility	18.62%	18.82%	18.51%	21.34%	22.88%	24.26%	53.21%	40.33%	27.91%	47.48%	28.55%

24. SHARE CAPITAL (CONT'D)

	ESOS										
	Offer 1	Offer 2	Offer 3	Offer 4	Offer 5	Offer 6	Offer 7	Offer 8	Offer 9	Offer 10	Offer 11
Exercise price	RM2.54^	RM2.50^	RM2.49^	RM2.24^	RM2.36^	RM2.60^	RM2.42^	RM1.41^	RM0.66^	RM1.01^	RM0.84^
Date of grant	6 May 2013	19 August 2013	31 October 2014	20 August 2015	17 August 2016	7 August 2017	9 August 2018	20 August 2019	25 August 2020	4 February 2022	18 May 2022
Fair value at grant date	RM0.51	RM0.52	RM0.53	RM0.57	RM0.55	RM0.51	RM0.87	RM0.27	RM0.28	RM0.17	RM0.07
Vesting period / Option life	8 years 3 months	8 years 3 months	7 years 3 months	6 years 3 months	5 years 4 months	4 years 10 months	3 years 3 months	2 years 3 months	1 year 9 months (from July 2021 to April 2023)	9 months (from July 2022 to April 2023)	9 months (from July 2022 to April 2023)
Weighted average share price at grant date	RM3.42	RM3.37	RM3.35	RM3.02	RM3.17	RM3.30	RM2.96	RM1.73	RM0.81	RM1.23	RM1.03
Expected dividend yield	4.1%	4.2%	3.3%	3.0%	5.3%	6.0%	5.1%	5.2%	1.2%	6.4%	5.99%
Risk-free interest rates	3.21%	3.67%	3.71%	4.01%	3.4%	3.4%	3.7%	3.5%	2.0%	1.99%	2.85%
Expected volatility	18.62%	18.82%	18.51%	21.34%	22.88%	24.26%	40.33%	27.91%	47.48%	42.13%	40.06%

* *The shares under the ESGP will vest with the grantee at no consideration on the vesting date*

^ *Pursuant to the LTIP By-Laws of the Company, the ESOS exercise price options were adjusted for the rights issue of up to 2,472,010,007 RCPS-i C in S P Setia Berhad which were allotted on 23 November 2022 and listed on 29 November 2022 ("Rights Issue Adjustment")*

The expected life of the shares and share options are based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the shares and/or share options granted were incorporated into the measurement of fair value.

25. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") ("RCPS-i B") ("RCPS-i C")

	GROUP/COMPANY			
	2022		2021	
	NUMBER OF SHARES '000	AMOUNT RM'000	NUMBER OF SHARES '000	AMOUNT RM'000
Issued and fully paid RCPS-i A:				
At beginning/end of the year	**1,088,658**	**1,087,363**	1,088,658	1,087,363
Issued and fully paid RCPS-i B:				
At beginning of the year	**1,176,382**	**1,035,218**	1,176,382	1,035,218
Conversion to ordinary shares * *(see Note 24)*	**0**	**0**	-	-
Redemption of shares	**(1,176,382)**	**(1,035,218)**	-	-
At end of the year	**-**	**-**	1,176,382	1,035,218
Issued and fully paid RCPS-i C:				
Issuance of shares	**2,472,011**	**939,364**	-	-
Share issuance expenses	**-**	**(2,163)**	-	-
At end of the year	**2,472,011**	**937,201**	-	-

* Conversion of 42 RCPS-i B to 11 ordinary shares amounting to RM37

RCPS-i A

The RCPS-i A issued by the Company to the shareholders are convertible at any time at the discretion of the holder commencing 2 December 2016 ("Issue Date A") up to such date no later than nine (9) market days prior to the relevant redemption date into such number of fully paid new S P Setia shares without payment of any consideration (cash or otherwise) and with the conversion ratio of two (2) new S P Setia shares for seven (7) RCPS-i A held.

The Company may at any time on or after the 15th anniversary of the Issue Date A, at its discretion, redeem all (and not some only of) the outstanding RCPS-i A in cash at the redemption price which shall be the aggregate of the issue price of RM1.00, any preferential dividends declared but unpaid as at the redemption date and any Deferred Dividends A (as defined below) as at the redemption date.

Under the Constitution, the conversion ratio for RCPS-i A is subject to adjustments from time to time, at the determination of our Board, in the event of any alteration to our Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being affected, in accordance with the provisions of the Constitution. Pursuant to the rights issue of S P Setia shares undertaken by the Company in current year, the conversion ratio for RCPS-i A has been adjusted from fifty (50) new S P Setia shares for one hundred sixty-nine (169) RCPS-i A held to ten (10) new S P Setia shares for twenty-nine (29) RCPS-i A held. The effective date for the adjusted conversion ratio was 3 November 2022.

25. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") ("RCPS-i B") ("RCPS-i C") (CONT'D)

The RCPS-i A confers on holders, the following rights and privileges:

(i) The right to receive preferential dividends, out of distributable profits of the Company earned from the first day of the calendar month following the Issue Date A ("Profits for RCPS-i A") when declared and approved by the Board of the Company, at an expected preferential dividend rate of 6.49%.

From the period commencing on and including the 15th anniversary of the Issue Date A until the redemption date, an additional stepped-up preferential dividend rate of 1.0% per annum above the expected rate abovementioned, shall be payable on the RCPS-i A on an annual basis, provided that the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends, if applicable) ("Expected Preferential Dividend Rate A") shall not exceed a total rate of 20%. The maximum amount of preferential dividends that can be declared and paid on each preferential dividend entitlement date ("Expected Preferential Dividend Amount A") shall be capped at such Expected Preferential Dividend Rate A unless otherwise decided by the Board of the Company.

On any preferential dividend entitlement date for RCPS-i A:

i. In the event that the Profits for RCPS-i A are lower than the Expected Preferential Dividend Amount A and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount A (in whole or in part):

(a) The Company may, at its discretion, declare and pay any amount of preferential dividends up to an amount equal to the Profits for RCPS-i A as at such preferential dividend entitlement date. The amount of Profits for RCPS-i A declared as preferential dividends by the Company on a particular preferential dividend entitlement date, if any shall be referred to as ("Declared Sum A"); and

(b) The amount equivalent to the difference between the Profits for RCPS-i A as at such preferential dividend entitlement date and Declared Sum A, shall be cumulative ("Deferred Dividends A-1"), so long as the RCPS-i A remains unredeemed.

ii. In the event that the Profits for RCPS-i A are more than the Expected Preferential Dividend Amount A and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount A (in whole or in part), the amount equivalent to the difference between the Expected Preferential Dividend Amount A and the Declared Sum A, shall be cumulative ("Deferred Dividends A-2"), so long as the RCPS-i A remains unredeemed.

Deferred Dividends A-1 and A-2 (as the case may be) ("Deferred Dividends A") may be declared and/or paid, at the discretion of the Company, on any subsequent preferential dividend entitlement date for RCPS-i A, provided that the Cumulative Condition A (as defined below) is fulfilled on such preferential dividend entitlement date.

"Cumulative Condition A" of the RCPS-i A means on any preferential dividend entitlement date, the Company:

(a) has sufficient Profits for RCPS-i A that is at least equivalent to the aggregate of the Declared Sum A and any Deferred Dividends A accumulated as at and on such preferential dividend entitlement date;

(b) has maintained books and records that evidence the Company having Profits for RCPS-i A that is at least equivalent to the aggregate of the Declared Sum A and any Deferred Dividends A accumulated as at and on such preferential dividend entitlement date; and

(c) makes an announcement on the Main Market of Bursa Malaysia Securities Berhad that such amount of Deferred Dividends A on such preferential dividend entitlement date shall be cumulative.

25. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") ("RCPS-i B") ("RCPS-i C") (CONT'D)

RCPS-i A (CONT'D)

Where there is no Profit for RCPS-i A available for the declaration and payment of dividends, the Company shall have no obligation to declare or distribute any preferential dividends on the relevant preferential dividend entitlement date for RCPS-i A. Such preferential dividends shall not be cumulative.

Each RCPS-i A holder will cease to receive any preferential dividends from and including the date the RCPS-i A is converted into new S P Setia shares save for preferential dividends declared but unpaid up to the date of conversion.

(ii) The rights as regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of the Company, save and except in the respect of any resolution made:

i. when the preferential dividends for RCPS-i A or any part thereof is in arrears and unpaid for more than six (6) months;

ii. on a proposal to reduce the Company's share capital;

iii. on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;

iv. on a proposal to wind up the Company;

v. during the winding up of the Company; or

vi. on any proposal that affects the rights and privileges attached to the RCPS-i A, including the amendments to the Constitution of the Company.

In any of the aforesaid circumstances, each RCPS-i A holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RCPS-i A held.

RCPS-i B

The RCPS-i B issued by the Company to the shareholders are convertible at any time at the discretion of the holder commencing 29 December 2017 ("Issue Date B") up to such date no later than nine (9) market days prior to the relevant redemption date into such number of fully paid new S P Setia shares without payment of any consideration (cash or otherwise) and with the conversion ratio of five (5) new S P Setia shares for twenty one (21) RCPS-i B held.

The Company may at any time on or after the 5th anniversary of the Issue Date B, at its discretion, redeem all (and not some only of) the outstanding RCPS-i B in cash at the redemption price which shall be the aggregate of the issue price of RM0.88, any preferential dividends declared but unpaid as at the redemption date and any Deferred Dividends B (as defined below) as at the redemption date.

Under the Constitution, the conversion ratio for RCPS-i B is subject to adjustments from time to time, at the determination of our Board, in the event of any alteration to our Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being affected, in accordance with the provisions of the Constitution. Pursuant to the rights issue of S P Setia shares undertaken by the Company in current year, the conversion ratio for RCPS-i B has been adjusted from five (5) new S P Setia shares for twenty-one (21) RCPS-i B held to five (5) new S P Setia shares for eighteen (18) RCPS-i B held. The effective date for the adjusted conversion ratio was 3 November 2022.

25. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") ("RCPS-i B") ("RCPS-i C") (CONT'D)

RCPS-i B (CONT'D)

The RCPS-i B confers on holders, the following rights and privileges:

(i) The right to receive preferential dividends, out of distributable profits of the Company earned from the first day of the calendar month following the Issue Date B ("Profits for RCPS-i B") when declared and approved by the Board of the Company, at an expected preferential dividend rate of 5.93%.

From the period commencing on and including the 5th anniversary of the Issue Date B until the redemption date, an additional stepped-up preferential dividend rate of 1.0% per annum above the expected rate abovementioned, shall be payable on the RCPS-i B on an annual basis, provided that the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends, if applicable) ("Expected Preferential Dividend Rate B") shall not exceed a total rate of 20%. The maximum amount of preferential dividends that can be declared and paid on each preferential dividend entitlement date ("Expected Preferential Dividend Amount B") shall be capped at such Expected Preferential Dividend Rate B unless otherwise decided by the Board of the Company.

On any preferential dividend entitlement date for RCPS-i B:

i. In the event that the Profits for RCPS-i B are lower than the Expected Preferential Dividend Amount B and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount B (in whole or in part):

(a) The Company may, at its discretion, declare and pay any amount of preferential dividends up to an amount equal to the Profits for RCPS-i B as at such preferential dividend entitlement date. The amount of Profits for RCPS-i B declared as preferential dividends by the Company on a particular preferential dividend entitlement date, if any shall be referred to as ("Declared Sum B"); and

(b) The amount equivalent to the difference between the Profits for RCPS-i B as at such preferential dividend entitlement date and Declared Sum B, shall be cumulative ("Deferred Dividends B-1"), so long as the RCPS-i B remains unredeemed.

ii. In the event that the Profits for RCPS-i B are more than the Expected Preferential Dividend Amount B and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount B (in whole or in part), the amount equivalent to the difference between the Expected Preferential Dividend Amount B and the Declared Sum B, shall be cumulative ("Deferred Dividends B-2"), so long as the RCPS-i B remains unredeemed.

Deferred Dividends B-1 and B-2 (as the case may be) ("Deferred Dividends B") may be declared and/or paid, at the discretion of the Company, on any subsequent preferential dividend entitlement date for RCPS-i B, provided that the Cumulative Condition B (as defined below) is fulfilled on such preferential dividend entitlement date.

"Cumulative Condition B" of the RCPS-i B means on any preferential dividend entitlement date, the Company:

(a) has sufficient Profits for RCPS-i B that is at least equivalent to the aggregate of the Declared Sum B and any Deferred Dividends B accumulated as at and on such preferential dividend entitlement date;

(b) has maintained books and records that evidence the Company having Profits for RCPS-i B that is at least equivalent to the aggregate of the Declared Sum B and any Deferred Dividends B accumulated as at and on such preferential dividend entitlement date; and

(c) makes an announcement on the Main Market of Bursa Malaysia Securities Berhad that such amount of Deferred Dividends B on such preferential dividend entitlement date shall be cumulative.

25. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") ("RCPS-i B") ("RCPS-i C") (CONT'D)

RCPS-i B (CONT'D)

Where there is no Profit for RCPS-i B available for the declaration and payment of dividends, the Company shall have no obligation to declare or distribute any preferential dividends on the relevant preferential dividend entitlement date for RCPS-i B. Such preferential dividends shall not be cumulative.

Each RCPS-i B holder will cease to receive any preferential dividends from and including the date the RCPS-i B is converted into new S P Setia Shares save for preferential dividends declared but unpaid up to the date of conversion.

(ii) The rights as regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of the Company, save and except in the respect of any resolution made:

i. when the preferential dividends for RCPS-i B or any part thereof is in arrears and unpaid for more than six (6) months;

ii. on a proposal to reduce the Company's share capital;

iii. on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;

iv. on a proposal to wind up the Company;

v. during the winding up of the Company; or

vi. on any proposal that affects the rights and privileges attached to the RCPS-i B, including the amendments to the Constitution of the Company.

In any of the aforesaid circumstances, each RCPS-i B holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RCPS-i B held.

The Company had issued notice to RCPS-i B holders on 30 November 2022 in relation to the full redemption of RCPS-i B. On 29 November 2022, the Company announced a preferential dividend for RCPS-i B for the period from 1 July 2022 to 30 December 2022, to be payable on 30 December 2022. The Company fully redeemed all the outstanding RCPS-i B on 30 December 2022 in cash at the redemption price of the aggregate of the issue price of RM0.88 and preferential dividends declared but unpaid as at the redemption date.

RCPS-i C

During the current financial year, the Company has undertaken a renounceable rights issue of 2,472,010,007 RCPS-i C at an issue price of RM0.38 per share to raise gross proceeds of RM939,364,000 to part settle the redemption of RCPS-i B. The RCPS-i C was issued on 24 November 2022 and listed on 30 November 2022.

The RCPS-i C issued by the Company to the shareholders are convertible at any time at the discretion of the holder commencing 30 November 2022 ("Issue Date C") up to such date no later than nine (9) market days prior to the relevant redemption date into such number of fully paid new S P Setia shares without payment of any consideration (cash or otherwise) and with the conversion ratio of thirty two (32) new S P Setia shares for sixty seven (67) RCPS-i C held.

The Company may at any time on or after the 5th anniversary of the Issue Date C, at its discretion, redeem all (and not part) the outstanding RCPS-i C in cash at the redemption price which shall be the aggregate of the issue price of RM0.38, any preferential dividends declared but unpaid as at the redemption date and any Deferred Dividends C (as defined below) as at the redemption date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

25. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") ("RCPS-i B") ("RCPS-i C") (CONT'D)

RCPS-i C (CONT'D)

The RCPS-i C confers on holders, the following rights and privileges:

(i) The right to receive preferential dividends, out of distributable profits of the Company earned from the first day of the calendar month following the Issue Date C ("Profits for RCPS-i C") when declared and approved by the Board of the Company, at an expected preferential dividend rate of 5.43%.

From the period commencing on and including the 5th anniversary of the Issue Date C until the redemption date, an additional stepped-up preferential dividend rate of 1.0% per annum above the expected rate mentioned above, shall be payable on the RCPS-i C on an annual basis, provided that the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends, if applicable) ("Expected Preferential Dividend Rate C") shall not exceed a total rate of 20%. The maximum amount of preferential dividends that can be declared and paid on each preferential dividend entitlement date ("Expected Preferential Dividend Amount C") shall be capped at such Expected Preferential Dividend Rate C unless otherwise decided by the Board of the Company.

