

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

**Condensed Financial Report**  
**31 December 2021**

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**Condensed Financial Report - 31 December 2021**

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**S P SETIA BERHAD**  
 (Company No: 197401002663 (19698-X))  
 (Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**  
*(The figures have been audited)*

	As At 31/12/2021 RM'000	As At 31/12/2020 RM'000 Restated
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	725,965	703,811
Right-of-use - property, plant and equipment	1,852	2,341
Investment properties	2,046,487	2,034,472
Right-of-use - investment properties	46,940	69,054
Inventories - land held for property development	12,534,255	12,661,069
Intangible asset	13,488	13,385
Investments in joint ventures	3,455,185	2,703,702
Investments in associated companies	565,362	559,857
Other investments	96	96
Amounts owing by joint ventures	69,785	69,785
Trade receivables	64,891	28,824
Other receivables, deposits and prepayments	79,606	73,464
Deferred tax assets	315,812	329,766
	<u>19,919,724</u>	<u>19,249,626</u>
<b>Current assets</b>		
Trade receivables	738,641	849,503
Contract assets	1,290,160	1,263,891
Other receivables, deposits and prepayments	233,651	238,969
Inventories - land held for sales	139,670	-
Inventories - property development costs	2,895,419	3,127,216
Inventories - completed properties and others	1,049,646	1,096,541
Contract cost assets	1,708,206	1,433,530
Amounts owing by joint ventures	84,514	82,589
Amounts owing by associated companies	2,464	4,336
Amounts owing by related parties	276	458
Current tax assets	50,793	84,889
Short-term funds	1,401,604	1,485,695
Short-term deposits	206,190	208,725
Cash and bank balances	1,463,422	1,224,816
	<u>11,264,656</u>	<u>11,101,158</u>
<b>TOTAL ASSETS</b>	<u><u>31,184,380</u></u>	<u><u>30,350,784</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share capital	8,490,225	8,468,287
Share capital - RCPS-i A	1,087,363	1,087,363
Share capital - RCPS-i B	1,035,218	1,035,218
Reserves		
Share-based payment reserve	86,927	132,400
Reserve on acquisition arising from common control	(1,295,884)	(1,295,884)
Exchange translation reserve	107,157	75,042
Retained earnings	4,664,527	4,478,816
<b>Equity attributable to owners of the Company</b>	<u>14,175,533</u>	<u>13,981,242</u>
Non-controlling interests	1,456,206	1,418,367
<b>Total equity</b>	<u><u>15,631,739</u></u>	<u><u>15,399,609</u></u>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Redeemable cumulative preference shares	37,965	37,140
Other payables and accruals	61,850	69,267
Long-term borrowings	9,308,641	9,357,935
Lease liabilities	823	1,167
Deferred tax liabilities	446,104	465,006
	<u>9,855,383</u>	<u>9,930,515</u>
<b>Current liabilities</b>		
Trade payables	1,495,050	1,495,462
Contract liabilities	119,275	152,467
Other payables and accruals	804,019	759,880
Short-term borrowings	3,247,231	2,583,271
Lease liabilities	1,155	1,290
Current tax liabilities	30,012	27,278
Amounts owing to related parties	516	1,012
	<u>5,697,258</u>	<u>5,020,660</u>
<b>Total liabilities</b>	<u><u>15,552,641</u></u>	<u><u>14,951,175</u></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>31,184,380</u></u>	<u><u>30,350,784</u></u>
Net assets per share attributable to owners of the Company	<u>2.96</u>	<u>2.92</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 2020 and the accompanying explanatory notes in this report.)

**S P SETIA BERHAD**  
 (Company No.: 197401002663 (19698-X))  
 (Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**  
*(The figures have been audited)*

