



# Setia

## **BUILDING NETWORKS FOR LIFE**

INTEGRATED REPORT 2021

*Adventure Park,  
Setia EcoHill 2, Semenyih*

# ABOUT OUR INTEGRATED REPORT

Our Integrated Report for the year ended 31 December 2021 provides a review of S P Setia Berhad ("S P Setia")'s strategy, to deepen and leverage our competitive advantages and unlock value for our providers of financial capital and create sustainable value for all our stakeholders. As such, our report assesses how we intend to create and preserve value over time in relation to those factors most material to our shareholders, debt providers and the broader investment community.

## SCOPE AND BOUNDARY

The S P Setia Integrated Report covers our governance, strategy, risk and opportunity management systems, and reviews our strategic, financial, operational and sustainability performance and prospects. It assesses all material factors and therefore incorporates the risks, opportunities and outcomes associated with stakeholders outside our financial reporting boundary. These relationships contribute to our ability to generate sustainable revenue and targeted returns for our shareholders in the short, medium and long term. The constraints and uncertainties related to the capitals and how our strategy aims to resolve these, where these are within our control, or manage the impact of factors outside of our control, are discussed in detail throughout the Integrated Report.

## REPORTING FRAMEWORK

Our integrated reporting process, as well as the contents of this report, is guided by the principles and requirements of the International Integrated Reporting Council ("IIRC") Integrated Reporting <IR> Framework, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia, the Corporate Governance Guide (4th Edition) issued by Bursa Malaysia, the Companies Act 2016 ("CA 2016") and the Malaysian Code on Corporate Governance ("MCCG") 2021. All financial statements have been prepared in accordance with the requirements of the CA 2016 and the Malaysian Financial Reporting Standards ("MFRS").

## MATERIALITY

Our material issues are factors most likely to influence the decisions of our stakeholders in relation to the capital inputs they provide and the outcomes they expect to derive in return. The material issues presented in this report are the result of a formalised and robust approach, and closely incorporate the trends in our operating context and the expectations of key stakeholders.

## COMBINED ASSURANCE

Contents and the report development process are supported by robust internal controls and governance practices. Assurance for this report is provided by our management, internal auditors and Board of Directors ("Board"), supported by external verification – of financial and selected non-financial information – by Ernst & Young PLT Malaysia.

## FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking statements relating to future performance. Such statements are premised on current assumptions and circumstances, which could change, hence they unavoidably involve uncertainty. Various factors could cause actual results to differ materially from those expressed or implied by these forward-looking statements.

## Cross References

-  Tells you where you can find more information within the report
-  Tells you where you can find more information online at [www.spsetia.com](http://www.spsetia.com)

## SUSTAINABILITY AGENDA

-  Product and Services
-  Economic Growth and Benefits
-  Procurement
-  Anti-Bribery and Anti-Corruption
-  Climate Change
-  Energy and Water
-  Biodiversity
-  Human Capital
-  Health and Safety
-  Community Engagement
-  Security

## STAKEHOLDERS OF S P SETIA

-  Shareholders and Investors
-  Contractors and Suppliers
-  Media
-  Customers
-  Employees
-  Business Partners
-  Banks and Analysts
-  Local Community and NGOs
-  Local Authorities
-  Government and Regulators

## OUR CAPITALS

-  **Financial Capital**  
The pool of funds supporting business operations.
-  **Manufactured Capital**  
The assets, business structure and operational processes, including our digital and IT infrastructure, that provide the framework and mechanics of how we do business.
-  **Human Capital**  
The competencies, capabilities and experience of our employees and how they innovate, collaborate and align with our objectives.
-  **Intellectual Capital**  
The brand value as well as product and service quality.
-  **Social and Relationship Capital**  
The strong relationships we create through regular engagements with all our key stakeholders.
-  **Natural Capital**  
Renewable and non-renewable resources consumed by the Company.

 For a fuller account, please refer to our Stakeholders Engagement section on pages 188 to 194.

## United Nations Sustainable Development Goals Adopted



## APPROVAL BY THE BOARD

The Board acknowledges its responsibility of ensuring the integrity of this Integrated Report. In the Board's opinion, this report addresses all the issues that are material to the group's ability to create value and fairly presents the integrated performance of S P Setia. The Board is confident that the report has been prepared in accordance with the IIRC Integrated Reporting <IR> Framework. This report was approved by the Board of S P Setia on 28 February 2022.

*Canal Park, Setia Alamsari, Kajang*

# IN THIS REPORT



## Building Networks for Life

To build places, homes and destinations where communities from all walks of life stay connected socially and digitally with one another – this remains the core of how S P Setia operates despite the prolonged coronavirus disease (“COVID-19”) pandemic.

We have stayed the course and continued to defy the challenges, while we continue to empower networks of communities and create sustainable opportunities for economic growth within and beyond our developments.

We stand tall and firm like the tree on the cover of this Integrated Report to deliver assurance to our customers and stakeholders, as we continue to form network-like communities among our townships and projects for generations to come. With thoughtful placemaking, we strive to work with nature, not against, just like tree canopies.

### NON-FINANCIAL INFORMATION

The table below, and the information it refers to, is intended to help stakeholders understand our position on these key non-financial matters. We have considered these non-financial matters and disclosed in the relevant sections, when determining what information should be included in the Integrated Report.

<b>INTRODUCTION</b> Our Value Creation Model	page 40 to 41	Employee Engagement	page 134	<b>POLICY, RISK &amp; AUDIT</b> Risk Management	page 195 to 197
<b>SOCIAL MATTERS</b> Stakeholder Engagements	page 188 to 191	Well-being	page 135 to 147	Key Risks	page 42 to 43
Sustainability Focus Areas	page 32 to 33	<b>ANTI-BRIBERY AND ANTI-CORRUPTION</b> Policies and Procedures	page 112 to 114	Audit Committee Report	page 184 to 187
<b>EMPLOYEES</b> Development and Training	page 131 to 134	<b>ENVIRONMENTAL MATTERS</b> Natural Resources	page 117 to 122	<b>OUR POLICIES</b> All our policies, codes and standards are available on <a href="https://www.spsetia.com/en-us/corporate-governance/corporate-governance-home">https://www.spsetia.com/en-us/corporate-governance/corporate-governance-home</a>	
Diversity	page 126 to 130	Biodiversity	page 122 to 124		
Board Diversity	page 128	Environmental Compliance	page 116		

<b>ABOUT OUR INTEGRATED REPORT</b>	<b>PCEO'S MANAGEMENT DISCUSSION &amp; ANALYSIS</b>	<b>FINANCIAL STATEMENTS</b>
<b>OUR INVESTMENT CASE</b>	46 Financial Review	211 Corporate Information
02 Who We Are	48 Performance Review	212 Directors' Report
03 What We Do	98 Sustainability Statement	218 Statements of Financial Position
04 Our Approach to Sustainability	- Economic	220 Statements of Comprehensive Income
06 What Differentiates Us	- Environmental	221 Consolidated Statement of Changes in Equity
08 Where We Operate	- Social	223 Statement of Changes in Equity
09 Our Property Portfolio	- GRI Content Index	224 Statements of Cash Flows
11 Our Accolades		227 Notes to the Financial Statements
12 Corporate Information		340 Statement by Directors
13 Corporate Structure		340 Statutory Declaration
<b>LEADERSHIP STATEMENT</b>	<b>COMMITMENT TO STRONG GOVERNANCE</b>	341 Independent Auditors' Report
18 Chairman's Message	152 Board at a Glance	<b>SHAREHOLDERS' INFORMATION</b>
<b>HOW WE CREATE VALUE</b>	154 Profile of Board of Directors	347 Analysis of Shareholdings
28 Economic and Property Market Report	164 Key Management Team	353 List of Material Properties Held by the Group
30 Key Trends in our Market	170 Corporate Governance Overview Statement	354 Group Directory
32 Materiality	195 Statement on Risk Management and Internal Control	358 Notice of Annual General Meeting
38 Our Strategy	205 Additional Compliance Information	363 Glossary
40 Our Value Creation Model		• Form of Proxy
42 Key Risk and Mitigation		

Setia Eco Park, Shah Alam

## WHO WE ARE

### WE ARE A PURPOSE-DRIVEN COMPANY

Our Purpose is to elevate the projects we take and the lives we touch, with a distinctive belief: that together, we are stronger. Together, we have progressed and expanded our reach. Our Purpose ensures we give back to nature, to community and to you. This belief is embedded in our creations, where work, learning, play and life come together as one.

#### OUR MISSION

- To provide superior customer service and satisfy customer needs through a culture of excellence
- To enhance shareholders' value
- To be a caring and responsible employer
- To be mindful of our social responsibilities

### WE HAVE EMBEDDED VALUES THAT SHAPE OUR DECISIONS AND BEHAVIOURS

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

#### Setia's Work Ethics

- Respect
- Support one another

#### Customers

- Serve with passion
- Responsive to needs

#### Responsibilities

- Commitment to success
- Learn & grow

#### Integrity

- Honesty
- Reliability

#### Professionalism

- Work professionally
- Continuous improvement

#### Team Setia

- Teamwork
- Embrace diversity

### WE HAVE A UNIQUELY SUSTAINABLE OPERATING MODEL

We develop for every possible need, from townships to eco-sanctuaries, luxury enclaves, high-rise residences, and commercial, retail as well as integrated developments. We are guided by our sustainability mission statement 'Building Sustainable Communities for ALL' in our approach to holistic living supported by our development philosophy of 'livelearnworkplay' making our developments uniquely Setia.

### WE HAVE A FOCUSED STRATEGY ALIGNED WITH OUR VISION

To remain as the leading property developer in Malaysia

### WE HAVE A CLEAR VISION FOR THE FUTURE

Our Vision is to be the best in all we do. This Vision drives us to transform the most challenging sites into exceptional places and to maximise our positive impact on the society, economy and natural world.

### WE HAVE KEY SHAREHOLDERS



## WHAT WE DO: CORE BUSINESS SEGMENTS & HIGHLIGHTS

Malaysia's first property developer that is focused on creating sustainable living environments within the homes and communities it builds.

Malaysia's leading listed property player with a strong portfolio that encompasses well-planned townships, eco-sanctuaries, premium and exclusive enclaves, abodes, commercial and retail properties, as well as integrated and transit-oriented developments in high-dense urban, growth areas.

A master in effective and sustainable construction methods including precast construction for the superstructure and advanced technology system formwork that allows for greater efficiency and safety with minimal wastage.

One of the few developers in the country that has a construction arm.



Elizabeth Falls, Setia Eco Park, Shah Alam

### Property Development

Property development is the main driver of S P Setia's operations focusing on four key segments:

- Township Developments
- Eco-themed Developments
- Integrated Developments
- Niche Developments

### Property-Related Businesses

We are expanding and diversifying into businesses related to the property industry

Our venture into healthcare business will be an Ambulatory Care Centre ("ACC") to be opened in 2022 at Setia City Residence in Bandar Setia Alam.

- Retail
- Hospitality
  - Meetings, Incentives, Conferences and Exhibitions ("MICE")
- Hotels
- Logistics / Industrial
- Senior cum Assisted Living
- Healthcare

TOTAL REVENUE  
**RM3.76**  
billion

TOTAL WORKFORCE  
**2,063**  
EMPLOYEES

TOTAL COMPLETED GDV  
**RM7.14**  
billion

ONGOING PROJECTS  
**48 projects**

TOTAL SALES  
**RM4.26**  
billion

COMPLETED UNITS  
**4,063 units**

### Presence



## OUR APPROACH TO SUSTAINABILITY

S P Setia had established a Sustainability roadmap as summarised below:



## OUR APPROACH TO SUSTAINABILITY

### Principles to Drive Sustainability

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

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

As part of our effort in ensuring continuous sustainability journey in S P Setia, we are transitioning our sustainability efforts into a 3-year sustainability plan by broadening our initiatives to:



# WHAT DIFFERENTIATES US

## FINANCIAL HIGHLIGHTS

<b>TOTAL REVENUE</b> <b>RM3.76</b> billion	<b>TOTAL ASSETS</b> <b>RM31.18</b> billion
<b>TOTAL SALES ACHIEVED</b> <b>RM4.26</b> billion	<b>TOTAL EQUITY</b> <b>RM15.63</b> billion
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> <b>RM14.18</b> billion	<b>UNBILLED SALES</b> <b>RM10.21</b> billion
<b>TOTAL COMPLETED GDV</b> <b>RM7.14</b> billion	<b>STRONG GDV IN THE PIPELINE</b> <b>RM122.40</b> billion
<b>ONGOING PROJECTS</b> <b>48</b> Projects	<b>COMPLETED UNITS</b> <b>4,063</b> units
<b>REMAINING LAND BANKS</b> <b>7,237</b> acres	

## BUSINESS HIGHLIGHTS

- 

Completed and delivered **RM7.14 billion properties** in various projects, that are in Setia Alam, Setia EcoHill 1 & 2, Bandar Kinrara, Setia Bayuemas, Temasya Glenmarie, Setia Alamsari, Alam Damai, Setia Eco Glades, Setia Eco Park, Setia Eco Templer, Setia Mayuri, KL Eco City, Setia Tropika, Taman Pelangi Indah, Aeropod, Eco Xuan in Vietnam and phase 2 of Battersea Power Station (“BPS”) in the United Kingdom.
- 

Despite all the uncertainties throughout 2021, we have worked as a stronger **Team Setia**. Sales achieved largely, approximately 70% of it, through our digitalisation effort and innovative marketing strategies. Digital Transformation has prepared S P Setia on time and it is a good example of preparation meets opportunities.
- 

The **Northern Line Extension (“NLE”) between Kennington and Battersea in London** was opened to the public in September 2021. Being the first major Tube extension for this century, it plays a vital role in regenerating Battersea and its surrounding areas.

256 apartment units in Phase 2 of the BPS mammoth project were completed in 2021. Similarly, the office space for Apple Inc. was handed over to them in 2021. With the planned opening of Apple’s office in 2022 and occupancy of the newly completed residential units, more business vibrancy and livelihood in Battersea will come into play. There will be more footfall when more people are using the space there.
- 

**S P Setia diversified into the healthcare business in 2021** with intention to operate an ACC at Setia City Residences in Setia Alam via a strategic partnership with Qualitas Medical Group Sdn Bhd.

Healthcare is a growing business given the market trend; as ageing population is growing in Malaysia. Such facilities will be at the convenience of our residents when they are offered within townships with a large population base like Setia Alam.

The business model is duplicatable in our other townships.
- 

**Both development and enterprise land within the Group were sold in 2021.** Some sales transactions however, are still pending authorities approvals.

It was part of the Group’s monetising strategy of non-strategic land bank to use the liquid asset to fund other projects within the Group.

The sale of enterprise land within our townships was to unlock the values of the land and bring more footfall into the townships. Simultaneously, it will help increase capital appreciation of other properties within the townships.

## SUSTAINABILITY HIGHLIGHTS

- 

**ECONOMIC**

  - Spent **RM740 million** for development of affordable housing projects with completed **5,943 units** of affordable houses as at financial year ended 31 December 2021
  - Received the **EdgeProp – ILAM Malaysia’s Sustainable Landscape Awards 2021** for Setia Eco Templer and Silver for the Commercial (Low-Rise) category of the PAM Awards 2021 for D’Network @ Setia Eco Park
  - Spent **RM678 million** in year 2021 on providing various infrastructures in our projects, including maintenance of road work and landscape
  - Continuous awareness on Anti-Bribery and Anti-Corruption via **17 corruption risk assessment workshops, 4,655 emails to business associates as at 31 December 2021, 628 business associates signed-off the Setia Integrity Pledge**
- 

**SOCIAL**

  - Provided 6 venues as Vaccination Centres for the National COVID-19 Immunisation Programme. More than **1.3 million** doses of vaccine administered in our vaccination centres
  - Awarded **Gold Winner for Excellence in Women Empowerment Strategy** at Human Resources Excellence Awards 2021 as the Group demonstrated promotion of women to key management positions
  - Launched **#Setia4Malaysia** campaign to highlight importance of kindness, support the communities in need and engage Team Setia at home during the Movement Control Order (“MCO”) period
  - Spent **RM2.72 million** on COVID-19 initiatives comprising distribution of COVID-19 test kits, health and hygiene supplies for employees, food supply aid, vaccination centres and workplace hygiene
  - Spent **RM1.05 million** under the Setia Caring School Programme.
  - Dedicated **31,508** manhours to training and development programmes
  - Spent **RM257,196** for flood assistance to communities and employees
- 

**ENVIRONMENT**

  - Completed installation of **156 units of solar photovoltaic (“PV”) rooftop at Setia EcoHill Walk** which is known as the first solar panel hybrid commercial hub in Semenyih
  - Engaged ecologists to conduct ecological studies at **Setia Bayuemas Lake** with the aim to promote resilient and sustainable environments for the township and its community.
  - Planted and transplanted a total of **347,512** trees across 25 business units
  - Completed **4 solar hybrid** commercial hubs and convention centres, making S P Setia the pioneering property developer to do so



Setia EcoHill Park, Setia EcoHill, Semenyih

## WHERE WE OPERATE

### DOMESTIC PRESENCE & INTERNATIONAL FOOTPRINT

Located in  
**7**  
Countries

**48**  
ongoing projects

#### MALAYSIA

##### Central Region:

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

##### Northern Region:

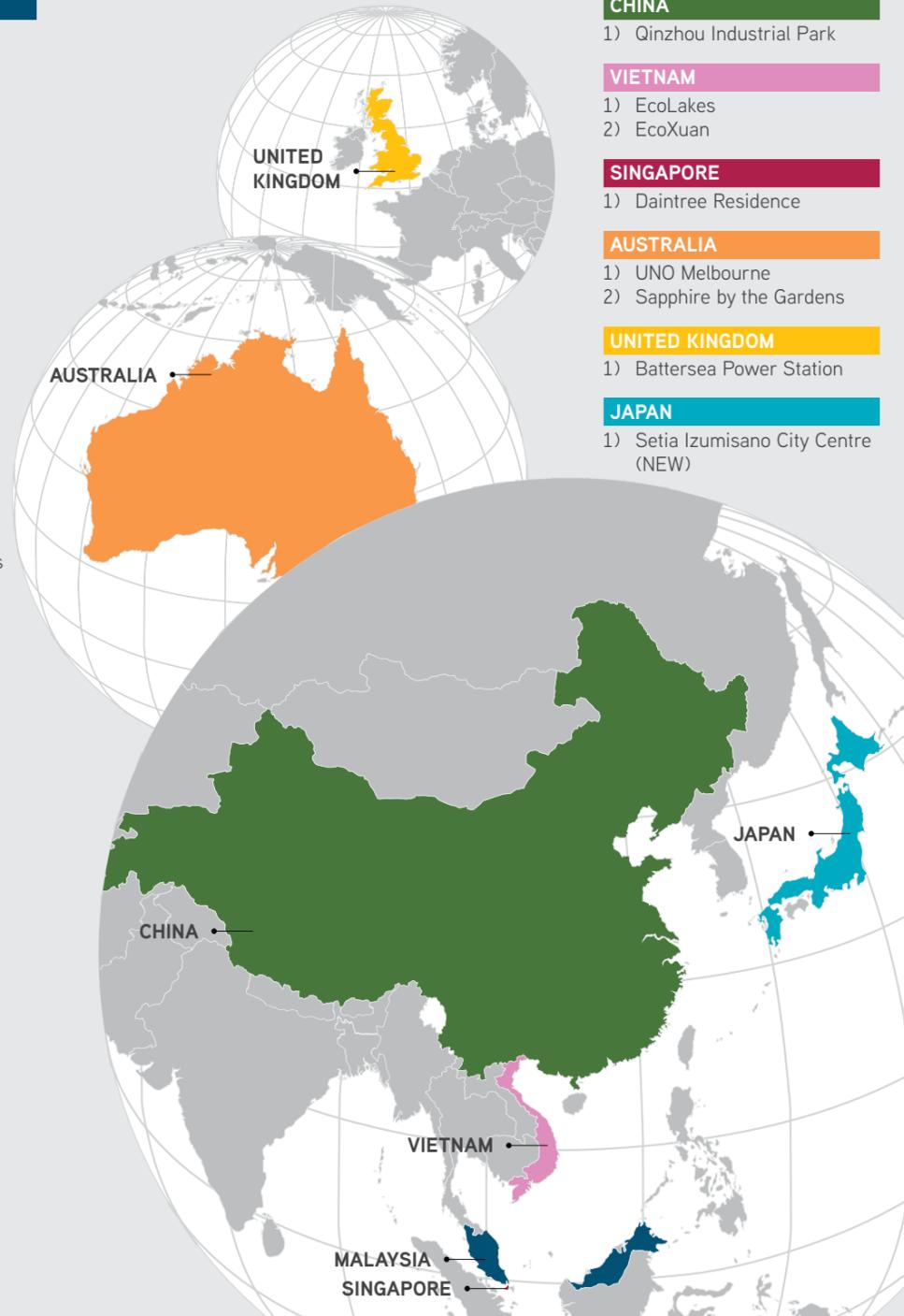
- 1) Setia Fontaines
- 2) Setia Pearl Island
- 3) Setia Green
- 4) Setia SPICE
- 5) Setia Sky Vista
- 6) Setia Sky Ville

##### Southern Region:

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

##### Eastern Region:

- 1) Aeropod



#### CHINA

- 1) Qinzhou Industrial Park

#### VIETNAM

- 1) EcoLakes
- 2) EcoXuan

#### SINGAPORE

- 1) Daintree Residence

#### AUSTRALIA

- 1) UNO Melbourne
- 2) Sapphire by the Gardens

#### UNITED KINGDOM

- 1) Battersea Power Station

#### JAPAN

- 1) Setia Izumisano City Centre (NEW)

## OUR PROPERTY PORTFOLIO

S P Setia is a pioneer and leader in developing award-winning townships, eco-sanctuaries, luxury enclaves, high-rise residences, integrated developments and transit-oriented developments in Northern, Central, Southern and East Malaysia and has presence in six other countries around the world. Its other developments include integrated developments and niche developments.

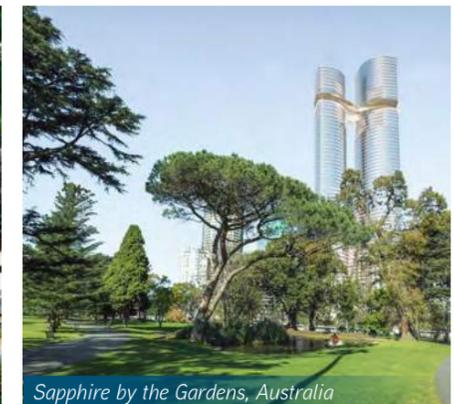


Setia Eco Park, Shah Alam

# PROPERTY DEVELOPMENT



Setia Eco Glades, Cyberjaya



Sapphire by the Gardens, Australia



Setia Sky Seputeh, Kuala Lumpur



Battersea Power Station, United Kingdom

OUR PROPERTY PORTFOLIO



Amari Hotel, Setia SPICE, Penang



Setia City Mall, Setia Alam

The Group is steadily growing its portfolio in property-related businesses including Setia Precast and Setia Wood. It currently has six commercial hubs and shopping malls under its belt, two large-scale MICE venues Setia SPICE in Penang and Setia City Convention Centre in Setia Alam, and two Amari Hotels in the pipeline in Penang and Kuala Lumpur. Its newest venture is in healthcare, which is to establish an ACC at Setia City Residences, Setia Alam.



D'Network @ Setia Eco Park, Shah Alam



Setia City Convention Centre, Setia Alam, Shah Alam

# PROPERTY-RELATED BUSINESSES

OUR ACCOLADES

**FIABCI World Prix d'Excellence Awards 2021**



**Category:** Master Plan  
**Award:** World Gold  
**Project:** Battersea Power Station, London

**The Edge Property Excellence Awards 2021**



**Category:** The Edge Malaysia Top Property Developers Awards 2021  
**Award:** Overall No. 2 Best in Qualitative Attributes  
**Project:** S P Setia Berhad

**FIABCI Malaysia Property Awards 2021**



**Category:** Mixed-use Development  
**Project:** KL Eco City

**Category:** Residential (Low-rise)  
**Project:** Setia Marina 2, Setia Eco Glades

**EdgeProp Malaysia's Best Managed Property Awards 2021**



**Category:** EdgeProp-ILAM Malaysia's Sustainable Landscape Award (Landscape Design)  
**Award:** Gold  
**Project:** Essex Gardens, Setia Eco Templer

**Kincentric Best Employers Awards 2021**



**Best Employer Award 2021**  
**Project:** S P Setia Berhad

**Human Resources Excellence Awards 2021**



**Category:** Excellence in Women Empowerment Strategy  
**Award:** Gold  
**Project:** S P Setia Berhad

**PAM Awards 2021**



**Category:** Commercial (Low-rise)  
**Award:** Silver  
**Project:** D'Network @ Setia Eco Park

**BCI Asia Awards 2021**



**Category:** BCI Asia Top 10 Developers Award - Malaysia  
**Project:** S P Setia Berhad

**» TechNode Global - ORIGIN Innovation Awards 2021**

**Category:** Best Corporate Innovation  
**Project:** S P Setia Berhad

**» The National Tech Association of Malaysia ("PIKOM") - UNICORN Tech Awards 2021**

**Category:** Technology Organisation Excellence Award  
**Project:** S P Setia Berhad

**» Association of Accredited Advertising Agents Malaysia - Putra Brand Awards 2020 & 2021**

**Category:** Property Development  
**Award:** Silver  
**Project:** S P Setia Berhad

**» Multimedia Super Corridor ("MSC") Status**

**Award:** Designated Premises for MSC Cybercentre  
**Project:** Mercu 2, KL Eco City

## CORPORATE INFORMATION

● ● ●
☰ ☒ ✕

### BOARD OF DIRECTORS

<p><b>Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail</b> <i>(Non-Independent Non-Executive Chairman)</i></p> <p><b>Datuk Choong Kai Wai</b> <i>(President and Chief Executive Officer)</i></p> <p><b>Dato' Ahmad Pardas Bin Senin</b> <i>(Senior Independent Non-Executive Director)</i></p> <p><b>Dato' Halipah Binti Esa</b> <i>(Independent Non-Executive Director)</i></p> <p><b>Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob</b> <i>(Independent Non-Executive Director)</i></p>	<p><b>Mr Philip Tan Puay Koon</b> <i>(Independent Non-Executive Director)</i></p> <p><b>Tengku Dato' Ab. Aziz Bin Tengku Mahmud</b> <i>(Non-Independent Non-Executive Director)</i></p> <p><b>Dato' Zuraidah Binti Atan</b> <i>(Independent Non-Executive Director)</i></p> <p><b>Dato' Azmi Bin Mohd Ali</b> <i>(Non-Independent Non-Executive Director)</i></p> <p><b>Dato' Merina Binti Abu Tahir</b> <i>(Independent Non-Executive Director)</i></p>
--	--

### AUDIT COMMITTEE

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

### EXECUTIVE COMMITTEE

Dato' Halipah Binti Esa *(Chairman)*  
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob  
Datuk Choong Kai Wai

### FINANCE AND INVESTMENT COMMITTEE

Mr Philip Tan Puay Koon *(Chairman)*  
Dato' Ahmad Pardas Bin Senin  
Dato' Azmi Bin Mohd Ali

### NOMINATION AND REMUNERATION COMMITTEE

Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail *(Chairman)*  
Dato' Ahmad Pardas Bin Senin  
Mr Philip Tan Puay Koon  
Tengku Dato' Ab. Aziz Bin Tengku Mahmud  
Dato' Merina Binti Abu Tahir

### RISK MANAGEMENT COMMITTEE

Dato' Ahmad Pardas Bin Senin *(Chairman)*  
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob  
Tengku Dato' Ab. Aziz Bin Tengku Mahmud  
Dato' Halipah Binti Esa

### SECRETARY

Lee Wai Kim  
SSM PC No. 202008001422  
MAICSA 7036446

### REGISTERED OFFICE

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

### SHARE REGISTRAR

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

### BANKERS

Affin Bank Berhad  
Affin Islamic Bank Berhad  
Alliance Bank Malaysia Berhad  
Al-Rajhi Banking & Investment Corporation (Malaysia) Berhad  
AmBank (M) Berhad  
Amlslamic Bank Berhad  
Bangkok Bank Berhad  
Bank of China (Malaysia) Berhad  
Bank Islam Malaysia Berhad  
Bank Muamalat Malaysia Berhad  
Bank Sinopac Co., Ltd  
Bank of the Philippine Islands  
CIMB Bank Berhad  
CIMB Islamic Bank Berhad  
DBS Bank Ltd  
E.Sun Commercial Bank, Ltd  
Export-Import Bank of Malaysia Berhad  
Hong Leong Bank Berhad  
Hong Leong Islamic Bank Berhad  
HSBC Amanah Malaysia Berhad  
HSBC Bank Malaysia Berhad  
Industrial and Commercial Bank of China (Malaysia) Berhad  
Malayan Banking Berhad  
Maybank Islamic Berhad  
OCBC Bank (Malaysia) Berhad  
Oversea-Chinese Banking Corporation Berhad  
Public Bank Berhad

RHB Bank Berhad  
RHB Islamic Bank Berhad  
Standard Chartered Bank Malaysia Berhad  
Sumitomo Mitsui Banking Corporation  
Taipei Fubon Commercial Bank Co., Ltd  
Taishin International Bank Co., Ltd.  
Taiwan Business Bank, Ltd.  
The Shanghai Commercial & Savings Bank, Ltd.