On any preferential dividend entitlement date for RCPS-i C:

i. In the event that the Profits for RCPS-i C are lower than the Expected Preferential Dividend Amount C and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount C (in whole or in part):

(a) The Company may, at its discretion, declare and pay any amount of preferential dividends up to an amount equal to the Profits for RCPS-i C as at such preferential dividend entitlement date. The amount of Profits for RCPS-i C declared as preferential dividends by the Company on a particular preferential dividend entitlement date, if any shall be referred to as ("Declared Sum C"); and

(b) The amount equivalent to the difference between the Profits for RCPS-i C as at such preferential dividend entitlement date and Declared Sum C, shall be cumulative ("Deferred Dividends C-1"), so long as the RCPS-i C remains unredeemed.

ii. In the event that the Profits for RCPS-i C are more than the Expected Preferential Dividend Amount C and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount C (in whole or in part), the amount equivalent to the difference between the Expected Preferential Dividend Amount C and the Declared Sum C, shall be cumulative ("Deferred Dividends C-2"), so long as the RCPS-i C remains unredeemed.

Deferred Dividends C-1 and C-2 (as the case may be) ("Deferred Dividends C") may be declared and/or paid, at the discretion of the Company, on any subsequent preferential dividend entitlement date for RCPS-i C, provided that the Cumulative Condition C (as defined below) is fulfilled on such preferential dividend entitlement date.

"Cumulative Condition C" of the RCPS-i C means on any preferential dividend entitlement date, the Company:

(a) has sufficient Profits for RCPS-i C that is at least equivalent to the aggregate of the Declared Sum C and any Deferred Dividends C accumulated as at and on such preferential dividend entitlement date;

(b) has maintained books and records that evidence the Company having Profits for RCPS-i C that is at least equivalent to the aggregate of the Declared Sum C and any Deferred Dividends C accumulated as at and on such preferential dividend entitlement date; and

(c) makes an announcement on the Main Market of Bursa Malaysia Securities Berhad that such amount of Deferred Dividends C on such preferential dividend entitlement date shall be cumulative.

Where there is no Profit for RCPS-i C available for the declaration and payment of dividends, the Company shall have no obligation to declare or distribute any preferential dividends on the relevant preferential dividend entitlement date for RCPS-i C. Such preferential dividends shall not be cumulative.

25. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") ("RCPS-i B") ("RCPS-i C") (CONT'D)

RCPS-i C (CONT'D)

Each RCPS-i C holder will cease to receive any preferential dividends from and including the date the RCPS-i C is converted into new S P Setia Shares save for preferential dividends declared but unpaid up to the date conversion.

(ii) The rights as regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of the Company, save and except in the respect of any resolution made:

i. when the preferential dividends for RCPS-i C or any part thereof is in arrears and unpaid for more than six (6) months;

ii. on a proposal to reduce the Company's share capital;

iii. on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;

iv. on a proposal to wind up the Company;

v. during the winding up of the Company; or

vi. on any proposal that affects the rights and privileges attached to the RCPS-i C, including the amendments to the Constitution of the Company.

In any of the aforesaid circumstances, each RCPS-i C holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RCPS-i C held.

26. RESERVES

(a) Share-based payment reserve

The share-based payment reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. The details of these plans are disclosed in Note 24.

(b) Reserve on acquisition arising from common control

	GROUP	
	2022 RM'000	2021 RM'000
Reserve on acquisition arising from common control	**(1,295,884)**	(1,295,884)

This represents the difference between the consideration payable on the acquisition of I & P Group Sdn. Berhad in prior years in excess of the equity of I & P Group Sdn. Berhad arising as a result of the application of the pooling of interests method of accounting whereby assets, liabilities and reserves of the entities are recorded at their pre-combination carrying amounts or existing carrying amounts from the perspective of common control shareholder.

(c) Exchange translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of all entities within the Group whose functional currencies are different from the Group's presentation currency.

27. REDEEMABLE CUMULATIVE PREFERENCE SHARES (UNSECURED)

The redeemable cumulative preference shares ("RCPS") issued by subsidiaries of the Company ("the Subsidiaries") are redeemable at any time at the discretion of the Subsidiaries after 5th anniversary but before the 8th to 10th anniversary of the respective issue dates, provided always that the redemption sum to be determined shall not be less than RM1.00 and any amount of dividend payable on the redemption date (including the aggregate amount of any arrears or accruals of dividend, whether or not declared, at the time of redemption).

The preference shares confer on their holders the following rights and privileges:

(i) The right to be paid, a cumulative preferential dividend of 4% per annum on the issue price, or at 500% per annum gross based on its nominal value;

(ii) The right in a winding up or return of capital (other than on the redemption of the preference shares) to receive, in priority to the holders of any other class of shares in the capital of the Subsidiaries, repayment in full of RM1.00 and the payment of any cumulative preferential dividend calculated up to the date of commencement of the winding up or return of capital, but no further right to share in surplus assets; and

(iii) The right to receive notice of and attend all general meetings of the Subsidiaries, and shall have the right on a poll at any general meeting of the Subsidiaries to one vote for each preference share held:

(a) upon any resolution which varies or is deemed to vary the rights attached to the preference shares;

(b) upon any resolution for the reduction of capital of the Subsidiaries; and

(c) upon any resolution for the winding up of the Subsidiaries,

but shall otherwise have no right to vote at general meetings of the Subsidiaries.

28. OTHER PAYABLES AND ACCRUALS

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Unpaid consideration for acquisition of development land	**68,078**	61,850	**-**	-
Current				
Unsecured advances	**17,253**	16,015	**-**	-
Interest accrued	**27,033**	16,028	**21,371**	11,174
Deposits received	**101,702**	93,048	**-**	-
Unpaid consideration for acquisition of development land	**231,753**	241,286	**-**	-
Accrued selling and marketing costs	**160,132**	150,478	**-**	-
Other sundry payables and accruals	**348,719**	287,164	**13,268**	13,008
	886,592	804,019	**34,639**	24,182
Total	**954,670**	865,869	**34,639**	24,182

The unsecured advances are from minority shareholders of subsidiary companies. These advances are interest free and payable on demand.

The currency exposure profile of other payables and accruals is as follows:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysian Ringgit	**891,931**	835,869	**28,267**	20,894
Vietnamese Dong	**19,749**	20,756	**-**	-
Singapore Dollar	**2,437**	1,124	**-**	-
Australian Dollar	**34,260**	4,726	**241**	41
Great British Pound	**6,131**	3,247	**6,131**	3,247
Japanese Yen	**162**	147	**-**	-
	954,670	865,869	**34,639**	24,182

29. BORROWINGS

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current				
Secured:				
Term loans	**2,750,084**	3,785,924	**-**	-
Bridging loans	**42,051**	144,140	**-**	-
Revolving credits	**-**	56,000	**-**	-
Medium term notes and commercial paper *(Note b)*	**760,228**	829,213	**-**	-
Hire purchase and finance lease *(Note a)*	**613**	598	**-**	-
Unsecured:				
Term loans	**1,411,127**	3,695,531	**1,261,692**	2,590,911
Sukuk Wakalah *(Note c)*	**1,995,082**	797,235	**1,995,082**	797,235
	6,959,185	9,308,641	**3,256,774**	3,388,146
Current				
Secured:				
Term loans	**1,175,768**	1,148,293	**-**	-
Bridging loans	**-**	9,324	**-**	-
Revolving credits	**628,296**	678,426	**-**	-
Medium term notes and commercial paper *(Note b)*	**72,538**	22,157	**-**	-
Hire purchase and finance lease *(Note a)*	**464**	815	**-**	-
Unsecured:				
Term loans	**2,222,345**	624,540	**1,363,795**	624,540
Revolving credits	**321,000**	734,257	**320,000**	733,257
Bank overdrafts	**-**	29,419	**-**	-
	4,420,411	3,247,231	**1,683,795**	1,357,797
Total borrowings	**11,379,596**	12,555,872	**4,940,569**	4,745,943
The borrowings are repayable as follows:				
Not later than one year	**4,420,411**	3,247,231	**1,683,795**	1,357,797
Later than one year but not later than five years	**4,819,329**	7,857,312	**2,109,597**	3,089,204
Later than five years	**2,139,856**	1,451,329	**1,147,177**	298,942
	11,379,596	12,555,872	**4,940,569**	4,745,943

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. BORROWINGS (CONT'D)

	GROUP	
	2022 RM'000	2021 RM'000
Note a		
The minimum lease payments are as follows:		
Not later than one year	**521**	955
Later than one year but not later than five years	**702**	638
Total minimum lease payments	**1,223**	1,593
Amount representing finance charges	**(146)**	(180)
Present value of minimum lease payment	**1,077**	1,413
The present value of payments are as follows:		
Not later than one year	**464**	815
Later than one year but not later than five years	**613**	598
Present value of minimum lease payments	**1,077**	1,413

The range of interest rates per annum at the reporting date for borrowings are as follows:

	GROUP		COMPANY	
	2022 %	2021 %	2022 %	2021 %
Term loans	**1.06 - 6.89**	1.08 - 4.15	**1.85 - 6.89**	1.71 - 3.65
Bridging loans	**3.50 - 5.65**	3.00 - 3.65	**-**	-
Revolving credits	**3.30 - 4.98**	2.80 - 4.15	**3.38 - 4.07**	2.93 - 3.28
Medium term notes and commercial paper	**4.26 - 4.81**	3.59 - 4.02	**-**	-
Hire purchase and finance lease	**4.26 - 4.50**	4.26 - 4.50	**-**	-
Bank overdrafts	**-**	3.13 - 3.25	**-**	-
Sukuk Wakalah	**3.85 - 4.80**	3.85 - 4.30	**3.85 - 4.80**	3.85 - 4.30

The borrowings are secured by:

- various fixed and floating charges and deeds of assignment over various assets belonging to the Group, including properties as indicated in Notes 2, 4 and 6 above; and
- short-term deposits, sinking fund, debt service reserve, escrow and revenue accounts as indicated in Notes 22 and 23 above.

29. BORROWINGS (CONT'D)

Note b

Medium Term Notes ("MTN") and Commercial Paper ("CP")

In prior years, Setia Alamsari Sdn Bhd ("Setia Alamsari"), a wholly-owned subsidiary of the Group, had issued Islamic MTN ("Sukuk Murabahah")("Alamsari MTN") with a total nominal value of RM358 million pursuant to a Sukuk Murabahah Programme (the "Programme"). The Programme, which has a tenure of 10 years from the date of first issuance is to partially finance the purchase consideration of parcels of land acquired by Setia Alamsari in the prior years and its related land conversion premium.

The interest payment is due every quarter with a profit rate of between 3.59% to 4.81% (2021: 3.59% to 3.60%) per annum, commencing from the issue date of the Alamsari MTN.

The Alamsari MTN is secured by:

(i) First party first legal charge over the freehold land of Setia Alamsari held under inventories as disclosed in Note 6;

(ii) Corporate guarantee from the Company; and

(iii) First ranking charge over the Finance Service Reserve Account.

As at 31 December 2022, the outstanding amount of the Alamsari MTN is RM324 million (2021: RM347 million).

In prior years, a wholly-owned subsidiary of the Group, Setia Fontaines Sdn Bhd ("Setia Fontaines") issued Islamic MTN ("Sukuk Murabahah")("Setia Fontaines MTN") amounting to RM434 million pursuant to a Sukuk Murabahah Programme of up to RM434 million in nominal value ("Sukuk Murabahah Programme") to finance the purchase of freehold land acquired by Setia Fontaines. Setia Fontaines had subsequently upsized the existing Sukuk Murabahah Programme to RM2.5 billion in nominal value with approved subscription of up to RM749 million. The Sukuk Murabahah Programme comprises of 4 Tranches with the purpose to redeem the Tranche 1 of the Sukuk Murabahah Programme of RM434 million and to partly finance the construction and development cost to be incurred by Setia Fontaines on its land held under Mukim 6, Daerah Seberang Perai Utara, Pulau Pinang. The Sukuk Murabahah Programme has a tenure between 10 to 12 years from the date of the first issuance.

The profit payment is due every month with the profit rate of between 3.72% to 4.76% (2021: 3.72% to 4.02%) per annum, commencing from the issuance date of the Setia Fontaines MTN.

The Setia Fontaines MTN is secured by:

(i) First legal charge created over the freehold land of Setia Fontaines under inventories as disclosed in Note 6;

(ii) Corporate guarantee by the Company;

(iii) Legal charge over designated accounts; and

(iv) Assignment and legal charge over redemption proceeds account.

As at 31 December 2022, the outstanding amount of the Setia Fontaines MTN is RM510 million (2021: RM508 million).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. BORROWINGS (CONT'D)

Note c

Islamic Medium Term Notes ("Sukuk Wakalah")

On 4 May 2021, the Company made a lodgement to the Securities Commission Malaysia ("SC") for the establishment of a rated Islamic Medium Term Notes Programme of up to RM3.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") under the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

The Sukuk Wakalah Programme allows for the issuance of rated and senior unsecured sukuk ("Sukuk Wakalah") from time to time, subject to total outstanding amount of Sukuk Wakalah not exceeding RM3.0 billion at any point in time. The Sukuk Wakalah Programme has been accorded a credit rating of AAis by Malaysian Rating Corporation Berhad.

During the financial year, the Company has issued the following Sukuk Wakalah:

TRANCHE	ISSUANCE DATE	AMOUNT (RM MILLION)	TENURE	PERIODIC DISTRIBUTION RATE (PER ANNUM)
3	21 April 2022	350	5 Years	4.22%
4	21 April 2022	600	7 Years	4.67%
5	21 April 2022	250	10 Years	4.80%
		1,200		

The proceeds raised from the issuance of these Sukuk Wakalah were utilised for refinancing and repayment of existing borrowings of the Group.

The currency exposure profile of borrowings is as follows:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysian Ringgit	**8,267,033**	9,035,379	**3,854,245**	3,713,492
Great British Pound	**1,376,419**	1,694,035	**638,340**	729,875
Singapore Dollar	**-**	334,122	**-**	-
Australian Dollar	**1,579,426**	1,312,363	**447,984**	302,576
Japanese Yen	**36,247**	39,513	**-**	-
United States Dollar	**120,471**	140,460	**-**	-
	11,379,596	12,555,872	**4,940,569**	4,745,943

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

30. LEASE LIABILITIES

	GROUP	
	2022 RM'000	2021 RM'000
Non-current		
Lease liabilities	**302**	823
Current		
Lease liabilities	**1,129**	1,155
Total lease liabilities	**1,431**	1,978

The movement of lease liabilities during the financial year is as follows:

	GROUP	
	2022 RM'000	2021 RM'000
At beginning of the year	**1,978**	2,457
Additions	**1,592**	761
Interest:		
- Charge for the year	**39**	135
- Reversal due to early termination	**(55)**	-
Payments of:		
- Principal	**(1,420)**	(1,258)
- Interest	**(39)**	(135)
Early termination of lease contract	**(713)**	(11)
Exchange differences	**49**	29
At end of the year	**1,431**	1,978

The Group leases buildings for use as office premises and storage. Leases are generally entered into for a fixed period ranging from 2 to 3 years and may include extension options.

31. TRADE PAYABLES

	GROUP	
	2022 RM'000	2021 RM'000
Contractors' claims	**140,700**	182,346
Retention sums	**258,209**	284,619
Accrued construction costs	**901,619**	904,077
Others	**122,758**	124,008
	1,423,286	1,495,050

The normal credit terms extended by contractors and suppliers range from 7 to 60 days (2021: 7 to 90 days). The retention sums are repayable upon the expiry of the defect liability period.

Other trade payables are required to be settled within 14 to 60 days (2021: 14 to 60 days).

The currency exposure profile of trade payables is as follows:

	GROUP	
	2022 RM'000	2021 RM'000
Malaysian Ringgit	**1,323,632**	1,396,041
Singapore Dollar	**64,766**	41,214
Vietnamese Dong	**3,663**	1,047
Australian Dollar	**31,225**	56,748
	1,423,286	1,495,050

32. REVENUE

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Sale of development properties	**4,240,596**	3,577,105	**-**	-
Construction revenue	**15,990**	17,409	**-**	-
Sale of other goods and services	**197,861**	168,234	**-**	-
Gross dividend from subsidiary companies	**-**	-	**788,615**	286,837
	4,454,447	3,762,748	**788,615**	286,837
Revenue from contracts with customers	**4,417,660**	3,728,004	**-**	-
Revenue from other sources of income	**36,787**	34,744	**788,615**	286,837
	4,454,447	3,762,748	**788,615**	286,837
Disaggregation of the revenue from contracts with customers:				
Timing of revenue recognition:				
At a point in time	**1,627,743**	943,521	**-**	-
Over time	**2,789,917**	2,784,483	**-**	-
	4,417,660	3,728,004	**-**	-

33. COST OF SALES

	GROUP	
	2022 RM'000	2021 RM'000
Cost of properties sold	**3,164,318**	2,552,433
Construction cost recognised as expense	**48,808**	55,117
Cost of other goods and services sold	**175,999**	148,171
	3,389,125	2,755,721

Included in construction cost recognised as expense for the current financial year, are cost incurred by the construction segment for property development projects within the Group of RM32,608,000 (2021: RM37,477,000).

