

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

**Condensed Financial Report**  
**31 December 2019**

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**Condensed Financial Report - 31 December 2019**

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**S P SETIA BERHAD**  
 (Company No: 197401002663 (19698-X))  
 (Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**  
*(The figures have been audited)*

	As At 31/12/2019 RM'000	As At 31/12/2018 RM'000 Restated
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	639,630	577,293
Right-of-use - property, plant and equipment	3,613	-
Investment properties	2,006,439	1,971,817
Right-of-use - investment properties	75,853	-
Inventories - land held for property development	12,337,053	12,732,627
Intangible asset	14,089	14,793
Investments in joint ventures	2,979,178	2,736,896
Investments in associated companies	560,090	540,648
Other investments	96	96
Amounts owing by joint ventures	69,785	69,785
Trade receivables	30,249	16,335
Other receivables, deposits and prepayments	66,017	134,093
Deferred tax assets	284,666	241,252
	<u>19,066,758</u>	<u>19,035,635</u>
<b>Current assets</b>		
Trade receivables	722,003	824,596
Contract assets	1,077,886	1,065,152
Other receivables, deposits and prepayments	212,277	270,713
Inventories - property development costs	3,125,909	2,568,068
Inventories - completed properties and others	1,444,115	1,586,946
Contract cost assets	1,177,645	850,029
Amounts owing by joint ventures	85,104	97,932
Amounts owing by associated companies	590	450
Amounts owing by related companies	930	811
Current tax assets	69,421	116,942
Short-term funds	1,676,226	1,082,940
Short-term deposits	179,503	402,552
Cash and bank balances	1,204,348	1,398,060
	<u>10,975,957</u>	<u>10,265,191</u>
<b>TOTAL ASSETS</b>	<u>30,042,715</u>	<u>29,300,826</u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	8,432,321	8,252,253
Share capital - RCPS-i A	1,087,363	1,087,363
Share capital - RCPS-i B	1,035,304	1,044,753
Reserves		
Share-based payment reserve	144,721	140,987
Reserve on acquisition arising from common control	(1,295,884)	(1,295,884)
Exchange translation reserve	(27,162)	(50,058)
Retained earnings	4,972,532	4,919,713
<b>Equity attributable to owners of the Company</b>	<u>14,349,195</u>	<u>14,099,127</u>
Non-controlling interests	1,432,647	1,376,263
<b>Total equity</b>	<u>15,781,842</u>	<u>15,475,390</u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Redeemable cumulative preference shares	37,006	69,292
Other payables and accruals	90,874	43,572
Long-term borrowings	8,838,769	7,947,130
Lease liabilities	2,404	-
Deferred tax liabilities	455,575	470,829
	<u>9,424,628</u>	<u>8,530,823</u>
<b>Current liabilities</b>		
Redeemable cumulative preference shares	32,413	-
Trade payables	1,592,878	1,747,302
Contract liabilities	158,966	123,937
Other payables and accruals	688,592	870,315
Short-term borrowings	2,330,399	2,517,735
Lease liabilities	1,288	-
Current tax liabilities	30,591	33,981
Amounts owing to related companies	1,118	1,343
	<u>4,836,245</u>	<u>5,294,613</u>
<b>Total liabilities</b>	<u>14,260,873</u>	<u>13,825,436</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>30,042,715</u>	<u>29,300,826</u>
Net assets per share attributable to owners of the Company	<u>3.02</u>	<u>3.02</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes in this report.)

**S P SETIA BERHAD**  
 (Company No.: 197401002663 (19698-X))  
 (Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**  
*(The figures have been audited)*

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2019 RM'000	31/12/2018 RM'000 Restated	31/12/2019 RM'000	31/12/2018 RM'000 Restated
Revenue	796,169	1,019,115	3,928,874	3,593,589
Cost of sales	(553,049)	(726,929)	(2,913,030)	(2,501,335)
Gross profit	<u>243,120</u>	<u>292,186</u>	<u>1,015,844</u>	<u>1,092,254</u>
Other income	50,916	92,547	215,463	620,663
Selling and marketing expenses	(32,472)	(41,229)	(88,861)	(109,884)
Administrative and general expenses	(97,221)	(135,243)	(314,998)	(395,724)
Share of results of joint ventures	3,045	(10,909)	(19,959)	(43,345)
Share of results of associated companies	9,329	7,792	28,448	27,144
Finance costs	(60,446)	(7,639)	(237,707)	(207,184)
Profit before tax	<u>116,271</u>	<u>197,505</u>	<u>598,230</u>	<u>983,924</u>
Taxation	(34,664)	(75,030)	(176,199)	(191,326)
Profit for the period/year	<u>81,607</u>	<u>122,475</u>	<u>422,031</u>	<u>792,598</u>
Other comprehensive income, net of tax:				
Item that may be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	114,063	(89,865)	22,887	(186,982)
Total comprehensive income for the period/year	<u>195,670</u>	<u>32,610</u>	<u>444,918</u>	<u>605,616</u>
Profit attributable to:				
Holders of Perpetual bond	-	7,347	-	34,449
Non-controlling interests	11,481	19,279	78,311	92,887
	<u>11,481</u>	<u>26,626</u>	<u>78,311</u>	<u>127,336</u>
Owners of the Company	70,126	95,849	343,720	665,262
	<u>81,607</u>	<u>122,475</u>	<u>422,031</u>	<u>792,598</u>
Total comprehensive income attributable to:				
Holders of Perpetual bond	-	7,347	-	34,449
Non-controlling interests	11,460	19,285	78,302	92,879
	<u>11,460</u>	<u>26,632</u>	<u>78,302</u>	<u>127,328</u>
Owners of the Company	184,210	5,978	366,616	478,288
	<u>195,670</u>	<u>32,610</u>	<u>444,918</u>	<u>605,616</u>
Earnings per share attributable to equity holders of the Company				
- Basic earnings per share (sen)	<u>1.73</u>	<u>0.72</u>	<u>5.27</u>	<u>14.67</u>
- Diluted earnings per share (sen)	<u>1.72</u>	<u>0.71</u>	<u>5.23</u>	<u>14.56</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes in this report.)