### AUDITORS

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

### SOLICITORS

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

### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad

### INDICES

FTSE Bursa Malaysia

### WEBSITE

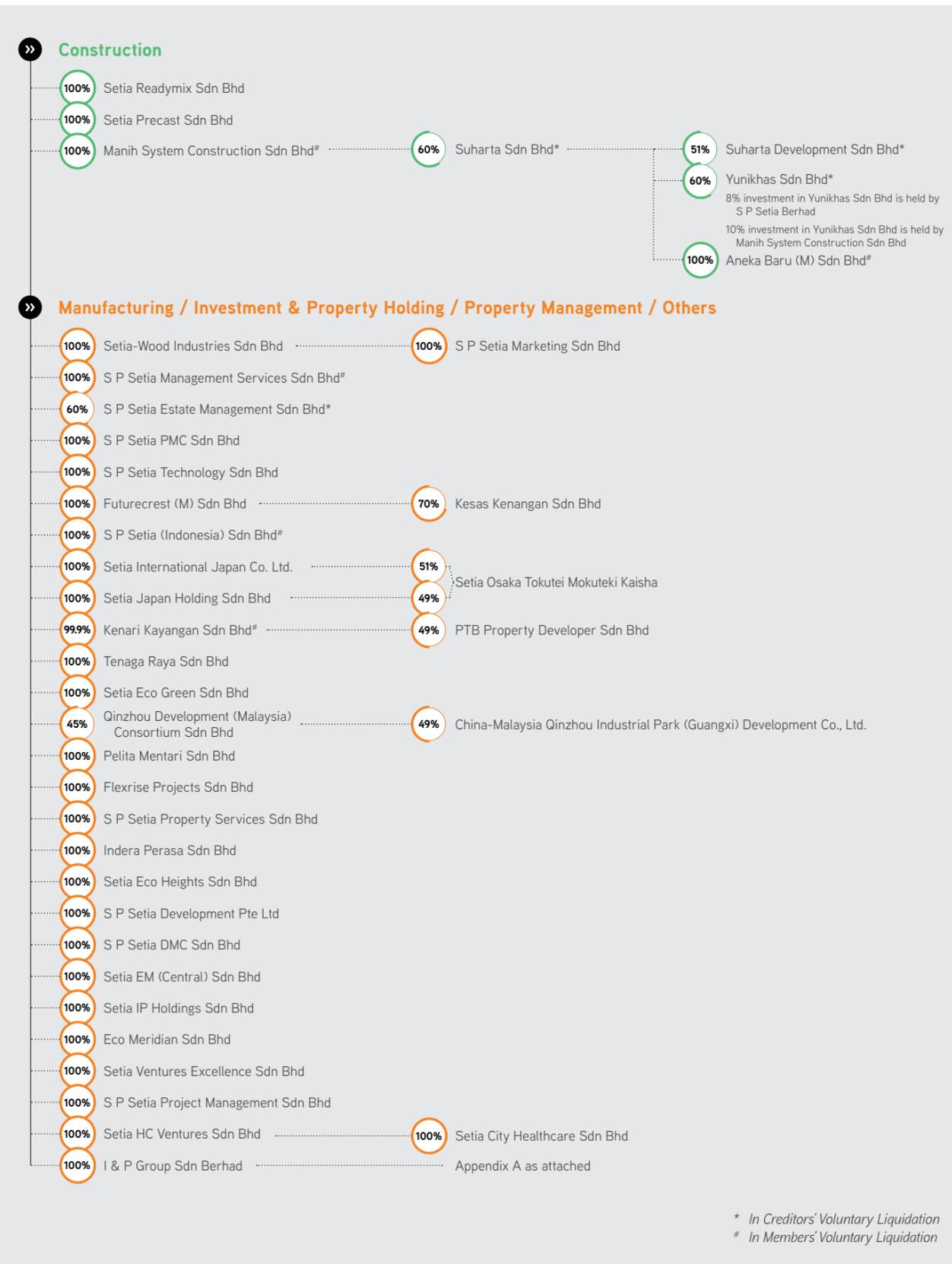
www.spsetia.com

## CORPORATE STRUCTURE AS AT 29 MARCH 2022



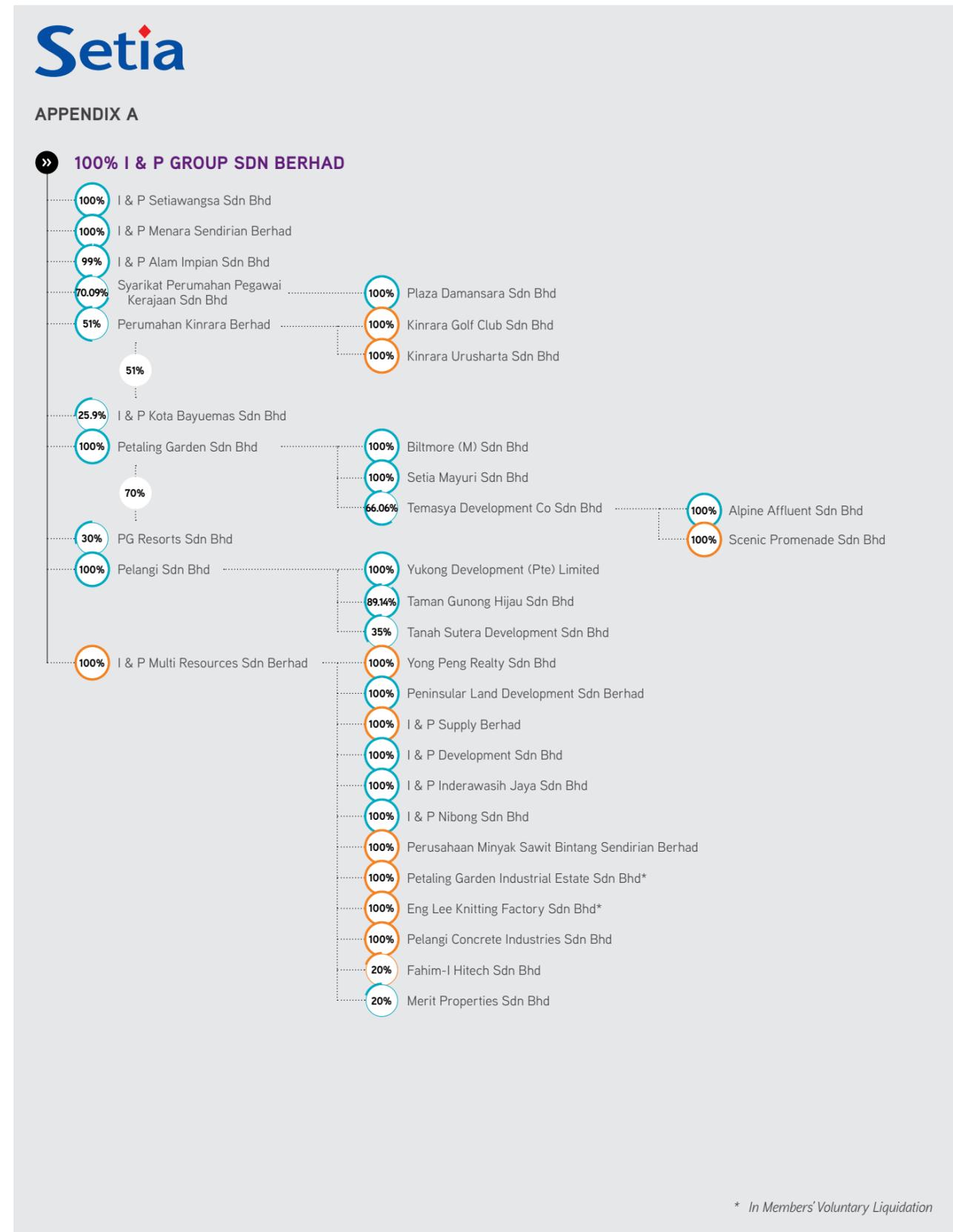
# CORPORATE STRUCTURE

AS AT 29 MARCH 2022



# CORPORATE STRUCTURE

AS AT 29 MARCH 2022



## LEADERSHIP STATEMENT

18 Chairman's Message



Setia Eco Glades,  
Cyberjaya



TRIO by Setia, Klang



Setia Warisan Tropika, Sepang



KL Eco City, Bangsar

Overall, I am proud of the way our people pulled together to bring the company through yet another tough year. Their grit and commitment as well as ability to adapt quickly to the changing situation enabled the company to weather the challenges we faced. That is the true spirit of 'Team Setia'!

**RESILIENT PERFORMANCE**

Overall, I am proud of the way our people pulled together to bring the company through yet another tough year. Their grit and commitment as well as ability to adapt quickly to the changing situation enabled the company to weather the challenges we faced. That is the true spirit of 'Team Setia' - it is not merely a slogan of S P Setia but our people have really walked the talk.

We stayed focused on meeting our sales target to grow the company, making efficient use of capital to maximise returns and optimising resources to create better value for all stakeholders.

Despite the challenges posed by the prolonged pandemic restrictions, S P Setia's sales hit RM4.26 billion - the highest in the Malaysian property industry for 2021, and substantially surpassing our own target of RM3.8 billion for the year.



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

With 48 ongoing development projects and unbilled sales of RM10.21 billion, our earnings visibility remained robust.

**SUPPORTIVE MEASURES**

It is undeniable that Government initiatives had supported the property sector. The Home Ownership Campaign ("HOC"), which ran throughout the year, was particularly helpful to us.

Benefits offered under the HOC, such as stamp duty exemptions, tax incentives and the removal of the 70% margin of financing limit for the third housing loan onwards under certain conditions, encouraged home purchases and helped reduce unsold properties in the market.

We saw increasingly more people turning to property as an alternative investment and for own stay.

In addition, the quest for more space, a trend spurred by the pandemic, had resulted in increasing demand for bigger and more functional homes.

S P Setia launched more landed residential units that are more spacious in its matured townships such as Setia Alam, Setia Bayuemas, Setia EcoHill 1 & 2, Setia Warisan Tropika and Setia Fontaines in Malaysia, as well as EcoLakes in Vietnam.

Overall, landed residential units formed 89% of all our new launches in 2021.

The strategy worked well for the Group. We achieved high sales rates, with some phases being fully sold out shortly after launching.

# CHAIRMAN'S MESSAGE

## CHAIRMAN'S MESSAGE

## AWARD-WINNING PROJECTS

S P Setia continued to gain recognition for our efforts in building the best developments locally and internationally during the year.

In the international arena, we won our 13th title at the prestigious annual FIABCI World Prix d'Excellence Award. This time, we were given the highest-ranked position of World Gold under the Master Plan category for the BPS in London, United Kingdom. This further affirmed our position as a world-class property developer.

Locally, Setia Eco Templer's Essex Gardens claimed Gold for the EdgeProp-ILAM Malaysia's Sustainable Landscape Awards in Landscape Design. It was one of the categories in the EdgeProp Malaysia's Best Managed Property Awards.

We also clinched a silver award at the PAM Awards 2021 for D'Network @ Setia Eco Park under the Commercial (Low-rise) category.

Meanwhile, KL Eco City ("KLEC") received the MSC Cybercentre status from Malaysia Digital Economy Corporation ("MDEC"), following the completion of the Mercu 2. The corporate office tower within the KLEC was awarded the Designated Premises.

## PROGRESSING UNDER A NEW NORMAL

We remain steadfast in delivering targets set on a solid platform.

The Group managed to unlock the value of some less strategic assets, with the disposal of certain parcels of land. We intend to plough the proceeds from the land sale back into the business as recyclable capital for project development.

Among the assets we sold was a 960-acre plot in Taman Pelangi Indah II in Johor, which in our post-evaluation, was not ideal for development; hence, we deemed monetising the property was a better option to increase our liquidity.



Peranakan Straits, Setia Eco Templer, Rawang

In addition, we sold some plots of enterprise land in our townships. This included a 6.75-acre plot in EcoLakes, Vietnam, and a 2.21-acre parcel in Setia City in Setia Alam, Selangor.

This exercise not only gave us the opportunity to monetise the assets, but it could also help accelerate the capital yield of properties in these townships when their commercial areas are more developed.

We delayed the opening of our future hospitality assets, including hotels in Penang and in Melbourne, Australia, as the hospitality sub-sector was still reeling from the pandemic fallout. We are taking a more cautious stance until there is greater clarity on the prospects for the industry. We are working towards the launch of both Amari hotels in Setia SPICE, Penang and KL Eco City, Kuala Lumpur in the third quarter of 2022.

We went full speed into our digitalisation efforts during the year to align ourselves with Industry 4.0, and to enable us to adapt to the new normal that we now live in. For instance, we upgraded our mobile apps, with specialised features to facilitate sales, marketing and promotional activities.

The digital platforms that we had used extensively since the outbreak of COVID-19 in 2020 continued to assist us in capturing sales. Among these were the Setia Virtual-X property exhibition platform and Setia on the Go app for potential buyers to obtain information about our properties online. We also worked on optimising the performance of our Industrialised Building System ("IBS"), led by our Precast arm, in the construction of high-rise apartments, landed homes and commercial buildings.

**"We went full speed into our digitalisation efforts during the year to align ourselves with Industry 4.0, and to enable us to adapt to the new normal that we now live in."**

## RESPONSE TO CLIMATE CHANGE

We remain conscious of our environmental obligations wherever our business operates. It is undeniable human activities are the main culprit of climate change, primarily from the burning of fossil fuels, clearing of land and forests and generation of greenhouse gas ("GHG") emissions.

Malaysia has committed to its own Nationally Determined Contribution ("NDC"), which aims to reduce the GHG emission intensity of its Gross Development Product ("GDP") by 45% by 2030 in alignment with the Paris Agreement agenda.

At S P Setia, our conviction is to build sustainable thriving townships and communities. Staying true to this philosophy, we incorporated green design elements in our developments for better environment management performance; community building programmes, as well as outreach efforts aimed at greater social equity.

The 4th hybrid solar commercial hub at Setia EcoHill Walk @ Setia EcoHill was completed in 2021, demonstrating S P Setia's commitment in incorporating renewable energy in our projects to reduce carbon emission.

We have also established a Technical Excellence Committee ("TEC") to drive Smart and Sustainable Developments ("SSD") innovations by customising our homes and commercial properties based on the latest trends in design, technology and customer imperatives, as well as a focus on sustainability.

We have incorporated various energy- and water-efficient features across our projects,

including energy-efficient lighting designs to allow more natural light into buildings; LED lightings; motion sensors; solar heater systems; dual-flush toilet systems; rainwater harvesting systems and electric vehicle ("EV") charging stations.

The Group has also integrated building site plans and tree-planting planning in our property development and urban development activities. Public spaces are provided in our projects, with gardens, pocket parks, bluescapes and water ways to promote biodiversity and improve the ecosystems within the projects' areas, while allowing residents to carry out social activities and foster community relationships.

Our commitment towards conserving the environment is evident in our townships, particularly in Setia Alam, the Eco-series townships, Setia AlamImpian, Setia Fontaines and Setia Warisan Tropika.

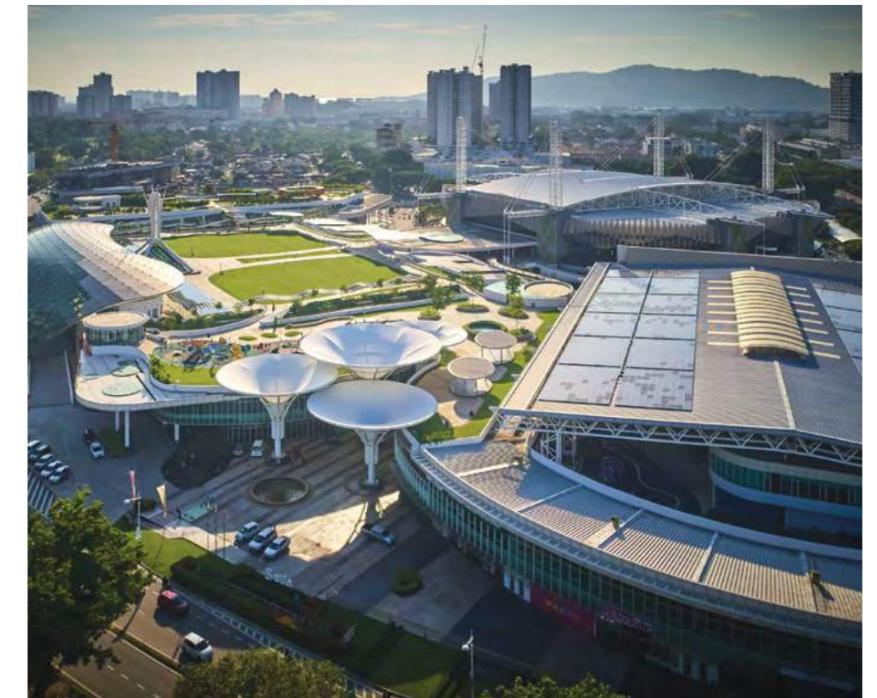
## FOCUS ON SUSTAINABILITY

As part of our sustainability agenda, we have set up S P Setia's Centre of Excellence ("COE") to ensure that our Environmental, Social and Corporate Governance ("ESG") objectives are efficiently implemented across our operations and project developments.

S P Setia is undergoing a paradigm shift from being a profit-driven to a value-creating-focused.

During the year, we developed a journey to integrate ESG elements into our business practices. This ESG journey will serve as a strategic direction for the Group in its pursuit to create value for all stakeholders.

ESG initiatives have been implemented across all business units, and we will regularly review our approach to ensure continuous improvement in our ESG strategy.



Setia SPICE, Penang

## CHAIRMAN'S MESSAGE

**“As part of our sustainability agenda, we have set up S P Setia’s Centre of Excellence (“COE”) to ensure that our Environmental, Social and Corporate Governance (“ESG”) objectives are efficiently implemented across our operations and project developments.”**

In addition, we have developed a detailed and comprehensive sustainability framework that communicates our sustainability agenda in addressing a wide range of Economic, Environmental and Social (“EES”) integration challenges such as climate change and business conduct. We will continue to innovate and leverage technology to build a better environment and create value for our stakeholders and future generations.

As part of our value creation process, we have embedded our Sustainability Governance Structure into our business core strategy, while our Integrity and Governance Unit (“IGU”) has continued to conduct training for the staff to increase awareness on integrity and ethical practices.

In addition, Enterprise Risk Management (“ERM”) and Business Continuity Management (“BCM”) awareness sessions have been held concurrently to educate Team Setia on the importance of both the elements to the Company.

**GOOD GOVERNANCE**

Good governance is the bedrock of excellent business performance and sustainability. Hence, S P Setia upholds the best practices in corporate governance to ensure integrity and transparency in all our actions.

Towards this end, we have continued to emphasise the enforcement of our Anti-Bribery and Anti-Corruption Policy, Third Party Engagement Policy, Gift & Hospitality Policy, Donations & Sponsorship Policy and Whistleblowing Policy for both our local and overseas operations.

The IGU was set up in our Group to manage all complaints in relation to improper / unethical conduct and enhance awareness of the Group’s zero tolerance for corruption. Through the IGU in 2021, we reached out to 628 business associates, who signed the Setia Integrity Pledge, and disseminated 4,655 emails on awareness of Corporate Liability and compliance to S P Setia’s Anti-Bribery and Corruption Policy to registered business associates as at 31 December 2021. We also conducted corruption risk assessment workshops that was attended by 178 people from Team Setia.

Further, we established the Organisation Anti-Corruption Plan (“OACP”) in 2021, and this would run until 2023, in support of the National Anti-Corruption Plan agenda, as well as ensure our Group continues to be a corruption-free organisation.

In our OACP, seven key risk areas, strategies and action plans were identified. Successful implementation of these strategies and action plans would require the efforts and commitment of the entire Team Setia.

**GIVING BACK TO COMMUNITY**

At S P Setia, giving back to the community is a mission that we will not neglect regardless of our operating environment. We place emphasis on caring for the underprivileged through the establishment of the S P Setia Foundation to promote positive impact, foster integration and nurture national unity.

In 2021, our initiatives were focused on alleviating the hardships faced by families because of the pandemic and natural disaster.

Tropical storms which made landfall on both the Central Region and East Coast in the final quarter of 2021 caused severe floods in many states, which affected not only our business operations, but also our communities.

As part of our disaster relief efforts, we provided immediate assistance to the communities, employees, projects sites and Centralised Labour Quarters (“CLOQs”) that were affected by the floods. A total of RM257,000 was spent on flood aid programmes, which included accommodation, food supply, and financial assistance for communities and our employees.

We leveraged on social media and digital platforms to inform the public of helplines, flood safety tips and Setia’s efforts in assisting those affected by the floods. S P Setia Community Flood Information Portal was developed by Team Setia as an additional digital platform for the affected communities to access vital information such as flood risk and helpline resources.

Through S P Setia Foundation, we spent a total of RM1.16 million in 2021 on donations for medical financial assistance programmes, COVID-19 expenses for Setia vaccination centres (“PPVs”) and Setia Caring School Programmes (“SCSPs”).

We assisted 5,200 students and teachers in the nine schools under the SCSPs in Selangor, Johor and Penang. Our initiatives included annual stipends in the form of books and school uniforms for needy students; sponsorships for teachers’ training



Setia City Convention Centre mega PPV



Setia PPV Heroes snack packs distributed at the closing of Setia City Convention Centre mega PPV

## CHAIRMAN'S MESSAGE

We spent  
**RM1.16**  
million on donations for  
medical / financial assistance  
programmes, COVID-19  
expenses for Setia PPVs and  
SCSPs.

We assisted  
**5,200**  
students and teachers  
in all the nine schools under our  
SCSPs in Selangor, Johor and  
Penang.

programmes; sponsorships for the “My School My Home” campaign to cultivate love and care for family, communities and nature; and facilitating online activities and content literacy.

We supported the National COVID-19 Immunisation Programme (“PICK”) and the Public-Private Partnership Industrial Immunisation Programme (“PIKAS”) during the year to help the Government ramp up vaccination rates so that the nation could achieve herd immunity against COVID-19. S P Setia contributed a total of six PPVs in Selangor and Penang, of which four were mega PPVs. We spent a total of RM110,000 over the course of the PPVs’ operation between June and October. More than 1.3 million doses of COVID-19 vaccines were administered in these centres.

We also launched our maiden #Setia4Malaysia programme with the aim of spreading good cheer and caring gestures amongst Team Setia and our stakeholders as well as the communities in which we operate. The #Setia4Malaysia campaign kickstarted in August 2021 in conjunction with the Merdeka and Malaysia Day celebrations.

Under the #Setia4Malaysia programme, five main initiatives were carried out, namely, the Setia PPV Heroes, Truly Malaysian MasterChef, Unity Run 2021, Alongside Our B40s and #Kamus4Malaysia.

Through the Setia PPV Heroes initiatives, we provided more than 2,300 servings of savoury and sweet Malaysian snacks and desserts to approximately 1,060 frontliners and volunteers at Setia PPVs in the central region and 4,000 servings to 800 frontliners and volunteers at Penang’s Setia PPV. The snack packs were sourced from local micro-enterprises, mainly from the B40 community, whose source of income was adversely affected by the prolonged lockdown in 2021.

We also launched the virtual #Setia4Malaysia Unity Run on Merdeka Day as part of our effort to promote a healthier and united Malaysia amidst the lockdown and travel restrictions. Over 1,500 participants from Malaysia, London and Melbourne ran a total of 47,000 km in their respective locations.

In our effort to provide financial support to the B40 community, S P Setia collaborated with EdgeProp Malaysia to initiate a Caring Community Campaign, themed ‘Alongside Our B40s’. The Group provided funding of approximately RM46,000 to 25 micro-enterprises to enable them to upgrade their businesses with subsequent purchases of food from them to be donated to nearby underprivileged homes.

## CHAIRMAN'S MESSAGE

## DEVELOPING OUR PEOPLE

Our people are important to us, and their wellbeing is our priority. In 2021, we continued to work hard in helping them develop and build digital skills and competencies for future roles / responsibilities in the company through numerous initiatives.

To support the Group's digital transformation journey, we rolled out 3 Design Thinking project-based learning sessions with a total of 81 participants to cultivate an innovative culture and inspire an entrepreneurial mindset focusing on IBS, Sales & Service, and Technical & Design.

We implemented work-from-home arrangements through the use of digital tools for the Group's employees as a precautionary measure to safeguard their health and safety given the ongoing pandemic.

During the year, we spent a total of RM2.72 million for aid on COVID-19 initiatives, including test kits, employees' health & hygiene, food supply aid, vaccination centre and workplace hygiene.

In addition, we spent a total of RM633,500 on our Food Supply 2.0 programme to provide essential food to construction workers staying at the CLQs during the lockdowns.

On the same note, we upgraded our Setia Alam Impian project's CLQ for approximately 667 workers with a total cost of RM56,500.

Workplace hygiene is our priority for our employees. Therefore, we have installed air purifiers at our premises to purify and filter the air, suppress bacteria accumulation and humidify our office, sales galleries, clubhouses, and convention centres.

In the area of women empowerment, we conducted several activities and programmes for Team Setia, including Circle of Respect ("CORE"), Women4Women, Intimate Virtual WiN Circles ("iVWCs") and Virtual Exchange Theatre which provided opportunities for discussions on diversity and inclusion.

In 2021, we signed up as a signatory to pledge for UN Women Asia-Pacific Women's Empowerment Principles ("WEPs") to demonstrate our dedication towards diversity, inclusion and equality; and a pledge with 30% Club Malaysia to promote gender balance at the Board and senior management levels.

As a recognition of our People Strategy in Diversity and Inclusion, we secured the Gold in Women Empowerment Strategy at the Human Resources Excellence Awards 2021.

In addition, we were accorded the Best Employer 2021 award by Kincentric, marking our 11th win in that category since 2003.

As part of our ongoing effort to create a sustainable high-performance organisation, we introduced a six-month Setia Mentoring Programme to accelerate the personal and professional development of our management staff.

Succession planning remained a priority. Our Group Human Resources went through two cycles of talent review discussions with the business and support units to plan and determine the development needs of potential successors.

## NEW LEADERSHIP

During the year, S P Setia saw a smooth transition in leadership in October, with Datuk Choong Kai Wai taking over the helm as President and Chief Executive Officer ("PCEO") from Dato' Khor Chap Jen.

Supporting Datuk Choong is Dato' Seri Koe Peng Kang, who took over the role of Deputy President and Chief Operating Officer ("COO") from Datuk Wong Tuck Wai.

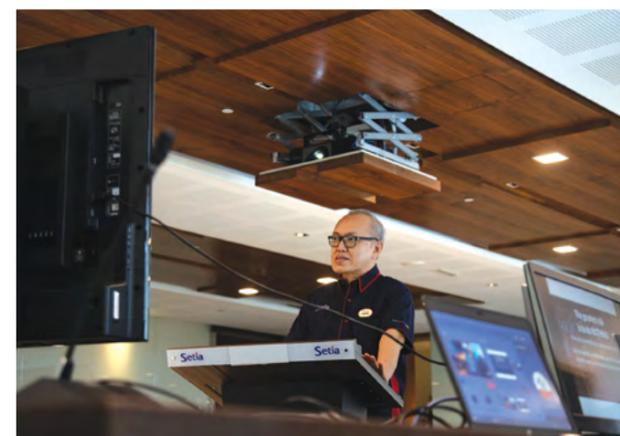
We are pleased to welcome Datuk Choong and Dato' Seri Koe, both of whom are veterans with more than 30 years in the property industry, locally and abroad, and are long-serving employees of the Company. With their vast experience and aptitude, we strongly believe the new leadership will be able to build on the solid fundamentals of the Company and take S P Setia to greater heights.

On behalf of the Board, I would like to thank Dato' Khor and Datuk Wong, who both retired from the Company at the end of September. We have seen immense growth and successes of S P Setia under their excellent leadership.

Meanwhile, we are also pleased to welcome a new member to the Board: Dato' Merina Binti Abu Tahir, who brings with her vast experience in the corporate world. We believe her presence will add value to the Company's growth.

Dato' Merina assumed the role of non-executive director in November, replacing the position left vacant following the demise of Puan Noraini binti Che Dan.

I would like to take this opportunity to acknowledge the valuable contributions of the late Puan Noraini to the Group, and hereby, express our gratitude and appreciation for the work she had done to help drive the Company's growth. Her presence will be greatly missed.



Virtual CEO Dialogue 2022

## CHAIRMAN'S MESSAGE



Qualitas Medical Group signing ceremony

## PROSPECTS

Looking forward, we will continue to focus on aligning our strategies to the evolving trends in the industry. Our priority is to deliver greater value to all our stakeholders.

The outlook for 2022 appears promising, with the vaccination rate for Malaysia's adult population nearing 100%, coupled with the full reopening of the country's economy and international borders.

In February 2022, we announced our first venture into healthcare, which is a rapidly growing business, after signing an agreement with Qualitas Medical Group Sdn Bhd to develop and operate an ACC in Setia Alam, Shah Alam. This new business will complement S P Setia's strength and help diversify the Group's income.

The global economy is expected to remain on a growth trajectory in 2022, albeit at a slower pace, following a strong rebound in 2021.

In Malaysia, GDP growth will likely accelerate to 5.5%-6.5% in 2022, according to the Government's projection. This bodes well for the property industry in the country.