34. OTHER INCOME

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest income from:				
- subsidiary companies	**-**	-	**111,309**	71,877
- joint ventures	**6,599**	6,533	**487**	452
- deposits and short-term funds	**30,993**	32,453	**5,541**	12,786
- significant financing component	**21,824**	11,623	**-**	-
- financial assets measured at amortised cost	**-**	-	**561**	1,182
- others	**18,467**	14,694	**6,876**	7,381
Rental income from:				
- investment properties	**52,957**	46,618	**-**	-
- other operating leases	**12,232**	9,792	**-**	-
Gain on disposal of property, plant and equipment	**574**	429	**-**	-
Distribution from subsidiary companies	**-**	-	**29,577**	-
Gain on fair value adjustment of investment properties	**7,505**	-	**-**	-
Gain on fair value adjustment of rights-of-use - investment properties	**13,432**	-	**-**	-
Forfeiture income	**4,185**	12,420	**-**	-
Gain on liquidation of subsidiary companies	**-**	-	**-**	5,044
Gain on foreign exchange				
- realised	**-**	1,123	**-**	-
- unrealised	**30,769**	-	**45,923**	-
Management fee	**-**	-	**65,962**	60,218
Other miscellaneous income	**18,703**	18,488	**5,087**	5,102
	218,240	154,173	**271,323**	164,042

35. FINANCE COSTS

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest on:				
- bank overdrafts	**337**	1,373	**6**	586
- revolving credits	**13,010**	19,419	**7,944**	24,248
- bridging loans	**2,296**	-	**-**	-
- term loans	**188,072**	151,583	**118,327**	104,800
- hire purchase and finance lease	**240**	46	**-**	-
- Sukuk Wakalah	**47,531**	13,821	**70,428**	16,736
Preference share dividend	**1,734**	1,734	**-**	-
Interest expense to subsidiary companies	**-**	-	**20,174**	17,523
Interest expense on financial liabilities measured at amortised cost	**863**	1,486	**-**	-
Interest expense on lease liabilities				
- charge for the year	**39**	135	**-**	-
- reversal due to early termination	**(55)**	-	**-**	-
Amortisation of transaction costs on borrowings	**2,868**	1,784	**1,013**	778
Others	**3,413**	2,744	**1,373**	-
	260,348	194,125	**219,265**	164,671

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. PROFIT BEFORE TAX

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before tax is stated after charging:				
Fees for statutory audits:				
Current year:				
- Ernst & Young PLT, Malaysia	**2,040**	1,822	**185**	142
- member firms of Ernst & Young Global	**576**	477	**-**	-
- other auditors	**601**	477	**-**	-
Other non-audit services:				
- Ernst & Young PLT, Malaysia	**726**	336	**35**	78
Amortisation of intangible asset	**534**	(103)	**-**	-
Bad debts written off	**69**	113	**-**	-
Allowance for impairment loss on receivables	**3,199**	243	**2,069**	-
Depreciation:				
- property, plant and equipment	**33,436**	29,565	**503**	205
- right-of-use - property, plant and equipment	**1,095**	874	**-**	-
Direct operating expenses on:				
- income generating investment properties	**14,752**	10,337	**-**	-
- non-income generating investment properties	**8**	8	**8**	8
Directors' remuneration				
- Company's Directors:				
- fees and other emoluments	**6,951**	5,832	**6,951**	5,832
- share-based payment under LTIP	**127**	233	**127**	233
- Other key management personnel:				
- fees and other emoluments	**9,322**	11,281	**3,751**	4,437
- share-based payment under LTIP	**221**	945	**81**	298
Property, plant and equipment written off	**1,019**	849	**1**	-
Write-down in value of completed properties	**4,218**	-	**-**	-
Write-down of land held for property development	**12,107**	-	**-**	-
Reversal of write-down of completed properties	**(567)**	(1,534)	**-**	-
Impairment loss on investment in subsidiary companies	**-**	-	**487,020**	87,175

36. PROFIT BEFORE TAX (CONT'D)

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Reversal of impairment loss on investment in a subsidiary company	**-**	-	**(22,260)**	-
Loss on fair value adjustment of right-of-use - investment properties	**-**	22,114	**-**	-
Loss on fair value adjustment of investment properties	**-**	24	**-**	-
Loss on fair value adjustment of financial assets	**-**	-	**-**	831
Loss on liquidation of subsidiary companies	**-**	62	**-**	-
Loss on disposal of investment properties	**1,078**	3,628	**-**	-
Expenses relating to leases:				
- short-term leases	**204**	160	**7,621**	7,621
- low value assets	**1,315**	1,272	**193**	206
Loss on foreign exchange:				
- realised	**200**	-	**-**	-
- unrealised	**-**	12,727	**-**	12,981

Directors' and other key management personnel's remuneration do not include the estimated monetary value of benefits-in-kind as follows:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Company's Directors	**272**	125	**272**	125
Other key management personnel	**618**	241	**102**	25

37. EMPLOYEE BENEFITS EXPENSE

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Expensed off during the year	**217,092**	218,512	**61,985**	58,747
Capitalised during the year	**49,349**	54,779	**-**	-
	266,441	273,291	**61,985**	58,747

Included in employee benefits expense that was expensed off during the year is an amount of RM30,729,000 (2021: RM21,248,000) accounted for under cost of sales.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

37. EMPLOYEE BENEFITS EXPENSE (CONT'D)

The employee benefit expenses which include the remuneration of Directors and key management personnel are as follow:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries, bonus and other emoluments	**200,467**	217,851	**47,690**	47,467
Defined contribution plan	**24,769**	23,383	**5,034**	5,210
Share-based payment under the LTIP	**5,799**	9,570	**1,162**	2,177

38. TAXATION

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Income tax:				
In respect of current year				
- Malaysian income tax	**152,509**	180,107	**9,911**	1,187
- foreign income tax	**29,278**	6,249	**-**	-
	181,787	186,356	**9,911**	1,187
Under/(Over) provision in prior years				
- Malaysian income tax	**8,472**	5,247	**408**	5
- foreign income tax	**(1,054)**	8,107	**-**	-
	7,418	13,354	**408**	5
	189,205	199,710	**10,319**	1,192
Deferred tax:				
- Origination and reversal of temporary differences	**33,626**	15,167	**203**	(1,422)
- (Over)/Under provision in prior years	**(22,275)**	(19,758)	**(225)**	4
	11,351	(4,591)	**(22)**	(1,418)
	200,556	195,119	**10,297**	(226)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

Pursuant to Finance Act 2021, a special one-off tax termed as "Cukai Makmur" or "Prosperity Tax" has been introduced for companies other than small and medium enterprise in Malaysia, where a 33% corporate income tax rate will be levied on chargeable income exceeding RM100 million for the year of assessment 2022.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

38. TAXATION (CONT'D)

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate on the profit before tax as a result of the following differences:

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Accounting profit (excluding share of results in joint ventures and associated companies)	**585,251**	527,932	**280,727**	100,833
Taxation at 24% tax rate	**140,460**	126,704	**67,374**	24,200
Tax effects arising from:				
Non-deductible expenses	**84,753**	60,301	**139,158**	47,698
Non-taxable income:				
- interest income	**(7,703)**	(6,861)	**(52)**	(3,292)
- single tier dividend income	**-**	-	**(189,268)**	(68,841)
- others	**(9,692)**	(4,174)	**(7,098)**	-
Deferred tax assets not recognised	**4,216**	30,552	**-**	-
Recognition and utilisation of tax losses brought forward from previous years, not previously recognised	**(349)**	(1,655)	**-**	-
Effect of "Prosperity Tax"	**1,402**	-	**-**	-
Effect on different tax rate used	**4,182**	1,377	**-**	-
Deferred tax on fair value of investment properties at real property gain tax rate	**(1,856)**	(4,721)	**-**	-
(Over)/Under provision in prior years:				
- income tax	**7,418**	13,354	**408**	5
- deferred tax	**(22,275)**	(19,758)	**(225)**	4
	200,556	195,119	**10,297**	(226)

The Company is on the single tier income tax system; accordingly the entire retained earnings of the Company is available for distribution by way of dividend without incurring additional tax liability.

39. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share for the year is calculated by dividing the Group's profit attributable to owners of the Company adjusted for the effects of RCPS-i A & RCPS-i B preferential dividends declared for the year, divided by the weighted average number of shares in issue is as follows:

	GROUP	
	2022 '000	2021 '000
Profit attributable to owners of the Company (RM)	**308,093**	284,365
- less: RCPS-i A preferential dividends (RM)	**(70,654)**	(70,654)
- less: RCPS-i B preferential dividends (RM)	**(92,209)**	(61,388)
Adjusted profit attributable to equity holders of the Company (RM)	**145,230**	152,323
Number of ordinary shares at beginning of the year	**4,067,978**	4,056,733
Weighted average effect of shares issued pursuant to:		
- exercise of ESOS	**110**	164
- vesting of ESGP	**3,557**	5,126
Weighted average number of ordinary shares	**4,071,645**	4,062,023
Basic Earnings Per Share (sen)	**3.57**	3.75

Diluted earnings per share

The diluted earnings per share for the year 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 for the year, divided by the weighted average number of shares that would have been in issue upon full exercise of the options under the LTIP granted, calculated as follows:

	GROUP	
	2022 '000	2021 '000
Profit attributable to owners of the Company(RM)	**308,093**	284,365
- less: RCPS-i A preferential dividends (RM)	**(70,654)**	(70,654)
- less: RCPS-i B preferential dividends (RM)	**(92,209)**	(61,388)
Adjusted profit attributable to equity holders of the Company (RM)	**145,230**	152,323
Weighted average number of ordinary shares calculated above	**4,071,645**	4,062,023
Weighted average number of unissued shares under the LTIP	**5,517**	14,708
Adjusted weighted average number of ordinary shares that would have been in issue	**4,077,162**	4,076,731
Diluted Earnings Per Share (sen)	**3.56**	3.74

The effects of conversion of RCPS-i A and RCPS-i C (2021: 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.

40. DIVIDENDS

	2022 RM'000	2021 RM'000
Ordinary Shares Dividends		
In respect of the financial year ended 31 December 2021		
Single-tier final dividend of 0.65 sen per share:		
- Payment in cash	**26,443**	-
	26,443	-

Subsequent to 31 December 2022, the Directors declared a single tier dividend of 1.47 sen per ordinary share amounting to RM59,909,679 in respect of financial year ended 31 December 2022

	2022 RM'000	2021 RM'000
Preferential Dividends		
In respect of the financial period from 1 July 2020 to 31 December 2021		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	**-**	35,327
- RCPS-i B preferential dividend of 5.93% per annum, payment in cash	**-**	30,694
In respect of the financial period from 1 January 2021 to 30 June 2021		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	**-**	35,327
- RCPS-i B preferential dividend of 5.93% per annum, payment in cash	**-**	30,694
In respect of the financial period from 1 July 2021 to 31 December 2021		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	**35,327**	-
- RCPS-i B preferential dividend of 5.93% per annum, payment in cash	**30,694**	-
In respect of the financial period from 1 January 2022 to 30 June 2022		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	**35,327**	-
- RCPS-i B preferential dividend of 5.93% per annum, payment in cash	**30,694**	-
In respect of the financial period from 1 July 2022 to 30 December 2022		
- RCPS-i B preferential dividend of 5.93% per annum from 1 July 2022 to 28 December 2022, payment in cash	**30,468**	-
- RCPS-i B stepped-up preferential dividend of 6.93% per annum from 29 December 2022 to 30 December 2022, payment in cash	**353**	-
	162,863	132,042

Subsequent to 31 December 2022, the Directors declared a preferential dividend of 6.49% per annum amounting to RM35,326,948 in respect of the RCPS-i A for financial period from 1 July 2022 to 31 December 2022 and 5.43% per annum amounting to RM5,170,619 in respect of RCPS-i C for financial period from 24 November 2022 to 31 December 2022.

41. RELATED PARTY DISCLOSURES

In addition to related party disclosures elsewhere in the financial statements, set out below are the other related party disclosures. The following significant related party transactions took place at terms agreed between the parties during the financial year:

(a) Significant related party transactions during the financial year are as follows:

	<——— TRANSACTION VALUE ———>			
	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Transactions with subsidiary companies				
Interest received and receivable	**-**	-	**111,309**	71,877
Interest paid and payable	**-**	-	**20,174**	17,523
Event service fee paid and payable	**-**	-	**499**	65
Dividend received and receivable	**-**	-	**788,615**	286,837
Staff secondment fee received and receivable	**-**	-	**4,689**	4,766
Group management fee paid and payable	**-**	-	**-**	164
Group management fee received and receivable	**-**	-	**65,962**	60,218
Rental paid and payable	**-**	-	**7,621**	7,621
Transactions with associated Companies				
Dividend received and receivable	**20,420**	9,395	**-**	-
Transactions with joint ventures				
Management fee received and receivable	**960**	900	**-**	-
Interest received and receivable	**6,599**	6,533	**487**	452
Rental received and receivable	**-**	524	**-**	-
Rental paid and payable	**-**	61	**-**	-
Staff secondment fee received and receivable	**463**	334	**128**	112
Event and marketing fee received and receivable	**111**	90	**-**	-
Contractor claim received and receivable	**2,406**	-	**-**	-

41. RELATED PARTY DISCLOSURES (CONT'D)

	<—TRANSACTION VALUE—>	
	GROUP	
	2022 RM'000	2021 RM'000
Transactions with Directors of the Company, members of their family and company in which they have interests		
Professional services fees charged by:		
- Dato' Azmi Bin Mohd Ali	**-**	98
Sale of properties to:		
- Tengku Dato' Ab. Aziz Bin Tengku Mahmud	**2,472**	-
- Datuk Choong Kai Wai	**2,988**	-
- Dato' Azmi Bin Mohd Ali	**-**	1,376
- Philip Tan Puay Koon	**-**	4,673
Transactions with Directors of subsidiary companies and close family members of the Directors		
Sale of properties to:		
- Datuk Zaini Bin Yusoff	**10,986**	-
- Datuk Stanley Saw Kim Suan	**6,326**	-
- Datuk Tan Hon Lim	**2,509**	-
- Goh Tzen Sernz	**1,901**	-
- Datuk Tony Ling Thou Lung	**3,540**	-
- Lindayani Binti Tajudin	**1,727**	-
- Datuk Yuslina Binti Mohd Yunus	**1,086**	-
- Datin Paduka Kartini Binti Hj. Abdul Manaf	**1,628**	-
- Datuk Soh Hee Pin	**786**	-
- Tan Siow Chung	**-**	996

Transactions with shareholders and Government

Permodalan Nasional Berhad ("PNB") and Amanahraya Trustees Berhad – Amanah Saham Bumiputera ("ATR-ASB"), both government-linked entities, are the substantial shareholders of the Company, with direct shareholding of 26.01% and 24.72% respectively (2021: 26.06% and 24.77%). PNB, ATR-ASB and entities directly controlled by PNB are collectively referred to as government-related entities to the Group and the Company.

The transactions entered into with these government-linked corporations have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

41. RELATED PARTY DISCLOSURES (CONT'D)

(b) Key management personnel remuneration

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Directors				
Fees, salaries, bonuses and other emoluments	**6,556**	5,490	**6,556**	5,490
Estimated monetary value of benefits-in-kind	**272**	125	**272**	125
Share-based payment under the LTIP	**127**	233	**127**	233
Total short-term employee benefits	**6,955**	5,848	**6,955**	5,848
Post-employment benefits - EPF and social security cost	**395**	342	**395**	342
	7,350	6,190	**7,350**	6,190
Other key management personnel				
Fees, salaries, bonuses and other emoluments	**8,440**	10,095	**3,467**	3,961
Estimated monetary value of benefits-in-kind	**618**	241	**102**	25
Share-based payment under the LTIP	**221**	945	**81**	298
Total short-term employee benefits	**9,279**	11,281	**3,650**	4,284
Post-employment benefits - EPF and social security cost	**882**	1,186	**284**	476
	10,161	12,467	**3,934**	4,760
Total compensation	**17,511**	18,657	**11,284**	10,950

Shares and share options granted to Directors and other key management personnel

1,106,000 ESOS and no ESGP were granted to the Company's Executive Directors and other key management personnel during the financial year (2021: Nil ESGP and Nil ESOS).