**S P SETIA BERHAD**  
(Company No.: 197401002663 (19698-X))  
(Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**  
(The figures have been audited)

	← Attributable to owners of the Company →										
	← Non-Distributable →					Distributable					
	Share Capital RM'000	Share Capital - RCPS-i A RM'000	Share Capital - RCPS-i B RM'000	Share- Based Payment Reserve RM'000	Reserve on Acquisition Arising from Common Control RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Perpetual Bond RM'000	Non- controlling Interests RM'000	Total Equity RM'000
<b>Balance at 01.01.2019</b>	8,252,253	1,087,363	1,044,753	140,987	(1,295,884)	(50,058)	4,919,713	14,099,127	-	1,376,263	15,475,390
Effects of adoption of MFRS 16	-	-	-	-	-	-	(1,147)	(1,147)	-	-	(1,147)
<b>Balance at 01.01.2019 (restated)</b>	8,252,253	1,087,363	1,044,753	140,987	(1,295,884)	(50,058)	4,918,566	14,097,980	-	1,376,263	15,474,243
Total other comprehensive income for the year represented											
by exchange differences on translation of foreign operations	-	-	-	-	-	22,896	-	22,896	-	(9)	22,887
Profit for the year	-	-	-	-	-	-	343,720	343,720	-	78,311	422,031
<b>Transactions with owners:</b>											
Issuance of ordinary shares											
- Dividend Reinvestment Plan ("DRP")	141,331	-	-	-	-	-	-	141,331	-	-	141,331
- Vesting of Employee Share Grant Plan ("ESGP")	29,444	-	-	(29,444)	-	-	-	-	-	-	-
Conversion of RCPS-i B into ordinary shares	9,449	-	(9,449)	-	-	-	-	-	-	-	-
Share issuance expenses	(156)	-	-	-	-	-	-	(156)	-	-	(156)
RCPS-i A preferential dividends paid	-	-	-	-	-	-	(70,654)	(70,654)	-	-	(70,654)
RCPS-i B preferential dividends paid	-	-	-	-	-	-	(61,674)	(61,674)	-	-	(61,674)
Dividends paid	-	-	-	-	-	-	(180,231)	(180,231)	-	(21,612)	(201,843)
Liquidation of subsidiary companies	-	-	-	-	-	-	-	-	-	(306)	(306)
Share-based payment under Employee Long Term Incentive Plan ("LTIP")	-	-	-	33,178*	-	-	22,805	55,983	-	-	55,983
<b>Balance at 31.12.2019</b>	8,432,321	1,087,363	1,035,304	144,721	(1,295,884)	(27,162)	4,972,532	14,349,195	-	1,432,647	15,781,842
<b>Balance at 01.01.2018</b>	6,693,971	1,119,342	1,064,608	94,450	(1,295,884)	136,916	4,985,244	12,798,647	610,787	1,293,893	14,703,327
Prior year adjustments	-	-	-	-	-	-	(38,941)	(38,941)	-	-	(38,941)
<b>Balance at 01.01.2018 (restated)</b>	6,693,971	1,119,342	1,064,608	94,450	(1,295,884)	136,916	4,946,303	12,759,706	610,787	1,293,893	14,664,386
Total other comprehensive income for the year represented											
by exchange differences on translation of foreign operations	-	-	-	-	-	(186,974)	-	(186,974)	-	(8)	(186,982)
Profit for the year	-	-	-	-	-	-	665,262	665,262	-	92,887	758,149
Distribution for the year	-	-	-	-	-	-	-	-	34,449	-	34,449
Distribution paid	-	-	-	-	-	-	-	-	(36,236)	-	(36,236)
Redemption of Perpetual bond	-	-	-	-	-	-	-	-	(609,000)	-	(609,000)
<b>Transactions with owners:</b>											
Issuance of ordinary shares											
- New placement	997,750	-	-	-	-	-	-	997,750	-	-	997,750
- Dividend Reinvestment Plan ("DRP")	483,914	-	-	-	-	-	-	483,914	-	-	483,914
- Vesting of Employee Share Grant Plan ("ESGP")	33,336	-	-	(33,336)	-	-	-	-	-	-	-
- Exercise of Employee Share Options Scheme ("ESOS")	3,411	-	-	(549)	-	-	-	2,862	-	-	2,862
Conversion of RCPS-i A into ordinary shares	31,979	(31,979)	-	-	-	-	-	-	-	-	-
Conversion of RCPS-i B into ordinary shares	19,855	-	(19,855)	-	-	-	-	-	-	-	-
Incorporation of new subsidiary company	-	-	-	-	-	-	-	-	-	7,500	7,500
Share issuance expenses	(11,963)	-	-	-	-	-	-	(11,963)	-	-	(11,963)
RCPS-i A preferential dividends paid	-	-	-	-	-	-	(72,430)	(72,430)	-	-	(72,430)
RCPS-i B preferential dividends paid	-	-	-	-	-	-	(31,495)	(31,495)	-	-	(31,495)
Dividends paid	-	-	-	-	-	-	(587,927)	(587,927)	-	(18,009)	(605,936)
Share-based payment under Employee Long Term Incentive Plan ("LTIP")	-	-	-	80,422	-	-	-	80,422	-	-	80,422
<b>Balance at 31.12.2018 (restated)</b>	8,252,253	1,087,363	1,044,753	140,987	(1,295,884)	(50,058)	4,919,713	14,099,127	-	1,376,263	15,475,390

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes in this report.)

\* This is stated net of the effect of reversal of share-based payment relating to lapsed entitlements.