S P Setia is well poised to ride on this positive momentum, backed by our portfolio of quality projects, sound operating fundamentals and strategic plans, driven by our very capable Team Setia.

Nevertheless, we remain vigilant on the risks posed by rising raw material costs and possible negative implications from the Ukraine-Russia war.

In closing, on behalf of my fellow Board members, I would like to express my heartfelt gratitude to our shareholders, financiers, business partners, suppliers, customers and employees for having journeyed with us over the years. You have been instrumental to S P Setia's many successes.

There are exciting times ahead, and we look forward to creating and delivering values together with you.

Thank you. Stay Safe. Stay Together, Stay Setia.

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

## HOW WE CREATE VALUE

- 28 Economic and Property Market Report
- 30 Key Trends in our Market
- 32 Materiality
- 38 Our Strategy
- 40 Our Value Creation Model
- 42 Key Risk and Mitigation

Setia Eco Templer,  
Rawang

# ECONOMIC AND PROPERTY MARKET REPORT

## The World

2021 brought hope for global economic growth following 2020's COVID-19 caused downturn, largely tied to the development and widespread deployment of COVID-19 vaccines and despite the rise of new variants. But despite surging growth forecasts, soaring stock markets and strong commodity prices, as the year drew to a close two shadows loomed over economic prospects — the threat from the Omicron variant that appeared in November and rising global inflation trends. However, the reservations caused by the new variant did not affect the world economy from recovery in 2021. The International Monetary Fund (“IMF”) estimated the global GDP to grow 5.9 percent in the course of the year — a big turnaround from the 3.1 percent decline that total GDP suffered in 2020 when the pandemic hit and all countries went into lockdown. For the world's biggest economy, the United States of America (“USA”), the reversal was even more notable — from a 3.4 percent decline in 2020, in 2021 the economy is forecasted to grow by 6 percent. A healthy American economy pulls the rest of the world along with it. The election of a new President of the USA and his commitment to an aggressive policy of antivirus measures coupled with multi-trillion dollar initiatives to invest in infrastructure, gave the economy and financial markets a big boost in the year. However, the continuous threat of the pandemic looms near with the global economy remaining cautious on its near term outlook.



## Malaysia

The resurgence of COVID-19 infections in the first quarter of 2021 saw the return of lockdown restrictions in the country. Stringent movement restrictions were reimposed, and a declaration of national State of Emergency was made. The environment at the time diminished hopes of a quick recovery for the property market, which was previously anticipated to occur by the end of 2021. Movement limitations had a significant impact on most economic sectors, and the property sector was no different. A drop in transactional activity added downward pressure on prices in H1 2021, which already took a hit in 2020. However, supply continued to grow as the construction industry was among the few vital sectors that were allowed to operate during the Full Movement Control Order (“FMCO”) period between May and July 2021.

In response to the continual challenging macro-economic landscape, the Government intervened with a series of measures to soften the impact of the pandemic. Such measures included the extension of the HOC, moratorium on loan repayments and a low interest rate environment.

### Outlook

COVID-19 remains an issue that will influence buyer behaviour as we move ahead. However, as the nation hits its vaccination targets and infection rates remain at a manageable level, the Group expects consumer sentiment to improve at a gradual pace, in tandem with an improved outlook on the job market as the year progresses.

Businesses will return to full capacity following lifting of restrictions as Malaysia enters Phase 4 of the National Recovery Plan (“NRP”). This will lead to greater economic stability and better job security for consumers and create a conducive environment for many to relook and revive homeownership plans or aspirations to upgrade their lifestyles.

The Budget 2022 announcement, tabled on 20 October 2021, saw the removal of Real Property Gains Tax (“RPGT”) on homes that are sold on the sixth year onwards. RPGT was initially introduced to curb speculation during an overheated market period. Its partial removal will help liberalise the market for investors and second home buyers who do not have long-term plans to retain their properties.

Further, Budget 2022 announced that the government would invest RM2 billion in guarantees to banks via the Guaranteed Credit Housing Scheme. This is aimed at assisting those in the “gig economy”; people who have funds to pay for loans, but cannot produce an income statement because they do not earn in the traditional sense.

The Group's strategies to mitigate current market sentiment include:

- 1 Launches of new phases in existing, well-established townships with the right product and pricing**  
The Group will focus on new phases in established townships like in Setia Alam, Setia EcoHill 2, Setia Alamsari, Setia Safiro, Setia AlamImpian, Setia Bayuemas, Setia Tropika, Taman Rinting, Setia Fontaines, EcoLakes and EcoXuan.
- 2 Maiden launch of new townships starting with the right product and pricing**  
The Group will introduce new townships / extension of townships; in Setia Alaman in Klang and Setia Alamsari South in Bangi.
- 3 Clearing of completed stocks**  
The Group intends to clear completed stocks in our projects in Klang Valley, Johor, Penang and Sabah.
- 4 Optimising land banks**  
The Group intends to continue monetising selected land banks that are not primed for development, to ensure liquidity for future projects. At the same time, we are also keen to dispose some enterprise land in our townships to the right parties to help catalyse commercial developments and subsequently, help increase capital appreciation of other properties within the townships.
- 5 Diversification of businesses**  
The Group continues to form strategic partnerships with potential industry synergies.

## INTERNATIONAL MARKETS



## Singapore

The property market performed well along with its economy in 2021. Sales of high-end apartments and condominiums recorded good take-up.

### Outlook

Singapore's property market is expected to undergo some cooling off with correctional initiatives imposed by the government in December 2021, including a rise in Additional Buyer's Stamp Duty (“ABSD”) rates, tightening the Total Debt Servicing Ratio (“TDSR”) and lowering the Loan-to-Value ratio (“LTV”) for housing loans taken from the Housing Development Board (“HDB”). It is however projected to remain manageable.



## Vietnam (Greater Ho Chi Minh)

The Vietnamese property sector grew rapidly in 2021 in tandem with its economy. A brief pause was seen in mid-2021 due to a nationwide lockdown, however the economy recovered quickly once the economic sectors reopened.

### Outlook

The property market is expected to grow further in 2022, pushed by massive public investment, improving infrastructure, rapid urbanisation and continued inflow of foreign investments.



## Australia (Melbourne)

Melbourne's property market was steady in 2021, rising by around 15% over 2020.

### Outlook

Melbourne's property market is targeted to improve further in 2022 following an improved economy, abundant job creation and increasing consumer spending confidence.



## UK (London)

Britain saw a better improvement in the property sector in 2021 as compared to 2020.

There were more home buyers that upgraded to bigger homes as a result of the long lockdowns. Sales of under construction urban apartments in BPS also saw higher take-up rates with the project nearing completion by end 2021.

### Outlook

With the end of government incentives, like stamp duty exemption in 2021, the property market is expected to cool off in 2022. However, those located in prime locations like London will remain highly sought-after addresses.



## Japan (Osaka)

The property market, especially in big cities like Tokyo and Osaka, continued to stay stable, as property owners and investors wanted to secure properties in prime areas.

### Outlook

Demand is expected to continue to be focused in urban areas with convenient access to transport, schooling and education.



## China

Owing to its robust economy, the property market remained resilient especially in major cities like Beijing where demand for housing accommodation continued to rise.

### Outlook

The economy is projected to strengthen in 2022 driven by healthy domestic demands and exports, and increased investments especially from the public sector.

On a property perspective, the sector is expected to experience some correction in 2022, including the housing subsector.

## KEY TRENDS IN OUR MARKET

## KEY TRENDS IN OUR MARKET

### WORK FROM ANYWHERE

During the pandemic, employees demonstrated their ability to work from home effectively and going forward, many expect to work more flexibly, raising questions around the role of the office. However, companies are clear that the office plays a vitally important role in shaping the brand and culture of their business, by supporting recruitment and training and fostering innovation and collaboration.

Successful work spaces will likely be high quality, modern and sustainable; offer a mix of collaborative and private space; provide high-tech solutions to complement more flexible working patterns; and be well located for transport hubs, retail and leisure.

This trend will accelerate polarisation in offices. Space not meeting these criteria will become increasingly hard to let, negatively impacting rents.

#### Our Strategic Response

- » Factor in new requirements for home offices during the design stage, creating a new area / nook for functional workspaces.
- » Increase internet connectivity in our residential products. Work closely with relevant parties like utility providers, telecommunications companies and local authorities at upgrading the internet capacity within our townships.
- » Promoting our products that are located in townships in the outskirts of city centre / town centre – as flexible and work-from-home arrangements permit an office worker to be working away from his / her office.

### FLEXIBLE SHOPPING

The COVID-19 pandemic has upended the retail industry, forcing the closure of physical stores and causing uncertainty for the future of the in-store experience. These abrupt shifts have left many retailers scrambling to effectively serve customers through other channels. Digital-first and omnichannel retailers have pivoted more easily, but retailers that prioritised physical stores and face-to-face engagement over omnichannel strategies have struggled to respond. Restructuring a store's physical space not only serves as an opportunity to improve sales, but it helps make the in-store shopping experience more convenient and efficient. Creating a space that is dedicated to improving the consumer's experience incentivises them to return and continue making purchases. With the shift in consumer behavior as a result of a year spent inside, many shoppers no longer want to wait in line or stand in a crowded space with strangers. It's up to retailers to get creative and find new ways to provide better in-store experiences.

#### Our Strategic Response

- » Suburban shopping malls in integrated developments remain resilient. Our Setia City Mall is a suburban mall located in Setia Alam with sufficient population to sustain its existence and functions. The opening of Lulu's Hypermarket in March 2021 added value to Setia City Mall - as it became a one-stop-centre for shopping, eating and socialising. Only a one stone's throw away in Setia Eco Park is D'Network, the world's first solar powered hybrid F&B hub. Interestingly, during night time, the shopfronts are brightly lit and there is a solar-powered musical fountain in the middle of the lake. It has a pet-friendly park and is undoubtedly becoming popular as a new hangout spot in Klang Valley.
- » An opportunity exists for the Group to provide logistics / e-commerce storage areas in its townships - as the Group has ample land banks that are strategically located to be turned into logistics / warehouse uses.

### AGEING POPULATION

Malaysia is expected have an aged population by 2030. Longer life expectancy and a rapidly greying population will require aged care facilities. Caring for and supporting the needs of the elderly will become even more important in the coming years. Aged care is more than nursing homes. It requires adequate housing, healthcare services, medical services, community and leisure facilities that meet the needs of the elderly.

#### Our Strategic Response

- » Healthcare / clinics / pharmacies are included in the planning of each of our township developments.

### FOCUS ON ENVIRONMENT

The will to tackle climate change continues to gain momentum as the need becomes more urgent. Businesses are under increasing pressure to reduce their climate impact from shareholders, customers and employees, with all expressing a clear preference for those who demonstrate good progress.

The environmental and commercial imperatives for sustainability are therefore closely aligned. The implication for our industry is the growing demand for green buildings. In response, real estate owners must not only build more sustainably but also upgrade existing stock to ensure that it meets the same high standards.

#### Our Strategic Response

- » S P Setia is well-known for its eco-themed developments.
- » In addition, we allocate a large fraction of the land for green areas and amenities in our own townships.
- » We pay high attention to energy conservation. In 2020, we opened the world's first solar-powered hybrid F&B hub at D'Network in Setia Eco Park.
  - » It is powered by 345kWp of hybrid solar energy.
  - » It has a pet-friendly park.
  - » The Elizabeth Falls and a Musical Fountain are powered by solar.
  - » Only organic fertilisers and compost are used for the landscapes in the development.

### DIGITALISATION

E-commerce has been on the rise globally for a number of years and this has been accelerated by the pandemic, with the majority of our markets now reporting increased online penetration. Supporting an online or omni-channel retail model requires more and different warehousing than is needed to service a traditional retail store network.

The growth of e-commerce, the move to cloud computing by businesses and the generation of more and more digital data by businesses and consumers leads to increased demand for data centres to store and process the data. The pandemic has added to this with more people working from home, using video conferencing and streaming home entertainment content.

Going forward, technology will play a key role in delivering successful developments across the spectrum. As the way we 'livelearnworkplay' evolves.

#### Our Strategic Response

- » Factor in new requirements for smart home features during the design stage. In addition, the Group looks to increase its Digital Capabilities.

# MATERIALITY

During the year, material sustainability matters were identified to understand factors that are critical to S P Setia Group's business and to our stakeholders.

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



S P Setia Corporate HQ, Setia Alam, Shah Alam

### GLOBAL REPORTING INITIATIVES

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

### UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

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

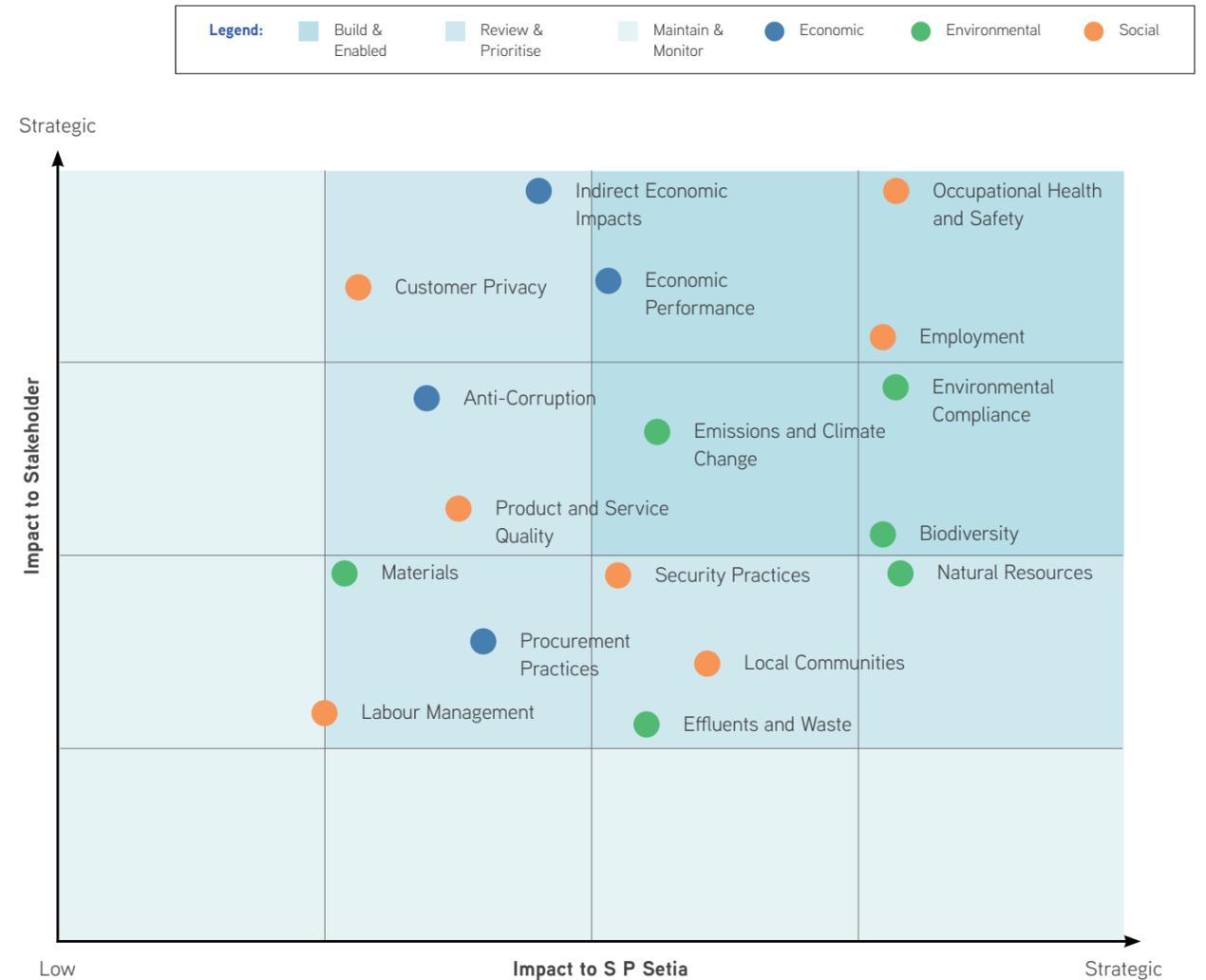
### GLOBAL REAL ESTATE SUSTAINABILITY BENCHMARK

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

We conducted 15 materiality workshop sessions with all business units to identify and assess the sustainability matters which are relevant and important to both S P Setia and our stakeholders. In these workshops, the impact to both the Group and our stakeholders were measured against an established impact parameters and materiality matrix.

The materiality profile of the Group was plotted based on the feedback gathered during these workshops as shown in the graph below.

### SUSTAINABILITY MATERIALITY MATTERS PROFILE FOR FY2021



The sustainability matters identified were categorised into three (3) wide sustainability factors, based on GRI standards – Economic, Environment and Social. From thereon, the most material sustainability matters are categorised under "Build & Enabled":

### THE GROUP'S MOST MATERIAL SUSTAINABILITY MATTERS

- 1 Occupational health and safety
- 2 Employment
- 3 Economic performance
- 4 Environmental compliance
- 5 Emission and climate change
- 6 Biodiversity

The eleven (11) Sustainability Agenda mapped to the risk and opportunities and our response to the risk and opportunities shown in the table below.

SUSTAINABILITY AGENDA	WHY IS IT IMPORTANT	RISK / OPPORTUNITIES	OUR RESPONSES
<b>ECONOMIC</b>			
<b>Product &amp; Services</b> 	<ul style="list-style-type: none"> <li>Develop quality, reliable, sustainable and resilient infrastructure to support economic development and human well-being.</li> <li>Increase resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial process.</li> </ul>	<p>Delivery of quality products and services directly affects customer satisfaction, corporate reputation and sales.</p>	<p>Our quality commitments are demonstrated through the maintaining of the ISO 9001 accreditation, our Quality Excellence Award Programme (“QEAP”), In-process Construction Quality (“ICQ”) Assessment and Construction Performance Assessment (“CPA”). During the year, our overall property development projects have exceeded the targeted score of 75%, with ICQ score at 83% and CPA score at 79% respectively.</p> <p> Please refer to page 107 to 111 for more details.</p>
<b>Economic Growth &amp; Benefits</b> 	<ul style="list-style-type: none"> <li>Sustain economic growth and achieve higher levels of economic productivity to meet the needs of our shareholders and investors.</li> <li>Ensure access for all adequate, safe and affordable housing and basic services.</li> <li>Provide safe, accessible and sustainable transport systems for all, improving road safety.</li> <li>Enhance inclusive and sustainable urbanisation and capacity for participatory, integrated and sustainable human settlement planning and management.</li> <li>Increase income-generating employment opportunities.</li> </ul>	<p>Changing customer requirement and increasing regulatory requirement has made the property industry a challenging one.</p> <p>Consideration of broader economic, environmental, social and governance principles in the context of direct and indirect financial performance.</p>	<p>We strive to create value for our customers and achieve financial results to meet the benefits of our stakeholders especially shareholders and investors.</p> <p>Indirect economy benefits such as infrastructure investments, job opportunities and healthy well-being to the communities are considered in all our project developments, particularly with our Eco-series township projects.</p> <p> Please refer to page 105 to 106 for more details.</p>
<b>Procurement</b> 	<ul style="list-style-type: none"> <li>Improve progressively global resources efficiency in consumption and production.</li> <li>Endeavour to decouple economic growth from environmental degradation.</li> <li>Ensure sustainable consumption and production patterns.</li> </ul>	<p>Natural resources are finite, and the availability and rising costs of these resources (e.g. building materials) have significant impact on a developer’s bottom line and financial performance.</p>	<p>We were the first property developer in Malaysia to obtain the Chain of Custody (“COC”) certification issued by the Malaysian Timber Certification Scheme (“MTCS”) since Year 2017.</p> <p>We expect all third parties and sub-contractors to comply with our Code of Conduct and Business Ethics (“COCBE”). They are required to comply with all applicable regulatory requirements for environmental and social impacts via pre-qualification process and signing service level agreements.</p> <p>Almost 100% of our purchases were sourced locally and minimal amount of overseas purchases. Purchases are made through local agents, wherever possible.</p> <p> Please refer to page 111 to 112 for more details.</p>
<b>Anti-Corruption</b> 	<ul style="list-style-type: none"> <li>Conflict of interest, bribery and corruption remain as threats to sustainable development. Transparency and accountability shall be provided to build an effective organisation</li> </ul>	<p>Corruption directly correlates to the branding and reputation of an organisation. A recent change in the regulatory requirement had pushed for more transparent policies and disclosures.</p>	<p>At S P Setia, bribery and corruption is strictly prohibited. We take a zero-tolerance approach to all forms of bribery and corruption.</p> <p>We ensure that all our stakeholders such as employees, suppliers, business partners and other third parties are educated with our existing anti-bribery and corruption policies as well as COCBE through regulation training and briefing sessions.</p> <p> Please refer to page 112 to 114 for more details.</p>
<b>ENVIRONMENTAL</b>			
<b>Climate Change</b> 	<ul style="list-style-type: none"> <li>Climate change events such as floods, droughts and rising of sea levels could damage properties and buildings.</li> <li>Rising of temperature increase the usage of air-condition eventually increase operational cost.</li> </ul>	<p>Growing regulatory pressures and changes in market preference are impacting investment performance.</p> <p>Climate friendly and green building developments can attract investors and customers eventually will increase asset and branding value.</p>	<p>Habitat destruction, air and water pollution increase temperatures resulted in climate change due to urban development. We implemented well-designed master development plan for projects by taking into consideration of energy and water efficiency, green development, use of renewable energy wherever possible to address climate change.</p> <p>Our initiatives in addressing climate change evidently showed in our Eco-series projects, convention centres and commercial properties through green development, installation of solar PV, energy and water efficiency fittings system.</p> <p> Please refer to page 116 to 117 for more details.</p>
<b>Energy &amp; Water</b> 	<ul style="list-style-type: none"> <li>Ensuring access to reliable, sustainable and modern energy services</li> <li>Increase the share of renewable energy and improve energy efficiency</li> <li>Strengthen resilience and adaptive capacity to climate-related hazards and reduce impact on social, economic and natural systems.</li> <li>Ensure availability and sustainable management of water for all.</li> </ul>	<p>The building sector has strong environmental impact and is heavily reliant on natural resources for its operations.</p> <p>Climate-related litigation, new policies and more stringent regulations such as carbon pricing, water tariffs hike and stricter building standards are expected. Rising energy cost and carbon pricing will pose challenges to maintain profitability and sustained growth.</p>	<p>Environmental concerns are centric in all our property development projects. Green design such as efficiency use of energy and water are considered throughout the project lifecycle from design, planning to construction.</p> <p>Our initiatives are guided by S P Setia’s Group Environmental Management System which has been certified ISO 14001:2004, resulting in S P Setia garnering various green building awards and certification for a number of our projects.</p> <p> Please refer to page 117 to 122 for more details.</p>

SUSTAINABILITY AGENDA → WHY IS IT IMPORTANT → RISK / OPPORTUNITIES → OUR RESPONSES

ENVIRONMENTAL

Biodiversity



- Conserve and restore the sustainable use of terrestrial and inland freshwater ecosystems.
- Promote sustainably managed forests and combat desertification, halt and reverse land degradation and halt biodiversity loss.
- Integrate ecosystem and biodiversity values into planning and development process.

Failure to comply environmental regulation on conserving forest and habitat can lead to consequence of reputation and ability to achieve business operation.

A township that integrates green initiatives bodes well for customers as there are increasing awareness on longer-term sustainability and environmental concerns.

Our eco-philosophy DNA safeguards environmental protection and advocates green initiatives to preserve the biodiversity and ecosystem. This is particularly evident in our Eco-Series projects such as Setia Eco Glades, Setia Eco Park, Setia EcoHill and Setia Eco Templar.

We engaged ecologists to carry out biodiversity studies on Setia Bayuemas for landscaping development.

Please refer to page 122 to 124 for more details.

SOCIAL

Human Capital



- Provide decent work for all women and men, including for young people and persons with disabilities.
- Achieve full and productive employment and promote safe, secure and conducive working environment that supports creativity and innovation.
- Ensure equal opportunities, equal pay for work of equal value, reduce inequalities of discrimination and promoting appropriate legislation and policies.

Training and development opportunities are provided to groom our employees to be the future leaders of S P Setia and part of our succession planning.

The outflow of talent will impact on S P Setia's human resources, operational efficiency and sustained growth.

Diversity and Inclusion form the essence of Team Setia. We also put emphasis on workplace and employee benefits, training and development and various engagement activities.

Please refer to page 126 to 134 for more details.

Health and Safety



- Achieve universal health coverage, including financial risk protection and access to quality healthcare services and medicines / vaccines for all.
- Address the growing burden of mental health and well-being.
- Tackle deaths and illnesses from hazardous chemical, air, water and soil pollution.

The safety, health and wellness of employees and contractors' workers may affect work performance and productivity.

As most activities at construction sites and managed buildings are carried out by third parties, the appointed contractors are also exposed to workplace health and safety risk if the management of contractors is not sufficiently stringent.

The safety and wellbeing of our people is our priority and we place great emphasis on strong health and safety standards being maintained across the Group, both in our offices and at project sites.

Various programmes are in place to ensure conducive and safe workplace such as establishment of Group Safety Committee, OSHAS 18001 compliant, implementation of QEAP, continuous Health, Safety and Environment ("HSE") awareness and trainings, and provision of adequate employee medical benefits and insurance.

Through our continuous and relentless safety efforts, we achieved ZERO Lost Time Incident ("LTI") major incidents.

100% of our employees completed two (2) doses of vaccination.

Please refer to page 135 to 138 for more details.

Community Engagement



- Access to education to help lift people out of poverty, bring a deeper understanding of the world around us and provide better opportunities for everyone.
- Educate on sustainable development, including, among others, sustainable lifestyle, gender equality, peace and non-violence and appreciation of cultural diversity.

Continuous engagement with the local communities provides a platform for S P Setia to achieve high quality, efficient and collaborative care that extends beyond its customers.

As a responsible corporate citizen, we have established S P Setia Foundation in Year 2000 with the aim of helping underprivileged individuals and charitable bodies. In year 2014, we have provided and disbursed approximately RM16.11 million in its area of interest i.e. education, general welfare and medical assistance. This is achieved via SCSP.

Please refer to page 140 to 147 for more details.

Security



- Reduce all forms of violence and related death rates.

Failure to meet legal obligation and contractual responsibility to ensure the safety of the occupant at the residential, office and commercial developments could lead to reputational and financial losses.

Providing a safe and secure environment for our customers is our top-most priority. We have assigned Auxiliary Police Force ("APF") and security guards for our townships, sales gallery and convention centres. We had also constructed and installed integrated perimeter fencing security and tight security system within our projects to enhance the security monitoring.

Please refer to page 139 to 140 for more details.

A detailed explanation for each sustainability areas of economic, environment and social is provided in the next section.

# OUR STRATEGY

To remain as the leading property developer in Malaysia focusing into six key strategic areas:

OBJECTIVE	INITIATIVE
<p><b>1</b></p> <p><b>Achieve Sales Target</b></p>	<ul style="list-style-type: none"> <li>Increased usage of S P Setia's proprietary app and digital platform, i.e. Setia On The Go ("SOTG") and Setia Virtual-X.</li> <li>Introduced new branding and marketing assets such as the Business Unit ("BU") projects' Google Street View videos on Google Maps and Google Earth, and interactive 360-degree virtual tours on all our BU websites.</li> <li>Launched new marketing campaigns on social media platforms, i.e. Facebook, Instagram and YouTube.</li> <li>Improved leads quality through lead automation with targeted leads campaigns collected from various digital touchpoints.</li> <li>Introduced new online booking and sales method i.e. 'Setia Online Booking', online live balloting and 'Setia Sales On The Go' kit.</li> <li>Centralised social chat into an enterprise platform improving efficiency and follow-through with potential buyers through the WhatsApp Business Enterprise system.</li> <li>Offered attractive interior design and investor packages for selected projects.</li> </ul>
<p><b>2</b></p> <p><b>Efficient Capital Structure to Propel Growth</b></p>	<ul style="list-style-type: none"> <li>Continued to review and improve capital structure to ensure a strong platform to accelerate growth.</li> </ul>
<p><b>3</b></p> <p><b>Optimise Resources – Land and Skill Sets - to Create Value</b></p>	<p><b>Land banks:</b></p> <ul style="list-style-type: none"> <li>Reviewed constantly the use of land banks to ensure optimisation.</li> <li>Monetised certain land banks to raise capital for other projects.                             <ul style="list-style-type: none"> <li>Sold 5.6 acres of residential land in Kenny Hill which amounted to RM142 million.</li> <li>Sold 1.7 acres of non-strategic land in Medan Damansara which amounted to RM4.0 million.</li> <li>Sold 960 acres of development land in Taman Pelangi Indah II at RM518 million (pending authorities' approvals).</li> </ul> </li> <li>Expedited the sale of enterprise lands in certain townships in order to gain capital and create higher capital appreciation in the locales.                             <ul style="list-style-type: none"> <li>Sold a plot of enterprise land in Setia City, Setia Alam for RM32.7 million (pending authorities' approvals).</li> <li>Sold 6.75 acres of enterprise land in EcoLakes, Vietnam at RM44.7 million.</li> </ul> </li> </ul>

OBJECTIVE	INITIATIVE
<p><b>4</b></p> <p><b>Optimise Resources – Land and Skill Sets - to Create Value (Cont'd)</b></p>	<p><b>Skill set / Expertise:</b></p> <ul style="list-style-type: none"> <li>Continued upskilling employees with relevant in-house / external trainings.</li> <li>Applied best practices within the Group via the COE approach.</li> <li>Introduced more digital apps within the organisation's digital workplace for employees, i.e. PxP HRMS / TalentOz (for work check-in / check-out, leave applications, etc.), and Hybrid Cloud Computing (for mass, unlimited data storage).</li> <li>Increased cyber resilience to safeguard the Company's business information against hacking and phishing activities.</li> <li>Fine-tuned data analytics through improved collation, mapping and analysis of purchasers' data and market preferences.</li> </ul>
<p><b>5</b></p> <p><b>Diversify Into New Markets and Business</b></p>	<ul style="list-style-type: none"> <li>Embarked on new targeted business diversifications, such as healthcare, logistics / e-commerce and senior cum assisted living subsectors in our developments.</li> <li>Commenced exploring business opportunities in industrial and purpose-built buildings for sale and long-term lease.</li> <li>Initiated feasibility studies to explore the possibilities to multiply similar businesses in other townships / projects.</li> </ul>
<p><b>6</b></p> <p><b>Strategic Partnership to Complement our Strength</b></p>	<ul style="list-style-type: none"> <li>Formed a partnership with Qualitas Medical Group to establish our maiden ACC to be based at Setia City Residences.</li> <li>Identified potential key partners with specialised expertise to complement and unlock the values of its land banks.</li> </ul>
<p><b>6</b></p> <p><b>Build Strategic Investment Properties</b></p>	<ul style="list-style-type: none"> <li>Expanded Setia City Mall with an additional circa 450,000 sq ft of retail space, securing Lulu's Hypermarket and Departmental Store, one of the leading hypermarkets in Middle and North Africa ("MENA") as the main anchor tenant occupying 150,00 sq ft, providing steady and incremental rental revenue stream.</li> </ul>

Supported by **THREE CORE ELEMENTS:**

Strength of Human Capital

Digital Transformation

Sustainability Agenda

# OUR VALUE CREATION MODEL

We continue to uphold value creation in our businesses through all possible dimensions to bring distinctions to our products and services as we always do. Our focus on business sustainability lines up with our corporate values to fulfil both stakeholders' and shareholders' expectations.