42. COMMITMENTS

(a) Operating lease commitments

The Group as lessor

The Group leases out its investment properties to third parties under non-cancellable operating leases. These leases are with remaining lease period of 1 to 27 years (2021: 1 to 28 years) with the option to renew upon expiry. Certain of the leases include contingent rental arrangements computed based on sales achieved by tenants.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	GROUP	
	2022 RM'000	2021 RM'000
Not later than one year	**78,989**	61,049
Later than one year but not later than five years	**125,856**	92,604
Later than five years	**314,501**	340,671
	519,346	494,324

(b) Other commitments

	GROUP	
	2022 RM'000	2021 RM'000
Contractual commitment for construction of investment properties	**2,911**	11,274
Contractual commitment for acquisition/construction of property, plant and equipment	**17,630**	88,056
	20,541	99,330

43. CONTINGENT LIABILITIES

Corporate Guarantees

	COMPANY	
	2022 RM'000	2021 RM'000
Guarantees given to banks to secure banking facilities granted to subsidiary companies	**6,352,136**	7,137,968
Guarantees given to banks for performance bonds granted to subsidiary companies	**436,100**	394,729
Guarantees given to the suppliers of goods for credit terms granted to subsidiary companies	**-**	1,920
	6,788,236	7,534,617

As at reporting date, no values are ascribed for these guarantees and letters of undertaking provided by the Company to secure banking facilities described above as the Directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

44. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	AT 1 JANUARY RM'000	CASH FLOWS RM'000	FOREIGN EXCHANGE MOVEMENT RM'000	OTHERS RM'000	AT 31 DECEMBER RM'000
2022					
GROUP					
Long term and short term borrowings excluding bank overdrafts	**12,526,453**	**(1,051,003)**	**(96,028)**	**174**	**11,379,596**
Unsecured advances	**16,015**	**-**	**-**	**1,238**	**17,253**
Redeemable cumulative preference shares	**37,965**	**(1,734)**	**-**	**1,882**	**38,113**
Lease liabilities	**1,978**	**(1,420)**	**49**	**824**	**1,431**
Total liabilities from financing activities	**12,582,411**	**(1,054,157)**	**(95,979)**	**4,118**	**11,436,393**
COMPANY					
Long term and short term borrowings excluding bank overdrafts, representing total liabilities from financing activities	**4,745,943**	**244,786**	**(51,172)**	**1,012**	**4,940,569**
2021					
GROUP					
Long term and short term borrowings excluding bank overdrafts	11,928,350	576,735	17,839	3,529	12,526,453
Unsecured advances	38,596	(3,743)	-	(18,838)	16,015
Redeemable cumulative preference shares	37,140	(1,734)	-	2,559	37,965
Lease liabilities	2,457	(1,258)	29	750	1,978
Total liabilities from financing activities	12,006,543	570,000	17,868	(12,000)	12,582,411
COMPANY					
Long term and short term borrowings excluding bank overdrafts, representing total liabilities from financing activities	4,286,796	447,929	10,439	779	4,745,943

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks, including interest rate risk, credit risk, foreign currency risk, liquidity and cash flow risks. The Group's and the Company's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group and the Company.

Financial risk management is carried out through risk review, internal control systems and adherence to the Group's and the Company's financial risk management policies. The Board regularly reviews these risks and approves the policies covering the management of these risks. The Group and the Company do not trade in derivative instruments.

(a) Interest rate risk

The Group and the Company are exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The Group's and the Company's policy is to borrow principally on a floating rate basis. The Group and the Company do not generally hedge interest rate risks. The Group and the Company have a policy to ensure that interest rates obtained are competitive.

Sensitivity analysis for interest rate risk

The weighted average interest rate for bank borrowings of the Group and the Company are as follows:

	GROUP		COMPANY	
	2022 %	2021 %	2022 %	2021 %
Weighted average interest rate	**4.74**	3.08	**4.70**	3.25

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group and the Company as at 31 December 2022. If interest rates were to increase or decrease by 50 basis points with all other variables held constant, the Group's and the Company's profit before tax would decrease or increase by RM37,150,000 and RM24,703,000 (2021: RM40,305,000 and RM23,730,000) respectively.

For those interest expense incurred and capitalised as part of the expenditure on property, plant and equipment under construction, investment property under construction, land held for property development and property development costs during the financial year, if the interest rates were to increase or decrease by 50 basis points with all other variables held constant, those assets of the Group would increase or decrease by RM16,788,000 (2021: RM17,790,000).

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities.

The Group and the Company minimise and monitor its credit risk by dealing with creditworthy counter-parties and applying credit approval controls for material contracts. If necessary, the Group may obtain collaterals from counter-parties as a means of mitigating losses in the event of default.

In respect of trade receivables arising from the sale of development properties, the Group mitigates its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchasers or the purchasers' end-financiers.

At the reporting date, the Group did not have any significant concentration of credit risk that may arise from exposure to a single debtor or to group of debtors.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Credit risk (cont'd)

The ageing analysis of receivables which are trade in nature is disclosed in Note 17. Short-term funds, short-term deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable banks and financial institutions with high credit ratings and no history of default.

(c) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group operates internationally and is exposed to various currencies, mainly Great British Pound, Australian Dollar, Singapore Dollar, Vietnamese Dong, United States Dollar, Chinese Yuan and Japanese Yen.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located. As at the previous financial year end, the Group and the Company had entered into forward currency contracts with a nominal amount of GBP23,000,000 (equivalent to approximately RM129,600,000 to manage currency exposures in respect of investment in its foreign investee. There are no outstanding forward contracts entered into as at the current financial year end. The Group and the Company does not apply hedge accounting as at 31 December 2022.

The material unhedged financial assets/liabilities of the Group that are not denominated in their functional currencies are as follows:

	BALANCE DENOMINATED IN	2022 RM'000	2021 RM'000
Functional currencies of the companies within the Group			
Borrowings			
Ringgit Malaysia	GBP	**638,340**	729,875
Ringgit Malaysia	AUD	**890,898**	1,116,150
Great British Pound	USD	**120,471**	140,460

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Foreign currency exchange risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the GBP, AUD and USD exchange rates against the respective major functional currencies of the entities within the Group, with all other variables remaining constant:

(DECREASE)/INCREASE TO		2022 RM'000 PROFIT BEFORE TAX	2021 RM'000 PROFIT BEFORE TAX
GBP/RM	strengthened by 10%	(63,834)	(72,988)
	weakened by 10%	63,834	72,988
AUD/RM	strengthened by 10%	(89,090)	(111,615)
	weakened by 10%	89,090	111,615
USD/GBP	strengthened by 10%	(12,047)	(14,046)
	weakened by 10%	12,047	14,046

The impact of sensitivity analysis of the rest of the foreign currencies is not material to the Group.

(d) Liquidity and cash flow risks

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet its financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group and the Company seek to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of its businesses, the Group and the Company always maintain sufficient credit lines available to meet their liquidity requirements while ensuring an effective working capital management within the Group and the Company.

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Liquidity and cash flow risks (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	ON DEMAND OR WITHIN ONE YEAR RM'000	ONE TO FIVE YEARS RM'000	OVER FIVE YEARS RM'000	TOTAL RM'000
2022				
GROUP				
Financial liabilities:				
Trade payables	**1,423,286**	**-**	**-**	**1,423,286**
Other payables and accruals	**886,592**	**20,330**	**74,434**	**981,356**
Amounts owing to related parties	**380**	**-**	**-**	**380**
Borrowings	**4,897,148**	**5,564,083**	**2,397,569**	**12,858,800**
Lease liabilities	**1,183**	**320**	**-**	**1,503**
Redeemable cumulative preference shares	**22,734**	**19,152**	**-**	**41,886**
Total undiscounted financial liabilities	**7,231,323**	**5,603,885**	**2,472,003**	**15,307,211**
COMPANY				
Financial liabilities:				
Amounts owing to subsidiary companies	**432,317**	**373,404**	**-**	**805,721**
Other payables and accruals	**34,639**	**-**	**-**	**34,639**
Borrowings	**1,841,392**	**2,484,268**	**1,245,719**	**5,571,379**
Total undiscounted financial liabilities	**2,308,348**	**2,857,672**	**1,245,719**	**6,411,739**
2021				
GROUP				
Financial liabilities:				
Trade payables	1,495,050	-	-	1,495,050
Other payables and accruals	804,019	-	90,510	894,529
Amounts owing to related parties	516	-	-	516
Borrowings	3,515,401	8,668,617	1,633,823	13,817,841
Lease liabilities	1,221	850	-	2,071
Redeemable cumulative preference shares	1,734	41,886	-	43,620
Total undiscounted financial liabilities	5,817,941	8,711,353	1,724,333	16,253,627
COMPANY				
Financial liabilities:				
Amounts owing to subsidiary companies	681,797	-	-	681,797
Other payables and accruals	24,182	-	-	24,182
Borrowings	1,445,748	3,345,564	319,332	5,110,644
Total undiscounted financial liabilities	2,151,727	3,345,564	319,332	5,816,623

46. FINANCIAL INSTRUMENT

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The principal accounting policies in Note 1 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

2022 GROUP	AT AMORTISED COST RM'000	AT FAIR VALUE THROUGH PROFIT OR LOSS RM'000	TOTAL RM'000
Financial assets:			
Other investments	**-**	**96**	**96**
Other receivables and deposits	**170,466**	**-**	**170,466**
Trade receivables	**675,125**	**-**	**675,125**
Amounts owing by joint ventures	**164,507**	**-**	**164,507**
Amounts owing by related parties	**319**	**-**	**319**
Short-term deposits	**774,206**	**-**	**774,206**
Cash and bank balances	**1,858,702**	**-**	**1,858,702**
Total financial assets	**3,643,325**	**96**	**3,643,421**
Financial liabilities:			
Trade payables	**1,423,286**	**-**	**1,423,286**
Other payables and accruals	**954,670**	**-**	**954,670**
Amounts owing to related parties	**380**	**-**	**380**
Long-term borrowings	**6,959,185**	**-**	**6,959,185**
Short-term borrowings	**4,420,411**	**-**	**4,420,411**
Long-term lease liabilities	**302**	**-**	**302**
Short-term lease liabilities	**1,129**	**-**	**1,129**
Redeemable cummulative preference shares	**38,113**	**-**	**38,113**
Total financial liabilities	**13,797,476**	**-**	**13,797,476**

46. FINANCIAL INSTRUMENT (CONT'D)

2021 GROUP	AT AMORTISED COST RM'000	AT FAIR VALUE THROUGH PROFIT OR LOSS RM'000	TOTAL RM'000
Financial assets:			
Other investments	-	96	96
Other receivables and deposits	186,013	-	186,013
Trade receivables	803,532	-	803,532
Amounts owing by joint ventures	154,299	-	154,299
Amounts owing by associated companies	2,464	-	2,464
Amounts owing by related parties	276	-	276
Short-term funds	-	1,401,604	1,401,604
Short-term deposits	206,190	-	206,190
Cash and bank balances	1,463,422	-	1,463,422
Total financial assets	2,816,196	1,401,700	4,217,896
Financial liabilities:			
Trade payables	1,495,050	-	1,495,050
Other payables and accruals	865,869	-	865,869
Amounts owing to related parties	516	-	516
Long-term borrowings	9,308,641	-	9,308,641
Short-term borrowings	3,247,231	-	3,247,231
Long-term lease liabilities	823	-	823
Short-term lease liabilities	1,155	-	1,155
Redeemable cumulative preference shares	37,965	-	37,965
Total financial liabilities	14,957,250	-	14,957,250

46. FINANCIAL INSTRUMENT (CONT'D)

	AT AMORTISED COST RM'000	AT FAIR VALUE THROUGH PROFIT OR LOSS RM'000	TOTAL RM'000
2022 COMPANY			
Financial assets:			
Other receivables and deposits	**2,034**	**-**	**2,034**
Amounts owing by subsidiary companies	**4,713,072**	**-**	**4,713,072**
Amounts owing by joint ventures	**60,122**	**-**	**60,122**
Short-term deposits	**101,029**	**-**	**101,029**
Cash and bank balances	**173,106**	**-**	**173,106**
Total financial assets	**5,049,363**	**-**	**5,049,363**
Financial liabilities:			
Amounts owing to subsidiary companies	**767,114**	**-**	**767,114**
Other payables and accruals	**34,639**	**-**	**34,639**
Long-term borrowings	**3,256,774**	**-**	**3,256,774**
Short-term borrowings	**1,683,795**	**-**	**1,683,795**
Total financial liabilities	**5,742,322**	**-**	**5,742,322**
2021 COMPANY			
Financial assets:			
Other receivables and deposits	1,883	-	1,883
Amounts owing by subsidiary companies	3,616,662	-	3,616,662
Amounts owing by joint ventures	59,179	-	59,179
Short-term funds	-	304,467	304,467
Short-term deposits	86,875	-	86,875
Cash and bank balances	141,669	-	141,669
Total financial assets	3,906,268	304,467	4,210,735
Financial liabilities:			
Amounts owing to subsidiary companies	681,797	-	681,797
Other payables and accruals	24,182	-	24,182
Long-term borrowings	3,388,146	-	3,388,146
Short-term borrowings	1,357,797	-	1,357,797
Total financial liabilities	5,451,922	-	5,451,922

47. FAIR VALUE MEASUREMENT

The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Non-financial assets that are measured at fair value

(i) The table below analyses the Group's and the Company's non-financial assets measured at fair value at the reporting date, according to the levels in the fair value hierarchy:

	LEVEL 1 RM'000	LEVEL 2 RM'000	LEVEL 3 RM'000	TOTAL RM'000
Investment Properties				
Group				
2022				
Commercial properties	-	3,468	2,054,093	2,057,561
2021				
Commercial properties	-	20,037	1,932,765	1,952,802
Company				
2022				
Commercial properties	-	-	3,438	3,438
2021				
Commercial properties	-	-	3,438	3,438
Right-of-use - Investment Properties				
Group				
2022				
Commercial properties	-	-	60,372	60,372
2021				
Commercial properties	-	-	46,940	46,940

47. FAIR VALUE MEASUREMENT (CONT'D)

(a) Non-financial assets that are measured at fair value (cont'd)

(ii) Description of valuation techniques used and key inputs to valuation on non-financial assets

The fair value of the investment properties was substantially arrived at via valuations performed by certified external valuers based on the following valuation techniques depending on the location and types of properties:

(a) Comparison method

The market comparison approach is a method whereby the property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. Investment properties valued under the comparison method, with insignificant adjustments factors, are categorised as Level 2 in the fair value hierarchy. Certain other investment properties valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors") are categorised as Level 3 in the fair value hierarchy.

(b) Investment method

The investment method entails determining the net annual income by deducting the annual ongoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of the investment to arrive at the market value of the subject property.

The investment properties valued using this method is categorised as Level 3 in the fair value hierarchy.

(c) Comparison/Depreciable Replacement Cost method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in the surrounding areas with appropriate adjustments made for differences in the relevant characteristics of the land. Completed buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar buildings in terms of size, construction, finishes, contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

The investment properties valued using this method is categorised as Level 3 in the fair value hierarchy.

47. FAIR VALUE MEASUREMENT (CONT'D)

(a) Non-financial assets that are measured at fair value (cont'd)

(ii) Description of valuation techniques used and key inputs to valuation on non-financial assets (cont'd)

Description of valuation techniques used and key inputs to valuation on investment properties are as below:

	Valuation techniques	Significant unobservable inputs	Range
Land	Comparison method	Adjustment factors to prices of comparable properties	-50% to 15%
Building	Investment method	Estimated rental value per square foot per month	RM2.00 to RM40.00
		Capitalisation/Discount rate	5.00% to 6.75%
		Void allowance	5.00% to 10.00%
Building	Depreciable replacement cost method	Construction cost per square foot	RM46.00 to RM447.00
		Depreciation rate	1% to 50%

(iii) Fair value reconciliation of non-financial assets measured at Level 3

Investment Properties

	GROUP		COMPANY	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At beginning of the year	**1,932,765**	1,922,843	**3,438**	3,438
Additions	**113,753**	7	**-**	-
Disposals	**-**	(2,800)	**-**	-
Transfer from property, plant and equipment *(see Note 2)*	**-**	6,119	**-**	-
Transfer from inventory	**-**	6,620	**-**	-
Changes in fair value	**7,576**	(24)	**-**	-
Exchange differences	**(1)**	-	**-**	-
At end of the year	**2,054,093**	1,932,765	**3,438**	3,438

Right-of-use - Investment Properties

Refer to fair value reconciliation disclosed in Note 5.