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2021 RM'000	31/12/2020 RM'000 Restated	31/12/2021 RM'000	31/12/2020 RM'000 Restated
Revenue	1,032,604	1,113,663	3,762,748	3,228,117
Cost of sales				
- Operational cost of sales	(738,970)	(857,619)	(2,757,255)	(2,403,714)
- Reversal/(Impairment) of completed inventories	317	491	1,534	(128,063)
Gross profit	<u>293,951</u>	<u>256,535</u>	<u>1,007,027</u>	<u>696,340</u>
Other income	39,477	39,328	153,050	153,047
Selling and marketing expenses	(17,284)	(12,857)	(50,072)	(48,898)
Administrative and general expenses	(110,572)	(103,270)	(376,344)	(360,718)
Gain/(Loss) on foreign exchange				
- Realised	(8)	(20)	1,123	(21)
- Unrealised	(1,659)	(16,534)	(12,727)	(13,125)
Share of results of joint ventures	23,689	(12,421)	5,644	(372,550)
Share of results of associated companies	4,086	(5,792)	8,888	1,097
Finance costs	(42,903)	(21,828)	(194,125)	(211,688)
Profit/(Loss) before tax	<u>188,777</u>	<u>123,141</u>	<u>542,464</u>	<u>(156,516)</u>
Taxation	(62,139)	(39,426)	(195,119)	(88,029)
Profit/(Loss) for the period/year	<u>126,638</u>	<u>83,715</u>	<u>347,345</u>	<u>(244,545)</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	1,885	76,172	32,183	102,180
Total comprehensive income/(loss) for the period/year	<u>128,523</u>	<u>159,887</u>	<u>379,528</u>	<u>(142,365)</u>
Profit/(Loss) attributable to:				
Owners of the Company	123,315	56,503	284,365	(320,747)
Non-controlling interests	3,323	27,212	62,980	76,202
	<u>126,638</u>	<u>83,715</u>	<u>347,345</u>	<u>(244,545)</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	125,204	132,720	316,480	(218,538)
Non-controlling interests	3,319	27,167	63,048	76,173
	<u>128,523</u>	<u>159,887</u>	<u>379,528</u>	<u>(142,365)</u>
Earnings per share attributable to owners of the Company				
- Basic earnings/(loss) per share (sen)	<u>3.02</u>	<u>1.39</u>	<u>3.75</u>	<u>(11.18)</u>
- Diluted earnings/(loss) per share (sen)	<u>3.01</u>	<u>1.39</u>	<u>3.74</u>	<u>(11.12)</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes in this report.)

**S P SETIA BERHAD**  
 (Company No.: 197401002663 (19698-X))  
 (Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**  
*(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	Non- controlling Interests RM'000	Total Equity RM'000
<b>Balance at 01.01.2021 (restated)</b>	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
<b>Transactions with owners:</b>										
Issuance of ordinary shares										
- Vesting of Employee Share Grant Plan ("ESGP")	21,552	-	-	(21,552)	-	-	-	-	-	-
- Exercise of Employee Share Options Scheme ("ESOS")	386	-	-	(103)	-	-	-	283	-	283
Acquisition of additional shares in an existing subsidiary company	-	-	-	-	-	-	-	-	16,008	16,008
RCPS-i A preferential dividends paid	-	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i B preferential dividends paid	-	-	-	-	-	-	(61,388)	(61,388)	-	(61,388)
Dividends paid	-	-	-	-	-	-	-	-	(41,217)	(41,217)
Share-based payment under Employee Long Term Incentive Plan ("LTIP")	-	-	-	(23,818)*	-	-	33,388	9,570	-	9,570
<b>Balance at 31.12.2021</b>	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
<b>Balance at 01.01.2020</b>	8,432,321	1,087,363	1,035,304	144,721	(1,295,884)	(27,162)	4,912,727	14,289,390	1,432,647	15,722,037
Prior year adjustments	-	-	-	-	-	(5)	59,309	59,304	(191)	59,113
<b>Balance at 01.01.2020 (restated)</b>	8,432,321	1,087,363	1,035,304	144,721	(1,295,884)	(27,167)	4,972,036	14,348,694	1,432,456	15,781,150
Total other comprehensive income for the year represented										
by exchange differences on translation of foreign operations	-	-	-	-	-	102,209	-	102,209	(29)	102,180
Loss for the year	-	-	-	-	-	-	(320,747)	(320,747)	76,202	(244,545)
<b>Transactions with owners:</b>										
Issuance of ordinary shares										
- Vesting of ESGP	35,880	-	-	(35,880)	-	-	-	-	-	-
Conversion of RCPS-i B into ordinary shares	86	-	(86)	-	-	-	-	-	-	-
Acquisition of additional shares in existing subsidiary company	-	-	-	-	-	-	-	-	16,008	16,008
RCPS-i A preferential dividends paid	-	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i B preferential dividends paid	-	-	-	-	-	-	(61,394)	(61,394)	-	(61,394)
Dividends paid	-	-	-	-	-	-	(40,425)	(40,425)	(106,270)	(146,695)
Share-based payment under LTIP	-	-	-	23,559	-	-	-	23,559	-	23,559
<b>Balance at 31.12.2020 (restated)</b>	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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes in this report.)