**S P SETIA BERHAD**  
 (Company No.: 197401002663 (19698-X))  
 (Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**  
*(The figures have been audited)*

	<b>12 MONTHS ENDED</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>
<b>Operating Activities</b>		
Profit before tax	598,230	983,924
Adjustments for:-		
Non-cash items	71,475	(317,772)
Non-operating items	86,450	54,438
Operating profit before changes in working capital	<u>756,155</u>	<u>720,590</u>
Changes in inventories - property development costs	(1,003,435)	(440,782)
Changes in inventories - completed properties and others	369,609	566,038
Changes in contract cost assets	1,136,588	227,647
Changes in contract assets/liabilities	45,005	(66,562)
Changes in receivables	128,533	103,129
Changes in payables	(115,748)	(30,745)
Cash generated from operations	<u>1,316,707</u>	<u>1,079,315</u>
Rental received	11,900	17,718
Interest received	33,228	55,554
Interest paid on lease liabilities	(157)	-
Net tax paid	(190,791)	(256,875)
Net cash generated from operating activities	<u>1,170,887</u>	<u>895,712</u>
<b>Investing Activities</b>		
Additions to inventories - land held for property development	(630,674)	(1,246,452)
Deposits and part consideration paid for acquisition of development land	(2,450)	(2,916)
Additions to property, plant and equipment	(98,376)	(96,325)
Additions to investment properties	(30,673)	(127,109)
Proceeds from disposal of property, plant and equipment	11,438	537
Proceeds from disposal of investment properties	7,000	18,982
Proceeds from disposal of other investments	-	175
Proceeds on incorporation of subsidiary company from non-controlling shareholders	-	7,500
Proceeds from disposal of asset held for sale	-	8,000
Net cash inflow from liquidation of a joint venture	23	-
Net cash inflow from liquidation of subsidiary companies	137	-
Balance consideration paid in relation to acquisition of I & P Group	-	(3,540,500)
Net cash outflow arising from acquisition of remaining stake in Setia Federal Hill Sdn Bhd	-	(418,511)
Acquisition of additional shares in existing joint ventures	(202,955)	(614,860)
Repayment from/(Capital contribution to) a joint venture	304	(71)
Advances to an associated company	(140)	(86)
Repayment from/(Advances to) joint ventures	10,906	(15,296)
Settlement of shareholder advances to a former joint venture partner	-	(94,957)
Placement of sinking fund, debt service reserve, escrow accounts and short-term deposits	(29,503)	(18,269)
Dividends received from associated companies	5,725	3,680
Interest received	63,993	55,149
Rental received	41,167	21,841
Net cash used in investing activities	<u>(854,078)</u>	<u>(6,059,488)</u>

**S P SETIA BERHAD**  
 (Company No.: 197401002663 (19698-X))  
 (Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**  
*(The figures have been audited)*

	<b>12 MONTHS ENDED</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>
<b>Financing Activities</b>		
Proceeds from placement of ordinary shares	-	997,750
Proceeds from issuance of ordinary shares pursuant to the exercise of ESOS	-	2,862
Refund of excess application proceeds from rights issue of shares and RCPS-i B	-	(310,412)
Payment of share issuance expenses	(156)	(11,963)
(Repayment to)/advances from non-controlling shareholder of subsidiary companies	(125,000)	126,673
Drawdown of bank borrowings	2,160,206	4,624,412
Repayment of bank borrowings	(1,478,661)	(1,663,224)
Repayment of lease liabilities	(1,312)	-
Perpetual bond distribution paid	-	(36,236)
Redemption of Perpetual bond	-	(609,000)
Interest paid	(507,911)	(425,335)
Transaction cost on borrowings paid	(17,111)	-
Redeemable cumulative preference share dividends paid to non-controlling interests	(3,006)	(3,175)
Dividends paid to non-controlling interests	(21,612)	(18,009)
Dividends paid	(38,900)	(104,013)
RCPS-i A preferential dividends paid	(70,654)	(72,430)
RCPS-i B preferential dividends paid	(61,674)	(31,495)
Net cash (used in)/generated from financing activities	<u>(165,791)</u>	<u>2,466,405</u>
Net changes in cash and cash equivalents	151,018	(2,697,371)
<b>Effect of exchange rate changes</b>	(5,262)	(17,637)
<b>Cash and cash equivalents at beginning of the year</b>	2,810,055	5,525,063
<b>Cash and cash equivalents at end of the year</b>	<u><u>2,955,811</u></u>	<u><u>2,810,055</u></u>
<b>Cash and cash equivalents comprise the following:</b>		
Short-term funds	1,676,226	1,082,940
Short-term deposits	179,503	402,552
Cash and bank balances	1,204,348	1,398,060
Bank overdrafts	(23,601)	(22,335)
	<u>3,036,476</u>	<u>2,861,217</u>
Less: Amount restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	(80,665)	(51,162)
	<u><u>2,955,811</u></u>	<u><u>2,810,055</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes in this report.)

## NOTES TO THE CONDENSED FINANCIAL REPORT

### 1. Basis of Preparation

The condensed financial report has been prepared in accordance with Malaysian Financial Reporting Standard (“MFRS”) 134 *Interim Financial Reporting* and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The condensed financial report is audited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018.

In the current financial year the Group has effected the following prior year adjustments:

- (a) The Group has reassessed the usage and intent for certain of its properties previously classified as investment properties and has established that this classification does not appropriately reflect the manner in which these assets are principally used or intended to be used or disposed off. This has resulted in the reclassification of two properties previously residing under investment properties to property, plant and equipment and inventory - land held for property development respectively. The effects of reclassification of these assets and its related profit or loss impact have been adjusted for retrospectively; and
- (b) In the prior financial years, the Group had inadvertently not accounted for an under-provision of income tax expense amounting to RM22,763,000 pertaining to prior years and residing under tax recoverable. The effect of this adjustment has been adjusted for retrospectively.

The financial effects of the abovementioned prior year adjustments and changes in certain comparative amounts to conform with the current year's financial statements presentation of the Group are as follows:

#### Statement of Financial Position As at 31 December 2018

	As previously stated RM'000	Prior year adjustments (a) and (b) RM'000	Reclassification RM'000	As restated RM'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	524,328	52,965	-	577,293
Investment properties	2,059,406	(87,589)	-	1,971,817
Inventories - land held for property development	12,720,220	12,407	-	12,732,627
Intangible asset	14,793	-	-	14,793
Investments in joint ventures	2,736,896	-	-	2,736,896
Investments in associated companies	540,648	-	-	540,648
Other investments	96	-	-	96
Amounts owing by joint ventures	-	-	69,785	69,785
Trade receivables	-	-	16,335	16,335
Other receivables, deposits and prepayments	76,954	-	57,139	134,093
Deferred tax assets	240,052	1,200	-	241,252
	18,913,393	(21,017)	143,259	19,035,635