47. FAIR VALUE MEASUREMENT (CONT'D)

(b) Financial instruments that are measured or disclosed at fair value

The carrying amounts and fair values of the non-current financial assets and liabilities of the Group and the Company at the reporting date are as follows:

	GROUP			COMPANY		
	CARRYING AMOUNT RM'000	FAIR VALUE RM'000 LEVEL 2	FAIR VALUE RM'000 LEVEL 3	CARRYING AMOUNT RM'000	FAIR VALUE RM'000 LEVEL 2	FAIR VALUE RM'000 LEVEL 3
2022						
Financial assets:						
Other investments	**96**	**-**	**96^**	**-**	**-**	**-**
Amounts owing by subsidiary companies	**-**	**-**	**-**	**2,888,523**	**-**	**#**
Amounts owing by joint ventures	**69,785**	**-**	**#**	**-**	**-**	**-**
Trade receivables	**61,634**	**-**	**#**	**-**	**-**	**-**
Financial liabilities:						
Redeemable cumulative preference shares	**17,113**	**-**	**16,091**	**-**	**-**	**-**
Other payables and accruals	**68,078**	**-**	**#**	**-**	**-**	**-**
Floating rate long term borrowings	**4,964,103**	*****	**-**	**1,261,692**	*****	**-**
Fixed rate long term borrowings	**1,995,082**	**-**	**+**	**1,995,082**	**-**	**+**
Lease liabilities	**302**	**-**	**#**	**-**	**-**	**-**
Amounts owing to subsidiary companies	**-**	**-**	**-**	**343,827**	**-**	**#**
2021						
Financial assets:						
Other investments	96	-	96^	-	-	-
Amounts owing by subsidiary companies	-	-	-	1,769,088	-	#
Amounts owing by joint ventures	69,785	-	#	-	-	-
Trade receivables	64,891	-	#	-	-	-
Financial liabilities:						
Redeemable cumulative preference shares	37,965	-	38,936	-	-	-
Other payables and accruals	61,850	-	#	-	-	-
Floating rate long term borrowings	8,511,406	*	-	2,590,911	*	-
Fixed rate long term borrowings	797,235	-	+	797,235	-	+
Lease liabilities	823	-	#	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

47. FAIR VALUE MEASUREMENT (CONT'D)

(b) Financial instruments that are measured or disclosed at fair value (cont'd)

* The carrying amounts are reasonable approximation of fair values because they are floating rate instruments which are repriced to market interest rates at regular intervals.
\+ The carrying amounts are reasonable approximation of fair values because the fixed rate instruments are discounted at interest rates that approximates market interest rates of similar instruments.
\# The carrying amounts are reasonable approximation of fair value.
^ Other investments are measured at fair value through profit or loss.

The short-term funds of the Group and the Company as at the previous financial year end were measured at fair value through profit or loss.

The carrying amounts of all other financial assets and liabilities of the Group and the Company at the reporting date approximated or were at their fair values due either to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date. The fair values of the financial assets and financial liabilities above are determined using discounted cash flow method. The most significant input being the discount rate that reflects the credit risk of the counterparties.

There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

48. CAPITAL MANAGEMENT

The primary objectives of the Group's and the Company's capital management are to ensure that it maintains a strong capital base and healthy capital ratios in order to support its existing business operations and enable future development of the businesses as well as maximise shareholders' value.

The capital structure of the Group and the Company consists of equity attributable to the shareholders of the Company (i.e. share capital, RCPS-i A, RCPS-i B and RCPS-i C, reserves and retained earnings), and total debts, which include borrowings.

Management reviews and manages the capital structure regularly and makes adjustments to address changes in the economic environment and risk characteristics inherent in its business operations. These initiatives may include equity capital raising exercises and adjustments to the amount of dividends distributed to shareholders. No changes were made in the objectives, policies and processes during the financial year ended 31 December 2022 and 31 December 2021.

		GROUP		COMPANY	
	NOTE	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Debt:					
Redeemable cumulative preference shares	27	**38,113**	37,965	**-**	-
Long-term borrowings	29	**6,959,185**	9,308,641	**3,256,774**	3,388,146
Short-term borrowings	29	**4,420,411**	3,247,231	**1,683,795**	1,357,797
		11,417,709	12,593,837	**4,940,569**	4,745,943
Short-term funds and deposits, cash and bank balances:					
Short-term funds	21	**-**	1,401,604	**-**	304,467
Short-term deposits	22	**774,206**	206,190	**101,029**	86,875
Cash and bank balances	23	**1,858,702**	1,463,422	**173,106**	141,669
		2,632,908	3,071,216	**274,135**	533,011
Net debt		**8,784,801**	9,522,621	**4,666,434**	4,212,932
Total equity		**15,346,430**	15,631,739	**11,192,461**	11,228,976
Gross gearing ratio		**0.74**	0.81	**0.44**	0.42
Net gearing ratio		**0.57**	0.61	**0.42**	0.38

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

49. SEGMENTAL ANALYSIS

Primary reporting format - business segment

The operations of the Group are primarily organised into three main segments:

(i)	Property development	-	Property development
(ii)	Construction	-	Building construction
(iii)	Others	-	Manufacturing, trading and investing

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

The operations of the Group are primarily carried out in Malaysia. Group income taxes are presented on a group basis and are not allocated to operating segments.

(a) Segment results

2022	PROPERTY DEVELOPMENT RM'000	CONSTRUCTION RM'000	OTHERS RM'000	ELIMINATIONS RM'000	CONSOLIDATED RM'000
External revenue	**4,240,596**	**15,990**	**197,861**	**-**	**4,454,447**
Inter-segment revenue	**165,548**	**131,018**	**50,313**	**(346,879)**	**-**
Total revenue	**4,406,144**	**147,008**	**248,174**	**(346,879)**	**4,454,447**
Gross profit/(loss)	**1,076,278**	**(32,818)**	**21,862**	**-**	**1,065,322**
Other income	**207,574**	**2,006**	**8,660**	**-**	**218,240**
Operating expenses	**(403,742)**	**(6,013)**	**(28,208)**	**-**	**(437,963)**
Share of results of joint ventures	**(35,187)**	**-**	**(1,524)**	**-**	**(36,711)**
Share of results of associated companies	**15,580**	**-**	**-**	**-**	**15,580**
Finance costs	**(231,161)**	**(119)**	**(29,068)**	**-**	**(260,348)**
Profit/(Loss) before tax	**629,342**	**(36,944)**	**(28,278)**	**-**	**564,120**
Taxation					**(200,556)**
Profit for the year					**363,564**

49. SEGMENTAL ANALYSIS (CONT'D)

(a) Segment results (cont'd)

2021	PROPERTY DEVELOPMENT RM'000	CONSTRUCTION RM'000	OTHERS RM'000	ELIMINATIONS RM'000	CONSOLIDATED RM'000
External revenue	3,577,105	17,409	168,234	-	3,762,748
Inter-segment revenue	174,239	214,650	35,994	(424,883)	-
Total revenue	3,751,344	232,059	204,228	(424,883)	3,762,748
Gross profit/(loss)	1,024,672	(37,708)	20,063	-	1,007,027
Other income	145,758	1,520	6,895	-	154,173
Operating expenses	(384,928)	(1,755)	(52,460)	-	(439,143)
Share of results of joint ventures	(12,484)	-	18,128	-	5,644
Share of results of associated companies	8,888	-	-	-	8,888
Finance costs	(169,698)	(989)	(23,438)	-	(194,125)
Profit/(Loss) before tax	612,208	(38,932)	(30,812)	-	542,464
Taxation					(195,119)
Profit for the year					347,345

49. SEGMENTAL ANALYSIS (CONT'D)

(b) Segment assets, liabilities and other information

	PROPERTY DEVELOPMENT RM'000	CONSTRUCTION RM'000	OTHERS RM'000	CONSOLIDATED RM'000
2022				
Segment assets	**23,874,093**	**27,973**	**1,972,674**	**25,874,740**
Investments in joint ventures	**2,761,986**	**-**	**212,537**	**2,974,523**
Investments in associated companies	**555,383**	**-**	**-**	**555,383**
Current and deferred tax assets				**414,541**
Consolidated total assets				**29,819,187**
Segment liabilities	**6,976,844**	**117,155**	**6,822,284**	**13,916,283**
Current and deferred tax liabilities				**556,474**
Consolidated total liabilities				**14,472,757**
Additions to non-current assets* (other than financial instruments and deferred tax assets)	**550,126**	**1,056**	**52,694**	**603,876**
Interest income	**74,151**	**302**	**3,430**	**77,883**
Depreciation and amortisation	**(27,468)**	**(1,074)**	**(6,523)**	**(35,065)**
Other material non-cash items	**37,148**	**(263)**	**(5,855)**	**31,030**
2021				
Segment assets	24,804,766	32,717	1,959,745	26,797,228
Investments in joint ventures	3,241,134	-	214,051	3,455,185
Investments in associated companies	565,362	-	-	565,362
Current and deferred tax assets				366,605
Consolidated total assets				31,184,380
Segment liabilities	8,217,898	150,079	6,708,548	15,076,525
Current and deferred tax liabilities				476,116
Consolidated total liabilities				15,552,641
Additions to non-current assets* (other than financial instruments and deferred tax assets)	583,738	899	27,810	612,447
Interest income	63,234	184	1,885	65,303
Depreciation and amortisation	(25,004)	(47)	(5,285)	(30,336)
Other material non-cash items	(8,570)	(737)	(33,080)	(42,387)

* Non-current assets comprise property, plant and equipment, right-of-use - property, plant and equipment, investment properties, right of use - investment properties, intangible asset and inventory - land held for property development.

49. SEGMENTAL ANALYSIS (CONT'D)

(c) Segment by geographical location

Revenue and non-current assets other than financial instruments and deferred tax assets, by location of the Group's operations are analysed as follows:

	REVENUE		NON-CURRENT ASSETS (OTHER THAN FINANCIAL INSTRUMENTS AND DEFERRED TAX ASSETS)	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Malaysia	2,961,117	2,993,316	16,287,867	16,191,000
Singapore	584,020	620,041	671	1,480
Australia	902,896	38,794	13,410	30,709
Vietnam	6,414	110,597	96,479	106,544
United Kingdom	-	-	2,598,253	3,071,584
Japan	-	-	62,827	67,823
	4,454,447	3,762,748	19,059,507	19,469,140

(d) Information about major customers

There is no significant concentration of revenue from any major customers as the Group mainly sells its development properties to individual end purchasers.

50. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 28 February 2023 by the Board of Directors

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Y.A.M Tan Sri Dato' Seri Syed Anwar Jamalullail and Datuk Choong Kai Wai, being two of the Directors of S P Setia Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 219 to 349 are drawn up in accordance with the Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance
with a Directors' resolution dated 28 February 2023

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

DATUK CHOONG KAI WAI
Director

Shah Alam, Malaysia

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, Annuar Marzuki Bin Abdul Aziz, being the officer primarily responsible for the financial management of S P Setia Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 219 to 349 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed)
Annuar Marzuki Bin Abdul Aziz)
at Shah Alam)
on 28 February 2023)
)
) **ANNUAR MARZUKI BIN**
) **ABDUL AZIZ**
) [MIA 11345]

Before me:

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF S P SETIA BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of S P Setia Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 219 to 349.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key audit matters in respect of the financial statements of the Group

(a) Revenue and cost of sales from property development activities recognised on percentage of completion method

For the financial year ended 31 December 2022, revenue of RM4,240.60 million and cost of sales of RM3,164.32 million from property development activities account for approximately 95% and 93% of the total Group's revenue and cost of sales respectively.

Where the Group uses percentage of completion method to recognise revenue and profit from its property development activities, the amount of revenue and profit recognised are dependent on, amongst others, the extent of costs incurred to the total estimated costs of construction to derive at the percentage of completion, the actual sales value of units sold and the estimated total revenue for each of the respective projects.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF S P SETIA BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (cont'd)

Key audit matters in respect of the financial statements of the Group (cont'd)

(a) Revenue and cost of sales from property development activities recognised on percentage of completion method (cont'd)

We identified revenue and cost of sales recognised on percentage of completion method or over time from property development activities as matters requiring audit focus as these areas involved significant management's judgement and estimates in estimating the total property development costs (which is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group).

In assessing the appropriateness of the extent of costs incurred, total estimated costs of construction and total estimated revenue collectively, we have:

- Obtained an understanding of the process in deriving the stage of completion which includes verifying the certified work done such as examining the progress claims from contractors, architect certification, and performing site visits on a sampling basis;
- Evaluated the assumptions applied in estimating the property development costs for property development phases on a sampling basis by examining documentary evidence such as letter of award issued to contractors and for amount not contracted for to consider the historical accuracy of management's forecasts for the similar property development projects to support the budgeted costs;
- Verified the gross development value against the signed sales and purchase agreements and estimated selling prices of unsold development to transacted selling price on sampling basis;
- Considered the expected handover date of ongoing development projects on a sampling basis to determine the adequacy of provision for liquidated ascertained damages, if any; and
- Checked the mathematical accuracy of the revenue and profit based on the percentage of completion calculations and considered the implications of identified errors and changes in estimates.

The Group's accounting policies and disclosures on property development activities based on percentage of completion method are disclosed in Notes 1(b)(ii), 1(t)(i), 6, 32 and 33 respectively to the financial statements.

(b) Net realisable value of completed properties

As at 31 December 2022, the carrying amount of completed properties stood at RM1,220.14 million, which represents 12% of the Group's total current assets. Completed properties are classified as inventories and are carried at the lower of cost or net realisable value. Management's annual assessment of realisable value of completed properties is significant to our audit because it is based on assumptions that are affected by expected future market and economic conditions as well as the saleable condition of the property units which are slow moving, for which significant judgement is required.

Our procedures in relation to management assessment of the net realisable value of completed properties include:

- Comparing the recent transacted prices of comparable completed properties, after taking into consideration the discount given. We focused our evaluation on those completed properties that are slow moving;
- Evaluated the appropriateness of the data used by the management as input into their determination of net realizable value. We interviewed the management, discussed and challenged the significant estimates and assumptions applied in their determination of net realizable value; and
- Physical sighting of completed properties on a sampling basis and assessed the related cost of maintenance to determine any potential write down due to physical obsolescence.

The Group's accounting policies and disclosures on completed properties are disclosed in Notes 1(b)(ii), 1(k) and 6 respectively to the financial statements.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF S P SETIA BERHAD (INCORPORATED IN MALAYSIA)

Key Audit Matters (cont'd)

Key audit matters in respect of the financial statements of the Group (cont'd)

(c) Valuation of investment properties

As at 31 December 2022, the carrying amount of investment properties amounted to RM2,117.93 million, representing approximately 11% and 7% of the Group's total non-current assets and total assets respectively. The Group had recognised a net fair value gain on its investment properties of RM20.94 million during the financial year.

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge, estimated rental value per square foot, expected market rental growth, yield rate, outgoings rate, void rate, reversion rate and discount rate.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant judgement and estimates that are highly subjective.

Our procedures to address this area of focus include, amongst others, the following:

- Assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;
- As part of our evaluations of the fair values of investment properties, we had discussions with the independent valuers to obtain an understanding of their valuation process which included assessment of the comparability of historical transactions used and property related data used as input to the valuation models;
- We obtained an understanding of the adjustments factors made by the valuers or management to account for differences in, amongst others, the occupancy rate, property's location, property's size, the physical conditions of the subject property, tenure between the subject property and the comparable properties, and where applicable, the estimated construction costs to erect equivalent buildings;
- We also assessed whether the capitalisation rate used in the valuation models reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and
- Reviewed the methodology adopted by the independent valuers or management in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry.

The Group's accounting policies and disclosures on investment properties are disclosed in Notes 1(b)(ii), 1(g), 4 respectively to the financial statements.

Key Audit Matters (cont'd)

Key audit matter in respect of the financial statements of the Company

(d) Impairment assessment of investment in subsidiary companies

As at 31 December 2022, the carrying amount of the investment in subsidiary companies of the Company amounted to RM11,743.68 million, representing 80% and 69% of the Company's total non-current assets and total assets respectively. The Company had recognised impairment loss of investment in subsidiaries of RM464.76 million during the financial year.

At the reporting date, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective cash generating units ("CGU"s) based on their fair value less cost to sell or their respective value-in-use ("VIU") whichever is higher. Estimating the recoverable amounts based on VIU involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGU and discounting them at the appropriate rate. The cash flow forecasts included a number of significant judgements and estimates such as the timing of project launches and sales, product pricing and costing, and discount rate.

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management's judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the investment in subsidiary companies.

Our procedures to address this area of focus included, amongst others, the following:

- Obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- Evaluated the appropriateness of the methodology and approach applied;
- For impairment assessment based on VIU, we have:
    - Checked the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy; and
    - Evaluated whether key assumptions which comprised the timing of project launches and sales, product pricing and costing, and discount rate were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of the economic growth.
- For impairment assessment based on fair value less cost to sell, where applicable, we have:
    - Where applicable, if the management obtain valuation reports provided by independent valuers, assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;
    - Reviewed the methodology adopted in estimating the fair value of the assets and assessed whether such methodology is consistent with those used in the industry; and
    - Evaluated the appropriateness of the data used as input of the valuations. We interviewed the management or independents valuers where applicable, discussed and challenged the significant estimates and assumptions applied in their valuation process
- Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amount.