\* 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 2021**  
*(The figures have been audited)*

	<b>12 MONTHS ENDED</b>	
	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>
<b>Operating Activities</b>		
Profit/(Loss) before tax	542,464	(156,516)
Adjustments for:-		
Non-cash items	54,439	569,270
Non-operating items	80,630	97,631
Operating profit before changes in working capital	<u>677,533</u>	<u>510,385</u>
Changes in inventories - property development costs and contract cost assets	71,462	(81,931)
Changes in inventories - completed properties and others	433,199	453,051
Changes in contract assets/liabilities	(48,554)	(168,722)
Changes in receivables	57,735	(130,335)
Changes in payables	58,652	(16,327)
Cash generated from operations	<u>1,250,027</u>	<u>566,121</u>
Rental received	9,792	11,069
Interest received	21,227	21,554
Interest paid on lease liabilities	(135)	(125)
Net tax paid	(162,849)	(164,000)
Net cash from operating activities	<u>1,118,062</u>	<u>434,619</u>
<b>Investing Activities</b>		
Additions to inventories - land held for property development	(345,295)	(499,068)
Additions to property, plant and equipment	(57,118)	(91,245)
Additions to investment properties	(24,908)	(51,281)
Proceeds from disposal of property, plant and equipment	566	606
Proceeds from disposal of investment properties	22,855	16,092
Net cash outflow from liquidation of subsidiary companies	(43)	-
Acquisition of additional shares in existing joint ventures	(675,592)	(56,787)
Repayment from/(Advances to) an associated company	3,296	(72)
(Advances to)/Repayment from joint ventures	(1,607)	2,406
Placement of sinking fund, debt service reserve, escrow accounts and short-term deposits	(15,087)	(4,425)
Dividends received from associated companies	10,620	3,680
Interest received	32,453	36,893
Rental received	39,708	37,349
Net cash used in investing activities	<u>(1,010,152)</u>	<u>(605,852)</u>
<b>Financing Activities</b>		
Proceeds from issuance of ordinary shares pursuant to the exercise of ESOS	283	-
Repayment to non-controlling shareholder of subsidiary companies	(3,743)	-
Proceeds from issuance of Sukuk Wakalah	800,000	-
Drawdown of bank borrowings	1,428,340	2,163,549
Repayment of bank borrowings	(1,648,526)	(1,438,697)
Repayment of lease liabilities	(1,258)	(1,288)
Interest paid	(390,327)	(409,809)
Payment of transaction cost on borrowings	(3,079)	(7,887)
Redeemable cumulative preference share dividends paid to non-controlling interests	(1,734)	(1,272)
Dividends paid to non-controlling interests	(41,217)	(106,270)
Dividends paid	-	(40,425)
RCPS-i A preferential dividends paid	(70,654)	(70,654)
RCPS-i B preferential dividends paid	(61,388)	(61,394)
Net cash from financing activities	<u>6,697</u>	<u>25,853</u>

**S P SETIA BERHAD**  
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 (Incorporated in Malaysia)  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**  
*(The figures have been audited)*

	<b>12 MONTHS ENDED</b>	
	<b>31/12/2021</b>	<b>31/12/2020</b>
	<b>RM'000</b>	<b>RM'000</b>
		<b>Restated</b>
Net changes in cash and cash equivalents	114,607	(145,380)
<b>Effect of exchange rate changes</b>	5,723	10,859
<b>Cash and cash equivalents at beginning of the year</b>	2,821,290	2,955,811
<b>Cash and cash equivalents at end of the year</b>	<u>2,941,620</u>	<u>2,821,290</u>
<b>Cash and cash equivalents comprise the following:</b>		
Short-term funds	1,401,604	1,485,695
Short-term deposits	206,190	208,725
Cash and bank balances	1,463,422	1,224,816
Bank overdrafts	(29,419)	(12,856)
	<u>3,041,797</u>	<u>2,906,380</u>
Less: Amount restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	(100,177)	(85,090)
	<u>2,941,620</u>	<u>2,821,290</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes in this report.)