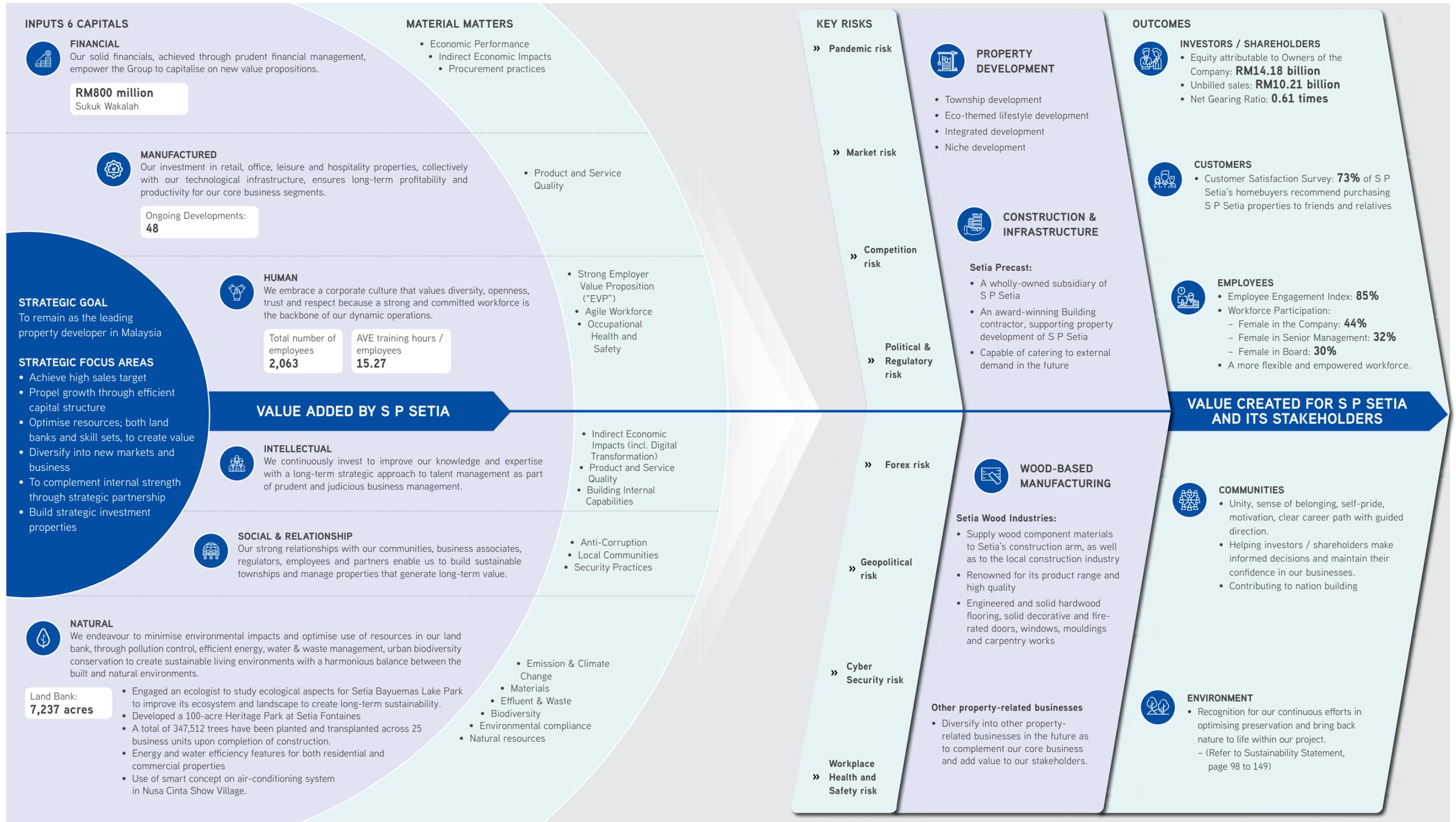
## Driven by our VISION

To Be the Best in All We Do

## Guided by our VALUES

- SETIA's Work Ethics
- Customers
- Responsibilities
- Integrity
- Professionalism
- Team Setia

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



# KEY RISK AND MITIGATION

## Managing Setia's Key Risks

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

Legend:	
<span style="color: red;">●</span> Immediate attention required	No movement
<span style="color: orange;">●</span> Attention Required	Upward
<span style="color: yellow;">●</span> Caution	Downward
<span style="color: green;">●</span> For Notation	

### 1 Pandemic Risk

How It Affects Us	How We Manage Our Risks	Risk Trend
The Covid-19 pandemic has affected the way we conduct our business. Setia's preparedness and resiliency in ensuring business continuity is crucial to ensure minimal disruption to the operations.	<ul style="list-style-type: none"> <li>We have established the Setia Pandemic Plan ("SPP") to proactively address emerging exposures and incorporated mitigation strategies to minimise business disruptions.</li> <li>The Setia Pandemic Taskforce was formed to monitor and track pandemic related matters and report the outcome to the Senior Management on a regular basis.</li> <li>A communication platform was created to enable quick response in ensuring that the safety and health of Team Setia remains as top priority.</li> </ul>	

### 2 Market Risk

How It Affects Us	How We Manage Our Risks	Risk Trend
Our performance depends to a large extent on the buoyancy of the property markets in which we have a strong presence. This, in turn, is affected by domestic and global economies, government regulations and supply-demand metrics. In the current pandemic situation, we emphasised on agility and speed in responding to market demands and needs in product design, master planning, construction and marketing channels.	<ul style="list-style-type: none"> <li>We monitor closely property trends in the markets where we operate, and plan developments that meet current demand.</li> <li>We offer a range of residential and commercial products to suit different needs and budgets, while phasing our developments according to market conditions and demands.</li> <li>We expedited our digital marketing initiatives and virtual events.</li> <li>We continue to leverage digital platform such as "Setia On-The-Go", to introduce our vast range of properties to potential homebuyers.</li> </ul>	

### 3 Competition Risk

How It Affects Us	How We Manage Our Risks	Risk Trend
We face competition from local and international property developers in terms of pricing, design and quality of properties, facilities and supporting infrastructure, as well as the sale and marketing of properties.	<ul style="list-style-type: none"> <li>We carry out market intelligence surveys to understand needs.</li> <li>We align our product offerings according to market trends and demand.</li> <li>We employ innovative marketing strategies in line with economic conditions and market demand.</li> <li>We launched "Setia Virtual-X", an online property showcase platform that offers interactive functions and features such as virtual tours and walk-throughs, virtual events and virtual show units.</li> </ul>	

### 4 Political & Regulatory Risk

How It Affects Us	How We Manage Our Risks	Risk Trend
Various regulations are in place to stabilise the property market in each country where we operate. At the same time, government policies change according to the economic climate.	<ul style="list-style-type: none"> <li>We keep track of new regulations as these arise.</li> <li>We review our business plans annually to ensure compliance with new regulations.</li> <li>We communicate continuously with all stakeholders on regulatory changes that impact our business.</li> </ul>	

### 5 Forex Risk

How It Affects Us	How We Manage Our Risks	Risk Trend
As we have overseas developments, we are exposed to currency fluctuations.	<ul style="list-style-type: none"> <li>We secured project financing in the respective international currency for our developments abroad, to reduce forex exposure.</li> </ul>	

### 6 Geopolitical Risk

How It Affects Us	How We Manage Our Risks	Risk Trend
Every country in which we operate has its own set of geopolitical risks, based on the political environment and government stance on foreign direct investment.	<ul style="list-style-type: none"> <li>We closely monitor the political environment.</li> <li>We provide regular updates on the geopolitical climate to Senior Management.</li> <li>We partner local businesses to understand the market and facilitate business, where relevant.</li> </ul>	

### 7 Cyber security Risk

How It Affects Us	How We Manage Our Risks	Risk Trend
Like any other business that has adopted digital technology, we are exposed to the risk of cybercrime and of information being leaked or tampered with.	<ul style="list-style-type: none"> <li>We conducted Security Posture Assessment (to enhance IT security controls and improve IT security maturity level) resulted to development of IT security policies and 3-year IT Security Roadmap (consist of 4 pillars; governance, people, process and technology).</li> <li>We conducted annual penetration test and Disaster Recovery Plan test to ensure adequacy of data and system integrity.</li> <li>We conducted IT security awareness programmes for all employees.</li> </ul>	

### 8 Workplace Health and Safety Risk

How It Affects Us	How We Manage Our Risks	Risk Trend
Safety risks are pronounced during the construction phase of projects. During the pandemic situation, compliance with the regulatory requirements and Standard Operating Procedures ("SOPs") is emphasised to ensure zero tolerance to non-compliance.	<ul style="list-style-type: none"> <li>We have well-defined health and safety policies and procedures.</li> <li>We constantly raise awareness of health and safety via training.</li> <li>We continuously seek to adopt safer construction methods and ensure our contractors are up-to date on best practices.</li> <li>We enforce controls and regulations on-site and periodic audit on site operations.</li> <li>Our HSE practices includes end-to-end monitoring and tracking of compliance with SOPs issued by Ministry of Malaysian National Security Council ("MKN") and Ministry of International Trade and Industry ("MITI").</li> </ul>	

## PCEO'S MANAGEMENT DISCUSSION & ANALYSIS

- 46 Financial Review
- 48 Performance Review
- 98 Sustainability
  - Economic
  - Environmental
  - Social
  - GRI Content Index



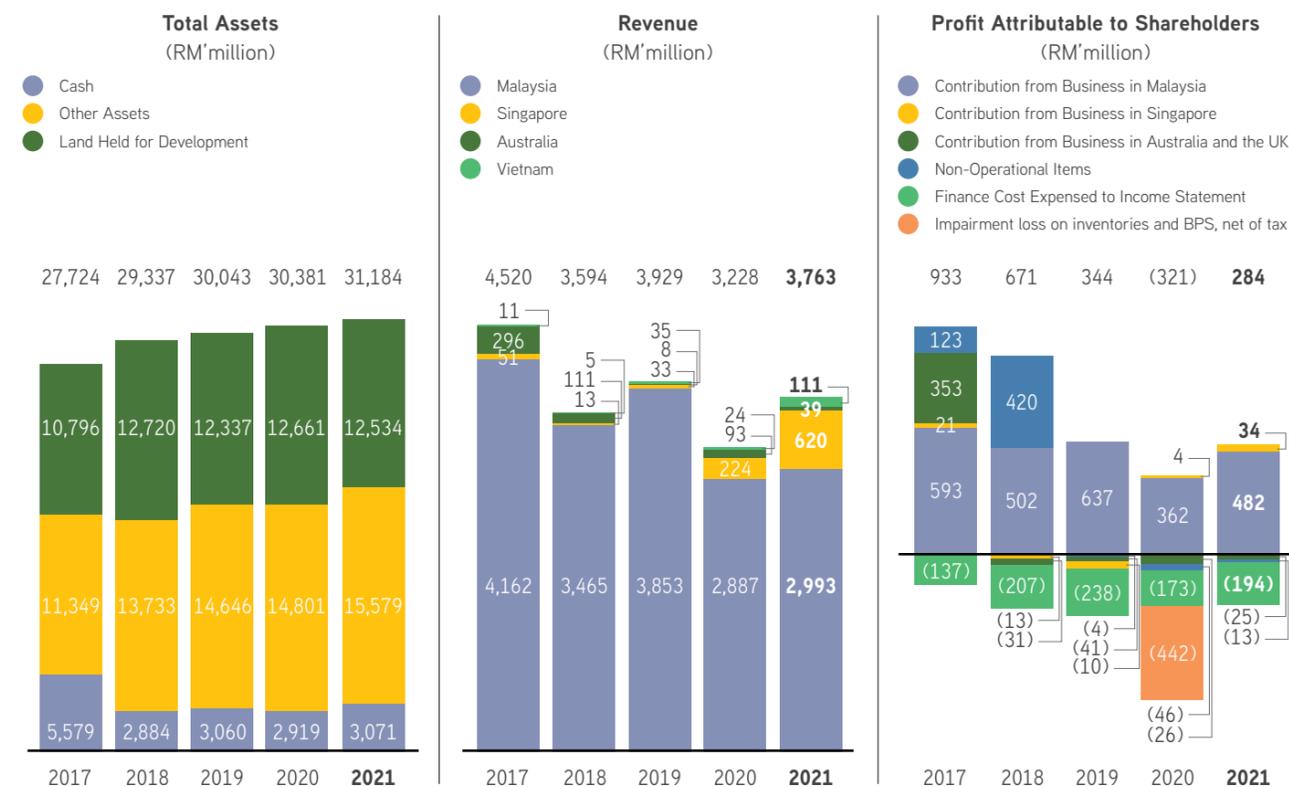
Setia Alamsari,  
Kajang

## FINANCIAL HIGHLIGHTS

Group Five -Year Summary	←----- As per respective years' audited financial statements -----→				
	31 December 2021	31 December 2020	31 December 2019	31 December 2018	31 December 2017
<b>Year Ended (RM'mil)</b>					
Revenue	3,763	3,228	3,929	3,594	4,520
Gross Profit	1,007	657	1,016	1,092	1,514
Profit Before Tax - Before significant impairment provisions	542	319	598	991	1,271
Significant impairment:					
- Inventories impairment; and	-	(140)	-	-	-
- 40% share of inventories impairment at Battersea Power Station	-	(336)	-	-	-
Profit Before Tax - After significant impairment provisions	542	(157)	598	991	1,271
Profit After Tax	347	(245)	422	798	1,069
Profit Attributable to Owners of the Company	284	(321)	344	671*	933
Share Capital	8,490	8,468	8,432	8,252	6,694
Share Capital - RCPS-i A	1,087	1,087	1,087	1,087	1,119
Share Capital - RCPS-i B	1,035	1,035	1,035	1,045	1,065
Equity Attributable to Owners of the Company	14,176	13,922	14,349	14,144	11,944
Total Assets Employed	31,184	30,381	30,043	29,337	27,724
Total Net Tangible Assets	15,618	15,327	15,768	15,505	13,783
Earnings Per Share (sen)	3.7	(11.2)	5.3	14.8	26.8
Dividend Per Share (sen)	0.65	-	1.00	8.55	15.5
Net Assets Per Share Attributable to Owners of the Company (RM)	2.96	2.91	3.02	3.03	2.85
Return on equity (%)	2.0	(2.3)	2.4	4.7	7.8
Net gearing ratio (times)	0.61	0.59	0.52	0.49	0.10
Dividend payout ratio (%)	55.7	#	50.2	70.1	70.1
Share Price - High (RM)	1.72	1.56	2.60	3.47	4.38
Low (RM)	0.85	0.55	1.21	1.93	3.04

\* Total RCPS-i A & B dividends paid out for FY2020 amounted to RM132 million. As FY2020 financial results are in loss position, hence there is no dividend payout ratio computed.  
 \* Included in FY2018 profit attributable to owners of the Company was a one-off remeasurement gain on the acquisition of the remaining equity interest in Setia Federal Hill amounting to RM349 million. If the said one-off item is excluded, the profit attributable to owners of the Company for FY2019 is higher than the profit attributable to owners of the Company for FY2018 by 7%

## 5-YEAR FINANCIAL SUMMARY



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

In Australia, our second project, Parque Melbourne was completed in stages between late 2016 and early 2017. Therefore, these two projects contributed significantly to both the revenue and profit of the Group in FY 2016 and FY 2017. Subsequently, two launched projects namely Sapphire by the Gardens and UNO Melbourne were sold well. However, since these two projects are still under construction, their revenue and profit contribution will only be reflected in the future financial years. In the meantime, certain overheads and marketing costs are required to be expensed off to profit or loss as and when they are incurred. Sapphire by the Gardens are targeted to be completed in Year 2022 while UNO Melbourne is expected to be fully completed by Year 2023.

In the UK, the Group has 40% interest in the redevelopment of the Battersea Power Station ("BPS"), which delivered the completion of its first phase, Circus West Village in 2017. In Year 2021, the residential and commercial properties under Phase 2 were gradually handed over from May 2021 onwards to the unit owners. Similar to the developments in Australia, income from our development business in UK is also recognised at a point in time upon the completion and handover of developed properties. The Group does not consolidate the revenue of BPS as it is a jointly controlled entity but it has equity accounted for a RM268 million share of profit from its first phase in FY 2017.

In 2017, the Group acquired the I & P Group Sdn Berhad and all its subsidiaries therein expanding its land banks from 5,384 acres to 9,660 acres. In 2018, the Group increased its ownership in the prospective Setia Federal Hill development project in Bangsar from 50% to 100%.

As an integral part of the integration of I & P Group Sdn Berhad, certain of its non-core assets and non-property related operations were divested. That gave rise to non-operational gains in FY 2017. The acquisition of controlling interest in Setia Federal Hill in 2018, also entailed the recognition of a one-off fair value gain of RM349 million from the accounting requirement to remeasure our first 50% equity ownership in the company to the acquisition date fair value.

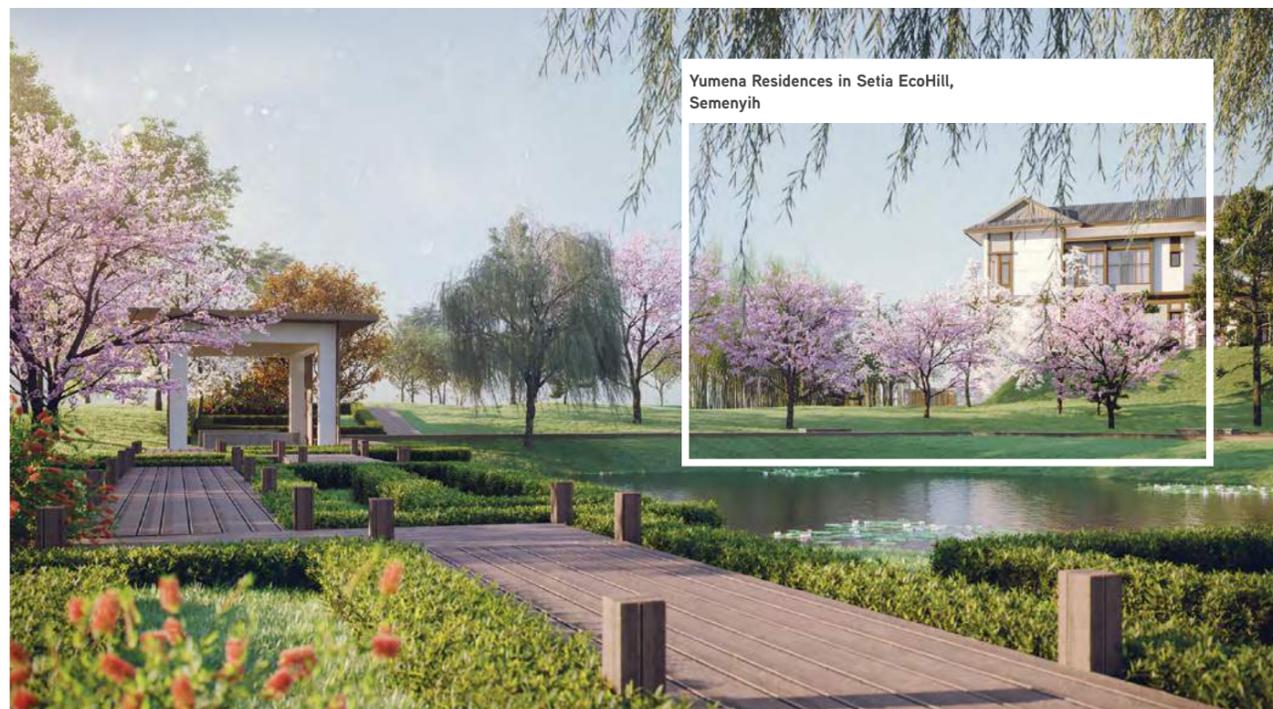
In Singapore, we embarked on our third development project which is known as Daintree Residence in Year 2017. The contribution from this project improved over the past two years in tandem with the acceleration of Daintree Residence sales.

Malaysia remains the Group's main contributor of revenue from its local development business. It has been contributing consistently, save for some periodical fluctuations due to time-to-time variation in the overall development achievement profile of the portfolio of projects at work; and a Group wide strategic re-timing of launches that happened in 2017 due to change of market condition, which resulted in its slightly lower contribution in FY 2018. Contribution from our development business in Malaysia trended up again thereafter in FY 2019. However, for FY2020, the global outbreak of COVID-19 pandemic had imposed unprecedented disruption to the operations of the Group in the property development, retail malls and construction sectors both in Malaysia and overseas. As a result, certain completed stocks in Johor Bahru and Penang were written down by RM140 million as an integral part of a repricing exercise to move old stocks. Similarly, the Group also shared an impairment of inventories recognised by BPS, i.e. RM336 million (representing 40% of the Group share) in 2020. Excluding the aforesaid impairment provisions, the Group would have a positive contribution in FY 2020.

Due to the emerging variants of the COVID-19 viruses, further targeted lockdowns were sporadically imposed in Year 2021 thus hindering the full recovery of the economy. The recovery rates of our business segments were varied due to the different adaptations and compliance requirements imposed by the authorities for different economic sectors. Against the challenges, the Group finished the financial year commendably by achieving a profit before tax that is as good as the pre-covid performance in Year 2019.

# PERFORMANCE REVIEW

The group has again delivered a resilient operational and financial performance against the challenges posed by prolonged lockdowns amidst a resurgence in COVID-19 cases.



Yumena Residences in Setia EcoHill, Semenyih



Isle of Botanica in Setia Eco Glades, Cyberjaya

## RESILIENT FINANCIAL PERFORMANCE

The group has again delivered a resilient operational and financial performance against the challenges posed by prolonged lockdowns amidst a resurgence in COVID-19 cases.

We continued to solidify our position as the top property developer after a stellar performance for the financial year ended 31 December 2021 (FY2021), with sales reaching RM4.26 billion, which was the highest recorded in the local property industry during the year under review.

This result outperformed our original sales target of RM3.80 billion for the year, and the RM3.82 billion in sales we posted in FY2020.

Driving this success was the dedication and hard work from all members of Team Setia.

As a result of their effort, S P Setia's solid sales performance during the year under review translated into a group revenue of RM3.76 billion, which represented an increase of 17% from RM3.23 billion in the preceding year. Our group profit before tax also bounced back to pre-COVID level at RM542 million, which represented an increase of 76% from RM308 million, excluding impairments, in FY2020.

## DOMESTIC SALES LEAD THE WAY

Overall, the domestic market accounted for 82% of the Group's sales in FY2021, driven by the Central region. Strong local sales were predominantly due to the extension of the HOC to the end of 2021. Through this campaign alone, the Group sold RM2.15 billion worth of properties, of which RM754 million were from completed inventories.

Demand was particularly strong for landed residential properties in Malaysia during the year under review. This was evidenced by the good take-up rates for all our new launches in the country.

## PERFORMANCE REVIEW

On the international front, sales in FY2021 stood at RM762 million, contributing 18% of the Group sales.

The Group gained a stronger brand foothold in the international market with the Daintree Residence apartment project in Singapore fully sold and the Eco Lakes in Vietnam garnering a 100% take-up rate shortly after launch in the fourth quarter of FY2021.

In total, projects launched by S P Setia for both local and international markets in FY2021 amounted to RM2.24 billion in gross development value ("GDV"), comprising mostly landed properties.

As of 31 December 2021, the Group had 48 ongoing projects and unbilled sales of RM10.2 billion. This was supported by 7,237 acres of remaining land bank with a potential GDV of RM122.4 billion.

### RAISING OUR TARGET

Moving into FY2022, the Group anticipates a better economic environment in Malaysia, with growth supported by improvements in global trade, strong commodity prices and an increase in private-sector expenditure. Although headline inflation is expected to increase, the improvement in overall income, employment conditions and consumer sentiments are expected to lift consumer spending. This bodes well not only for the property sector, the Group stands to benefit as well.

The Group remains cautiously optimistic and as a consequence looks to raise its sales target to RM4.0 billion for FY2022. Our prospects look commendable, with our booking pipeline currently at RM555 million as at end-FY2021.

On top of that, RM4.0 billion worth of new launches are slated for FY2022, focusing primarily on landed residential projects in Setia Alam, Setia AlamImpian, Setia Bayuemas, Bandar Kinrara, Setia Safiro, Setia Mayuri, Setia EcoHill 1 & 2, Setia Eco Glades, Setia Eco Park and Setia Warisan Tropika in the Central region; Taman Rinting, Setia Tropika and Taman Pelangi Indah in the Southern region; and Setia Fontaines in the Northern region.

At the same time, the Group will continue to address our unsold completed properties, which stood at RM1.05 billion as at end-FY2021. Diverse marketing strategies are already ongoing to promote these unsold stocks, and we hope that through effective implementation of these strategies, the inventory level will be reduced.

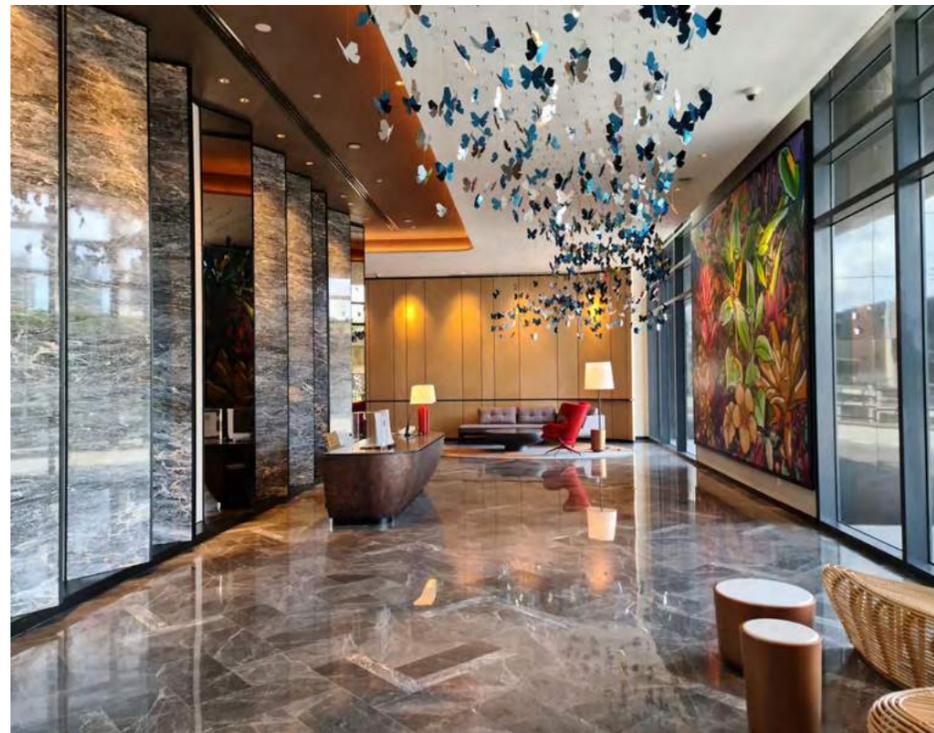
From an overseas perspective, the Group will focus on Australia and Vietnam as these are strong markets, which have consistently provided us with good returns to capital.

Locally, the Group continues to work on optimising our land bank by disposing less strategic land to raise funds or bringing in new partners for placemaking to add value to our existing developments. This move looks to strengthen our capital structure as we continue to grow.