We also reviewed and assessed the Company's disclosures relating to the impairment of assessment of investment in subsidiary companies in Note 1(b)(ii), 1(p) and 8.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF S P SETIA BERHAD (INCORPORATED IN MALAYSIA)

Auditors' responsibilities for the audit of the financial statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statement.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Elina Chan Su Yin
No. 03508/07/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
28 February 2023

ANALYSIS OF SHAREHOLDINGS
AS AT 17 FEBRUARY 2023

Issued and Paid-Up Share Capital	:	RM10,481,241,042.31 divided into 4,075,488,398 ordinary shares ("Ordinary Shares") and 1,088,657,886 Islamic redeemable convertible preference shares ("RCPS-i-A") and 2,472,010,007 Class C Islamic redeemable convertible preference shares ("RCPS-i C")
Class of Shares	:	Ordinary Shares, RCPS-i A and RCPS-i C
Voting Rights	:	One Vote per Ordinary Share or RCPS-i A or RCPS-i C

DISTRIBUTION OF SHAREHOLDINGS OF ORDINARY SHARES

Size of Shareholdings	No. of Ordinary Shareholders	%	No. of Ordinary Shares	%
less than 100	1,225	9.01	44,166	0.00
100 - 1,000	2,167	15.95	1,264,162	0.03
1,001 - 10,000	6,120	45.04	28,868,847	0.71
10,001 - 100,000	3,343	24.60	110,656,843	2.71
100,001 to less than 5% of issued shares	731	5.38	1,510,254,868	37.06
5% and above of issued shares	3	0.02	2,424,399,512	59.49
Total	**13,589**	**100.00**	**4,075,488,398**	**100.00**

LIST OF THIRTY LARGEST SHAREHOLDERS

Name of Ordinary Shareholders	No. of Ordinary Shares	%
1. Permodalan Nasional Berhad	1,060,092,558	26.01
2. Amanahraya Trustees Berhad Amanah Saham Bumiputera	1,007,602,404	24.72
3. Kumpulan Wang Persaraan (Diperbadankan)	356,704,550	8.75
4. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	154,993,099	3.80
5. Amanahraya Trustees Berhad Amanah Saham Malaysia	150,785,827	3.70
6. Amanahraya Trustees Berhad Amanah Saham Malaysia 3	101,501,763	2.49
7. Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	74,901,886	1.84
8. Lembaga Tabung Haji	54,174,300	1.33
9. Amanahraya Trustees Berhad Public Ittikal Sequel Fund	49,065,533	1.20
10. Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	44,926,792	1.10
11. Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	41,526,059	1.02
12. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	37,800,000	0.93
13. Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	26,899,742	0.66
14. Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (West CLT OD67)	22,696,200	0.56

ANALYSIS OF SHAREHOLDINGS
AS AT 17 FEBRUARY 2023

ANALYSIS OF SHAREHOLDINGS
AS AT 17 FEBRUARY 2023

LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

Name of Ordinary Shareholders	No. of Ordinary Shares	%
15. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	18,586,033	0.46
16. HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	17,561,845	0.43
17. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	17,473,100	0.43
18. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (AHAM AM EQ)	16,844,909	0.41
19. CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	16,461,899	0.40
20. HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	16,371,278	0.40
21. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)	16,347,544	0.40
22. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AsianIslamic)	14,938,500	0.37
23. Guoline (Singapore) Pte Ltd	12,800,000	0.31
24. Hong Leong Assurance Berhad as Beneficial Owner (Life Par)	12,793,137	0.31
25. Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Focus Fund	12,534,700	0.31
26. Cartaban Nominees (Tempatan) Sdn Bhd PBTB for Takafulink Dana Ekuiti	11,610,880	0.28
27. Maybank Investment Bank Berhad IVT (16)	11,364,700	0.28
28. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CGS CIMB)	10,188,721	0.25
29. Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Growth)	9,790,000	0.24
30. Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	9,720,700	0.24
	3,409,320,859	**83.65**

DISTRIBUTION OF SHAREHOLDINGS OF RCPS-i A

Size of Shareholdings	No. of Holders of RCPS-i A	%	No. of RCPS-i A	%
less than 100	53	4.61	1,829	0.00
100 - 1,000	339	29.50	185,393	0.02
1,001 - 10,000	465	40.47	1,711,029	0.16
10,001 - 100,000	190	16.54	6,592,723	0.60
100,001 to less than 5% of issued shares	99	8.62	267,895,706	24.61
5% and above of issued shares	3	0.26	812,271,206	74.61
Total	**1,180**	**100.00**	**1,088,657,886**	**100.00**

LIST OF THIRTY LARGEST HOLDERS OF RCPS-i A

Name of Holders of RCPS-i A	No. of RCPS-i A	%
1. Amanahraya Trustees Berhad Amanah Saham Bumiputera	645,884,132	59.33
2. Kumpulan Wang Persaraan (Diperbadankan)	108,006,374	9.92
3. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	58,380,700	5.36
4. Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	42,745,400	3.93
5. Amanahraya Trustees Berhad Amanah Saham Malaysia	32,071,600	2.95
6. Lembaga Tabung Haji	32,000,000	2.94
7. Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	27,737,200	2.55
8. Amanahraya Trustees Berhad Amanah Saham Malaysia 3	24,046,800	2.21
9. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AHAM AM)	16,673,800	1.53
10. Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	15,000,000	1.38
11. CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for Affin Hwang Select Dividend Fund	6,763,800	0.62
12. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Maybank Malaysia Dividend Fund	5,282,233	0.49
13. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Manulife Investment - HW Flexi Fund (270519)	4,599,100	0.42
14. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AberIslamic)	4,533,304	0.42
15. Amanahraya Trustees Berhad Public Ittikal Sequel Fund	3,605,132	0.33
16. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	3,325,537	0.31
17. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	2,883,653	0.26
18. Maybank Nominees (Tempatan) Sdn Bhd Affin Hwang Asset Management Berhad for MSIG Insurance (Malaysia) Bhd (210236)	2,663,667	0.24
19. Maybank Nominees (Tempatan) Sdn Bhd Affin Hwang Asset Management Berhad for Hong Leong Assurance Berhad (PAR-220082)	2,647,800	0.24
20. Universal Trustee (Malaysia) Berhad KAF Dana Adib	2,410,000	0.22
21. Universal Trustee (Malaysia) Berhad KAF Tactical Fund	2,339,500	0.21
22. Hong Leong Assurance Berhad as Beneficial Owner (Life Par)	2,182,515	0.20
23. Ng Ho Fatt	1,864,900	0.17
24. KAF Trustee Berhad KIFB for The Institute of Strategic and International Studies Malaysia	1,770,700	0.16

ANALYSIS OF SHAREHOLDINGS
AS AT 17 FEBRUARY 2023

ANALYSIS OF SHAREHOLDINGS
AS AT 17 FEBRUARY 2023

LIST OF THIRTY LARGEST HOLDERS OF RCPS-i A (CONT'D)

Name of Holders of RCPS-i A	No. of RCPS-i A	%
25. Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Ng Paik Pheng (PB)	1,724,100	0.16
26. CIMB Islamic Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad - Amanah Saham Kedah	1,361,000	0.13
27. Lim Bun Hwa	1,343,000	0.12
28. Ng Ho Fatt	1,325,000	0.12
29. Maybank Nominees (Tempatan) Sdn Bhd Ting Poi Ling	878,400	0.08
30. Amanahraya Trustees Berhad Public Index Fund	861,436	0.08
	1,056,910,783	**97.08**

DISTRIBUTION OF SHAREHOLDINGS OF RCPS-i C

Size of Shareholdings	No. of Holders of RCPS-i C	%	No. of RCPS-i C	%
less than 100	45	2.67	2,182	0.00
100 - 1,000	177	10.49	113,648	0.00
1,001 - 10,000	819	48.55	3,728,702	0.15
10,001 - 100,000	496	29.40	14,701,492	0.60
100,001 to less than 5% of issued shares	148	8.77	392,572,882	15.88
5% and above of issued shares	2	0.12	2,060,891,101	83.37
Total	**1,687**	**100.00**	**2,472,010,007**	**100.00**

LIST OF THIRTY LARGEST HOLDERS OF RCPS-i C

Name of Holders of RCPS-i C	No. of RCPS-i C	%
1. Amanahraya Trustees Berhad Amanah Saham Bumiputera	1,921,175,826	77.72
2. Amanahraya Trustees Berhad Amanah Saham Malaysia	139,715,275	5.65
3. Amanahraya Trustees Berhad Amanah Saham Malaysia 3	94,049,600	3.80
4. Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	69,402,660	2.81
5. Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	41,628,309	1.68
6. Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	38,477,255	1.56
7. Lembaga Tabung Haji	36,296,781	1.47

LIST OF THIRTY LARGEST HOLDERS OF RCPS-i C (CONT'D)

Name of Holders of RCPS-i C	No. of RCPS-i C	%
8. Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	18,022,827	0.73
9. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)	7,291,304	0.29
10. Cartaban Nominees (Tempatan) Sdn Bhd Prudential Assurance Malaysia Berhad for Prulink Strategic Fund	6,512,869	0.26
11. Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Participating Fund	4,875,657	0.20
12. Amanahraya Trustees Berhad ASN Umbrella for ASN Equity 3	4,662,267	0.19
13. Amanahraya Trustees Berhad ASN Imbang (Mixed Asset Balanced) 1	3,627,675	0.15
14. Amanahraya Trustees Berhad Amanah Saham Nasional	3,511,188	0.14
15. Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Income Fund	3,489,561	0.14
16. Phillip Nominees (Tempatan) Sdn Bhd Exempt an for Phillip Capital Management Sdn Bhd	3,332,879	0.13
17. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Progress Fund (4082)	2,613,067	0.11
18. Kenanga Nominees (Tempatan) Sdn Bhd Rakuten Trade Sdn Bhd for Goh Hock Hun	2,400,000	0.10
19. Lim Bun Hwa	2,280,000	0.09
20. CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Commerce Trustee Berhad for Kenanga Shariah Growth Opportunities Fund (50156 TR01)	2,240,970	0.09
21. Amanahraya Trustees Berhad ASN Umbrella for ASN Imbang (Mixed Asset Balanced) 2	2,010,000	0.08
22. UOBM Nominees (Tempatan) Sdn Bhd UOB Islamic Asset Management Sdn Bhd for Lembaga Tabung Haji	2,010,000	0.08
23. CIMB Islamic Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund	1,843,371	0.07
24. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Dividend Fund (5311-401)	1,779,211	0.07
25. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Al-Fauzan (5170)	1,313,411	0.05
26. Sia Tian Poh	1,206,000	0.05
27. Citigroup Nominees (Tempatan) Sdn Bhd Manulife Insurance Berhad (OL Par)	1,156,889	0.05
28. RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Choong Yee How	1,070,000	0.04
29. Soh Say Beng	1,053,600	0.04
30. Tye Yong Pou	1,000,000	0.04
	2,420,048,452	**97.90**

ANALYSIS OF SHAREHOLDINGS

AS AT 17 FEBRUARY 2023

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Permodalan Nasional Berhad	1,060,092,558	26.01	-	-
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	1,007,602,404	24.72	-	-
Employees Provident Fund Board	235,927,020	5.79	-	-
Kumpulan Wang Persaraan (Diperbadankan)	356,704,550	8.75	35,543,303	0.87
Yayasan Pelaburan Bumiputra	-	-	1,060,092,558	26.01

DIRECTORS AND THEIR SHAREHOLDINGS

	No. of Ordinary Shares Held							
Name	Direct	%	Indirect	%	No. of RCPS-i A Held	No. of RCPS-i C Held	No. of shares under the Employee Share Grant Plan	No. of share options under the Employee Share Option Scheme
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	-	-	-	-	-	-	-	-
Datuk Choong Kai Wai	470,500	0.01	-	-	-	315,235	8,500	14,463,777
Dato' Halipah Binti Esa	-	-	-	-	-	-	-	-
Dato' Ahmad Pardas Bin Senin	-	-	-	-	-	-	-	-
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	-	-	-	-	-	-	-	-
Dato' Zuraidah Binti Atan	-	-	-	-	-	-	-	-
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	-	-	-	-	-	-	-	-
Philip Tan Puay Koon	-	-	-	-	-	-	-	-
Dato' Azmi Bin Mohd Ali	-	-	-	-	-	-	-	-
Dato' Merina Binti Abu Tahir	-	-	-	-	-	-	-	-
Dato' Tengku Marina Binti Tunku Annuar	-	-	-	-	-	-	-	-
Sheranjiv Sammanthan	-	-	-	-	-	-	-	-

LIST OF MATERIAL PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2022

No.	Location	Description	Date of Acquisition	Land Area (sq. ft.)	Tenure	Net Book Value (RM'000)
1	HSD120100, HSD120110 & HSD120820, Bandar Kuala Lumpur	Land held for development	29/11/2002 13/04/2018	2,250,430	Leasehold	2,766,900
2	308, Exhibition St, Melbourne VIC 3000, Australia	Land under development	29/04/2016	44,563	Freehold	1,390,410
3	Daerah Kelang, Mukim of Klang, Selangor Darul Ehsan	Land under development and held for development	24/10/2001	16,083,223	Freehold	960,495
4	Mukim 06, Daerah Seberang Perai Utara, Pulau Pinang	Land under development and held for development	22/12/2016 28/07/2020	71,907,968	Freehold	934,912
5	Seksyen 95A & 98, Kampung Haji Abdullah Hukum, Kuala Lumpur	Land use right	24/10/2011	-	Leasehold	861,755
6	111-125 A'Beckett Street, Melbourne, VIC	Land under development	16/07/2017	18,740	Freehold	745,285
7	Lot 39 GRN 45874 Mukim Beranang, Daerah Hulu Langat, Selangor Darul Ehsan	Land under development and held for development	28/11/2012	32,027,887	Freehold	692,079
8	HSD184053 & HSD184054 Mukim Beranang, Daerah Ulu Langat, Selangor Darul Ehsan	Land under development and held for development	21/12/2018	14,919,300	Freehold	647,347
9	Mukim Beranang, Daerah Ulu Langat, Selangor Darul Ehsan	Land held for development	05/10/2016	35,065,800	Freehold	535,293
10	Daerah Klang, Mukim of Klang Selangor Darul Ehsan	Land held for development	24/10/2001	17,363,452	Freehold	496,460

* Amount is inclusive of land held for property development, property development cost and contract cost assets

GROUP DIRECTORY

HEAD OFFICE

S P SETIA BERHAD
197401002663 (19698-X)
S P SETIA PROJECT MANAGEMENT SDN BHD
199201015192 (246695-X)
SETIA IP HOLDINGS SDN BHD
201401046540 (1122728-W)
SETIA PRECAST SDN BHD
199501017974 (347177-A)
S P Setia Bhd Corporate HQ
12, Persiaran Setia Dagang
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan, Malaysia
T +603 3348 2255
F +603-3344 3232
E corp@spsetia.com
S P SETIA FOUNDATION
T +603 3348 2530
E setiacare@spsetia.com

CENTRAL REGION

SETIA ALAMIMPIAN
I & P ALAM IMPIAN SDN BHD
199601021892 (394244-M)
Setia AlamImpian Welcome Centre
1, Jalan Panglima Hitam 35/26
Alam Impian, Seksyen 35
40470 Shah Alam
Selangor Darul Ehsan, Malaysia
T +603 5162 7600
F +603 5162 1478
E alamimpian@spsetia.com

ALAM SUTERA
SYARIKAT PERUMAHAN PEGAWAI KERAJAAN SDN BHD
197101000199 (10586-D)
Bandar Kinrara Welcome Centre
Eight Kinrara - Block B, Jalan BK 5A/1
Bandar Kinrara, 47180 Puchong
Selangor Darul Ehsan, Malaysia
T +603 8082 9549
F +603 8082 9500
E alamsutera@spsetia.com

BANDAR KINRARA
PERUMAHAN KINRARA BERHAD
192001000029 (305-P)
Bandar Kinrara Welcome Centre
Eight Kinrara - Block B, Jalan BK 5A/1
Bandar Kinrara, 47180 Puchong
Selangor Darul Ehsan, Malaysia
T +603 8082 9525
F +603 8082 9500
E bandarkinrara@spsetia.com

SETIA BAYUEMAS
I & P KOTA BAYUEMAS SDN BHD
200201000854 (568517-V)
Bayuemas Sales Gallery
4, Jalan Bayu Impian 10/KS9
Kota Bayuemas, 41200 Klang
Selangor Darul Ehsan, Malaysia
T +603 3325 1700
F +603 3325 1800
E bayuemas@spsetia.com

KL ECO CITY
KL ECO CITY SDN BHD
198901007838 (185140-X)
Setia International Centre
Lot 215, Pantai Baru, Jalan Bangsar
59200 Kuala Lumpur, Malaysia
T +603 2287 5522
F +603 2287 5225
E klecocity@spsetia.com

SETIA ALAM
BANDAR SETIA ALAM SDN BHD
200101030381 (566140-D)
SETIA ALAMAN
PETALING GARDEN SDN BHD
195701000208 (3113-T)
Setia Alam Welcome Centre
2, Jalan Setia Indah AD U13/AD
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan, Malaysia
T +603 3343 2255
F +603 3345 2255
E bsa-sales@spsetia.com

SETIA ALAMSARI
I & P MENARA SDN BHD
198301002001 (97237-W)
Setia Alamsari Welcome Centre
1, Persiaran Alam Sari 2
Alam Sari, 43000 Kajang
Selangor Darul Ehsan, Malaysia
T +603 8736 2255
F +603 8741 2251
E setiaalamsari-sales@spsetia.com
Customer Relations Department
T +603 8737 2255
F +603 8739 2255
E setiaalamsari-crd@spsetia.com