**1. Basis of Preparation (continued)**

**Statement of Financial Position (continued)**  
**As at 31 December 2018**

	As previously stated RM'000	Prior year adjustments (a) and (b) RM'000	Reclassification RM'000	As restated RM'000
<b>Current assets</b>				
Trade receivables	840,931	-	(16,335)	824,596
Contract assets	1,065,152	-	-	1,065,152
Other receivables, deposits and prepayments	327,852	-	(57,139)	270,713
Inventories - property development costs	3,418,097	-	(850,029)	2,568,068
Inventories - completed properties and others	1,586,946	-	-	1,586,946
Contract cost assets	-	-	850,029	850,029
Amounts owing by joint ventures	167,717	-	(69,785)	97,932
Amounts owing by associated companies	450	-	-	450
Amounts owing by related companies	811	-	-	811
Current tax assets	131,991	(15,049)	-	116,942
Short-term funds	1,082,940	-	-	1,082,940
Short-term deposits	402,552	-	-	402,552
Cash and bank balances	1,398,060	-	-	1,398,060
	<u>10,423,499</u>	<u>(15,049)</u>	<u>(143,259)</u>	<u>10,265,191</u>
<b>Total assets</b>	<u>29,336,892</u>	<u>(36,066)</u>	<u>-</u>	<u>29,300,826</u>
<b>Equity</b>				
Share capital	8,252,253	-	-	8,252,253
Share capital - RCPS-i A	1,087,363	-	-	1,087,363
Share capital - RCPS-i B	1,044,753	-	-	1,044,753
Share based payment reserve	140,987	-	-	140,987
Reserve on acquisition arising from common control	(1,295,884)	-	-	(1,295,884)
Exchange translation reserve	(50,058)	-	-	(50,058)
Retained earnings	4,964,351	(44,638)	-	4,919,713
Equity attributable to owners of the Company	14,143,765	(44,638)	-	14,099,127
Non-controlling interests	1,376,263	-	-	1,376,263
<b>Total equity</b>	<u>15,520,028</u>	<u>(44,638)</u>	<u>-</u>	<u>15,475,390</u>

**1. Basis of Preparation (continued)**

**Statement of Financial Position (continued)**  
**As at 31 December 2018**

	As previously stated RM'000	Prior year adjustments (a) and (b) RM'000	Reclassification RM'000	As restated RM'000
<b>Non-current liabilities</b>				
Redeemable cumulative preference shares	69,292	-	-	69,292
Other payables and accruals	35,534	-	8,038	43,572
Long-term borrowings	7,947,130	-	-	7,947,130
Deferred tax liabilities	470,829	-	-	470,829
	8,522,785	-	8,038	8,530,823
<b>Current liabilities</b>				
Trade payables	1,747,302	-	-	1,747,302
Contract liabilities	28,071	-	95,866	123,937
Other payables and accruals	973,361	858	(103,904)	870,315
Short-term borrowings	2,517,735	-	-	2,517,735
Current tax liabilities	26,267	7,714	-	33,981
Amounts owing to related companies	1,343	-	-	1,343
	5,294,079	8,572	(8,038)	5,294,613
<b>Total liabilities</b>	13,816,864	8,572	-	13,825,436
<b>Total equity and liabilities</b>	29,336,892	(36,066)	-	29,300,826

**1. Basis of Preparation (continued)**

**Statement of Comprehensive Income  
 For the financial year ended 31 December 2018**

	As previously stated RM'000	Prior year adjustment (a) RM'000	As restated RM'000
Revenue	3,593,589	-	3,593,589
Cost of sales	(2,501,335)	-	(2,501,335)
Gross profit	1,092,254	-	1,092,254
Other income	627,208	(6,545)	620,663
Selling and marketing expenses	(109,884)	-	(109,884)
Administrative and general expenses	(395,645)	(79)	(395,724)
Share of results of joint ventures	(43,345)	-	(43,345)
Share of results of associated companies	27,144	-	27,144
Finance costs	(207,184)	-	(207,184)
Profit before tax	990,548	(6,624)	983,924
Taxation	(192,253)	927	(191,326)
Profit for the year	798,295	(5,697)	792,598
Other comprehensive income, net of tax			
Exchange differences on translation of foreign operations	(186,982)	-	(186,982)
Total comprehensive income for the year	611,313	(5,697)	605,616
Profit attributable to:			
Holders of Perpetual bond	34,449	-	34,449
Non-controlling interests	92,887	-	92,887
	127,336	-	127,336
Owners of the Company	670,959	(5,697)	665,262
	798,295	(5,697)	792,598
Total comprehensive income attributable to:			
Holders of Perpetual bond	34,449	-	34,449
Non-controlling interests	92,879	-	92,879
	127,328	-	127,328
Owners of the Company	483,985	(5,697)	478,288
	611,313	(5,697)	605,616

**1. Basis of Preparation (continued)**

The accounting policies adopted by the Group in this condensed financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2018 except for the adoption of the following new/revised MFRSs and Amendments to MFRSs:-

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 128	Long-term Interests in Associates and Joint Ventures
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
Amendments to MFRSs	Annual Improvements to MFRSs (2015 - 2017) Cycle
IC Interpretation 23	Uncertainty over Income Tax Treatments

The adoption of the above MFRSs does not have significant financial impact to the Group except for MFRS 16 *Leases* as disclosed below:

**MFRS 16: Leases**

MFRS 16 will replace MFRS 117 *Leases*, IC Interpretation 4 *Determining whether an Arrangement contains a Lease*, IC Interpretation 115 *Operating Lease-Incentives* and IC Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. MFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under MFRS 117.

At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. The right-of-use asset is initially measured at cost and subsequently measured at cost (subject to certain exceptions), less accumulated depreciation and impairment losses, adjusted for any remeasurement of the lease liability. The lease liability is initially measured at present value of the lease payments that are not paid at that date. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications.

Classification of cash flows will also be affected as operating lease payments under MFRS 117 are presented as operating cash flows, whereas under MFRS 16, the lease payments will be split into a principal (which will be presented as financing cash flows) and an interest portion (which will be presented as operating cash flows).

Lessor accounting under MFRS 16 is substantially the same as the accounting under MFRS 117. Lessors will continue to classify all leases using the same classification principle as in MFRS 117 and distinguish between two types of leases: operating and finance leases. MFRS 16 also requires lessees and lessors to make more extensive disclosures than under MFRS 117.