Separately, to realise our vision of becoming a holistic real estate group, we have started work on expanding into businesses that complement our core property development segment. In February 2022, the Group announced its first foray into healthcare through our subsidiary Setia HC Ventures Sdn Bhd with Qualitas Medical Group Sdn Bhd. The partnership will develop and operate an ACC in Setia Alam, Shah Alam. This venture would also enhance placemaking of the township and the same approach be replicated across all our developments. There will be more of such collaborations to diversify the Group's business going forward.

### CREATING GREATER VALUE

Our strategic objective is to remain as the leading property developer that provides holistic real estate products and services. To this end, the Group launched its 5-year Strategic Roadmap, underpinned by two key drivers – strengthen the core business, and expand and diversify.



ViiA Residence, KL Eco City, Bangsar, Kuala Lumpur

To strengthen our core business, we have outlined three focus areas, i.e. achieving high sales target so as to retain our status as the top property developer in Malaysia; developing an efficient capital structure by reducing our gearing to propel growth; and optimising our resources, including land banks and human resources, to create value.

Our goal to expand and diversify encompasses three focus areas, i.e. venturing into new markets and businesses such as healthcare and logistics; forming strategic partnerships to complement our strengths; and developing strategic investment properties such as Setia City Mall 1 and Setia City Convention Centre.

These six focus areas will be supported by our sustainability agenda which incorporates ESG priorities into our decision-making processes. In addition, priorities will focus on strengthening our human capital as the growth enabler and accelerating our digital transformation by tapping into the use of data and modern technologies to optimise our business processes.

### ACCELERATING DIGITAL TRANSFORMATION

To adapt to the new normal, digital technology is now integrated into every aspect of S P Setia's operations.

During the year, specialised digital initiatives and data driven solutions were introduced to help boost the Group's productivity and competitiveness. These included the Setia Online Booking a platform, which allows buyers to book the desired property within the Group's portfolio; online live balloting that enables buyers to register

## PERFORMANCE REVIEW



Setia Virtual-X

and participate in balloting and unit selection exercise; and WhatsApp Business Enterprise that allows the customers to engage with the Group's sales and marketing team seamlessly throughout the sales conversion journey.

In addition, the Setia Sales on the Go lifestyle app that was introduced in 2020 was further embedded with an online sales kit to enable our sales representatives to reach out to potential customers anytime and anywhere for new sales.

Operation-wise, real-time data analysis is now used to identify the patterns and lifestyle preferences of our homebuyers.

We maintain our resolve to embrace further digitalisation so that we can continue to evolve according to the changes in the macro environment. We believe this will also put the Group on the right track to becoming a leading digital property developer.

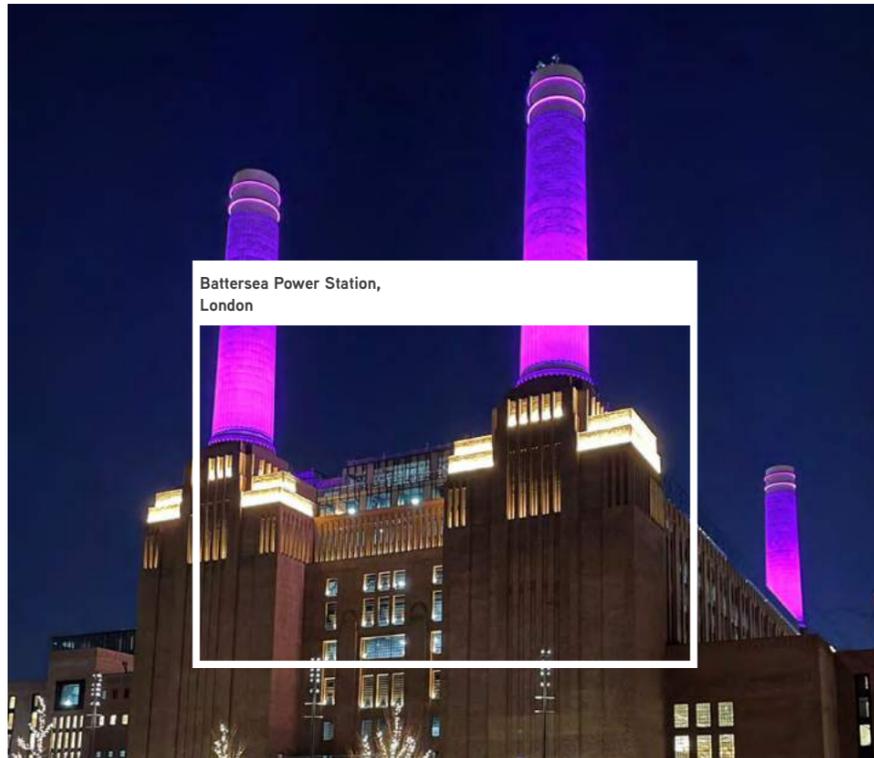
### STRENGTHENING OUR FINANCIAL POSITION

Under our five-year roadmap, the Group will continue to leverage on our strong Setia brand and eco-theme developments to further our ambitions, with strong sustainability elements in place.

The Group's expansion plan will be complemented by an effort to strengthen our capital structure and reducing debts. Towards this end, the roadmap works to pare down borrowings partly with the proceeds raised through monetising our land banks.

**“Our strategic objective is to remain as the leading property developer that provides holistic real estate products and services. To this end, the Group launched its 5-year Strategic Roadmap, underpinned by two key drivers – strengthen the core business, and expand and diversify.”**

PERFORMANCE REVIEW



Battersea Power Station, London

During the year, the Group disposed of certain parcels of land that were deemed less strategic or not-yet-ripe for development to take advantage of the window of opportunity to ease our holding costs, and concurrently, create more liquid assets.

We also managed to dispose some enterprise land in our townships to third-party buyers. The Group is optimistic that this decision could open doors for placemaking opportunities and potentially lead to general capital appreciation of properties in the respective townships.

Further, the Group has identified several plots of land with industrial estate potential. These include 322 acres in Tanjung Kupang, 399 acres in Setia Alaman, and 24.39 acres in Setia Alam Impian in line with our ambition to diversify into other real estate plays.

**BUILDING FOR THE FUTURE**

Sustainable integrated developments represent the future of S P Setia.

Serving as examples in this context are our upcoming Setia Federal Hill project in Malaysia and the ongoing BPS in the United Kingdom.

Set to be a new landmark in Kuala Lumpur, Setia Federal Hill will be developed as a sustainable green development, comprising office, retail and residential components. A priority of this masterplan is to preserve the green lung of the development to reduce our carbon footprint in line our long-term sustainability agenda.

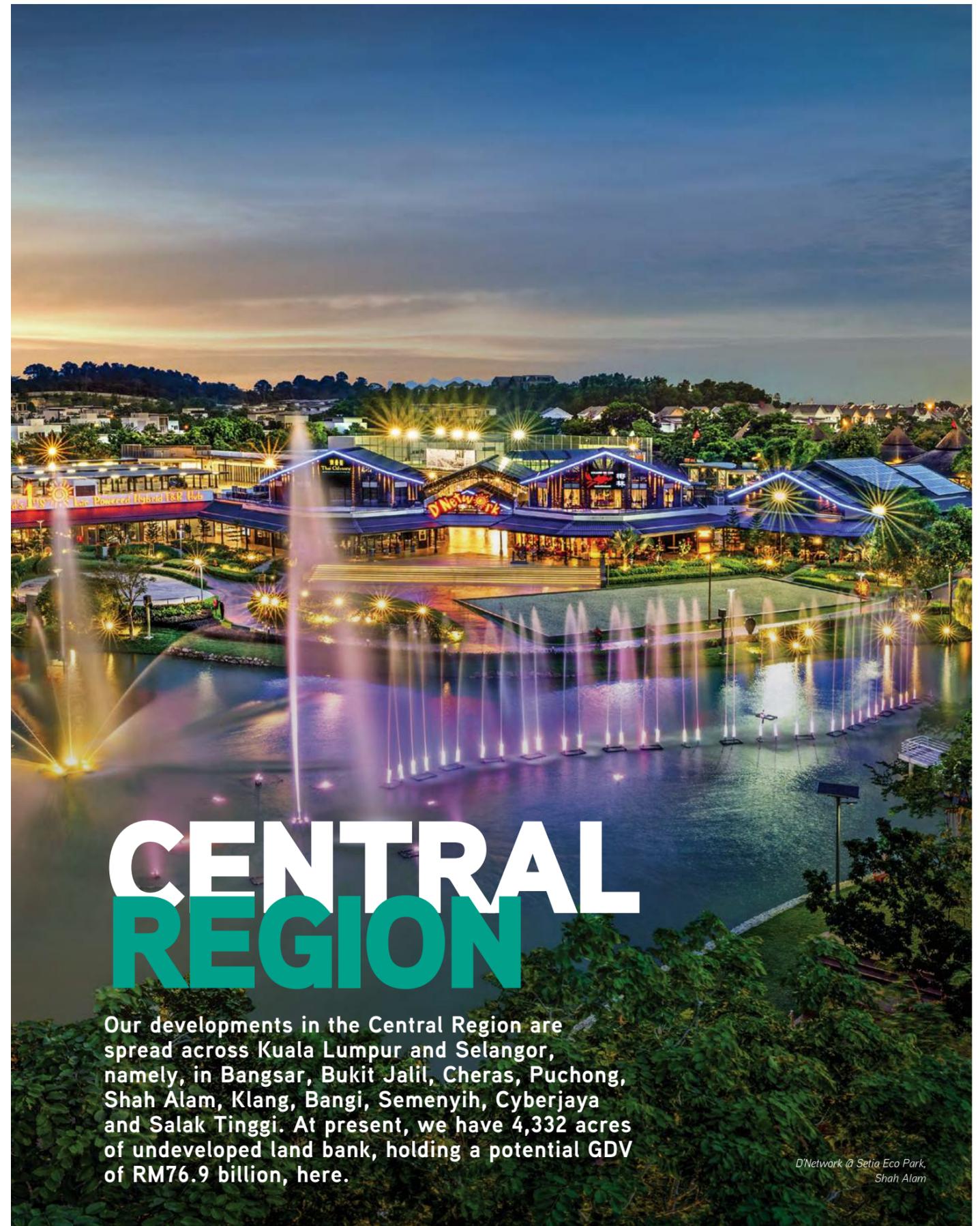
Similarly prioritising the green agenda, BPS now stands as an iconic landmark in the city of London as a climate resilient sustainable town centre.

Together with our joint-venture partners for the development the Group is committed to achieving net-zero carbon targets for the former coal-fired power station over the coming years.

The integrated development, comprising residential, office and retail space units within ample green space, welcomed its first residents into the iconic Power Station following the completion of Switch House West, the first major element of the building to have completed in 2020. We completed the second phase of the project, the Power Station residential block, in 2021.

Indeed, BPS is a display of our commitment towards sustainability, not just for the environment, but also for the economy and community. From an economic perspective, the development supports and promotes local businesses, which in turn, creates job opportunities and contributes to growth of the economy. In terms of social sustainability, the development promotes engagement with the community and features a diverse range of facilities that encourages community interaction.

This makes the redevelopment of BPS a truly mixed-use project that allows people to live, work, shop and visit other amenities all within walking distance.



**CENTRAL REGION**

**Our developments in the Central Region are spread across Kuala Lumpur and Selangor, namely, in Bangsar, Bukit Jalil, Cheras, Puchong, Shah Alam, Klang, Bangi, Semenyih, Cyberjaya and Salak Tinggi. At present, we have 4,332 acres of undeveloped land bank, holding a potential GDV of RM76.9 billion, here.**

*D'Network @ Setia Eco Park, Shah Alam*

Spread across 2,272 acres of land, Setia Alam in Shah Alam stands out as our flagship township. It is a self-contained development, with a range of comprehensive amenities to cater to the lifestyle needs of all residents.



**SETIA ALAM**

Spread across 2,272 acres of land, Setia Alam in Shah Alam stands out as our flagship township. It is a self-contained development, with a range of comprehensive amenities to cater to the lifestyle needs of all residents. These include excellent schools; Setia City Mall, which is the largest lifestyle shopping mall in Shah Alam; shop offices; a clubhouse and parks.

**Ongoing Projects**

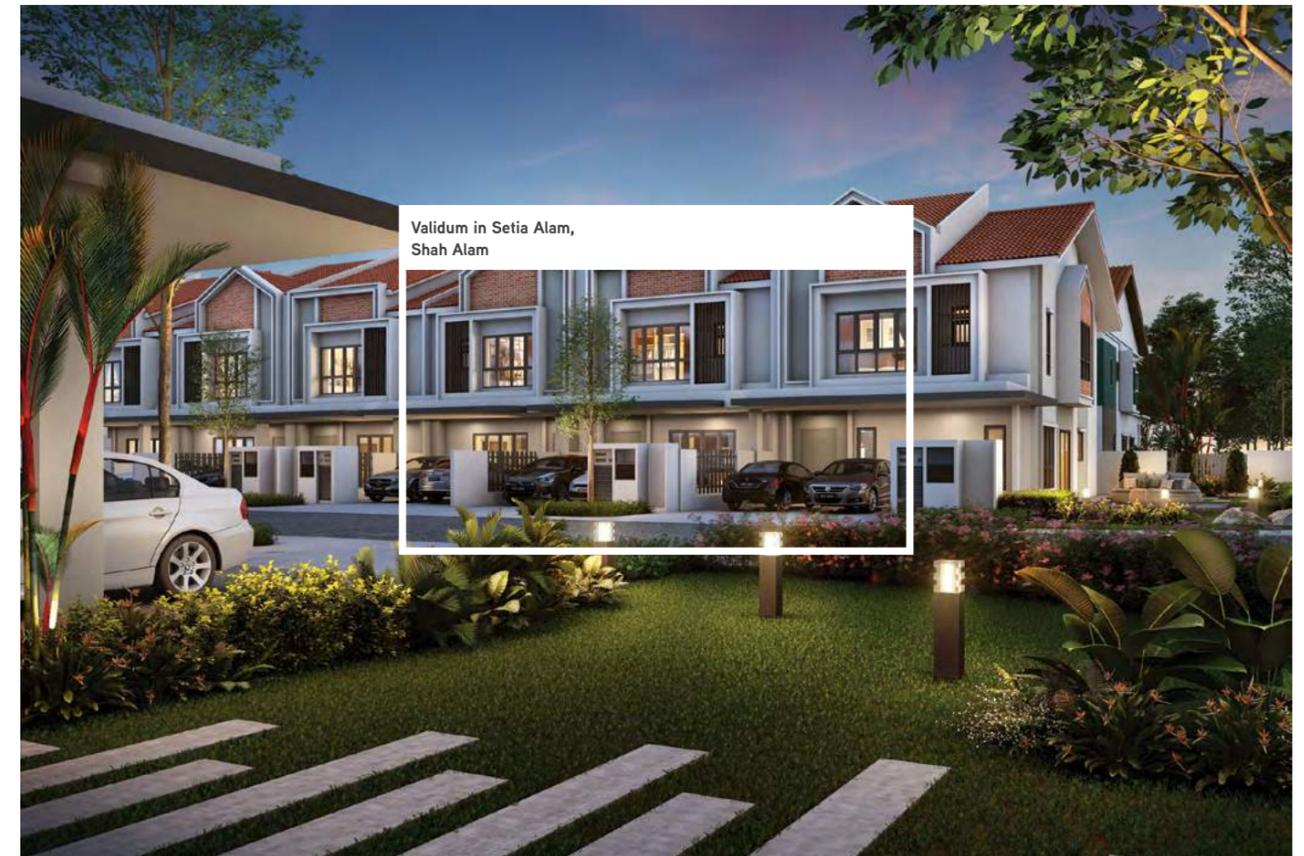
Three phases, comprising 831 residential units, were completed in Setia Alam this year.

Of these, 106 double-storey terraced houses in Phase 2J04 (Artoca) and 624 apartment units of Rumah Selangorku ("RSKU") (De Cendana) were completed in April, while 96 three-storey terraced houses in Phase 2H07 (Zeyheri) were completed in August. All units were sold out. In total, they carried a combined GDV of RM219 million.

There are presently 565 landed residential units and 442 RSKU apartment units under construction from previous years' launches in Setia Alam.

The completed Setia City Residences is the first luxury high-rise development in Setia Alam.

Located in the heart of the town centre of Setia Alam, it is part of a cohesive, integrated development, comprising the Trefoil small-office-flexible-office ("SOFO") units and a future hotel.



The sales rate of apartments in Setia City Residences has gradually gained momentum since its launch in November 2020.

The apartment offers layouts of either two bedrooms or three bedrooms, with built-ups ranging from 858 sq ft to 1,221 sq ft.

On the ground floor of the complex are 10 retail units sized from 3,822 sq ft to 6,655 sq ft. These units are withheld for rental for the time being. Of these, three units will be occupied by Setia's ACC, S P Setia's first medical-health service business, targeted to be in operation by end 2022.

Meanwhile, the 450,000-sq-ft expansion at Setia City Mall, housing the third Lulu's Hypermarket in Malaysia, was opened to members of the public in March 2021. The

larger mall, now offering 1.2 million sq ft of retail, food and beverage ("F&B"), wellness and entertainment space, has further enhanced the attraction of the township.

**New Launches**

We still have a balance of 265 acres of undeveloped land in the township, where new launches of landed residential units, especially double-storey terraced houses and double-storey linked semi-detached houses priced below RM1.5 million, are highly sought after. This was evidenced by the fact that all the units launched this year were fully sold.

**"Located in the heart of the town centre of Setia Alam, it is part of a cohesive, integrated development, comprising the Trefoil small-office-flexible-office ("SOFO") units and a future hotel."**

## PERFORMANCE REVIEW

There were five launches in Setia Alam in 2021. These were the three phases of double-storey terraced houses and two phases of double-storey semi-detached houses, all of which formed part of the Bywater Homes series. This concept features houses set between creeks and a 20-acre wetland sanctuary, thus offering a scenic and calming ambience.

The first launch, which took place in March, comprised 52 units of Plenum double-storey terraced house, each on a land area of 22ft by 70ft, with built-ups of 2,080 sq ft to 2,516 sq ft. These four-bedroom units were fully sold out.

The second launch, comprising 48 units of Doshia double-storey linked semi-detached house, took place in July at the height of the nationwide lockdown. Each house occupies 32ft

by 75ft of land and offers spacious built-ups of 2,529 sq ft to 2,844 sq ft. Despite the movement restrictions, this phase was sold out within just four months.

In August, Crocues was introduced to the market. This phase offers 113 double-storey terraced houses, with North-South orientation, on a land area of 20ft by 70ft and built-ups of 1,910 sq ft to 2,376 sq ft. Similarly popular, all units were quickly snapped up and sold out after launch.

The final two phases - Validum and Garciae - were launched in October. Validum, consisting of 93 double-storey terraced houses, with a land area of 22ft by 70ft and large built-ups of 2,104 sq ft to 2,593 sq ft, was fully sold out on the same day of its launch.

**“There were five launches in Setia Alam in 2021. These were the three phases of double-storey terraced houses and two phases of double-storey semi-detached houses, all of which formed part of the Bywater Homes series.”**

Similarly, Garciae, a development of 48 double-storey linked semi-detached houses, each on a 32ft by 75ft plot, with built-ups of 2,514 sq ft to 2,817 sq ft. All units were sold out within an hour of launch.

### Upcoming Projects

To accelerate developments in Setia City, we plan to monetise other plots of commercial land in the area. This will subsequently lead to developments that will complement the existing commercial / office buildings like the Top Glove headquarters, Audi Centre Setia Alam and S P Setia corporate headquarters, in our pursuit to grow the township into a city in the future.

## PERFORMANCE REVIEW



Setia City Residences, Setia Alam, Shah Alam

### KEY DEVELOPMENT DATA



PERFORMANCE REVIEW



Acorus in Setia EcoHill 2, Semenyih

**SETIA ECOHILL 1 & 2**

Setia EcoHill 1 is a popular development set amidst the rolling hills of Semenyih. Located next to it is the newer and equally popular Setia EcoHill 2.

Both innovative projects feature an abundance of green zones that have been creatively landscaped into communal spaces and parks interspersed with ponds and waterways.

The development offers a variety of interesting recreational and entertainment facilities in the form of Club 360, Oriental Garden, Setia EcoHill Park, Adventure Park and South Creek Park - all within a stone's throw away.

**Ongoing Projects**

In March, Setia EcoHill Walk Shop Office, the first commercial development in Setia EcoHill, was completed. In the same month, 68 units of Baccas double-storey terraced house in Setia EcoHill 2 were completed and handed over to homeowners.

In December, three more phases were completed. These comprised 66 units of double-storey terraced house in Carnus, 86 units of double-storey terraced house in Aronia and 84 units of double-storey clustered semi-detached house in Frossa.

The development offers a variety of interesting recreational and entertainment facilities in the form of Club 360, Oriental Garden, Setia EcoHill Park, Adventure Park and South Creek Park - all within a stone's throw away.

PERFORMANCE REVIEW

Altogether, the 563 completed units in 2021 in both Setia EcoHill 1 and 2 were worth RM470.41 million in GDV.

**New Launches**

In March, Acorus, comprising 69 double-storey terraced houses in Setia EcoHill 2, was launched. Being the first phase in the SEHati Collection, the houses are based on a flexible layout concept for modern families. The three-bedroom houses are ergonomically designed with a North-South orientation to avoid direct sunlight. They come with a land area of 20 ft by 65 ft each with built-ups ranging from 1,401 sq ft to 1,538 sq ft. All units were quickly sold out after launch.

In response to the good take-up of Acorus, 62 units in Acorus 2 of similar land size and

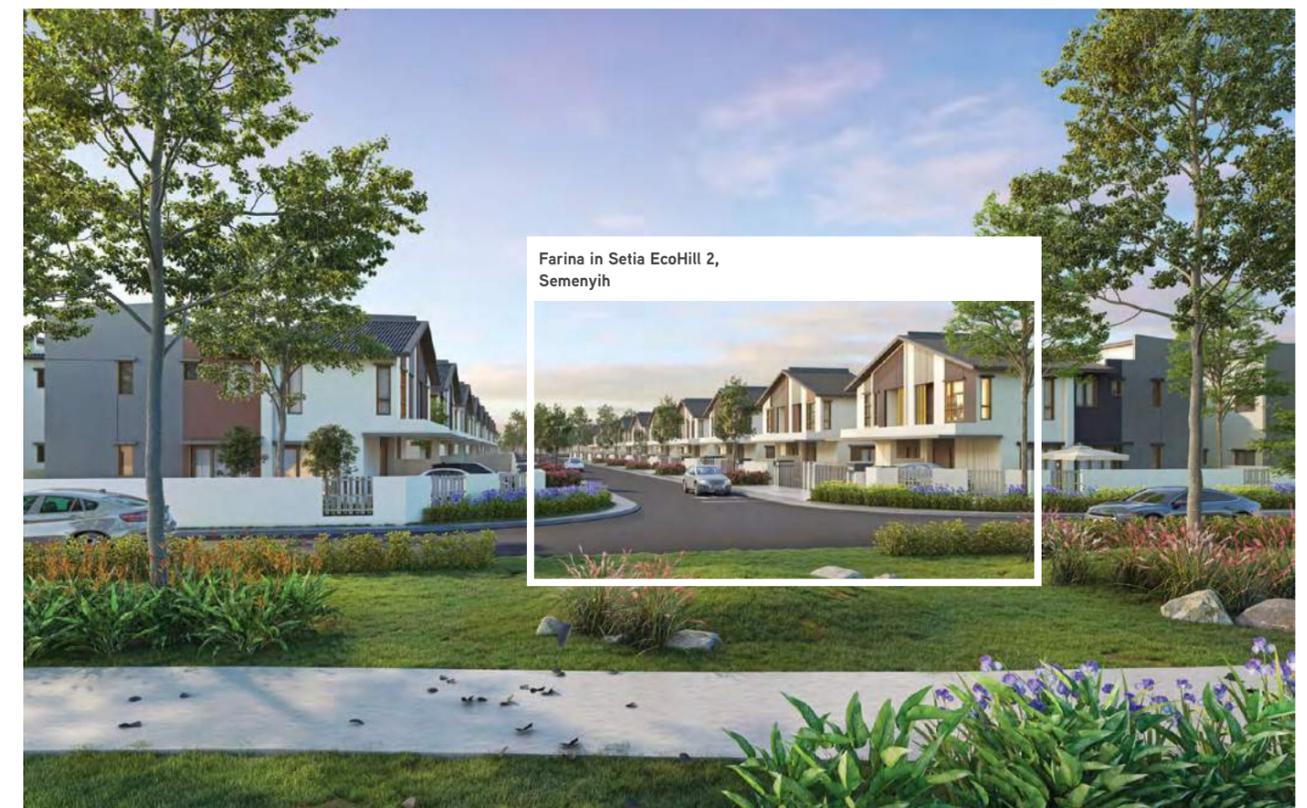
built-ups, were introduced to the market in May 2021. Also based on a flexible layout concept, the units were fully sold out shortly after launch.

In the same month, 42 units of double-storey terraced houses of 20 ft by 70 ft dimension with built-ups of 2,062 sq ft to 2,133 sq ft in Hermosa were launched in Setia EcoHill 1. This phase was equally sold out.

In Setia EcoHill 2, 76 units of double-storey linked semi-detached house in Farina were launched in September 2021. This phase offers expansive living with a flexible layout.

In December, 40 double-storey semi-detached houses based on the Japanese Zen concept in Yumena were launched in Setia EcoHill 1, each with a land area of 38 ft by 80 ft and built-ups of 2,610 sq ft to 3,383 sq ft.

**“In the same month, 42 units of double-storey terraced houses of 20 ft by 70 ft dimension with built-ups of 2,062 sq ft to 2,133 sq ft in Hermosa were launched in Setia EcoHill 1. This phase was equally sold out.”**



Farina in Setia EcoHill 2, Semenyih



Carnus in Setia EcoHill 2, Semenyih

KEY DEVELOPMENT DATA

Project Launch  
**2013 & 2016**

Total Acreage  
**1,683.77**

Developed Acreage  
**658.22**

Total Expected GDV  
**RM9.90**  
billion

Effective Remaining GDV  
**RM5.87**  
billion

Total 2021 Sales  
**RM333.00**  
million

**“In the same month, two phases were launched in Setia EcoHill 2, i.e. Carnus 2, with a GDV of RM47.29 million and Azolla, with a GDV of RM42.29 million.”**

In the same month, two phases were launched in Setia EcoHill 2, i.e. Carnus 2, with a GDV of RM47.29 million and Azolla, with a GDV of RM42.29 million.

Carnus 2 is made up of 66 double-storey terraced houses, with built-ups of 1,772 sq ft to 1,950 sq ft and a plot size of 22 ft by 70 ft. Half of the units launched were sold as of year-end.

Azolla comprises 76 double-storey terraced houses, each on a land area of 20 ft by 65 ft with built-ups of 1,421 sq ft to 1,562 sq ft. This phase managed to record a sales rate of about 30% as of end-2021.

SETIA ALAMIMPIAN

The 1,235-acre Setia AlamImpian is presently undergoing a notable transformation from a progressive township to an upbeat and vibrant place to live. This change is taking place at an opportune time, considering this development is still ongoing, with a present population of merely about 12,000 people. The development is surrounded by a high-density area of about 330,000 people.

The project is also undergoing a rebranding exercise, including being renamed from Alam Impian to Setia AlamImpian, with products designed to cater for the upper middle-class segment.

The project is also undergoing a rebranding exercise, including being renamed from Alam Impian to Setia AlamImpian, with products designed to cater for the upper middle-class segment.



The LakePoint complex in Setia AlamImpian, Shah Alam

Works on its town centre, on a 140-acre land, had started with the erection of a new Setia AlamImpian Welcome Centre in early 2021. The new welcome centre, upon completion, will house a sales gallery; and a club house, complete with a swimming pool, badminton courts and other recreational facilities; together with a retail centre with al-fresco concept as part two of the project.

The entire project is targeted for completion by early 2023.

The retail complex, which is the first component to have been completed recently, is known as the Lake Point Central. It is being used as Setia AlamImpian's temporary sales gallery. The other two components, the Lake Point Club and Lake Point Gallerie, are well under construction.

Once completed, the Lake Point Club will be able to accommodate events for up to 1,000 people in its ballroom.

Plan is currently underway to include Eaton International School in the development.

PERFORMANCE REVIEW

Ongoing Projects

Two phases of double-storey terraced houses were completed in 2021. The 80-unit Clarino and 89-unit Fleita were handed over to housebuyers in May and July, respectively. Both phases were almost sold out.

New Launches

In January, 60 units of Melodia 1 double-storey terraced house were launched, with a land size of 22 ft by 75 ft and built-ups of 1,636 sq ft to 1,767 sq ft. All the units were fully taken up.

**“In January, 60 units of Melodia 1 double-storey terraced house were launched, with a land size of 22 ft by 75 ft and built-ups of 1,636 sq ft to 1,767 sq ft. All the units were fully taken up.”**

Melodia 2 was launched in May 2021. Consisting of 65 double-storey terraced houses, with built-ups of 1,652 sq ft to 1,710 sq ft and a land area of 22 ft by 75 ft, this phase was almost completely sold out as of year-end, with only a limited number of units still available.