## NOTES TO THE 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 2020.

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

Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16	Interest Rate Benchmark Reform - Phase 2
Amendments to MFRS 16	COVID-19 - Related Rent Concessions
IFRS Interpretations Committee’s Agenda Decision on MFRS 123 (“Agenda Decision”)	Borrowing Costs relating to over time transfer of constructed goods

The adoption of the above Amendments to MFRSs does not have significant financial impact to the Group.

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

- (a) In March 2019, IFRS Interpretations Committee (“IFRIC”) published an agenda decision on borrowing costs confirming receivables, contract assets and inventories for which revenue is recognised over time are non-qualifying assets. On 20 March 2019, the Malaysian Accounting Standards Board decided that an entity shall apply the change in accounting policy as a result of the IFRIC Agenda Decision to financial statements of annual periods beginning on or after 1 July 2020. As a result, finance cost can no longer be capitalised on the Group’s on-going development projects for which revenue is recognised over time. The effect of this adjustment is accounted for retrospectively as shown below.
- (b) In the prior financial years, the Group had inadvertently not adjusted for an over-accrual of cost. This adjustment has no effect on the profit or loss for the financial years ended 31 December 2021 and 31 December 2020. The effect of this adjustment is adjusted for retrospectively as illustrated below.

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

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

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

	As previously stated RM'000	Prior year adjustments (a) and (b) RM'000	As restated RM'000
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	703,811	-	703,811
Right-of-use - property, plant and equipment	2,341	-	2,341
Investment properties	2,034,472	-	2,034,472
Right-of-use - investment properties	69,054	-	69,054
Inventories - land held for property development	12,661,069	-	12,661,069
Intangible asset	13,385	-	13,385
Investments in joint ventures	2,703,702	-	2,703,702
Investments in associated companies	559,857	-	559,857
Other investments	96	-	96
Amounts owing by joint ventures	69,785	-	69,785
Trade receivables	28,824	-	28,824
Other receivables, deposits and prepayments	73,464	-	73,464
Deferred tax assets	324,511	5,255	329,766
	19,244,371	5,255	19,249,626
<b>Current assets</b>			
Trade receivables	849,503	-	849,503
Contract assets	1,263,891	-	1,263,891
Other receivables, deposits and prepayments	238,969	-	238,969
Inventories - property development costs	3,158,533	(31,317)	3,127,216
Inventories - completed properties and others	1,099,851	(3,310)	1,096,541
Contract cost assets	1,433,933	(403)	1,433,530
Amounts owing by joint ventures	82,589	-	82,589
Amounts owing by associated companies	4,336	-	4,336
Amounts owing by related parties	458	-	458
Current tax assets	84,889	-	84,889
Short-term funds	1,485,695	-	1,485,695
Short-term deposits	208,725	-	208,725
Cash and bank balances	1,224,816	-	1,224,816
	11,136,188	(35,030)	11,101,158
<b>Total Assets</b>	<b>30,380,559</b>	<b>(29,775)</b>	<b>30,350,784</b>

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

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

	As previously stated RM'000	Prior year adjustments (a) and (b) RM'000	As restated RM'000
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	8,468,287	-	8,468,287
Share capital - RCPS-i A	1,087,363	-	1,087,363
Share capital - RCPS-i B	1,035,218	-	1,035,218
Reserves			
Share-based payment reserve	132,400	-	132,400
Reserve on acquisition arising from common control	(1,295,884)	-	(1,295,884)
Exchange translation reserve	75,028	14	75,042
Retained earnings	4,419,228	59,588	4,478,816
<b>Equity attributable to owners of the Company</b>	<b>13,921,640</b>	<b>59,602</b>	<b>13,981,242</b>
Non-controlling interests	1,418,860	(493)	1,418,367
<b>Total Equity</b>	<b>15,340,500</b>	<b>59,109</b>	<b>15,399,609</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Redeemable cumulative preference shares	37,140	-	37,140
Other payables and accruals	69,267	-	69,267
Long-term borrowings	9,357,935	-	9,357,935
Lease liabilities	1,167	-	1,167
Deferred tax liabilities	467,792	(2,786)	465,006
	9,933,301	(2,786)	9,930,515
<b>Current liabilities</b>			
Trade payables	1,581,560	(86,098)	1,495,462
Contract liabilities	152,467	-	152,467
Other payables and accruals	759,880	-	759,880
Short-term borrowings	2,583,271	-	2,583,271
Lease liabilities	1,290	-	1,290
Current tax liabilities	27,278	-	27,278
Amounts owing to related parties	1,012	-	1,012
	5,106,758	(86,098)	5,020,660
<b>Total Liabilities</b>	<b>15,040,059</b>	<b>(88,884)</b>	<b>14,951,175</b>
<b>Total Equity and Liabilities</b>	<b>30,380,559</b>	<b>(29,775)</b>	<b>30,350,784</b>