MFRS 16 is effective for annual periods beginning on or after 1 January 2019. The Group has elected to apply MFRS 16 using a modified retrospective approach, whereby the cumulative effect of initial application of MFRS 16 is adjusted to the opening balance of retained earnings at the date of initial application, as shown below:

	<b>RM'000</b>
Retained earnings as at 1 January 2019	4,919,713
Effects of adoption of MFRS 16	(1,147)
Retained earnings as at 1 January 2019, as restated	<u>4,918,566</u>

**2. Seasonal or Cyclical Factors**

The business operations of the Group during the financial year under review have not been materially affected by any seasonal or cyclical factors.

**3. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows**

There were no unusual items for the financial year ended 31 December 2019.

**4. Material Changes in Estimates**

There were no material changes in estimates for the financial year ended 31 December 2019.

**5. Debts and Equity Securities**

Save for the following, there were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial year-to-date:

- (a) Conversion from 10,737,664 RCPS-i B to 2,556,585 ordinary shares with the conversion ratio of five (5) new S P Setia Berhad shares for twenty one (21) RCPS-i B held;
- (b) Issuance of 71,379,352 new ordinary shares pursuant to Dividend Reinvestment Plan (“11<sup>th</sup> DRP”) at the price of RM 1.98 per share; and
- (c) Allotment of 9,982,293 new ordinary shares pursuant to the vesting of Employee Share Grant Plan (“ESGP”) at the price of RM2.17 per share.

**6. Dividends Paid**

**a) Final dividend in respect of the financial year ended 31 December 2018**

A single-tier final dividend, in respect of the financial year ended 31 December 2018 of 4.55 sen per ordinary share amounting to RM180,230,944 was declared.

Based on elections made by shareholders, a total of 71,379,352 new ordinary shares were issued pursuant to the Dividend Reinvestment Plan (“11<sup>th</sup> DRP”) and the remaining portion of RM38,899,827 was paid in cash on 30 April 2019.

**b) Islamic Redeemable Convertible Preference Shares (“RCPS-i A”) preferential dividend in respect of the financial period from 1 July 2018 to 30 June 2019**

A semi-annual RCPS-i A preferential dividend of RM35,326,945, in respect of the financial period from 1 July 2018 to 31 December 2018 and another semi-annual RCPS-i A preferential dividend of RM35,326,945, in respect of the financial period from 1 January 2019 to 30 June 2019 were paid in cash on 5 April 2019 and 26 September 2019 respectively.

**6. Dividends Paid (continued)**

**c) Islamic Redeemable Convertible Preference Shares (“RCPS-i B”) preferential dividend in respect of the financial period from 1 July 2018 to 30 June 2019**

A semi-annual RCPS-i B preferential dividend of RM30,976,917, in respect of the financial period from 1 July 2018 to 31 December 2018 and another semi-annual RCPS-i B preferential dividend of RM30,696,750, in respect of the financial period from 1 January 2019 to 30 June 2019 were paid in cash on 5 April 2019 and 26 September 2019 respectively.

**7. Segmental Reporting**

The segmental analysis for the financial year ended 31 December 2019 is as follows:-

	<b>Property Development RM'000</b>	<b>Construction RM'000</b>	<b>Other Operations RM'000</b>	<b>Eliminations RM'000</b>	<b>Consolidated RM'000</b>
External revenue	3,667,861	60,755	200,258	-	3,928,874
Inter-segment revenue	354,107	494,292	44,740	(893,139)	-
<b>Total revenue</b>	<b>4,021,968</b>	<b>555,047</b>	<b>244,998</b>	<b>(893,139)</b>	<b>3,928,874</b>
Gross profit	985,348	12,760	17,736	-	1,015,844
Other income	184,555	46	30,862	-	215,463
Operating expenses	(366,960)	(11,213)	(25,686)	-	(403,859)
Share of results of joint ventures	(29,422)	-	9,463	-	(19,959)
Share of results of associated companies	28,448	-	-	-	28,448
Finance costs	(203,625)	(707)	(33,375)	-	(237,707)
<b>Profit/(loss) before tax</b>	<b>598,344</b>	<b>886</b>	<b>(1,000)</b>	<b>-</b>	<b>598,230</b>
Taxation					(176,199)
<b>Profit for the year</b>					<b>422,031</b>

**8. Material Events Subsequent to the End of Financial Year**

There were no material transactions or events subsequent to the financial year ended 31 December 2019 till 19 February 2020 (the latest practicable date which is not earlier than 7 days from the date of issue of this condensed financial report).

**9. Changes in the Composition of the Group**

There were no changes in the composition of the Group for the financial year ended 31 December 2019 except for the application of voluntary deregistration of Setia Land (China) Limited on 26 August 2019 and subsequently deregistered with effect from 10 January 2020. Setia Land (China) Limited was an inactive subsidiary of Setia International Limited, which in turn is a wholly-owned subsidiary of S P Setia Berhad.

## 10. Contingent Liabilities

The following are the status updates on the contingent liabilities of the Group as at the financial year ended 31 December 2019 till 19 February 2020 (the latest practicable date which is not earlier than 7 days from the date of issue of this condensed financial report):

- (a) Setia Fontaines Sdn Bhd (“Setia Fontaines”) entered into a Sale and Purchase Agreement with CIMB Islamic Trustee Berhad (as Trustee) and Boustead Plantations Berhad (“Boustead”) to purchase 5 adjoining parcels of freehold land located in Penang (“the Lands”) on 22 February 2016. Boustead took the view that goods and services tax (“GST”) is chargeable on the Lands.

However, Setia Fontaines took the view that the Lands acquired are exempted from GST pursuant to Item 1(1), First Schedule of the Goods and Services Tax (Exempt Supply) Order 2014 given that the Lands are used for agricultural purposes.

Notwithstanding the objection from Setia Fontaines, Boustead remitted RM37,207,353 of GST to the Customs and demanded that Setia Fontaines reimburse the said amount pursuant to Clause 28 of the Sale and Purchase Agreement.

After several settlement attempts, the parties were not able to reach a common ground on this issue.

On 28 December 2018, Boustead and the Trustee as the plaintiffs filed a civil suit in High Court of Kuala Lumpur and on 3 January 2019, a copy of the sealed Writ of Summons and Statement of Claim was served on Setia Fontaines as the defendant seeking the repayment of RM37,207,353 with 8% interest.