In September, Casablanca was launched. This phase comprised 64 units of double-storey cluster house on a 35 ft by 70 ft plot, with spacious built-ups of 2,253 sq ft to 2,254 sq ft. Each unit has an exclusive private indoor area.

KEY DEVELOPMENT DATA



Project Launch  
**2006**



Total Acreage  
**1,235.00**



Developed Acreage  
**942.02**



Total Expected GDV  
**RM9.15**  
billion



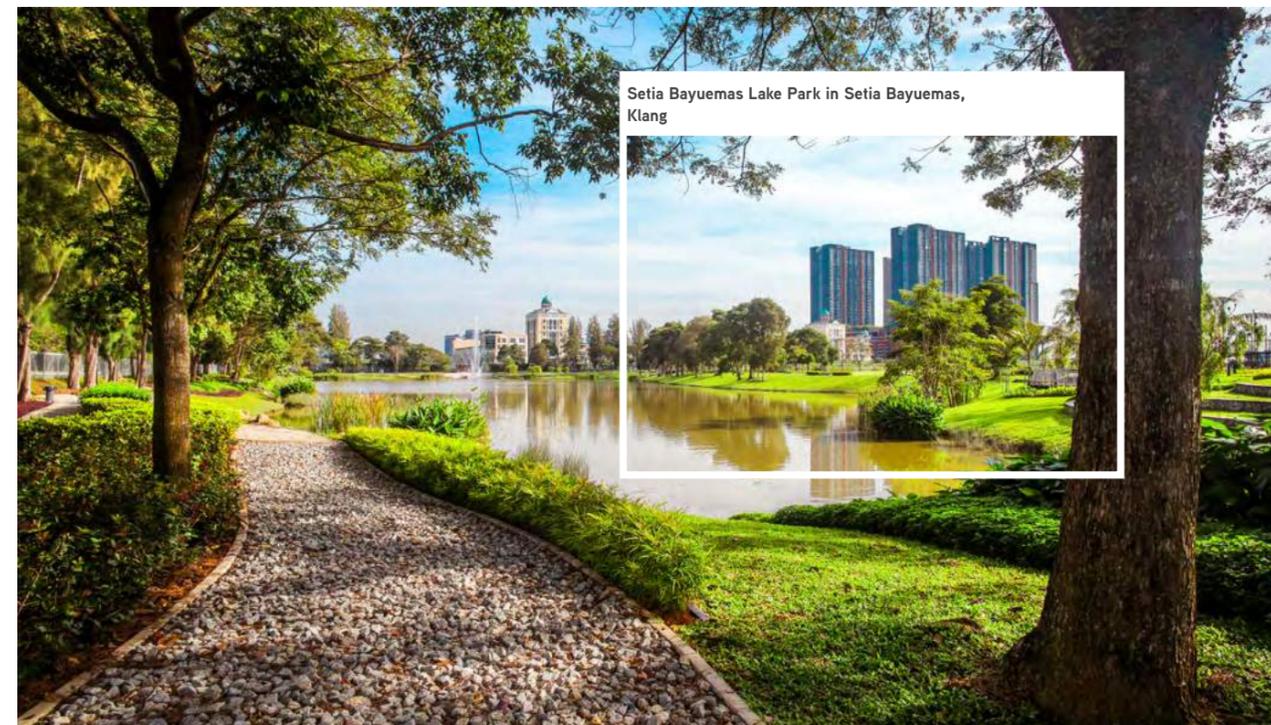
Effective Remaining GDV  
**RM8.40**  
billion



Total 2021 Sales  
**RM280.00**  
million



Melodia 2 in Setia Alam Impian, Shah Alam



Setia Bayuemas Lake Park in Setia Bayuemas, Klang

SETIA BAYUEMAS

Setia Bayuemas, renamed from Bayuemas to reflect S P Setia's strong brand and values, sits on a 545-acre freehold land in Klang.

As in the case of Setia Alam Impian, which is located just a few kilometres away, Setia Bayuemas has also been undergoing a rebranding exercise. Set amidst peaceful surroundings, it features landscaped, tree-lined streets and pockets of parks within the development.

Some of the new landscaping has started, and a new Welcome Centre is on the way. A town park is already created, and it is currently undergoing further landscaping to incorporate more trees and plants.

Setia Bayuemas is built in a very strategic location, providing easy access to the south of Klang town and north of Banting via the busy Klang-Banting main road. It is also well connected to many highways such as the Shah Alam Expressway ("KESAS"), Federal Highway, New Klang Valley Expressway ("NKVE") and North South Expressway Central Link ("ELITE").

Upon completion of the West Coast Expressway ("WCE"), there will be a new interchange near KESAS point, which makes Setia Bayuemas even more easily accessible. The development will also be directly accessible via light rail transit ("LRT") services when the LRT 3 project is completed, as Johan Setia station will be located directly opposite the commercial area of Setia Bayuemas.

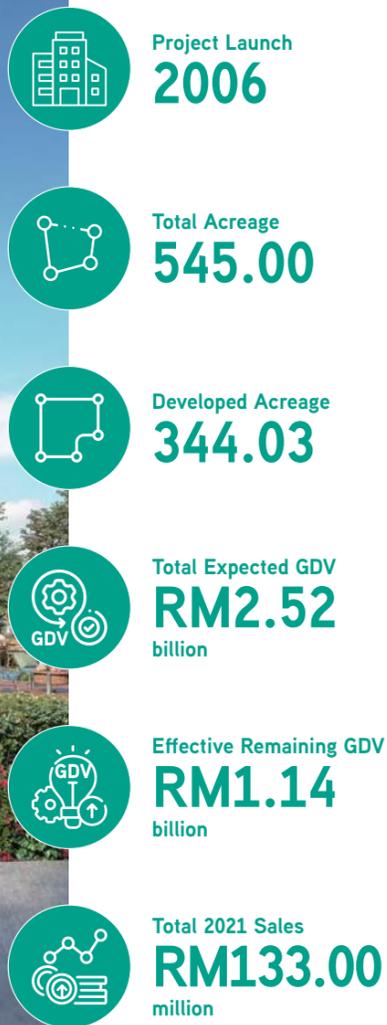
**Setia Bayuemas, renamed from Bayuemas to reflect S P Setia's strong brand and values, sits on a 545-acre freehold land in Klang.**

PERFORMANCE REVIEW



Bergenia in Setia Bayuemas, Klang

KEY DEVELOPMENT DATA



Ongoing Projects

73 units of Gemilang double-storey terraced house, with a GDV of RM54.5 million, were completed in December.

New Launches

In March, 82 units of Carissa double-storey terraced house were launched. Offering four land sizes - 24 ft by 70 ft; 24 ft by 75 ft; 26 ft by 70 ft; and 26 ft by 75 ft - with built-ups ranging from 1,916 sq ft to 2,018 sq ft, all units were sold out.

Following the good response to Carissa, 84 units of Bergenia double-storey terraced house were launched in September. Offering a land plot of 20 ft by 70 ft, each unit comes with built-ups of 1,812 sq ft to 1,976 sq ft. There was only a limited number of units still available for sale as of year-end.

**“In March, 82 units of Carissa double-storey terraced house were launched. Offering four land sizes - 24 ft by 70 ft; 24 ft by 75 ft; 26 ft by 70 ft; and 26 ft by 75 ft - with built-ups ranging from 1,916 sq ft to 2,018 sq ft, all units were sold out.”**

**In May, 28 units of double-storey semi-detached houses were launched. Known as Anggun 3, each unit comes with a land area of 40 ft by 80 ft, which is a typical size for a semi-detached house in Bandar Kinrara, and built-ups of 3,027 sq ft to 3,050 sq ft. The phase was fully sold out.**

BANDAR KINRARA

The 1,904-acre Bandar Kinrara is a well-established township in Puchong, just next to Bukit Jalil, Kuala Lumpur. Located 19 kilometres to the south-west of Kuala Lumpur city centre, it is highly accessible via major highways, namely, the Bukit Jalil Highway, KESAS, Damansara-Puchong Highway (“LDP”), New Pantai Expressway (“NPE”), South Klang Valley Expressway (“SKVE”), Putrajaya Highway (“MEX”) and North-South Expressway (“NSE”). It is also reachable via LRT services - through the BK5 LRT station and Alam Sutera LRT station along the Bukit Jalil Highway.

There are more than 15,000 houses in this township that is home to around 76,000 people.

The township has proved to be a success since its maiden launch in 1991. Properties here enjoy healthy capital appreciation, driven by steady market demand, as

Bandar Kinrara is a highly sought-after address, especially for landed residential living.

Ongoing Projects

In March, two phases comprising 419 serviced apartment units and a shop office in 10 Kinrara, and 32 units of double-storey semi-detached house in Anggun 2 were completed. They carried a combined GDV of RM356.6 million.

New Launches

In May, 28 units of double-storey semi-detached houses were launched. Known as Anggun 3, each unit comes with a land area of 40 ft by 80 ft, which is a typical size for a semi-detached house in Bandar Kinrara, and built-ups of 3,027 sq ft to 3,050 sq ft. The phase was fully sold out.

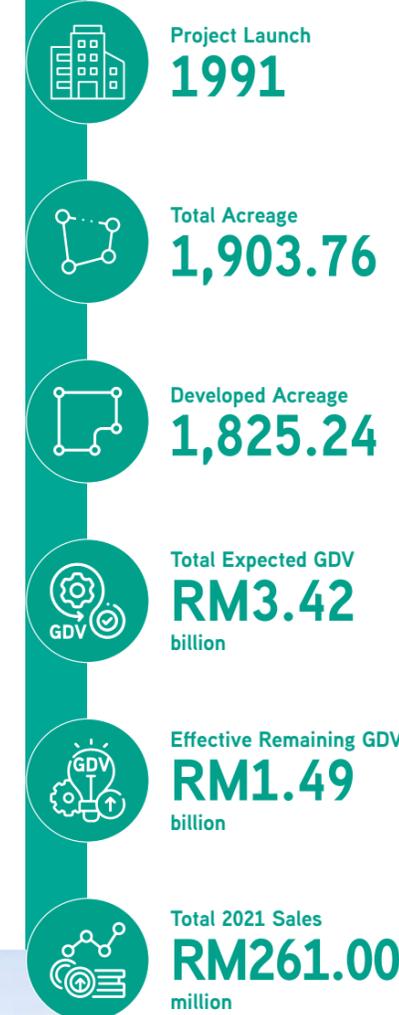
Another phase, known as Theara, comprising 20 double-storey semi-detached houses were launched in October. Offering a larger land size of 50 ft by 100 ft and a built-up area of 3,324 sq ft, all units were sold out within three months of launch.



Theara in Bandar Kinrara, Puchong

PERFORMANCE REVIEW

KEY DEVELOPMENT DATA



PERFORMANCE REVIEW

The last phase was developed into a low-density townhouse under the RUMAWIP affordable housing programme. Named **Residensi Sutera**, each unit lies on a 20 ft by 60 ft plot, with built-up areas of 710 sq ft to 883 sq ft.

**ALAM SUTERA**

Alam Sutera, a charming 71-acre residential enclave in Bukit Jalil, Kuala Lumpur, is nearing completion, with the launch of its final phase having taken place this year. Introduced in 2005, this boutique development is made up of double-storey terraced houses, double-storey semi-detached houses, double-storey detached houses, bungalow lots, shop offices, a condominium and an affordable housing.

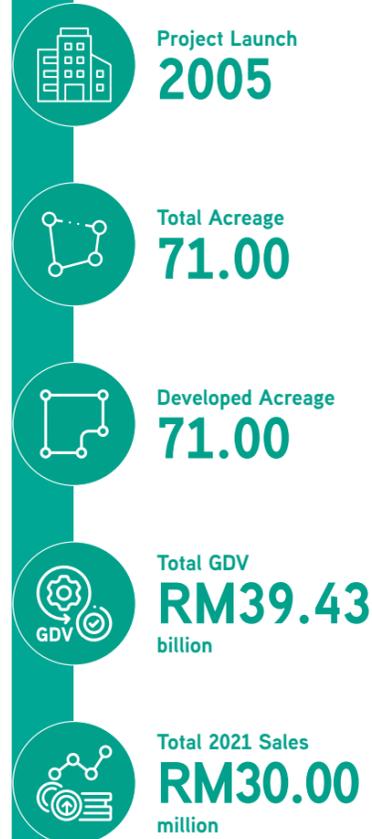
**New Launches**

The last phase was developed into a low-density townhouse under the RUMAWIP affordable housing programme. Named **Residensi Sutera**,

each unit lies on a 20 ft by 60 ft plot, with built-up areas of 710 sq ft to 883 sq ft.

This phase was launched in two tiers: First, comprising 32 units offered to selected members of the public at normal price; and second, comprising units offered to registrants of Dewan Bandaraya Kuala Lumpur Rumawip at a capped price of RM300,000. There are only a few units left, pending the signing of the sale and purchase agreement as buyers were still in the process of securing their mortgages.

KEY DEVELOPMENT DATA



PERFORMANCE REVIEW



The neighbourhood's commercial development is one of the unique features in Setia Eco Park. Spanning 3.16 acres, D'Network, which is an F&B hub, was launched in 2020. Powered by 345kWp of solar energy, complementing the supply from traditional electricity grids, it is one of the world's first solar-powered hybrid F&B hubs. It also features the world's first solar-powered musical fountain, named the "Symphony of Sustainability", which has become the centrepiece of the project, especially when it is lit up in the evening.

**SETIA ECO PARK & PRECINCT ARUNDINA @ SETIA ECO PARK**

Setia Eco Park is a jewel development, located next to the Setia Alam township. Launched in 2004, this 791-acre development has been earmarked for an exclusive luxurious gated-and-guarded enclave within nature.

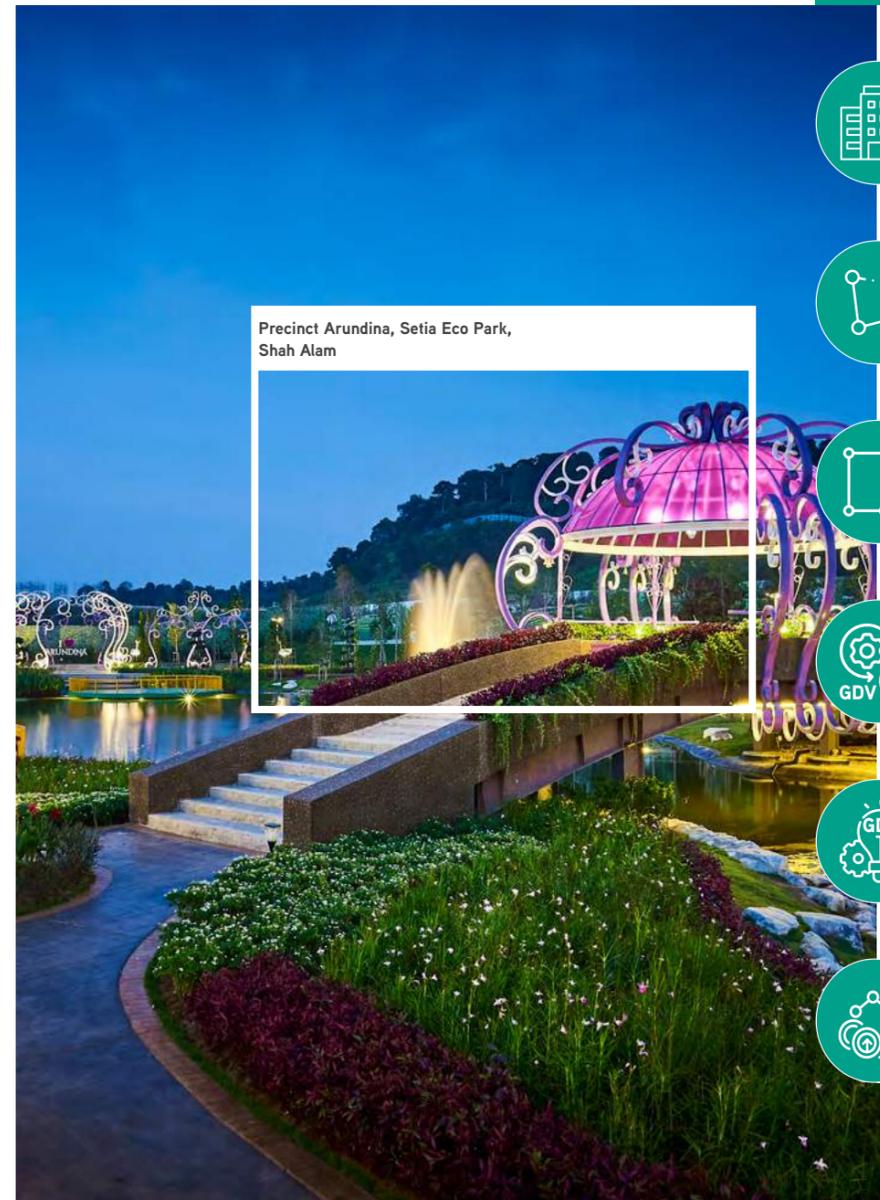
Within the development, there is a 56-acre forest park where the residents can go jungle trekking, take eco-discovery walks and enjoy panoramic views from an observation tower. The development focuses on creating a tropical landscape, which supports a diversity of flora and fauna. It features a 94-acre land dedicated to waterways, lakes and creeks all around the enclave. Started in 2007, the guarded and gated development is also the largest solar residential enclave and to-date, it is powered by 1,883 kWp of solar energy, solidifying our vision for innovative and sustainable living.

The neighbourhood's commercial development is one of the unique features in Setia Eco Park. Spanning 3.16 acres, D'Network, which is an F&B hub, was launched in 2020. Powered by 345kWp of solar energy, complementing the supply from traditional electricity grids, it is one of the world's first solar-powered hybrid F&B hubs. It also features the world's first solar-powered musical fountain, named the "Symphony of Sustainability", which has become the centrepiece of the project, especially when it is lit up in the evening.

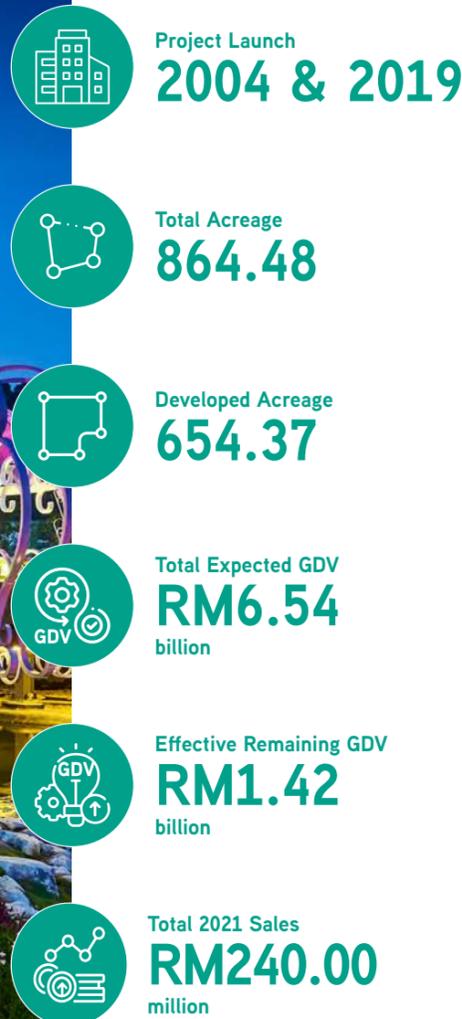
A wide range of tenants from various segments, including F&B, grocery, spa, fashion, garden resources, delivery point and e-services, are already operating here.

The one-of-a-kind commercial development was awarded the Silver award in the Commercial (Low Rise) category of PAM Awards 2021 by the Malaysian Institute of Architects ("PAM") in October 2021.

The success of the eco-living concept in this enclave had a spillover effect onto an adjoining land, which is the site of a new project known as Precinct Arundina @ Setia Eco Park. Launched in 2019, the development is mainly made up of semi-detached houses.



KEY DEVELOPMENT DATA



**“In August, two phases, comprising 42 units of double-storey semi-detached house, with a combined GDV of RM83 million, were completed. They are from the Emma Crest and Elizabeth Falls collection.”**

**Ongoing Projects**

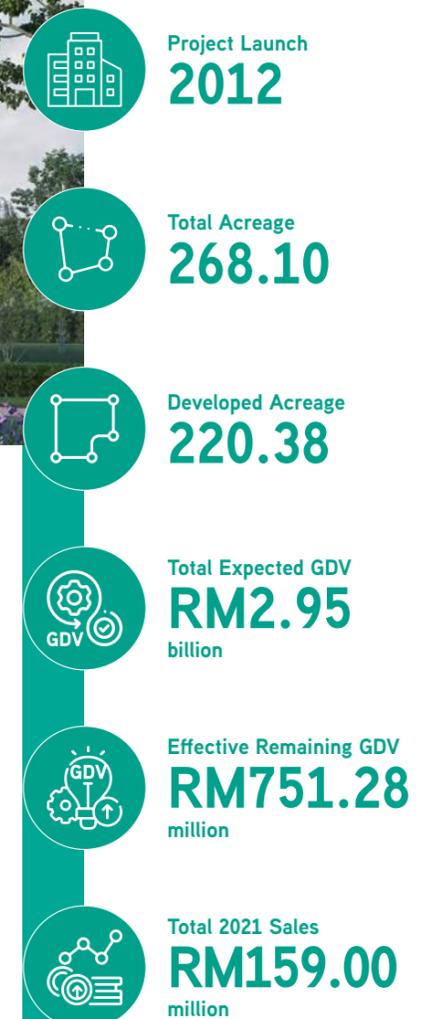
In August, two phases, comprising 42 units of double-storey semi-detached house, with a combined GDV of RM83 million, were completed. They are from the Emma Crest and Elizabeth Falls collection.

**New Launches**

In April, a new phase, comprising 74 units of double-storey semi-detached house, in Precinct Arundina was launched. Known as Plathea II, it is part of Phase 1B (Platinum Garden). The houses offer two land size options of 32 ft by 75 ft and 38 ft by 70 ft, with built-ups ranging from 2,495 sq ft to 2,833 sq ft.



KEY DEVELOPMENT DATA



**In May, three phases in the Isle of Botanica precinct, comprising 14 units of double-storey bungalow in the Zeyla collection, 84 units of double-storey linked villa in the Atyca collection and 44 units of double-storey semi-detached house in the Leyana collection, were completed. The three phases have a combined GDV of RM262.8 million.**

**SETIA ECO GLADES**

Setia Eco Glades is a medium-sized gated-and-guarded green township spreads across 268.1 acres of land in Cyberjaya. It is easily accessible via the MEX, ELITE, SKVE and the B15 Road Extension through Dengkil.

All the houses here, as well as the communal facilities and amenities, are “Green Building Index” (“GBI”) certified. Amongst the GBI traits of the development are low carbon footprint; rainwater harvesting for uses in areas that do not involve human consumption; and the usage of LED lighting.

**Ongoing Projects**

In May, three phases in the Isle of Botanica precinct, comprising 14 units of double-storey bungalow in the Zeyla collection, 84 units of double-storey linked villa in the Atyca collection and 44 units of double-storey semi-detached house in the Leyana collection, were completed. The three phases have a combined GDV of RM262.8 million.

**New Launches**

Glades of Westlake, consisting of 18 units of double-storey bungalow and 42

units of double-storey semi-detached house, with a cumulative GDV of RM156 million, was launched in March.

The bungalows sit on a 59 ft by 85 ft plot each, with a built-up area of 4,050 sq ft. The semi-detached houses, on the other hand, offer a land area of 41 ft by 85 ft each, with a built-up of 2,950 sq ft.

PERFORMANCE REVIEW

SETIA SAFIRO

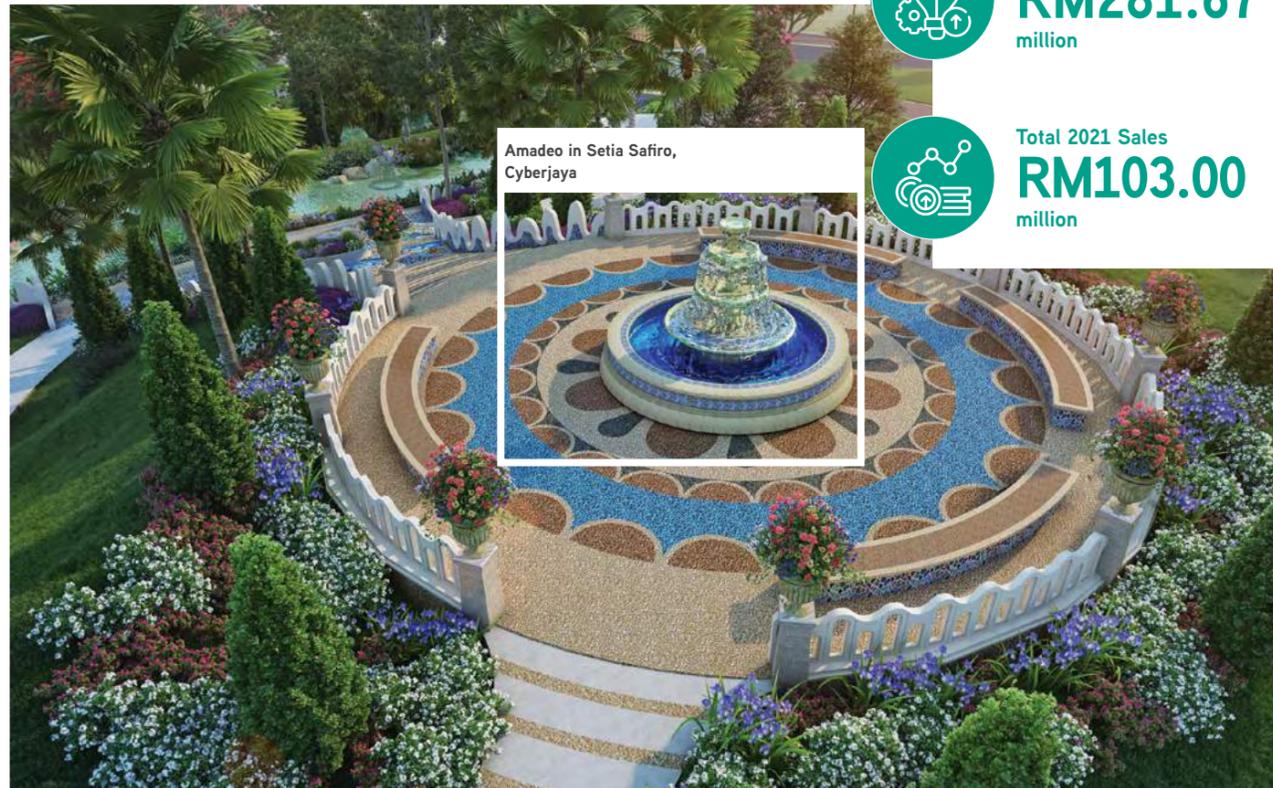
A boutique residential development on 57 acres of land, Setia Safiro is located in Cyberjaya, within proximity to Setia Eco Glades. This Spanish-themed gated-and-guarded development comes with an exclusive 40,000-sq ft private clubhouse, complete with swimming pool, wading pool, children's playground, gymnasium and multipurpose hall. Its linear landscape

park and pocket gardens link all the houses to the clubhouse and there is a linear waterway within a walkable distance.

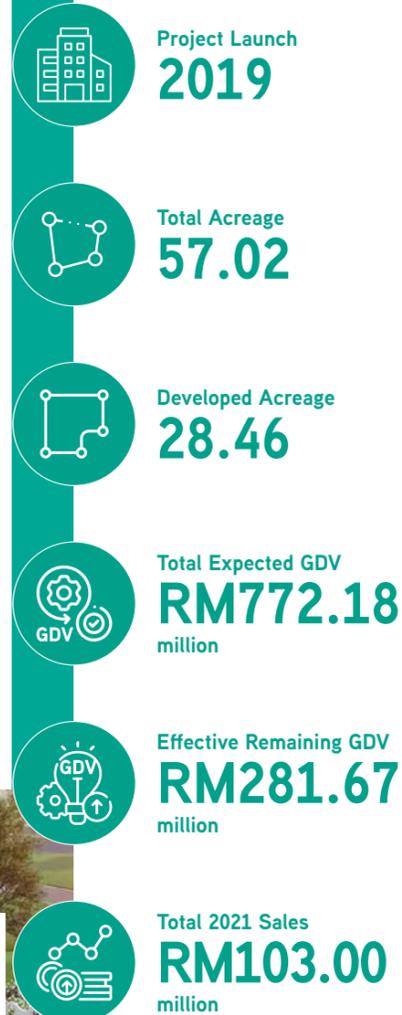
New Launches

Amadeo, comprising 60 units of double-storey linked house, was launched in June. The houses offer built-ups of 1,828 sq ft to 2,008 sq ft and a land area of 22 ft by 70 ft.

This Spanish-themed gated-and-guarded development comes with an exclusive 40,000-sq ft private clubhouse, complete with swimming pool, wading pool, children's playground, gymnasium and multipurpose hall.