SETIA CITY CONVENTION CENTRE
S P SETIA PROPERTY SERVICES SDN BHD
201201023163 (1007655-H)
1 & 3, Jalan Setia Dagang AG U13/AG
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan, Malaysia
T +603 3359 5252
F +603 3359 2552
E setiacitycc@spsetia.com

SETIA ECO GLADES
SETIA ECO GLADES SDN BHD
200701009474 (767476-H)
SETIA SAFIRO
SETIA SAFIRO SDN BHD
201801012245 (1274261-M)
Setia Eco Glades Lifestyle Gallery
1, Persiaran Setia Eco Glades
Setia Eco Glades, Cyber 1
63000 Cyberjaya
Selangor Darul Ehsan, Malaysia
T +603 8008 2228
F +603 8008 2233
E eco-glades@spsetia.com
safiro-sales@spsetia.com

SETIA ECOHILL
SETIA ECOHILL SDN BHD
201001019878 (903607-T)
SETIA ECOHILL 2
SETIA ECOHILL 2 SDN BHD
199801010090 (466218-P)
Setia Ecohill Welcome Centre Kelab 360
1, Persiaran Ecohill Barat
Setia Ecohill, 43500 Semenyih
Selangor Darul Ehsan, Malaysia
T +603 8724 2255
F +603 8724 2525
E ecohill@spsetia.com

SETIA MAYURI
SETIA MAYURI SDN BHD
198801006642 (174000-U)
Setia Mayuri Welcome Centre
6, Jalan 3/1A, Setia Mayuri
43500 Semenyih
Selangor Darul Ehsan, Malaysia
T +603 8925 2255
F +603 8727 5525
E setiamayuri@spsetia.com

SETIA ECO PARK
BANDAR ECO-SETIA SDN BHD
200101030379 (566138-A)
S P SETIA ECO-PROJECTS MANAGEMENT SDN BHD
199401003986 (289665-V)
Setia Eco Park Sales Gallery
5A, Jalan Setia Nusantara U13/17
Setia Eco Park, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan, Malaysia
T +603 3343 2228
F +603 3343 7228
E eco-sales@spsetia.com

SETIA ECO TEMPLER
SETIA ECO TEMPLER SDN BHD
201201036071 (1020553-T)
Setia Eco Templer Sales Gallery
1, Jalan Ipoh-Rawang, KM-20
Taman Rekreasi Templer
48000 Rawang
Selangor Darul Ehsan, Malaysia
T +603 6092 2288
F +603 6092 2289
E eco-templer@spsetia.com

SETIA PUTRAJAYA
SETIA PUTRAJAYA SDN BHD
199601029380 (401732-X)
Customer Relations Department
5A, Jalan P15H, Presint 15
62050 Putrajaya
Wilayah Persekutuan Putrajaya, Malaysia
T +603 8893 0006/0008
F +603 8893 0301
E spj-ccd@spsetia.com

SETIA SERAYA RESIDENCES
SETIA PUTRAJAYA DEVELOPMENT SDN BHD
199701009459 (424955-P)
Setia Putrajaya Galleria
5, Jalan P15H, Presint 15
62050 Putrajaya
Wilayah Persekutuan Putrajaya, Malaysia
T +603 8861 6500
F +603 8861 7900
E spj-sales@spsetia.com

SETIA SKY SEPUTEH
GITA KASTURI SDN BHD
201101025499 (953635-X)
Setia Sky Seputeh Sales Galleria
1, Jalan Taman Seputeh Satu
Taman Seputeh
58000 Kuala Lumpur, Malaysia
T +603 2276 5252
F +603 2276 3232
E skyseputeh-sales@spsetia.com

SETIA WARISAN TROPIKA
PETALING GARDEN SDN BHD
195701000208 (3113-T)
BAYU LAKEHOMES
S P SETIA ECO-PROJECTS MANAGEMENT SDN BHD
199401003986 (289665-V)
Setia Warisan Tropika Welcome Centre
41, Jalan Warisan Sentral 1
43900 Sepang
Selangor Darul Ehsan, Malaysia
T +603 8706 2552
F +603 8706 2255
E sales@setiawarisantropika.com

TEMASYAGLENMARIE
TEMASYA DEVELOPMENT CO. SDN BHD
197401002695 (19753-K)
TemasyaGlenmarie Welcome Centre
6 & 8, Jalan Kurator U1/61
Temasya Glenmarie, Seksyen U1
40150 Shah Alam
Selangor Darul Ehsan, Malaysia
T +603 5569 6100
F +603 5569 6700
E temasyaglenmarie@spsetia.com

TRIO BY SETIA
GANDA ANGGUN SDN BHD
200101001750 (537506-W)
Trio Sales Galleria
15-G, Jalan Remia 2/KS6
Bandar Botanik
41200 Klang
Selangor Darul Ehsan, Malaysia
T +603 3162 3322
F +603 3162 3323
E trio_sales@spsetia.com

SETIA WOOD
SETIA-WOOD INDUSTRIES SDN BHD
197501001985 (23725-V)
S P SETIA MARKETING SDN BHD
198801007841 (175198-P)
Lot 5 & 6, Jalan Indah 1/3
Taman Industri Rawang Indah
48000 Rawang
Selangor Darul Ehsan, Malaysia
T +603 6092 8022
F +603 6092 0322
E setiawood@spsetia.com

SOUTHERN REGION

BUKIT INDAH
BUKIT INDAH (JOHOR) SDN BHD
199401021581 (307260-V)
TAMAN PERLING
PELANGI SDN BHD
197201001814 (13509-H)
Wisma S P Setia
S3-0111, Laman Indah 3, Jalan Indah 15
Taman Bukit Indah,
79100 Iskandar Puteri
Johor Darul Takzim, Malaysia
T +607 241 2255
F +607 241 5955
E bij-sales@spsetia.com

SETIA INDAH
SETIA ECO CASCADIA
SETIA INDAH SDN BHD
198901008253 (185555-H)
Wisma S P Setia
1, Jalan Setia 3/6, Taman Setia Indah
81100 Johor Bahru
Johor Darul Takzim, Malaysia
T +607 351 2255
F +607 357 9923
E sec-sales@spsetia.com

SETIA ECO GARDENS
SETIA BUSINESS PARK
KESAS KENANGAN SDN BHD
200601026062 (745817-H)
Pejabat Tapak, Lot 2110, KM 5.5
Jalan Gelang Patah-Ulu Choh
81550 Johor Bahru
Johor Darul Takzim, Malaysia
T +607 555 2525
F +607 555 2552
E seg-sales@spsetia.com

SETIA SKY 88
SETIA CITY DEVELOPMENT SDN BHD
201101005745 (933887-K)
TAMAN PELANGI
PELANGI SDN BHD
197201001814 (13509-H)
03 & 05, Jalan Sri Pelangi 3
Taman Pelangi, 80400 Johor Bahru
Johor Darul Takzim, Malaysia
T +607 333 2255
F +607 333 2552
E sky88-sales@spsetia.com

SETIA TROPIKA
SETIA INDAH SDN BHD
198901008253 (185555-H)
Tropika Welcome Centre
Level 3A, No.10, Jalan Setia Tropika 1/21
Taman Setia Tropika
81200 Kempas, Johor Bahru
Johor Darul Takzim, Malaysia
T +607 237 2255
F +607 237 2225
E st-sales@spsetia.com

TAMAN INDUSTRI JAYA
BILTMORE (M) SDN BHD
198401012737 (125293-X)
Taman Industri Jaya
Satellite Sales Gallery
6, Jalan Bistari 13, Taman Industri Jaya
81300 Skudai,
Johor Darul Takzim, Malaysia
T +607 241 2255
F +607 241 5955
E tij-sales@spsetia.com

GROUP DIRECTORY

TAMAN PELANGI INDAH
YUKONG DEVELOPMENT (PTE) LIMITED
195102000014 (991872-U)
SETIA BUSINESS PARK II
SETIA INDAH SDN BHD
198901008253 (185555-H)
PLO 12062, Jalan Persiaran Pelangi Indah
Taman Pelangi Indah
81800 Ulu Tiram, Johor Bahru
Johor Darul Takzim, Malaysia
T +607 861 0555
F +607 861 9235
E tpi-sales@spsetia.com

TAMAN RINTING
TAMAN GUNONG HIJAU SDN BHD
197301002956 (16420-U)
PTD 46378, Jalan Balau, Taman Rinting
81750 Masai, Johor Darul Takzim, Malaysia
T +607 382 9188
F +607 386 1697
E tr-sales@spsetia.com

NORTHERN REGION

SETIA SPICE
ECO MERIDIAN SDN BHD
201001025513 (909427-K)
Setia SPICE Convention Centre
SPICE, 108C, Jalan Tun Dr. Awang
11900 Bayan Lepas, Penang, Malaysia
T +604 643 2525
F +604 641 2250
E setiaspice@spsetia.com

SETIA FONTAINES
SETIA FONTAINES SDN BHD
200001002967 (505572-T)
Setia Experience Centre
2296, 13200 Kepala Batas
Penang, Malaysia
T +604 576 2255
F +604 575 0055
E sf-sales@spsetia.com

SETIA PEARL ISLAND
SETIA VISTA
SETIA PROMENADE SDN BHD
199601016034 (388384-W)
SETIA GREENS
11 BROOK RESIDENCES
KEWIRA JAYA SDN BHD
200001002246 (504851-V)
SETIA V RESIDENCES
SETIA SKY VILLE
KAY PRIDE SDN BHD
198901000466 (177772-V)
Setia Welcome Centre, SPICE
108, Jalan Tun Dr. Awang
11900 Bayan Lepas, Penang, Malaysia
T +604 641 2255
F +604 642 2255
E spi-sales@spsetia.com

EASTERN REGION

AEROPOD
AEROPOD SDN BHD
200701009762 (767765-P)
Setia Welcome Centre
I-1-1, Block I, Level 1
Aeropod Commercial Square
Jalan Aeropod Off Jalan Kepayan
88200 Kota Kinabalu, Sabah, Malaysia
T +608 821 8255
F +608 848 6299
E aeropod-sales@spsetia.com

UNITED KINGDOM

BATTERSEA POWER STATION MARKETING SUITE
44 Electric Boulevard,
Battersea Power Station,
London, SW11 8BJ
T +44 20 7501 0678
F +44 20 7501 0699
E sales@bpsdc.co.uk

AUSTRALIA

SAPPHIRE BY THE GARDENS
SETIA (MELBOURNE) DEVELOPMENT COMPANY PTY LTD
(ACN 143 464 804)
Level 1, 155 Franklin Street
Melbourne, VIC 3000, Australia
T +613 9616 2525
F +613 9616 2552
E melbourne@spsetia.com

UNO MELBOURNE
SETIA A'BECKETT (MELBOURNE) PTY LTD
(ABN 83 619 935 723)
120 A'Beckett Street, Melbourne
VIC 3000, Australia
T +613 9616 2525
F +613 9616 2552
E melbourne@spsetia.com

SINGAPORE

S P SETIA INTERNATIONAL (S) PTE LTD
(200906303E)
1, Harbourfront Place #01-06
Harbourfront Tower One
Singapore 098633
T +65 6271 2255
F +65 6271 3522
E sg-sales@spsetia.com

VIETNAM

ECOLAKES, MY PHUOC
SETIABECAMEX JOINT STOCK COMPANY
Sales Gallery
R11-1 Street, EcoLakes My Phuoc
Block 6, Thoi Hoa Ward, Ben Cat Town
Binh Duong Province, Vietnam
T +84 274 3577 255
F +84 274 3577 225
E ecolakes-sales@setiabecamex.vn

ECOXUAN LAI THIEU
SETIA LAI THIEU ONE MEMBER COMPANY LIMITED
1A, NB-N1 Street, EcoXuan Lai Thieu
Lai Thieu Ward, Thuan An City
Binh Duong Province, Vietnam
T +84 274 366 2255
F +84 274 377 2255
E ecoxuan@spsetia.com.vn

JAPAN

SETIA IZUMISANO CITY CENTRE
SETIA OSAKA TOKUTEI MOKUTEKI KAISHA
(0100-05-029392)
Setia Eco Tower
5A, Jalan Setia Nusantara U13/17
Setia Eco Park, Setia Alam
40170 Shah Alam
Selangor Darul Ehsan, Malaysia
T +603 3343 2228
F +603 3343 2555
E setiaosaka@spsetia.com

NOTICE OF ANNUAL GENERAL MEETING

Setia

S P SETIA BERHAD
(197401002663 (19698-X))
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN that the Forty Eighth (48th) Annual General Meeting of the Company will be conducted entirely through live streaming from the broadcast venue at **Annex, Level 1, S P Setia Berhad Corporate HQ, No. 12, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Thursday, 27 April 2023 at 10.00 a.m.** for the following purposes:

AGENDA

1. To receive the audited financial statements of the Company for the financial year ended 31 December 2022 together with the reports of the Directors and auditors thereon.	**Please refer to Explanatory Note A**
2. To re-elect Dato' Zuraidah Binti Atan, the Director who retires in accordance with Clause 102 of the Company's Constitution and, being eligible, offers herself for re-election.	**Resolution 1** *[Explanatory Note 1]*
3. To re-elect the following Directors who retire in accordance with Clause 107 of the Company's Constitution and, being eligible, offer themselves for re-election:	
(1) Dato' Tengku Marina Binti Tunku Annuar	**Resolution 2**
(2) Mr Sheranjiv Sammanthan	**Resolution 3** *[Explanatory Note 1]*
4. To approve the payment of Directors' fees amounting to RM50,000 per month for the Non-Executive Chairman and RM12,000 per month for each of the Non-Executive Directors for the period from 28 April 2023 up to the date of the next Annual General Meeting.	**Resolution 4**
5. To approve the payment of Directors' other remuneration and benefits to the Non-Executive Directors for the period from 28 April 2023 up to the date of the next Annual General Meeting amounting up to approximately RM2,200,000.	**Resolution 5** *[Explanatory Note 2]*
6. To re-appoint Messrs Ernst & Young PLT, Chartered Accountants, the retiring auditors, as the auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.	**Resolution 6** *[Explanatory Note 3]*

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions:

7. **ORDINARY RESOLUTION**

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SPECIFIED IN SECTION 2.3.1 OF THE CIRCULAR TO SHAREHOLDERS DATED 29 MARCH 2023

Resolution 7
[Explanatory Note 4]

"THAT, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("S P Setia Group") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of the S P Setia Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as specified in Section 2.3.1 of the Circular to Shareholders dated 29 March 2023) which are necessary for the day to day operations in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of the S P Setia Group and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to minority shareholders of the Company and such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. **ORDINARY RESOLUTION**

PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY ("S P SETIA SHARES"), FOR THE PURPOSE OF THE COMPANY'S DIVIDEND REINVESTMENT PLAN ("DRP") THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY ("SHAREHOLDERS") THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW S P SETIA SHARES

Resolution 8
[Explanatory Note 5]

"THAT pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting held on 20 March 2014 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new S P Setia Shares from time to time as may be required to be allotted and issued pursuant to the DRP upon such terms and conditions and to such persons as the Directors of the Company at their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new S P Setia Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5) market days volume weighted average market price ("VWAP") of S P Setia Shares immediately prior to the price-fixing date, of which VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of S P Setia Shares;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company."

9. To transact any other business of which due notice shall have been given.

By Order of the Board

LEE WAI KIM
SSM PC No. 202008001422
MAICSA 7036446
Company Secretary

29 March 2023
Selangor Darul Ehsan

NOTES:

1. *A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, subject to the Constitution of the Company. The Broadcast Venue is* ***strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 60 of the Company's Constitution*** *which require the Chairman of the meeting to be present at the main venue of the meeting. Shareholders/proxies/corporate representatives* ***WILL NOT BE ALLOWED*** *to attend the 48th AGM of the Company in person at the Broadcast Venue on the day of the meeting.*

2. *Shareholders are to attend, speak (including posing questions to the Board of Directors of the Company via real time submission of typed texts) and vote (collectively, "participate") remotely at the 48th AGM of the Company via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its* ***TIIH Online*** *website at* ***https://tiih.online****.*

3. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*

4. *Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the securities account.*

6. *The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

7. *The Form of Proxy duly completed and signed must be deposited at the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof. You may also submit the Form of Proxy electronically via* ***TIIH Online*** *at https://tiih.online not less than 48 hours before the time for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Guide for the 48th AGM on the procedures for electronic submission of proxy form via* ***TIIH Online****.*

8. *Only members whose names appear in the Record of Depositors on 18 April 2023 shall be entitled to participate in the 48th AGM of the Company via RPV or appoint proxy/proxies to attend and/or vote on his/her behalf.*

9. *To participate in the 48th AGM of the Company via RPV and appoint proxy/authorised representative, please follow the Procedures for RPV in the Administrative Guide.*

EXPLANATORY NOTE A

This Agenda item is meant for discussion only as under the provisions of Sections 248(2) and 340(1)(a) of the Act and the Company's Constitution, the audited accounts do not require the formal approval of shareholders. As such, this item is not put forward for voting.