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

**Consolidated Statement of Comprehensive Income  
For the financial year ended 31 December 2020**

	As previously stated RM'000	Prior year adjustments (a) RM'000	As restated RM'000
Revenue	3,228,117	-	3,228,117
Cost of sales	(2,570,958)	39,181	(2,531,777)
Gross profit	657,159	39,181	696,340
Other income	153,047	-	153,047
Selling and marketing expenses	(48,898)	-	(48,898)
Administrative and general expenses	(373,864)	-	(373,864)
Share of results of joint ventures	(372,550)	-	(372,550)
Share of results of associated companies	1,097	-	1,097
Finance costs	(172,641)	(39,047)	(211,688)
Loss before tax	(156,650)	134	(156,516)
Taxation	(87,872)	(157)	(88,029)
Loss for the year	(244,522)	(23)	(244,545)
Other comprehensive income, net of tax:			
Exchange differences on translation of foreign operations	102,161	19	102,180
Total comprehensive loss for the year	(142,361)	(4)	(142,365)
Loss attributable to:			
Owners of the Company	(321,026)	279	(320,747)
Non-controlling interests	76,504	(302)	76,202
	(244,522)	(23)	(244,545)
Total comprehensive loss attributable to:			
Owners of the Company	(218,836)	298	(218,538)
Non-controlling interests	76,475	(302)	76,173
	(142,361)	(4)	(142,365)

**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 2021.

**4. Material Changes in Estimates**

There were no material changes in estimates for the financial year ended 31 December 2021.

**5. Debts and Equity Securities**

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

- (a) Issuance of 367,800 new ordinary shares pursuant to the exercise of options under the Employees' Share Options Scheme ("ESOS") at the following option prices:

		ESOS 9
Exercise price	(RM)	<u>0.77</u>
No. of shares issued	('000)	<u>368</u>

- (b) Allotment of 10,877,453 new ordinary shares pursuant to the vesting of Employee Share Grant Plan ("ESGP") at the price of RM1.09 per share; and
- (c) During the financial year, the Group established Islamic Medium Term Notes ("Sukuk Wakalah") under the Islamic Medium Term Notes Programme with the programme limit of up to RM3.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme").

For the current financial year ended 31 December 2021, the Group has completed the issuance of Sukuk Wakalah from its Sukuk Wakalah Programme as follows:

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

## 6. Dividends Paid

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

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

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

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

## 7. Segmental Reporting

The segmental analysis for the financial year ended 31 December 2021 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	3,577,105	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) before reversal of impairment of completed inventories	1,023,138	(37,708)	20,063	-	1,005,493
Reversal of impairment of completed inventories	1,534	-	-	-	1,534
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

**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 2021 until 21 February 2022 (being the latest practicable date which is not earlier than 7 days from the date of issuance 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 2021 except for the incorporation of a wholly-owned subsidiary of S P Setia Berhad by the name of Setia HC Ventures Sdn Bhd on 16 December 2021 with a capital contribution of RM2.00 and subsequently on 12 January 2022, Setia HC Ventures Sdn Bhd had incorporated a wholly-owned subsidiary company by the name of Setia City Healthcare Sdn Bhd with a capital contribution of RM100.00.

**10. Contingent Liabilities**

There were no contingent liabilities in respect of the Group for the financial year ended 31 December 2021.