First case management was held before the High Court of Kuala Lumpur on 28 January 2019 where the Registrar instructed the following:

- (1) The Plaintiffs to file a reply by 21 February 2019;
- (2) Any interlocutory application to be filed by 21 February 2019; and
- (3) Parties to consider mediation.

Setia Fontaines filed its Defence and served the same on Boustead on 31 January 2019. Boustead filed its Reply on 21 February 2019 and the matter has been fixed for Trial from 1 April 2020 to 3 April 2020.

In respect of Setia Fontaines’ judicial review (JR) application against the Customs and Ministry of Finance (MOF), the matter came up for Case Management on 8 January 2020 whereby the Hearing is now fixed on 5 March 2020.

Meanwhile, with respect to the Setia Fontaines’ application to stay the main proceeding pending the disposal of the JR application, the matter came up for Case Management on 21 January 2020 and 30 January 2020 whereby the court directed that the matter is now fixed for Hearing on 9 March 2020. The main proceeding is further fixed for Case Management on 9 March 2020 as well.

Solicitors for Setia Fontaines are of the view that:

- (a) given the Lands were used for agricultural purposes, i.e. the cultivation of oil palm plantations, at the time of the completion of the transfer of the Lands to Setia Fontaines, the sale of the Lands should be an exempted supply and no GST would be payable by Boustead; and
- (b) in the factual matrix of the present case, the intended use of the Lands by Setia Fontaines is irrelevant and immaterial for the determination of whether the sale of the Lands is an exempt supply for GST purposes.

**10. Contingent Liabilities (continued)**

Accordingly, the solicitors take the view that there are merits in Setia Fontaines' case and Setia Fontaines has an arguable case to defend its position in court.

Given that the suit was filed via writ of summons, full trial with witnesses is expected to take at least one (1) year before a decision is made, and that is assuming parties do not have any appeals and interlocutory applications in between.

On this note, the Directors of the Group are of the opinion that no provision in respect of the GST liability in dispute is required to be made in the financial statements.

**11. Capital Commitments**

	<b>As at 31 Dec 2019 RM'000</b>
<i>Commitments of subsidiary companies:-</i>	
Contractual commitments for acquisition of development land	22,050
Contractual commitments for construction of investment properties	42,874
Contractual commitments for acquisition of property, plant and equipment	<u>134,841</u>
<i>Share of commitments of joint ventures:-</i>	
Contractual commitments for acquisition of development land	113,734
Contractual commitments for construction of investment properties	<u>32,194</u>

**12. Significant Related Party Transactions**

	<b>1 Jan 2019 to 31 Dec 2019 RM'000</b>
<i>Transactions with joint ventures:-</i>	
(i) Management fee received and receivable	1,301
(ii) Event and support service fee received and receivable	184
(iii) Rental received and receivable	469
(iv) Rental paid and payable	194
(v) Staff secondment fee received and receivable	489
(vi) Interest received and receivable	4,028
 <i>Transactions with associated companies:-</i>	
(i) Dividend received and receivable	5,725
 <i>Transactions with directors of the Company, subsidiary companies and companies in which they have interests:-</i>	
(i) Event service fee received and receivable from a director of the Company	160
(ii) Sale of development properties to directors of the Company and company in which the director has interest	1,242
(iii) Sale of development properties to directors of subsidiary companies	6,244

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

**1. Review of Group Performance**

Revenue and profit before tax (“PBT”) of the respective operating business segments for the current quarter and financial year-to-date are analysed as follows:-

	<b>Q4 2019</b>	<b>Q4 2018</b>	<b>YTD 2019</b>	<b>YTD 2018</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>		<b>Restated</b>
<b>Revenue</b>				
Property Development	731,434	930,525	3,667,861	3,318,939
Construction	8,226	31,629	60,755	88,515
Other Operations	56,509	56,961	200,258	186,135
	<u>796,169</u>	<u>1,019,115</u>	<u>3,928,874</u>	<u>3,593,589</u>
<b>Profit/(Loss) before tax</b>				
Property Development	115,626	216,055	598,344	997,866
Construction	(1,500)	(2,522)	886	5,566
Other Operations	2,145	(16,028)	(1,000)	(19,508)
	<u>116,271</u>	<u>197,505</u>	<u>598,230</u>	<u>983,924</u>

**(a) Performance of the current quarter against the same quarter in the preceding year (Q4 2019 vs Q4 2018)**

**Property Development**

The Group’s property development segment achieved revenue of RM731.4 million and PBT of RM115.6 million in Q4 2019. Both revenue and PBT for the current quarter is lower than the corresponding quarter in FY2018 partly due to higher volume of development phases completed and handed over in the last quarter of FY2018.

Under construction and completed projects which contributed to the revenue and profit achieved include *Setia Alam, Setia Eco Park, Precinct Arundina, Alam Impian* and *Temasya Glenmarie* in Shah Alam, *Setia EcoHill, Setia EcoHill 2* and *Setia Mayuri* in Semenyih, *Setia Eco Glades* and *Setia Safiro* in Cyberjaya, *Setia Eco Templar* in Rawang, *Alam Sutera* in Bukit Jalil, *Alam Damai* in Cheras, *Setia Alamsari* in Bangi, *Bandar Kinrara* in Puchong, *Kota Bayuemas* and *Trio by Setia* in Klang, *Setia Sky Seputeh* in Seputeh, *Bandar Baru Sri Petaling* in Kuala Lumpur, *KL Eco City* at Jalan Bangsar, *Bukit Indah, Setia Indah, Setia Tropika, Setia Eco Cascadia, Setia Business Park I & II, Setia Eco Gardens, Setia Sky 88, Taman Rinting, Taman Pelangi, Taman Pelangi Indah* and *Taman Industri Jaya* in Johor, *Setia Pearl Island, Setia Sky Vista, Setia Pinnacle, Setia Sky Ville* and *Setia Fontaines* in Penang, *Aeropod* in Kota Kinabalu, *EcoXuan* in Vietnam and *Daintree Residence* in Singapore.

**Construction**

Revenue and PBT from construction segment mainly derived from construction of development properties and supply of readymix concrete.