OTHER EXPLANATORY NOTES

1. **Resolutions 1, 2 and 3 - Re-election of Directors**

   The Board is satisfied that in consideration of the wealth of expertise and experience of the following Directors of the Company, they will continue to bring sound judgment and valuable contribution to board deliberations through active participation in discussions and decision making by the Board:

   (1) Dato' Zuraidah Binti Atan;
   (2) Dato' Tengku Marina Binti Tunku Annuar; and
   (3) Mr Sheranjiv Sammanthan.

   The aforesaid Directors have also confirmed that they satisfy all the requirements as set out in the Fit and Proper Policy for Directors of the Company. Their profiles are set out on pages 157, 162 and 163 of the Integrated Report 2022. The skillsets of the aforesaid Directors have also been mapped against the Board Succession Plan and Diversity Policy. In view thereof, the Board supports their re-election at the 48th AGM.

   Dato' Ahmad Pardas Bin Senin and Dato' Seri Ir Hj Mohd Noor Bin Yaacob are due to retire by rotation at the 48th AGM in accordance with Clause 102 of the Company's Constitution. Pursuant to the Step-up Practice 5.4 of the Malaysian Code on Corporate Governance, which is adopted by the Company, Dato' Ahmad Pardas Bin Senin and Dato' Seri Ir Hj Mohd Noor Bin Yaacob will be retiring from the Board upon reaching their 9th year as Directors of the Company in September 2023 and October 2023 respectively. In this regard, they have indicated that they do not wish to seek re-election and will be retiring upon the conclusion of the 48th AGM.

2. **Resolution 5 - Payment of Other Remuneration and Benefits to Non-Executive Directors of the Company**

   Based on the Non-Executive Directors' Remuneration Framework, the Non-Executive Directors' remuneration (other than fee) comprised of the following:

Description of Remuneration/Benefits	
Monthly Fixed Allowance	Chairman of Audit Committee – RM5,000 Chairman of other Board Committee – RM3,000 Member of Board Committee – RM2,000
Meeting Allowance	Chairman and Board Member – RM1,500 per meeting Board Committee Chairman and Member – RM1,500 per meeting
Allowance for membership on the board of directors of significant project/investment as appointed by the Board of the Company	RM5,000 per month
Other Benefits	Car, petrol and driver for Chairman, security services, Directors and Officers Liability Insurance, medical, hospitalisation and travel insurance and other claimable benefits

   The estimated amount of up to approximately RM2,200,000 is calculated based on the expected number of meetings and other monthly allowances and benefits for the period from 28 April 2023 up to the date of the next AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING

3. **Resolution 6 - Re-appointment of Messrs Ernst & Young PLT ("EY")**

   The Audit Committee ("AC") has in February 2023, undertaken an External Auditors Evaluation to assess the performance of EY for the financial year ended 31 December 2022. This assessment was undertaken when deciding on the re-appointment of external auditors and took into account the following criteria:

   (1) Quality of Services Provided;
   (2) Sufficiency of Audit Firm Resources;
   (3) Communication and Interaction; and
   (4) Independence, Objectivity and Professional Skepticism.

   The feedback from the Finance Department of all the Business Units in the Group was taken into consideration in the AC's assessment.

   The AC and the Board were satisfied with the performance of EY based on the criteria of assessment and the requirements as prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. In this regard, the Board recommends the re-appointment of EY as external auditors of the Company for the financial year ending 31 December 2023.

4. **Resolution 7 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature**

   The proposed Resolution 7, if approved, will allow the S P Setia Group to enter into recurrent related party transactions of a revenue and trading nature relating to sale of properties by the S P Setia Group to related parties. The details of the proposal are set out in the Circular to Shareholders dated 29 March 2023 which is published together with the Notice of 48th AGM.

5. **Resolution 8 - Proposed Renewal of the Authority to Allot and Issue New S P Setia Shares for the purpose of the Company's DRP that provides the Shareholders the Option to Elect to Reinvest their Cash Dividend in New S P Setia Shares**

   The proposed Resolution 8, if approved, will re-new the authority given to the Directors to allot and issue new S P Setia Shares pursuant to the DRP under the resolution passed at the 47th AGM held on 27 April 2022, the authority of which will lapse at the conclusion of the 48th AGM.

GLOSSARY

Acronym / Short Form	Full Form
AAPG	Audit and Assurance Practice Guide
ABC	Anti-Bribery & Corruption
ABCP	Associate Business Continuity Professional
ABMS	Anti-Bribery Management System
AC	Audit Committee
ACC	Ambulatory care centre
ACCA	Association of Chartered Certified Accountants
AGM	Annual General Meeting
APF	Auxiliary Police Force
ARiMM	Academy of Risk Management Malaysia
ATR-ASB	Amanahraya Trustees Berhad – Amanah Saham Bumiputera
BA	Business associates
BCI	Building and construction industry
BEE	Board Effectiveness Evaluation
BKE	Butterworth-Kulim Expressway
Board	Board of Directors
BOT	Build-Operate-Transfer
BU	Business Unit
Bursa Securities	Bursa Malaysia Securities Berhad
CA 2016	Companies Act 2016
CAGR	Compound annual growth rate
CAMS	Complete Air Management System
CEC	Customers Excellence Committee
CeIO	Certified Integrity Officer
CEng	Chartered Engineer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CG Overview Statement	Corporate Governance Overview Statement
CGUs	Cash generating units
CHRO	Chief Human Resources Officer
CIA	Chief Internal Auditor
CIDB	Construction Industry Development Board
CLO	Chief Legal Officer
CMS	Central Monitoring System
COCBE	Code of Conduct and Business Ethics
COO	Chief Operating Officer
CP	Commercial Paper
CPA	Construction Performance Assessment
CPE	Contractor Performance Evaluation
CRA	Corruption Risk Assessment
CRIGO	Chief Risk, Integrity & Governance Officer
CRMA	Certification in Risk Management Assurance
CSO	Chief Strategy Officer
D&I	Diversity & Inclusion
D&O	Directors' and Officers' Liability Insurance
DAL	Discretionary Authority Limits
DGM	Deputy General Manager
Div GM	Divisional General Manager
DiVa	Diversity advocate
DRI	Disaster Recovery Institute
DRP	Dividend Reinvestment Plan

Acronym / Short Form	Full Form
EAP	Employee Assistance Programme
EBIT	Earnings before income tax
ECL	Expected credit losses
EDL	Eastern Dispersal Link
EES	Economic, Environmental and Social
EIA	Environmental Impact Assessment
EIR	Effective interest rate
EPF	Employees' Provident Fund
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
ESGP	Employee's Share Grant Plan
ESOS	Employee Share Option Scheme
EV	Electric vehicle
EVP	Executive Vice President
EX	Employee experience
EY	Messrs Ernst & Young PLT
FCCA	Fellow Member of the Association of Chartered Certified Accountants
FCPA	Fellow of the Certified Practising Accountant
FELDA	Lembaga Kemajuan Tanah Persekutuan
FIC	Finance and Investment Committee
FWA	Flexible Working Arrangement
FY2022	Financial year 2022
GAC	Group Action Committee
GBI	Green Building Index
GCD	Group Contracts Department
GCE	Guthrie Corridor Expressway
GDV	Gross development value
GFC	Group Financial Controller
GHG	Greenhouse gas
GHR	Group Human Resources
GIA	Group Internal Audit
GICT	Group Information Communication Technology and Digital Technology
GLC	Government Linked Companies
GM	General Manager
GMV	Gross merchandise volume
GQM	Group Quality Management
GRESB	Global Real Estate Sustainability Benchmark
GRI	Global Reporting Initiative
GSBD	Group Strategy & Business Development
GCS	Group Company Secretary
HCMC	Ho Chi Minh City
HOD	Heads of Department
HOTS	Higher Order Thinking Skills
HSE	Health, Safety and Environment
IBS	Industrialised Building System
ICE	Institution of Civil Engineers
ICQ	In-process Construction Quality
IFRS	International Financial Reporting Standards
IGC	Integrity and Governance Champion
IGU	Integrity and Governance Unit

Acronym / Short Form	Full Form
IIA	Institute of Internal Auditors
IIAM	Institute of Internal Auditors Malaysia
IIRC	International Integrated Reporting Council
IIUM	International Islamic University Malaysia
INED	Independent Non-Executive Director
IP	Investment Property
IPUC	Investment Property Under Construction
IR	Investor Relations
ISP	International Schools Partnerships
JAKOA	Jabatan Kemajuan Orang Asli
JPNS	Jabatan Pendidikan Negeri Selangor
KLIA	Kuala Lumpur International Airport
KPI	Key Performance Indicators
LATAR	Kuala Lumper-Kuala Selangor Expressway
LED	Light-emitting diode
LKSA	Kemuning-Shah Alam Expressway
LRT	Light Rail Transit
LTI	Lost Time Injury
LTIP	Long-Term Incentive Plan
MACA	Malaysia Anti-Corruption Academy
MACC	Malaysian Anti-Corruption Commission
MAIS	Majlis Agama Islam Selangor
MAIS	Lembaga Zakat Selangor Head Office Development Monitoring Committee
MBA	Masters of Business Administration
MCCG	Malaysian Code on Corporate Governance
MEX	Maju Expressway
MFRS	Malaysian Financial Reporting Standards
MIA	Malaysian Institute of Accountants
MICE	Meetings, incentives, conferences and exhibitions
MICPA	Malaysian Institute of Certified Public Accountants
MIPPEA	MIP Planning Excellence Awards
MMLR	Main Market Listing Requirements
MoU	Memorandum of understanding
MPPP	Majlis Perbandaran Pulau Pinang
MRT	Management Risk Team
MTN	Medium Term Notes
NASOM	National Autism Society of Malaysia
NDC	Nationally Determined Contribution
NED	Non-Executive Director
NIOSH	National Institute of Occupational Safety and Health
NKVE	New Klang Valley Expressway
NPE	New Pantai Expressway
NRC	Nomination and Remuneration Committee
OACP	Organisational Anti-Corruption Plan
OCI	Other comprehensive income
OSHA	Occupational Safety and Health Act
PCEO	President and Chief Executive Officer
PDPA	Personal Data Protection Act
PDRM	Polis Diraja Malaysia
PIDS	Perimeter Intrusion Detection System

Acronym / Short Form	Full Form
PKNS	Perbadanan Kerajaan Negeri Selangor
PNB	Permodalan Nasional Berhad
PWD	Persons with disabilities
QAQC	Quality Assurance & Quality Control
QLASSIC	Quality Assessment System in Construction
QMS	Quality Management System
RCPS	Redeemable cumulative preference shares
RCPS-i A	Islamic Redeemable Convertible Preference Shares
RCPS-i B	Class B Islamic Redeemable Cumulative Preference Shares
REHDA	Real Estate and Housing Developers' Association Malaysia
RFID	Radio-frequency identification
Rights Issue	Rights issue of Class C Islamic Redeemable Convertible Preference Shares
RM	Ringgit Malaysia
RMC	Risk Management Committee
RSP	Restricted Share Plan
S P Setia	S P Setia Berhad
SC	Sustainability Committee
SC	Securities Commission Malaysia
SCSP	Setia Caring School Programme
SMC	Sustainability Management Committee
SOP	Standard operating procedure
SOVO	Small-office-virtual-offices
SPICE	Subterranean Penang International Convention & Exhibition Centre
SPPI	Solely payments of principal and interest
SUK	Setiausaha Kerajaan
TCFD	Task Force on Climate-related Financial Disclosures
TEC	Technical Excellence Committee
The Company	S P Setia Berhad
The Subsidiaries	Subsidiaries of the Company
TNB	Tenaga Nasional Berhad
TOR	Terms of reference
TPC	Tender and Projects Committee
TRC	Talent Review Council
UHI	Urban heat island
UK	United Kingdom
UNSDG	United Nations Sustainable Development Goal
USA	United States of America
UTM	Universiti Teknologi Malaysia
VIU	Value-in-use
VOC	Volatile organic compound
WEP	Women's Empowerment Principle
WEPLS	Water Efficiency Product Labelling Scheme
WFH	Work from home
WIN	Women of Inspiration
WIO	Work in office

This page is intentionally left blank

FORM OF PROXY

S P SETIA BERHAD (197401002663 (19698-X))

		For appointment of two (2) proxies, percentage of shareholdings to be represented by each proxy must be indicated below
No. of Ordinary Shares held		First proxy:
		Second proxy:
No. of Islamic Redeemable Convertible Preference Shares held		First proxy:
		Second proxy:
No. of Class C Islamic Redeemable Convertible Preference Shares held		First proxy:
		Second proxy:
CDS Account Number		

I/We ____ NRIC No./Company No.____________________
(full name in block letters)

of____
(full address)

being a member/members of S P SETIA BERHAD, hereby appoint ______________________________________
(full name in block letters)

NRIC No. ____ of ____________________________________
(full address)

____

and/or failing him/her, ____
(full name in block letters)

NRIC No. ____ of ____________________________________
(full address)

____

or failing him/her, the Chairman of the Meeting as * my/our proxy to attend and vote for * me/us and on * my/our behalf at the virtual Forty Eighth ("48th") Annual General Meeting ("AGM") of the Company to be conducted entirely through live streaming from the broadcast venue at **Annex, Level 1, S P Setia Berhad Corporate HQ, 12 Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Thursday, 27 April 2023 on at 10.00 a.m.** and at any adjournment thereof in the manner as indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1.	Re-election of Dato' Zuraidah Binti Atan.		
2.	Re-election of Dato' Tengku Marina Binti Tunku Annuar.		
3.	Re-election of Mr Sheranjiv Sammanthan.		
4.	Approval for the Directors' Fees for the period from 28 April 2023 up to the date of the next Annual General Meeting.		
5.	Approval for the Payment of Extra Remuneration and Provision of Benefits to Directors of the Company for the period from 28 April 2023 up to the date of the next Annual General Meeting.		
6.	Re-appointment of Messrs Ernst & Young PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Approval for the Proposed Shareholders' Mandate as specified in Section 2.3.1 of the Circular to Shareholders dated 29 March 2023.		
8.	Approval for the Proposed Authority to Allot and Issue New Ordinary Shares under the Company's Dividend Reinvestment Plan.		

* *Strike out whichever is not applicable*

(Please indicate with an "X" in the spaces above how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).

Dated this _____________ day of _________________________ 2023

____
Signature of Member(s) or Common Seal

Notes:

1. *A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, subject to the Constitution of the Company. The Broadcast Venue is* ***strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 60 of the Company's Constitution*** *which require the Chairman of the meeting to be present at the main venue of the meeting. Shareholders/proxies/corporate representatives* ***WILL NOT BE ALLOWED*** *to attend the 48th AGM of the Company in person at the Broadcast Venue on the day of the meeting.*

2. *Shareholders are to attend, speak (including posing questions to the Board of Directors of the Company via real time submission of typed texts) and vote (collectively, "participate") remotely at the 48th AGM of the Company via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its* ***TIIH Online*** *website at* ***https://tiih.online****.*

3. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*

4. *Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the securities account.*

6. *The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

7. *The Form of Proxy duly completed and signed must be deposited at the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof. You may also submit the Form of Proxy electronically via* ***TIIH Online*** *at https://tiih.online not less than 48 hours before the time for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Guide for the 48th AGM on the procedures for electronic submission of proxy form via* ***TIIH Online****.*

8. *Only members whose names appear in the Record of Depositors on 18 April 2023 shall be entitled to participate in the 48th AGM of the Company via RPV or appoint proxy/proxies to attend and/or vote on his/her behalf.*

9. *To participate in the 48th AGM of the Company via RPV and appoint proxy/authorised representative, please follow the Procedures for RPV in the Administrative Guide.*

Affix
Stamp Here

The Company Secretary
S P Setia Berhad
c/o Tricor Investor & Issuing House Services Sdn Bhd,
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8 Jalan Kerinchi,
59200 Kuala Lumpur

Stay Together. Stay Setia

livelearnworkplay

Malaysia | Vietnam | Australia | Singapore | China | United Kingdom | Japan

S P Setia Berhad Corporate HQ,
No. 12, Persiaran Setia Dagang, Setia Alam,
Seksyen U13, 40170 Shah Alam,
Selangor Darul Ehsan,
Malaysia.

Tel: +603 3348 2255
Fax: +603 3344 3232
Email: corp@spsetia.com

Cover
Printed on FSC® Certified
270gsm Rives Sensation Gloss Shetland 100% Recycled
Bright White Recycled

Text
Printed on FSC® Certified
Mix Credit 120gsm Brisk Texture Nano Comb Pure White

By printing on FSC® Certified Mix Credit paper, we have reduced a total of 4,684 KgCO_2e carbon emissions.