**11. Capital Commitments**

	<b>As at 31 December 2021 RM'000</b>
<i>Commitments of subsidiary companies:</i>	
Contractual commitments for construction of investment properties	11,274
Contractual commitments for acquisition and construction of property, plant and equipment	<u>88,056</u>
<i>Share of commitments of joint ventures:</i>	
Contractual commitments for acquisition of development land	<u>124,650</u>

**12. Significant Related Party Transactions**

**1 January 2021  
to  
31 December 2021  
RM'000**

*Transactions with joint ventures:*

(i) Management fee received and receivable	900
(ii) Event and marketing fee received and receivable	90
(iii) Rental received and receivable	524
(iv) Rental paid and payable	61
(v) Staff secondment fee received and receivable	334
(vi) Interest received and receivable	6,533
	<u>6,533</u>

*Transactions with associated companies:*

(i) Dividend received and receivable	9,395
	<u>9,395</u>

*Transactions with directors of the Company and subsidiary company, members of their family and company in which they have interests:*

(i) Professional fee paid and payable to a firm in which a director of the Company has interests	98
(ii) Sale of development properties to directors of the Company and their immediate family members	6,049
(iii) Sale of development property to director of the subsidiary company	996
	<u>996</u>

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

**1. Review of Group Performance**

The performance of the respective operating business segments for the current quarter (“Q4”) and financial year-to-date (“YTD”) are analysed as follows:

	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</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	975,046	1,066,586	3,577,105	3,047,272
Construction	5,272	9,006	17,409	26,094
Other Operations	52,286	38,071	168,234	154,751
	<u>1,032,604</u>	<u>1,113,663</u>	<u>3,762,748</u>	<u>3,228,117</u>

**Profit/(Loss) before tax**

Property Development

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

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

- **After impairment** of completed inventories

Construction

Other Operations

217,178	166,254	610,674	381,333
317	491	1,534	(128,063)
-	-	-	(336,267)
<u>217,495</u>	<u>166,745</u>	<u>612,208</u>	<u>(82,997)</u>
(15,192)	(15,292)	(38,932)	(30,349)
(13,526)	(28,312)	(30,812)	(43,170)
<u>188,777</u>	<u>123,141</u>	<u>542,464</u>	<u>(156,516)</u>

**(a) Performance of the current quarter against the same quarter in the preceding year (Q4 2021 vs Q4 2020)**

**Property Development**

The Group’s property development segment achieved the revenue of RM975.0 million in Q4 2021, slightly lower by 9% compared to RM1.07 billion in Q4 2020. However, the profit before tax (“PBT”) of the property development segment in Q4 2021 higher by RM50.8 million, an increase of 30% compared to Q4 2020 was mainly contributed by improved profit margin of products delivered during the quarter and some improvement in share of results from joint venture companies.

## 1. Review of Group Performance (continued)

### (a) Performance of the current quarter against the same quarter in the preceding year (Q4 2021 vs Q4 2020) (continued)

#### Property Development (continued)

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

#### Construction

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

The Group's construction segment recorded revenue of RM5.3 million and loss before tax of RM15.2 million in Q4 2021. The loss before tax was attributable to prolongation costs incurred on some intercompany construction jobs.

#### Other Operations

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

Revenue and PBT in Q4 2020 are lower mainly due to the operational activities in investment properties such as convention centre were significantly disrupted by reimposition of Conditional Movement Control Order ("CMCO").

### (b) Performance of the financial year-to-date, 2021 ("YTD 2021") vs financial year-to-date, 2020 ("YTD 2020")

#### Property Development

The Group recorded a revenue of RM3.58 billion and PBT of RM612.2 million, both are higher than the corresponding year-to-date in the preceding year. The property market shown encouraging recovery following the relaxation of movement restrictions and stimulated by Home Ownership Campaign (HOC) introduced by the Malaysian government with the aim to encourage homeownership which ended on 31 December 2021. The lower revenue and PBT for the preceding YTD 2020 were due to the impairment of completed inventories, the equity accounting of impairment of work in progress development at BPS and the disruption of site progress due to more severe movement control imposed by the government.

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

**(b) Performance of the financial year-to-date, 2021 (“YTD 2021”) vs financial year-to-date, 2020 (“YTD 2020”) (continued)**

**Construction**

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

The Group’s construction segment recorded revenue of RM17.4 million and loss before tax of RM38.9 million in YTD 2021 resulted from additional costs incurred on the intercompany construction jobs.

**Other Operations**

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

**2. Material Changes in the Quarterly Results (“Q4 2021”) compared to the results of the Preceding Quarter (“Q3 2021”)**

The Group’s PBT for Q4 2021 of RM188.8 million is higher than the PBT for Q3 2021 of RM52.3 million, as development activities regained momentum post Movement Control Order 3.0 (“MCO 3.0”).