**1. Review of Group Performance (continued)**

**(a) Performance of the current quarter against the same quarter in the preceding year (Q4 2019 vs Q4 2018) (continued)**

**Other Operations**

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

**(b) Performance of financial year-to-date, 2019 (“YTD 2019”) vs financial year-to-date, 2018 (“YTD 2018”)**

**Property Development**

The Group’s property development segment revenue of RM3.67 billion in YTD 2019 is 11% higher than the corresponding year-to-date in the preceding year of RM3.32 billion, mainly due to the sale of former British Embassy Land located in Jalan Ampang, Kuala Lumpur for a sale consideration of RM449.2 million.

A one-off exceptional fair value gain of RM348.5 million from the remeasurement of originally owned 50% equity stake in Setia Federal Hill Sdn Bhd (“SFH”) was recognised in YTD 2018 after the Group acquired full control in SFH. Excluding the aforementioned one-off fair value gain, the property development segment’s PBT is lower by 8% compared to the segment’s PBT for the same 12 months period in FY2018.

**Construction**

Revenue and PBT from construction segment mainly derived from construction of development properties and supply of readymix concrete

**Other Operations**

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

**2. Material Changes in the Quarterly Results (“Q4 2019”) compared to the results of the Preceding Quarter (“Q3 2019”)**

The Group’s PBT for Q4 2019 of RM116.3 million is lower than the PBT for Q3 2019 of RM154.7 million mainly due to foreign exchange difference arising from the translation of certain Pound Sterling denominated loan facilities. In Q3 2019, the Group benefitted from translation foreign exchange gain of RM13.4 million where in comparison, it reported a translation foreign exchange loss of RM29.6 million in Q4 2019.

One of the foreign subsidiaries of the Company, namely Setia International Limited (“SIL”), had been reporting its functional currency in US Dollar since it commenced operation. In FY2019, the Group has reassessed the functional currency of SIL and in Q4 2019, it determined that, in accordance with the current operating situation of SIL, its functional currency should be changed to Pound Sterling. As a result, the cumulative impact of the change of functional currency in SIL has been adjusted from the beginning of FY2019.

### 3. Prospects for Financial Year Ending 31 December 2020 (“FY2020”)

S P Setia achieved total sales of RM4.56 billion, hitting the RM4.55 billion sales target of FY2019 despite a challenging year which was plagued with global geopolitical issues such as the US-China trade tension, unrest in Hong Kong as well as persistent tight lending criteria locally. Against these headwinds, the Group is pleased with its achievement to end the decade as the top property developer in Malaysia in terms of sales. Local projects remained the foremost contributors to the sales contributing RM4.01 billion or approximately 88% of the sales whilst the remaining RM543 million or approximately 12% were filled by international projects such as *UNO Melbourne* in Australia, *Daintree Residence* in Singapore and *EcoXuan* in Vietnam. On the local front, sales were largely from Central region with RM2.78 billion, aided by RM747 million contribution by Southern region while Northern region contributed another RM480 million.

In the final quarter of FY2019, S P Setia witnessed the strongest period for the Group with a spike in sales of RM1.49 billion. This included the eleventh hour purchases by home buyers to take opportunity of the incentives of the Home Ownership Campaign (“HOC”) whereby RM675 million sales from the HOC were secured during the last quarter of the year. For the year, the total sales brought in by the HOC amounted to RM1.82 billion. The total sales achieved during the year were also complemented by the effort in clearing inventories which resulted in monetisation of RM637 million worth of inventories. Throughout the year, landed units remain in demand and some of the notable launches were 80 units of double storey terrace house in *Bandar Kinrara* priced from RM952,000, 106 units of starter-home series double storey terrace in *Setia Alam* priced from RM532,000, and a total of 232 units of double storey terrace house in *Setia Eco Glades* and *Alam Impian* priced from RM774,000 and RM649,000 respectively, all which witnessed strong take-up rates.

Over to the new decade starting FY2020, the Group will continue to concentrate on launching landed residential products which are in line with the demand of the owner occupiers, especially in established township developments of *Setia Alam*, *Setia Ecohill 1 & 2*, *Setia Alamsari*, *Bandar Kinrara* and *Alam Impian* in the Central region, *Setia Tropika*, *Taman Pelangi*, *Taman Pelangi Indah* and *Taman Rinting* in the Southern region and *Setia Fontaines* in the Northern region. In addition, the Group will also launch commercial products such as shop lots with a combined Gross Development Value (“GDV”) of approximately RM871 million in *Alam Impian*, *Kota Bayuemas*, *Temasya Glenmarie*, *Setia Eco Glades* and *Taman Pelangi* as these commercial products are essential to support and scale up the existing development mix and to ensure the sustainability of these housing areas.

The Malaysia Budget 2020 focused on promoting home ownerships with various measures introduced to assist home buyers. S P Setia is hopeful that these measures will serve as positive catalysts for the property market and with the overnight policy rate reduction by 25 basis point to 2.75% announced by Bank Negara Malaysia on 22 January 2020 to support domestic economic growth, the cut is timely as it is expected to improve consumer sentiments with the overall reduction in borrowing costs.

Leveraging on the versatility of product offerings of the Group, S P Setia is confident of retaining its position as the leading developer in Malaysia while maintaining the sales target of RM4.55 billion for FY2020. Nevertheless, with the global outbreak of Covid-19 virus ongoing and its impact on the economic outlook remains uncertain, the Group will monitor closely on how the situation unfolds.

Underpinned by an unbilled sales pipeline of RM10.67 billion, 48 ongoing projects and an effective remaining land banks of 8,858 acres with a GDV of RM141.84 billion as at 31 December 2019, the Group is expected to remain resilient against prevailing market challenges.

**4. Variance of Actual Profit from Forecast Profit**

Not applicable as no profit forecast was published.

**5. Income Tax**

	<b>Q4 2019</b> <b>RM'000</b>	<b>Q4 2018</b> <b>RM'000</b> <b>Restated</b>	<b>YTD 2019</b> <b>RM'000</b>	<b>YTD 2018</b> <b>RM'000</b> <b>Restated</b>
Taxation				
- current taxation	60,300	69,669	234,658	220,392
- deferred taxation	(25,636)	5,361	(58,459)	(29,066)
	34,664	75,030	176,199	191,326

The Group's effective tax rate (excluding share of results of joint ventures and associated companies) for the financial year is higher than the statutory tax rate mainly due to certain non-tax deductible expenses.

**6. Status of Corporate Proposals**

There is no corporate proposal that has been announced by the Company which has not completed as at 19 February 2020, the latest practicable date which shall not be earlier than 7 days from the date of issue of this condensed financial report.