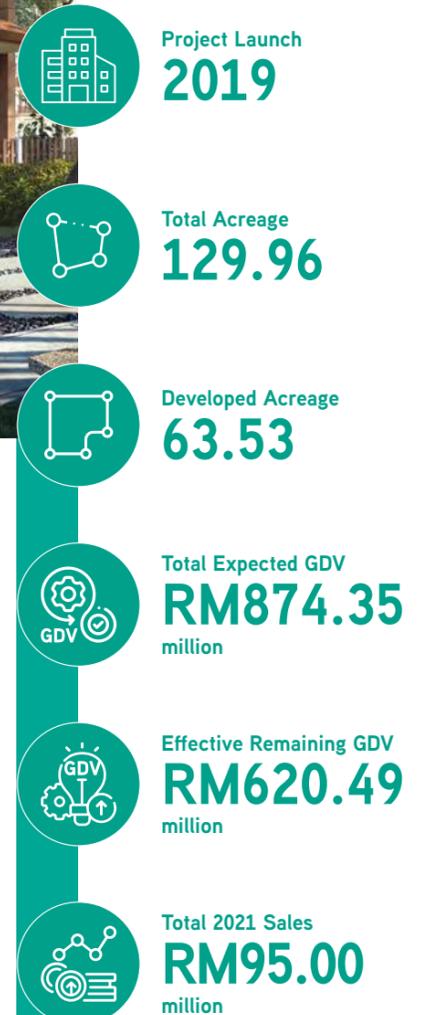
KEY DEVELOPMENT DATA



Adenia, comprising 135 units of double-storey terraced house with a land area of 22 ft by 75 ft, was launched in April. The phase offers three design options, namely Standard Home, Waterway Home Flexi and Garden Home Flexi, with built-ups ranging from 2,206 sq ft to 2,525 sq ft.



KEY DEVELOPMENT DATA



SETIA WARISAN TROPIKA

Setia Warisan Tropika spreads across 130.0 acres in the Salak Tinggi vicinity - in the midway of Putrajaya and Kuala Lumpur International Airport ("KLIA").

Located 16 kilometres to the southeast of Cyberjaya, it is easily accessible via several highways, including the Putrajaya-Dengkil link, MEX, ELITE and NSE. It is also close to the Salak Tinggi ERL station, and it is within a short drive to Xiamen University Malaysia, KLIA, KLIA2, Mitsui Outlet and Dpulze Shopping Centre.

Inspired by a tropical resort theme, this gated-and-guarded development features houses that overlook waterways and parks. There is a clubhouse offering a half Olympic-

sized pool, a 500-pax event hall, and basketball and futsal courts.

New Launches

Adenia, comprising 135 units of double-storey terraced house with a land area of 22 ft by 75 ft, was launched in April. The phase offers three design options, namely Standard Home, Waterway Home Flexi and Garden Home Flexi, with built-ups ranging from 2,206 sq ft to 2,525 sq ft.

PERFORMANCE REVIEW

**Setia Eco Templer is an eco-township development located within a rainforest setting surrounded by Templer Park and Bukit Kancharing forest reserves.**

**SETIA ECO TEMPLER**

Setia Eco Templer is an eco-township development located within a rainforest setting surrounded by Templer Park and Bukit Kancharing forest reserves.

Only 28 kilometres to the north of Kuala Lumpur city by way of the Federal Road, it is also accessible via the PLUS Highway, LATAR Highway, Guthrie Corridor Highway and Middle Ring Road 2.

Upon completion, it will consist of English-, Balinese- and Peranakan-themed houses, interspersed with commercial units. The gated and guarded development will be equipped with a comprehensive security system, including round-the-clock Closed-Circuit Television Camera ("CCTV"), with patrolling guards, fencing with fibre optic sensors and home alarms.

**Ongoing Projects**

There was no new launch in 2021 but three phases were completed within the year. These included 74 units of semi-detached house in Elia and Emeria, and 94 units of double-storey linked villa in both Azula and Ophelia. The projects have a combined GDV of RM199 million.

**Upcoming Project**

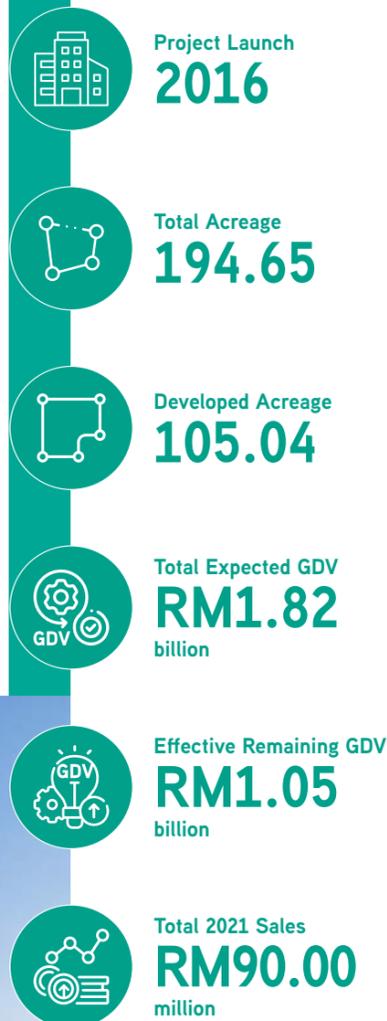
A strategic plot of 5.1-acre land has been identified in Setia Eco Templer as

the site for S P Setia's maiden integrated senior and assisted living facility. The new facility is targeted to provide an alternative community-based living to a new retirement generation. This concept could be replicated across S P Setia's townships.



Peranakan Straits in Setia Eco Templer, Rawang

**KEY DEVELOPMENT DATA**



PERFORMANCE REVIEW

**Setia Alamsari as a whole, is easily accessible from major thoroughfares such as the North South Expressway via Putra Mahkota interchange, Jalan Reko-Persiaran KWSP-Jalan Alam Sari, and Jalan Alam Sari-Jalan Bangi Lama-Jalan Semenyih.**



Lake of Reflection in Setia Alamsari, Kajang

**SETIA ALAMSARI**

Setia Alamsari is a growing integrated township in Bangi. The original part of the development, now known as Setia Alamsari North, was launched in 2007 and it is located close to the National University of Malaysia ("UKM"). Its success had a spillover effect on its south-eastern extension, to be known as Setia Alamsari South, which will have proximity to Semenyih town.

Setia Alamsari North comes with three parklands and a 10-acre Waterfield wetland.

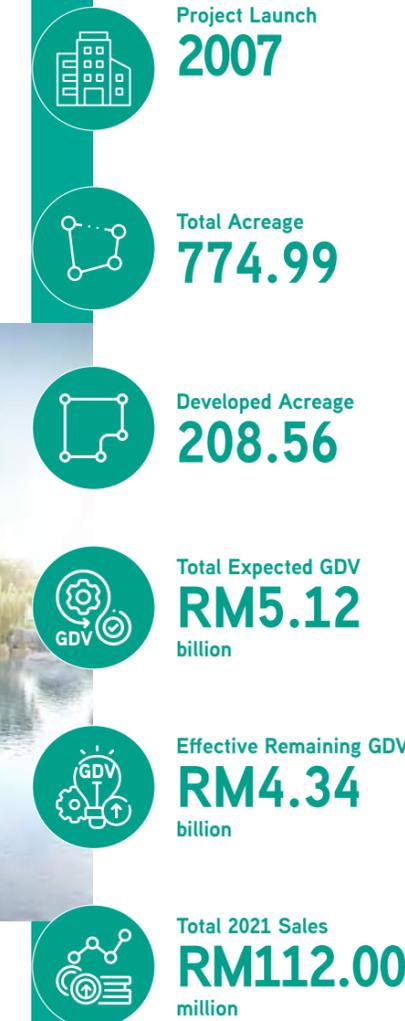
Setia Alamsari as a whole, is easily accessible from major thoroughfares

such as the North South Expressway via Putra Mahkota interchange, Jalan Reko-Persiaran KWSP-Jalan Alam Sari, and Jalan Alam Sari-Jalan Bangi Lama-Jalan Semenyih.

**Ongoing Projects**

In April, we saw the opening of Setia Alamsari Welcome Centre and Show Village on site. The presence of these two would facilitate sales generation for the township. Landscape enhancement and upgrading works along the main boulevard and parks were carried out this year in conjunction with the opening of the Welcome Centre and Show Village.

**KEY DEVELOPMENT DATA**



There was no new launch in 2021 but four phases were completed within the year. This encompassed 109 units of double-storey terraced house in Avis 1 and Avis 2, and eight units of double-storey semi-detached house in Middlemist and 41 units of double-storey terraced house in Iora.

**Upcoming Project**

Setia Alamsari South, which sits on a 342.49-acre land, will be launched in the first quarter of 2022. The development will offer products catered for different age groups.

PERFORMANCE REVIEW

The development is easily accessible from Jalan Klang-Banting and KESAS. It is also well connected to KESAS, NKVE and ELITE.

TRIO BY SETIA

Slated for completion in 2022, TRIO is a serviced apartment development in Klang, offering built-ups of 624 sq ft to 1,248 sq ft. The three-tower project has proximity to the Setia Bayuemas township. Smack at the centre of the stratified residential property are a swimming pool and wading pool. Other facilities featured in this development include a sunken deck, circular deck, BBQ area, indoor games room, gymnasium, sauna with changing rooms, yoga deck, viewing deck, plaza area, multi-purpose hall, shaded pavilion, residents' community garden, children's playground and surau.

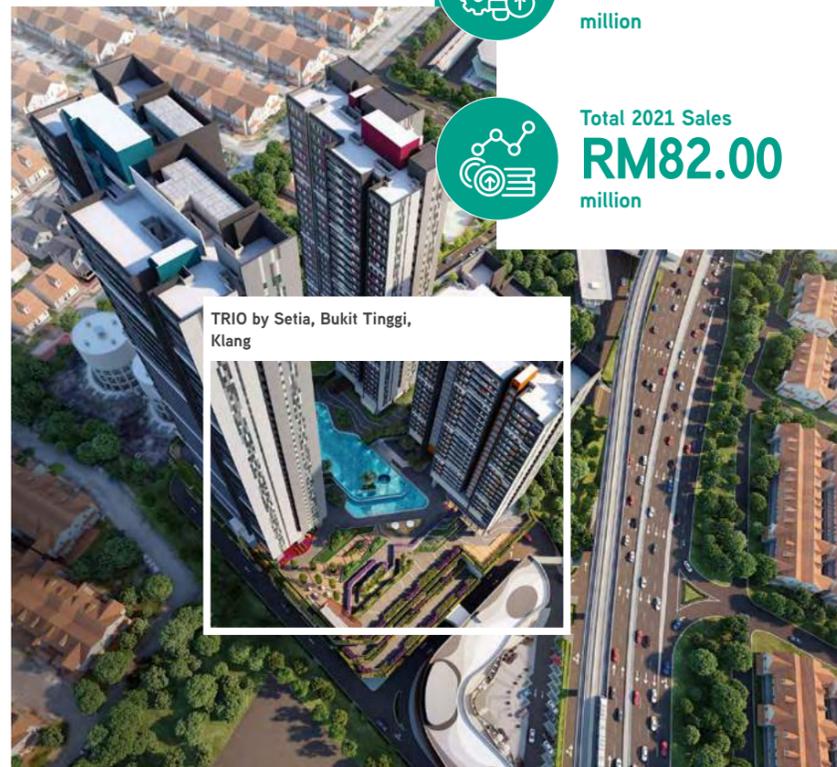
The development is easily accessible from Jalan Klang-Banting and KESAS. It is also well connected to KESAS, NKVE and ELITE. Upon completion of the WCE, there will be a nearby interchange near the KESAS point that will link it to the new west coastal highway.

There will be an LRT station, to be known as Klang Jaya station, within a walking distance from TRIO when the LRT3 project is completed.

TRIO is well surrounded by a variety of retail outlets and facilities including Tesco Extra Klang, Giant hypermarket and Aeon mall.

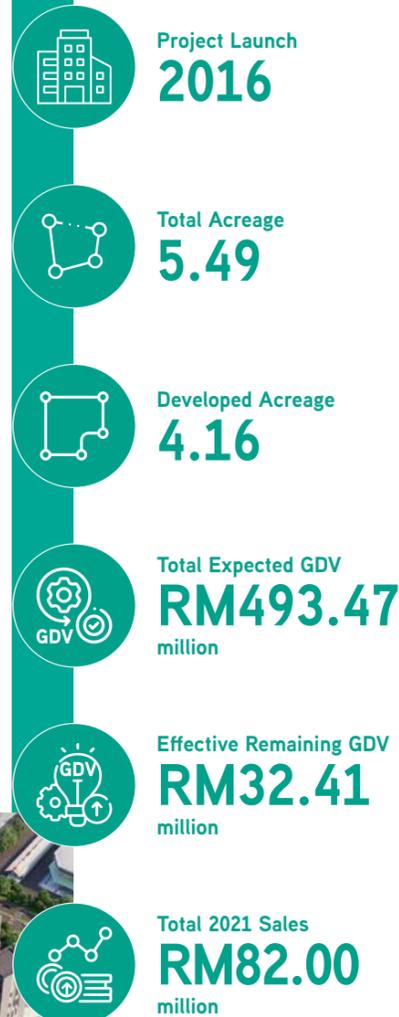
Upcoming Project

A 32-unit retail-cum-office-building is planned for launch in the first half of 2022. The units, with built-ups of 743 sq ft to 1,679 sq ft, are ideal for small business operators.

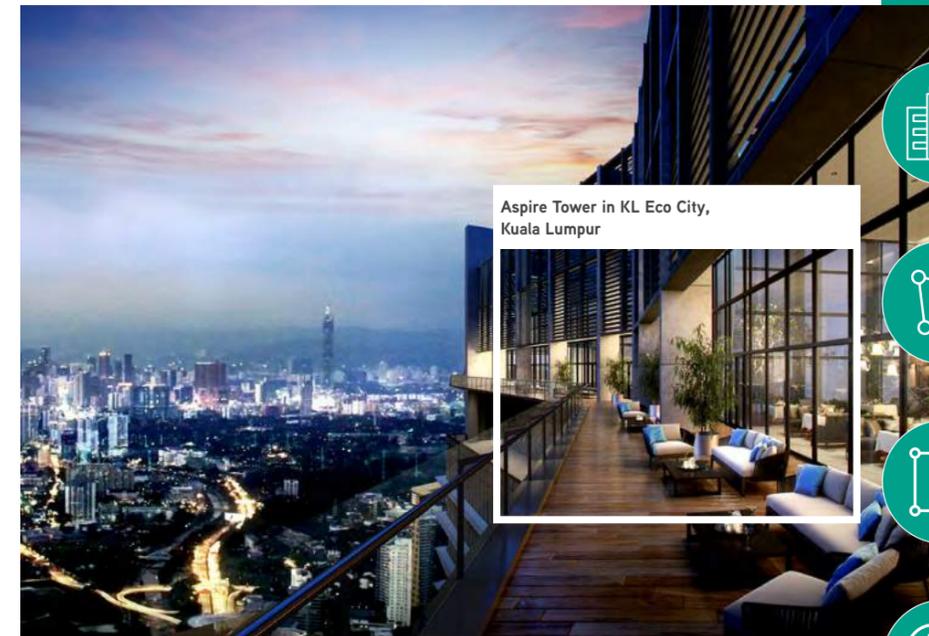


TRIO by Setia, Bukit Tinggi, Klang

KEY DEVELOPMENT DATA

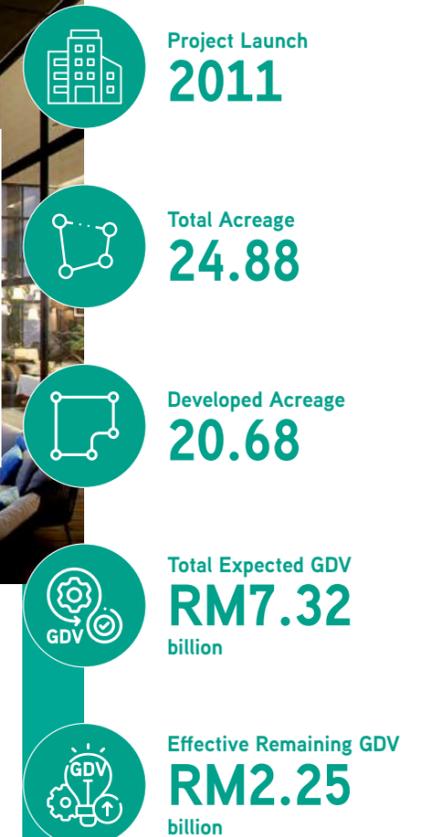


PERFORMANCE REVIEW



Aspire Tower in KL Eco City, Kuala Lumpur

KEY DEVELOPMENT DATA



As part of an effort to sell the remaining available office space in Aspire Tower, several marketing and promotional activities were undertaken this year to promote the office building that is due for completion in November 2022.

KL ECO CITY

The transit-oriented integrated development along Jalan Bangsar in Kuala Lumpur is made up of commercial and residential components. Some commercial buildings in the development have been completed and are currently occupied. There was no new launch in 2021.

Ongoing Projects

The 326-unit ViiA serviced apartment, worth RM452 million in GDV, was completed in August.

As part of an effort to sell the remaining available office space in Aspire Tower, several marketing and promotional activities were undertaken this year to promote the office building that is due for

completion in November 2022. These activities included erecting the first office-show unit at an actual unit in Aspire Tower to showcase to potential customers and give them an experience of working in an actual office in the tower. Other initiatives included introducing specialised packages targeted at specific groups and organising online virtual events with both overseas and local real estate agents.

Upcoming Project

A tower consisting of 450 condominium units worth RM688 million in GDV is scheduled for launch in the second half of 2022.

The resort-themed development features a manmade beach. Each unit is served by a private lift lobby. It is due for completion by end-2022.

KEY DEVELOPMENT DATA



Project Launch  
**2016**



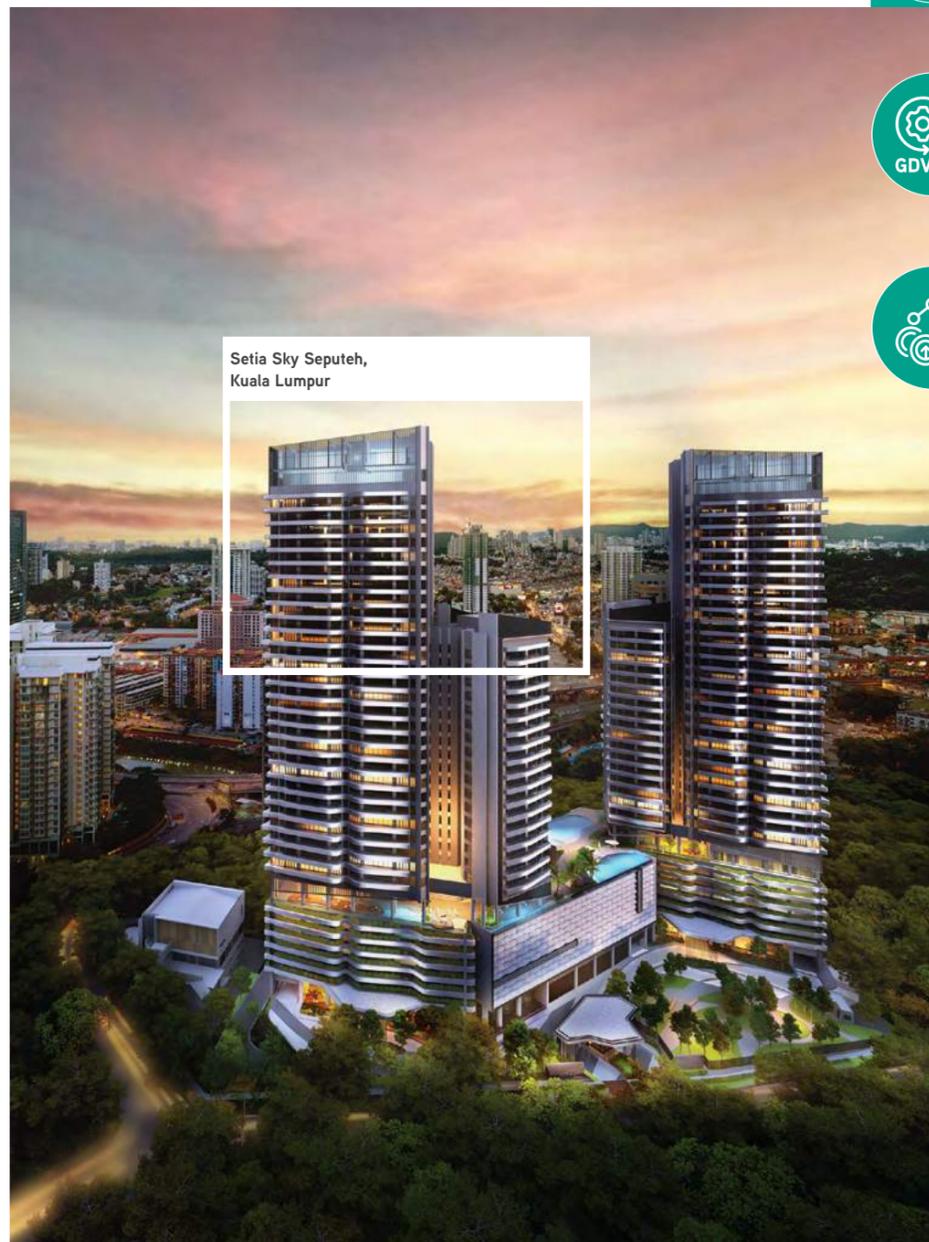
Developed Acreage  
**4.80**



Total Expected GDV  
**RM965.64**  
million



Total 2021 Sales  
**RM186.00**  
million



Setia Sky Seputeh, Kuala Lumpur

**SETIA SKY SEPUTEH**

This exclusive high-rise residential development, sitting on a 4.4-acre land, is located in Taman Seputeh and has proximity to Mid Valley Megamall, Bangsar and KL Sentral. The resort-themed development features a manmade beach. Each unit is served by a private lift lobby. It is due for completion by end-2022.



Setia Federal Hill, Kuala Lumpur

**Setia Federal Hill is planned to be a new landmark in Kuala Lumpur city centre. Strategically located within a stone's throw away from KL Sentral and Bangsar, it has a land area of 51.7 acres and carries a targeted GDV of RM20.2 billion.**

**SETIA FEDERAL HILL**

Setia Federal Hill is planned to be a new landmark in Kuala Lumpur city centre. Strategically located within a stone's throw away from KL Sentral and Bangsar, it has a land area of 51.7 acres and carries a targeted GDV of RM20.2 billion.

**Upcoming Project**

Setia Federal Hill is intended to be developed into an integrated, sustainable, green development, comprising office, retail and residential components. S P Setia is currently reviewing the concept, design and masterplan of the project in order to achieve the highest and best use of the property, while ensuring it is sustainable for society at large. One of the priorities of the masterplan is to preserve the green lung of the development to create an environmentally-friendly environment in line with our long-term sustainability agenda.

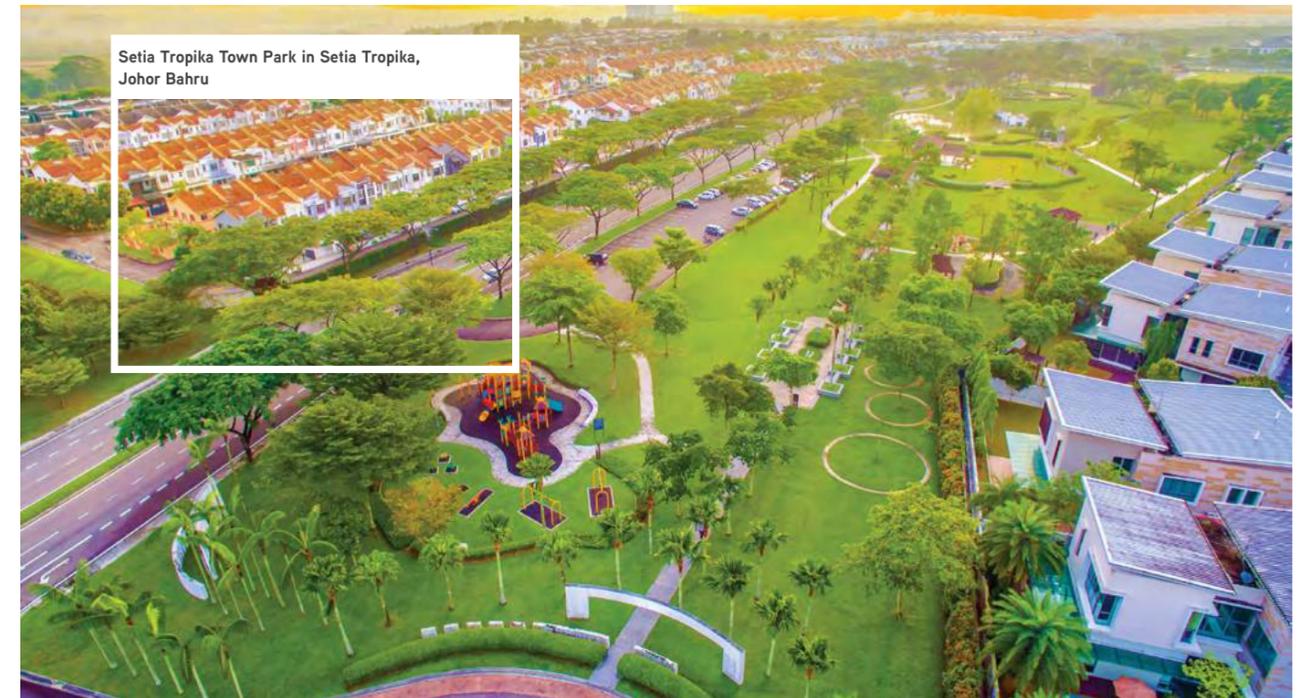


# SOUTHERN REGION

Our developments in the Southern Region are concentrated in Johor Bahru, the state capital of Johor, and Iskandar Malaysia, which is the main southern development corridor in Johor.

At present, we have 1,253 acres of undeveloped land bank, holding a potential GDV of RM12.22 billion, in the region.

Setia Tropika, Johor Bahru



Setia Tropika Town Park in Setia Tropika, Johor Bahru

The township boasts its own Central Business District, featuring a range of retail outlets, eateries, service providers, banks and government offices. The township is interspersed with many pocket parks to create a sustainable living environment. It is easily accessible via North-South Expressway from a designated exit (Exit 255B), the Kempas Interchange, built specially by S P Setia.

## SETIA TROPIKA

Spreads across 732.8 acres, Setia Tropika is a large township located 12km from the Johor Bahru city centre and the Customs, Immigration and Quarantine ("CIQ") checkpoint, and 18km from Senai International Airport.

Since its launch in 2005, this development has evolved into a well-established gated and guarded township, with a targeted total of 4,054 residential units and an integrated commercial component upon completion in 2030.

The township boasts its own Central Business District, featuring a range of retail outlets, eateries, service providers, banks and government offices. The township is interspersed with many pocket parks to create a sustainable living environment. It is easily accessible via North-South Expressway from a designated exit (Exit 255B), the Kempas Interchange, built specially by S P Setia.

PERFORMANCE REVIEW

“Among the special features of this project are their large windows, sliding glass doors and skylight to provide better natural lighting; and beamless design.”

Ongoing Projects

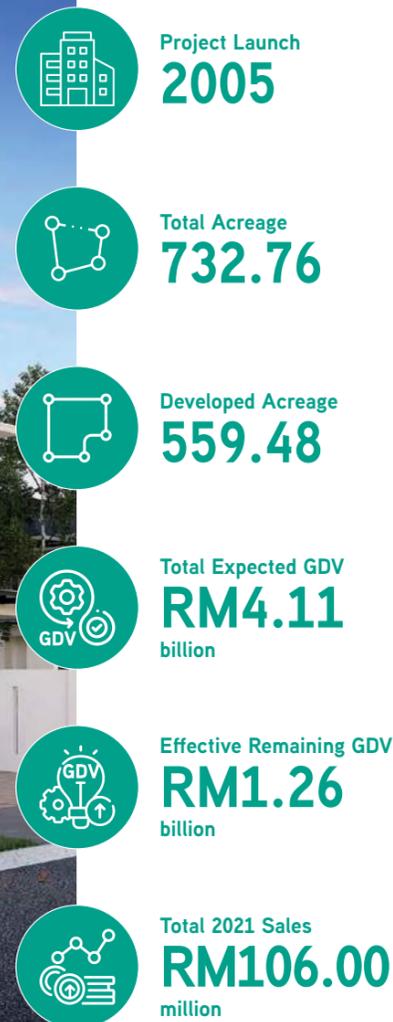
In May, we completed 72 units of double-storey terraced house in Calidora 1. In October, we completed 10 units of three-storey shop office in Livistonia VII.

New Launches

In May, 48 Alocasia double-storey semi-detached houses, each with land measuring 40ft by 90ft and a built-up of 3,005 sq ft, were launched. These four-bedroom houses come with a total GDV of RM63 million.

Among the special features of this project are their large windows, sliding glass doors and skylight to provide better natural lighting; and beamless design.

KEY DEVELOPMENT DATA



Alocasia in Setia Tropika, Johor Bahru



KEY DEVELOPMENT DATA



Artiz in Setia Indah, Johor Bahru



We launched Artiz, comprising 45 units of three-storey shop office with a total GDV of RM89 million, in February. Artiz offers several lot size options, i.e. 22ft by 70ft, 22ft by 75ft, 25ft by 75ft, 26ft by 75ft, 29ft by 70ft and 30ft x 75ft, with built-ups ranging from 4,518 sq ft to 4,848 sq ft.