**3. Prospects for Financial Year Ending 31 December 2022 (“FY2022”)**

S P Setia recorded another year of unsurpassed sales performance of RM4.26 billion in FY2021 and has outperformed its original sales target of RM3.80 billion, fortifying its position as the top property developer in terms of sales.

The main contribution of its sales came from the Central region with RM2.92 billion, followed by RM556 million from the Southern region while the international regions collectively registered sales of RM762 million. Notably in the Klang Valley, its residential properties in established townships such as Bandar Setia Alam and Bandar Kinrara garnered solid take up rates in the final quarter of 2021. The government’s move in heeding the *rakyat’s* needs by extending the Home Ownership Campaign (“HOC”) to end-2021 also augured well for the Group, where it managed to clear RM754 million worth of its completed inventories during the year.

In Q4FY2021, the Group launched more landed properties totalling a Gross Development Value (“GDV”) of RM729 million based on the continuous demand observed. The first phase of the exclusive two- and three-storey semi-detached homes in Penang Island were among them. Priced above RM1 million per unit, the project has successfully obtained more than 80% take up rate. On the global front, our Group gained a stronger brand foothold when all the units in the Daintree Residence project in Singapore were sold out. Similarly, over in Eco Lakes Vietnam, the residential properties with combined GDV of RM133 million launched in Q4FY2021 garnered a 100% take-up rate.

**3. Prospects for Financial Year Ending 31 December 2022 (“FY2022”) (continued)**

Moving into FY2022, the Group anticipates gradual improvement to the Malaysian economy, underpinned by the continued increase in global demand and higher private sector expenditure. The headline inflation is expected to edge marginally upwards due to the disruptions caused by the global supply chain. However, the improvement in overall income, employment conditions and consumer sentiments are expected to lift household spending which augurs well for the property sector.

In view of these positive sentiments, the Group set a sales target of RM4.0 billion for FY2022 and intends to roll out RM4.0 billion worth of new launches focusing primarily on landed residential projects in Setia Alam, Setia Eco Glades, Setia Safiro, Setia Alam Impian, Bandar Kinrara, Setia Bayuemas, Setia Ecohill & Ecohill 2, Setia Eco Park and Setia Warisan Tropika in Central region, Setia Indah, Taman Rinting and Taman Pelangi Indah in the Southern region and Setia Fontaines in the Northern region.

The Group had also recently announced its first venture into healthcare as part of its strategy to explore a business complementary to its core property development segment. Through its wholly owned subsidiary Setia HC Ventures Sdn. Bhd., it has signed an agreement with Qualitas Medical Group Sdn. Bhd., intending to develop and operate an ambulatory care centre in Setia Alam.

As at 31 December 2021, the Group is anchored by 48 on-going projects, an effective remaining land banks of 7,237 acres with a GDV of RM122.4 billion. Its unbilled sales which stands at RM10.2 billion, will provide earnings visibility in the short to mid- term to the Group.

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

Not applicable as no profit forecast was published.

**5. Income Tax**

	<b>Q4 2021</b>	<b>Q4 2020</b>	<b>YTD 2021</b>	<b>YTD 2020</b>
	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>	<b>RM’000</b>
		<b>Restated</b>		<b>Restated</b>
Taxation				
- current taxation	23,040	45,870	199,710	145,696
- deferred taxation	39,099	(6,444)	(4,591)	(57,667)
	62,139	39,426	195,119	88,029
	62,139	39,426	195,119	88,029

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 was no corporate proposal announced but not completed as at 21 February 2022 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this condensed financial report).

## 7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 December 2021 were as follows:

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
Short-term borrowings - Islamic	549,087	998,363	1,547,450
Short-term borrowings - Conventional	1,309,928	389,853	1,699,781
Long-term borrowings - Islamic	2,367,264	2,925,305	5,292,569
Long-term borrowings - Conventional	2,448,611	1,567,461	4,016,072
Redeemable cumulative preference shares	-	37,965	37,965
	<b>6,674,890</b>	<b>5,918,947</b>	<b>12,593,837</b>

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

	<b>Secured RM'000</b>	<b>Unsecured RM'000</b>	<b>Total RM'000</b>
Malaysian Ringgit	4,988,892	4,084,452	9,073,344
Great British Pound	-	1,694,035	1,694,035
Australian Dollar	1,312,363	-	1,312,363
Singapore Dollar	334,122	-	334,122
United States Dollar	-	140,460	140,460
Japanese Yen	39,513	-	39,513
	<b>6,674,890</b>	<b>5,918,947</b>	<b>12,593,837</b>

## 8. Material Litigation

The Group was not engaged in any material litigation as at 21 February 2022 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this condensed financial report).