**7. Group Borrowings and Debt Securities**

Total group borrowings and debt securities as at 31 December 2019 were as follows:-

	<b>Secured</b> <b>RM'000</b>	<b>Unsecured</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
Short-term borrowings	1,163,475	1,166,924	2,330,399
Long-term borrowings	5,070,046	3,768,723	8,838,769
Redeemable cumulative preference shares	-	69,419	69,419
	6,233,521	5,005,066	11,238,587

Currency exposure profile of borrowings is as follows:-

	<b>Secured</b> <b>RM'000</b>	<b>Unsecured</b> <b>RM'000</b>	<b>Total</b> <b>RM'000</b>
Malaysian Ringgit	5,403,030	3,489,192	8,892,222
Great British Pound	-	1,515,874	1,515,874
Singapore Dollar	586,907	-	586,907
Australian Dollar	188,296	-	188,296
Japanese Yen	41,036	-	41,036
United States Dollar	14,252	-	14,252
	6,233,521	5,005,066	11,238,587

## 8. Material Litigation

Except for the contingent liabilities disclosed above, the Group was not engaged in any material litigation as at 19 February 2020, the latest practicable date which is not earlier than 7 days from the date of issue of this condensed financial report.

## 9. Dividends Declared

- (a) The Board of Directors has declared dividend in respect of the financial year ended 31 December 2019.

- |       |  |  |
|-------|--|--|
| (i)   | Amount per share   | : Single tier dividend of 1 sen per share    |
| (ii)  | Previous corresponding financial year  | : Single tier dividend of 8.55 sen per share |
| (iii) | Date payable   | : To be determined later                     |
| (iv)  | In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later |  |

Total dividend for FY2019 : Single tier dividend of 1 sen per share

- (b) The Board of Directors has declared preferential dividends in respect of the financial year from 1 January 2019 to 31 December 2019, for the RCPS-i A and RCPS-i B.

- |       |   |                          |
|-------|---|--------------------------|
| (i)   | Preferential dividend rate  |                          |
|       | - RCPS-i A  | : 6.49% per annum        |
|       | - RCPS-i B  | : 5.93% per annum        |
| (ii)  | Previous corresponding financial year   |                          |
|       | - RCPS-i A  | : 6.49% per annum        |
|       | - RCPS-i B  | : 5.93% per annum        |
| (iii) | Date payable  | : To be determined later |
| (iv)  | In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later. |                          |

#### 10. Earnings Per Share Attributable To Owners of The Company

The basic earnings per share for the period/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 paid for the period/year, divided by the weighted average number of shares in issue as follows:-

	Q4 2019 '000	Q4 2018 '000 Restated	YTD 2019 '000	YTD 2018 '000 Restated
Profit attributable to owners of the Company (RM)	70,126	95,849	343,720	665,262
- RCPS-i A preferential dividends (RM)	-	(36,215)	(70,654)	(72,430)
- RCPS-i B preferential dividends (RM)	-	(31,495)	(61,674)	(31,495)
Adjusted profit attributable to equity holders of the Company (RM)	70,126	28,139	211,392	561,337
Number of ordinary shares at beginning of the period/year	4,042,482	3,901,120	3,958,563	3,427,783
Weighted average effect of shares issued pursuant to:				
- Exercise of ESOS	-	-	-	743
- Vesting of ESGP	-	-	4,759	5,085
- Conversion of RCPS-i A into ordinary shares	-	5,508	-	2,453
- Conversion of RCPS-i B into ordinary shares	-	3,849	1,912	1,471
- Placement of new ordinary shares	-	-	-	289,384
- Dividend Reinvestment Plan	-	23,767	47,521	98,905
Weighted average number of ordinary shares	4,042,482	3,934,244	4,012,755	3,825,824
Basic earnings per share (sen)	1.73	0.72	5.27	14.67

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

The diluted earnings per share for the period/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 paid for the period/year, divided by the weighted average number of shares that would have been in issue upon full exercise of the remaining options under the LTIP granted, calculated as follows:

	<b>Q4 2019</b> <b>'000</b>	<b>Q4 2018</b> <b>'000</b> <b>Restated</b>	<b>YTD 2019</b> <b>'000</b>	<b>YTD 2018</b> <b>'000</b> <b>Restated</b>
Profit attributable to owners of the Company (RM)	70,126	95,849	343,720	665,262
- RCPS-i A preferential dividends (RM)	-	(36,215)	(70,654)	(72,430)
- RCPS-i B preferential dividends (RM)	-	(31,495)	(61,674)	(31,495)
Adjusted profit attributable to equity holders of the Company (RM)	<u>70,126</u>	<u>28,139</u>	<u>211,392</u>	<u>561,337</u>
Weighted average number of ordinary shares as per basic earnings per share	4,042,482	3,934,244	4,012,755	3,825,824
Effect of potential exercise of LTIP	28,987	26,513	29,472	29,467
Weighted average number of ordinary shares	<u>4,071,469</u>	<u>3,960,757</u>	<u>4,042,227</u>	<u>3,855,291</u>
Diluted earnings per share (sen)	<u>1.72</u>	<u>0.71</u>	<u>5.23</u>	<u>14.56</u>

The effects of conversion of RCPS-i A and RCPS-i B have not been included in the computation of the dilutive earnings per share of the Group as they are anti-dilutive.

**11. Notes to the Statement of Comprehensive Income**

	<b>Q4 2019</b>	<b>YTD 2019</b>
	<b>RM'000</b>	<b>RM'000</b>
Interest income	31,440	115,241
Other income including investment income	7,406	83,047
Interest expense	(60,446)	(237,707)
Depreciation and amortisation	(7,741)	(28,954)
Provision for and write off of trade and other receivables	(168)	(168)
Provision for and write off of inventories	-	-
Net gain on disposal of quoted or unquoted investments or properties	532	5,637
Impairment and write off of assets	(595)	(595)
Fair value gain on investment properties	11,538	11,538
Net foreign exchange loss	(29,600)	(15,503)
Gain or loss on derivatives	-	-
Exceptional items	-	-

**12. Auditors' Report on Preceding Annual Financial Statements**

The preceding audited financial statements for the financial year ended 31 December 2018 was unqualified.