## 9. Dividends Declared

(a) The Board of Directors has declared dividends in respect of the financial year ended 31 December 2021.

- (i) Amount per share : Single tier dividend of 0.65 sen per share
- (ii) Date payable : To be determined later
- (iii) 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

There were no ordinary shares dividends declared in the previous corresponding financial year.

**9. Dividends Declared (continued)**

- (b) The Board of Directors has declared preferential dividends in respect of the financial period from 1 July 2021 to 31 December 2021, 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**

Basic Earnings Per Share

The basic earnings per share for the period/year is calculated by dividing the Group's profit/loss attributable to owners of the Company adjusted for the effects of RCPS-i A and RCPS-i B preferential dividends declared during the period/year, divided by the weighted average number of shares in issue, as follows:

	Q4 2021 '000	Q4 2020 '000 Restated	YTD 2021 '000	YTD 2020 '000 Restated
Profit/(Loss) attributable to owners of the Company (RM)	123,315	56,503	284,365	(320,747)
- RCPS-i A preferential dividends (RM)	-	-	(70,654)	(70,654)
- RCPS-i B preferential dividends (RM)	-	-	(61,388)	(61,394)
Adjusted profit/(loss) attributable to owners of the Company (RM)	123,315	56,503	152,323	(452,795)
Number of ordinary shares at beginning of the period/year	4,056,733	4,056,710	4,056,733	4,042,481
Weighted average effect of shares issued pursuant to:				
- Vesting of ESGP	20,336	-	5,126	6,804
- Exercise of ESOS	652	-	164	-
- Conversion of RCPS-i B into ordinary shares	-	22	-	5
Weighted average number of ordinary shares	4,077,721	4,056,732	4,062,023	4,049,290
Basic earnings/(loss) per share (sen)	3.02	1.39	3.75	(11.18)

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

### Diluted Earnings Per Share

The diluted earnings per share for the period/year is calculated by dividing the Group's profit/loss attributable to owners of the Company adjusted for the effects of RCPS-i A and RCPS-i B preferential dividends declared during the period/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, as follows:

	Q4 2021 '000	Q4 2020 '000 Restated	YTD 2021 '000	YTD 2020 '000 Restated
Profit/(Loss) attributable to owners of the Company (RM)	123,315	56,503	284,365	(320,747)
- RCPS-i A preferential dividends (RM)	-	-	(70,654)	(70,654)
- RCPS-i B preferential dividends (RM)	-	-	(61,388)	(61,394)
Adjusted profit/(loss) attributable to owners of the Company (RM)	123,315	56,503	152,323	(452,795)
Weighted average number of ordinary shares as per Basic Earnings Per Share	4,077,721	4,056,732	4,062,023	4,049,290
Effect of potential exercise of LTIP	14,468	20,702	14,708	21,062
Weighted average number of ordinary shares	4,092,189	4,077,434	4,076,731	4,070,352
Diluted earnings/(loss) per share (sen)	3.01	1.39	3.74	(11.12)

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

## 11. Notes to the Statement of Comprehensive Income

	Q4 2021 RM'000	YTD 2021 RM'000
Interest income	8,542	65,303
Other income including investment income	30,935	87,747
Interest expense	(42,903)	(194,125)
Depreciation and amortisation	(6,164)	(30,336)
Provision of doubtful debts for trade and other receivables	(406)	(356)
Reversal of impairment of completed inventories	317	1,534
Net loss on disposal of quoted or unquoted investments or properties	(607)	(3,261)
Write off of property, plant and equipment	(840)	(849)
Fair value loss on investment properties	(24)	(24)
Net foreign exchange loss	(1,667)	(11,604)
Gain or loss on derivatives	-	-
Exceptional items	-	-

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

The preceding audited financial statements for the financial year ended 31 December 2020 was unqualified.