SETIA INDAH

Located in Mukim Tebrau in the District of Johor Bahru, this idyllic township comes with a signature 18-acre town park that has won the Best Landscape Award. This development focuses on communal activities, with a wide range of convenient amenities within the vicinity. It is easily accessible via the North-South Expressway.

New Launches

We launched Artiz, comprising 45 units of three-storey shop office with a total GDV of RM89 million, in February. Artiz offers several lot size options, i.e. 22ft by 70ft, 22ft by 75ft, 25ft by 75ft, 26ft by 75ft, 29ft by 70ft and 30ft x 75ft, with built-ups ranging from 4,518 sq ft to 4,848 sq ft.

PERFORMANCE REVIEW

In November, we launched Indah Prime, comprising 40 units of three- and four-storey shop office with a total GDV of RM92 million. Each unit comes with a lot size of 22ft by 75ft, with built-up areas of 4,907 sq ft to 10,601 sq ft. The sale of this property is progressing well.

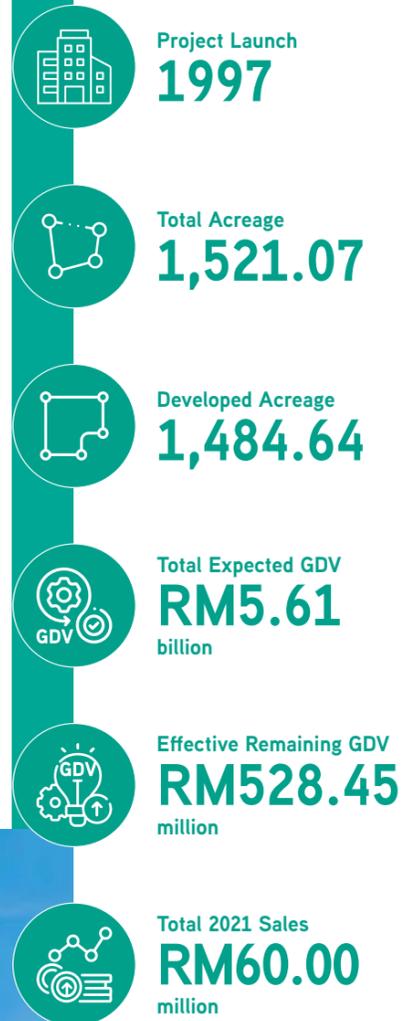
BUKIT INDAH JOHOR

A well-established township, Bukit Indah Johor is located in Iskandar Malaysia. It is one of the most sought-after residential and business addresses in Johor Bahru. The township offers many facilities and amenities such as schools, malls, hypermarkets, hotels and restaurants. It also features an award-winning 20-acre town park. The township is well served by a network of highways, including the Eastern Dispersal Link ("EDL"), Coastal Highway, NSE and Second Link Expressway.

New Launches

In November, we launched Indah Prime, comprising 40 units of three- and four-storey shop office with a total GDV of RM92 million. Each unit comes with a lot size of 22ft by 75ft, with built-up areas of 4,907 sq ft to 10,601 sq ft. The sale of this property is progressing well.

KEY DEVELOPMENT DATA

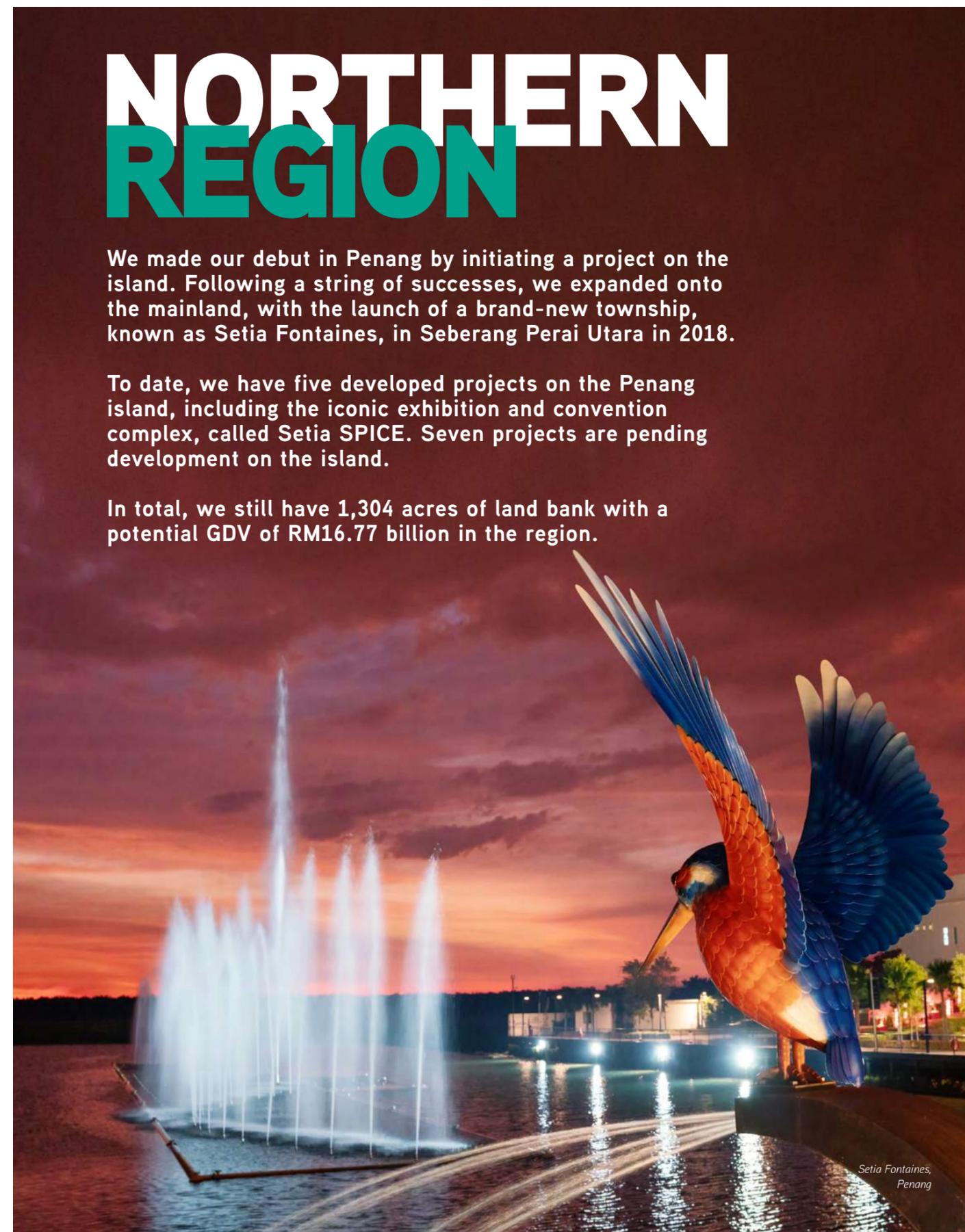


# NORTHERN REGION

We made our debut in Penang by initiating a project on the island. Following a string of successes, we expanded onto the mainland, with the launch of a brand-new township, known as Setia Fontaines, in Seberang Perai Utara in 2018.

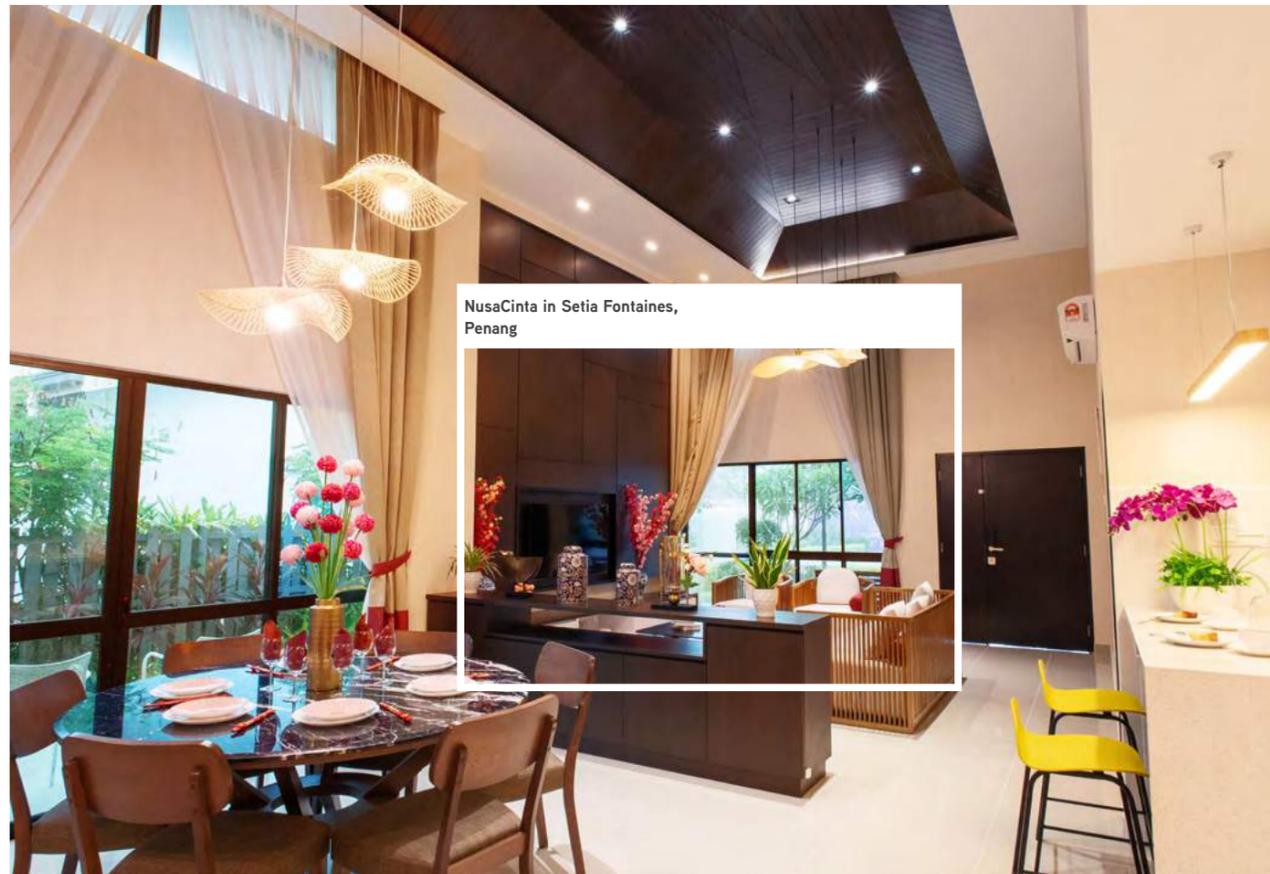
To date, we have five developed projects on the Penang island, including the iconic exhibition and convention complex, called Setia SPICE. Seven projects are pending development on the island.

In total, we still have 1,304 acres of land bank with a potential GDV of RM16.77 billion in the region.



Setia Fontaines, Penang

PERFORMANCE REVIEW



NusaCinta in Setia Fontaines, Penang

Dubbed the “City of the North”, Setia Fontaines is a world-class mega township, masterfully planned for sustainable living.

SETIA FONTAINES

Dubbed the “City of the North”, Setia Fontaines is a world-class mega township, masterfully planned for sustainable living. Spreads across a 1,691-acre freehold land in Kepala Batas on Penang mainland, the township is surrounded by Sungai Petani, Kulim, Bukit Mertajam and Butterworth.

It is easily accessible by major thoroughfares such as the NSE, Butterworth-Kulim Expressway, Butterworth Outer Ring Road, Penang Bridge, Federal Road and the proposed Penang third link.

The township features a 37-acre town park, 63-acre lake, 8.8km waterway, nine heritage-themed fountains and interconnected islands with an integrated jogging path and cycling track.

Upon completion, the commercial component of the township will include, amongst others, office spaces, a trade centre, warehousing for online business, a technology hub, shopping malls, a hotel and an international F&B outlet on the waterfront.

PERFORMANCE REVIEW

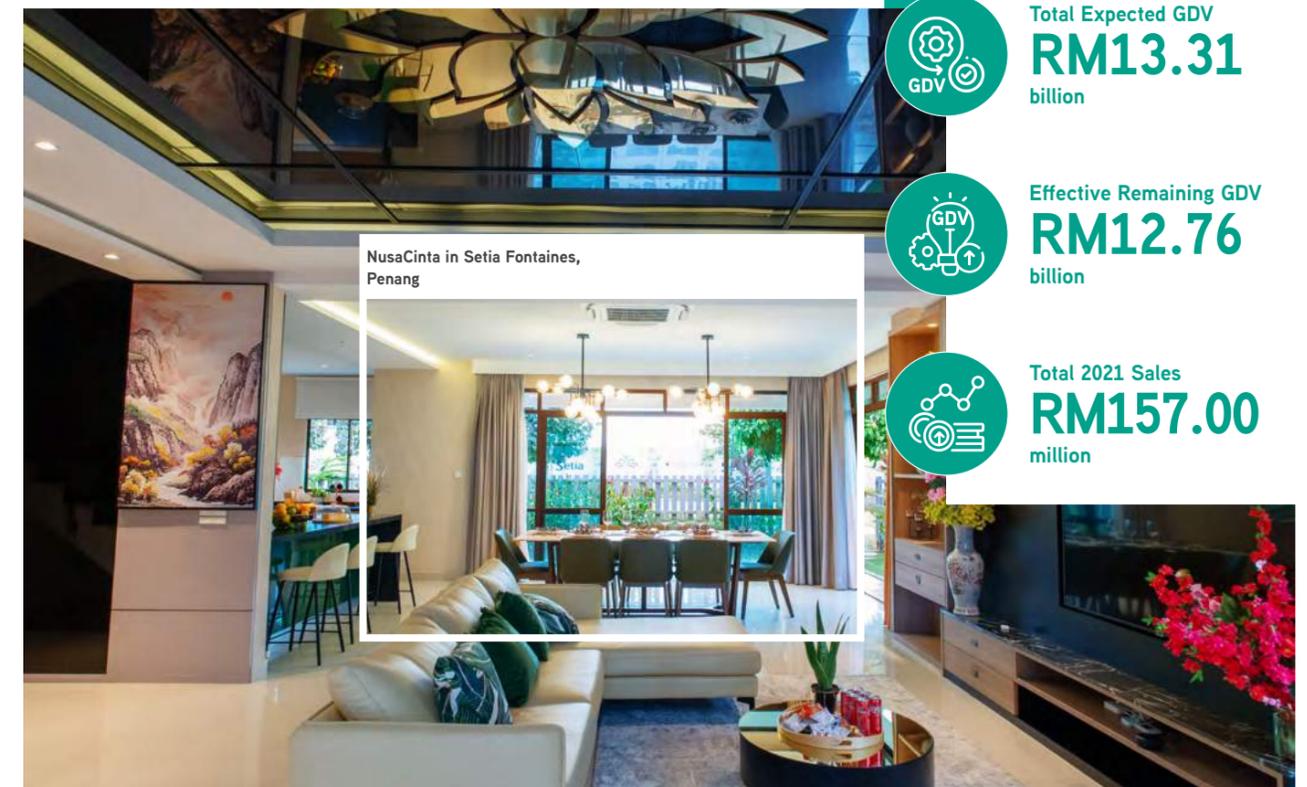
New Launches

In November, we introduced NusaCinta (Phase 2), comprising 116 units of single-storey and double-storey semi-detached house; and single-storey and double-storey bungalow.

Located in the heart of the Setia Fontaines township, this new phase received impressive response, with a take-up rate of 48%.

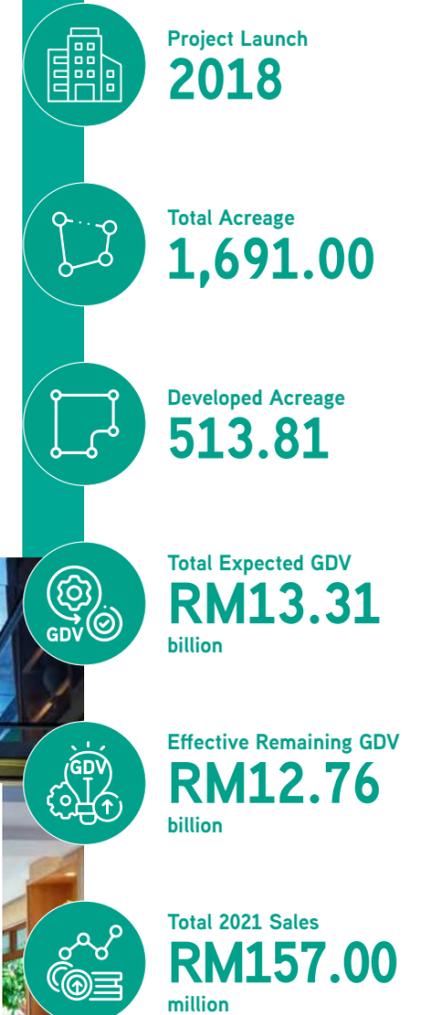
The semi-detached houses stand on 40ft by 80ft plots, with the single-storey units offering built-ups of 1,944 sq ft and three bedrooms, and the double-storey units offering built-ups of 2,759 sq ft.

The bungalows, meanwhile, come with a land area of 50ft by 85ft, with the single-storey units offering built-ups of 2,080 sq ft and 3+1 bedrooms, and the double-storey units offering built-ups of 3,443 sq ft and 4+1 bedrooms.



NusaCinta in Setia Fontaines, Penang

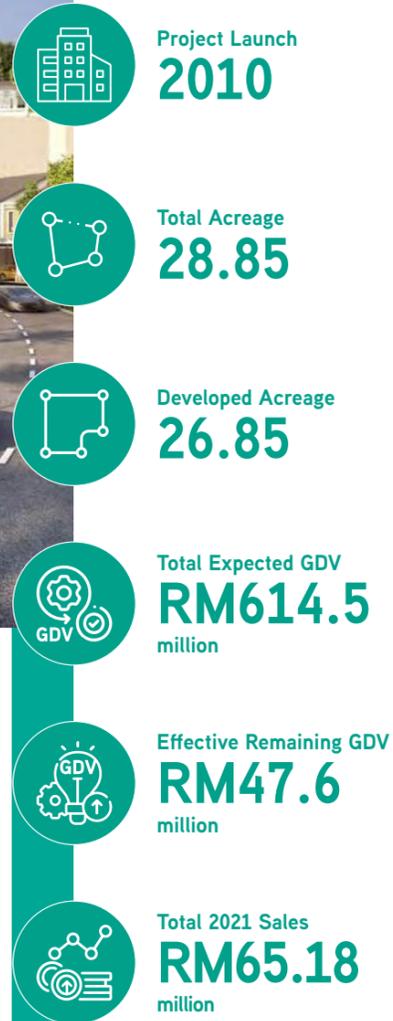
KEY DEVELOPMENT DATA



“Located in the heart of the Setia Fontaines township, this new phase received impressive response, with a take-up rate of 48%.”

PERFORMANCE REVIEW

KEY DEVELOPMENT DATA



We launched Casa Rica, comprising 23 units of two-storey semidetached house and 15 units of three-storey semi-detached house, in December.

SETIA GREENS

This development is located in an established neighbourhood in Sungai Ara, adjacent to the airport town of Bayan Lepas. Various amenities such as schools, kindergartens, malls and healthcare centres are within a short drive.

New Launches

We launched Casa Rica, comprising 23 units of two-storey semidetached house and 15 units of three-storey semi-detached house, in December. Built on high ground, with every unit sitting on different levels of the terrain, this low-density residential enclave offers exclusivity and tranquility.

In total, these 38 semi-detached units, each with land areas of 32ft by 75ft, have a GDV of RM83 million.

The two-storey units come with land size of 32ft by 75ft and built-ups of 2,897 sq ft to 3,046 sq ft, whilst the three-storey units have land size of 32ft by 75ft and built-ups of 3,512 sq ft to 3,573 sq ft.

This phase was well received. All units except for Bumiputra units were taken up.



EASTERN REGION

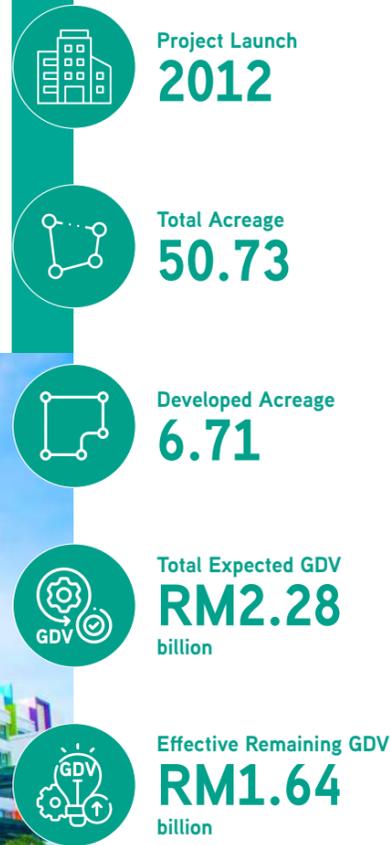
We made our maiden entry into East Malaysia, with the development of Aeropod in Kota Kinabalu in 2012.

Aeropod, Kota Kinabalu, Sabah

PERFORMANCE REVIEW

Located across the Kota Kinabalu International Airport ("KKIA") and encompassing the new Tanjung Aru railway station, Aeropod is a well-planned transit-oriented development that acts as a gateway to the entire Borneo island.

KEY DEVELOPMENT DATA



Aeropod, Kota Kinabalu, Sabah

AEROPOD

Located across the Kota Kinabalu International Airport ("KKIA") and encompassing the new Tanjung Aru railway station, Aeropod is a well-planned transit-oriented development that acts as a gateway to the entire Borneo island.

Upon completion, the development will feature luxury strata residences, boutique offices, retail units and business-class hotels.

There was no new launch in 2021. However, in November, we completed 176 units of retail office in Phase 3a with a GDV of RM248 million.

This phase complements the earlier phase of retail, office and small-office-virtual-office ("SOVO").

The newly completed retail offices come with a space of between 1,211 sq ft and 1,583 sq ft. It is strategically situated off Jalan Kepayan, the busy main road connecting the Kota Kinabalu city centre with the southern growth areas.



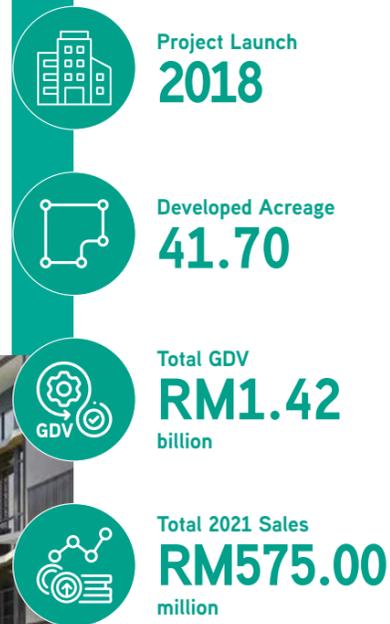
# INTERNATIONAL REGION

S P Setia has a presence in six foreign countries, namely, Singapore, Australia, Vietnam, China, Japan and the United Kingdom. While the Group already has completed developments in most of these countries, its proposed projects in China and Japan remain pending. The delay in part is due to the softening property market and ongoing pandemic.

Battersea Power Station, United Kingdom

Located in central Bukit Timah, it is a low-density residential project, comprising 327 units in 12 blocks of five-storey apartments, all linked by a 330-metre long Tree Top Walk.

KEY DEVELOPMENT DATA



Daintree Residence, Singapore

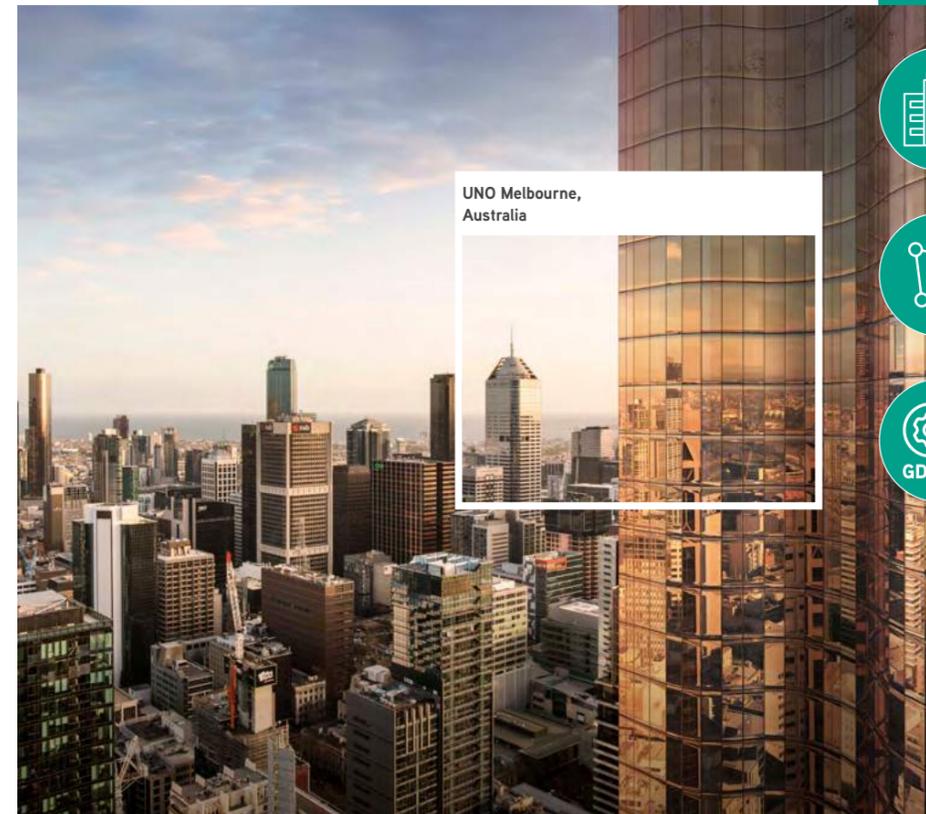
SINGAPORE

S P Setia is in the midst of completing the Daintree Residence, its third development project in Singapore. Located in central Bukit Timah, it is a low-density residential project, comprising 327 units in 12 blocks of five-storey apartments, all linked by a 330-metre long Tree Top Walk.

Upcoming Project

S P Setia is on the lookout for an opportunistic expansion in the republic to continue building our brand presence as well as to facilitate the cross selling of our international investment-grade portfolio.

UNO MELBOURNE



UNO Melbourne, Australia



S P Setia continues to focus on tapping into the ever-growing need for property in Melbourne, which is one of the biggest cities in Australia. It is also one of the most populated cities in the world with 5.16 million people as of 2020 census. Sydney, the capital of New South Wales is another city the Group is exploring given the strong real estate potentials it offers.

AUSTRALIA

S P Setia continues to focus on tapping into the ever-growing need for property in Melbourne, which is one of the biggest cities in Australia. It is also one of the most populated cities in the world with 5.16 million people as of 2020 census. Sydney, the capital of New South Wales is another city the Group is exploring given the strong real estate potentials it offers.

Ongoing Projects

We have two ongoing strata residential projects in Melbourne – UNO Melbourne and Marque Residences.

UNO Melbourne is a high-end condominium project, with 638 units offering built-ups of 549 sq ft to 1,109 sq ft. Located within the Central Business District of Melbourne along the A'Beckett Street, this development was well received, with a take up rate of 90%.

The target completion date is between the second half of 2022 and first quarter of 2023.



MARQUE RESIDENCES

- Project Launch **2018**
- Developed Acreage **0.20**
- Total Expected GDV **RM108.19** million
- Total 2021 Sales **RM26.00** million

MARQUE RESIDENCES is a low-rise eight-storey apartment, comprising 47 units with a built-up area of 760 sq ft. Located in Prahran, an inner suburb of Melbourne, this phase was sold out.

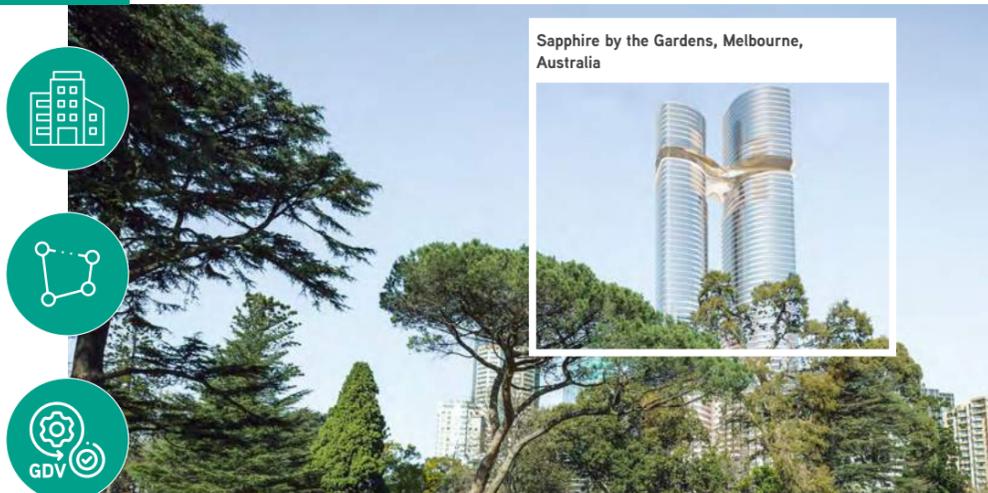
SAPPHIRE BY THE GARDENS

Project Launch **2017**

Total Acreage **1.02**

Total Expected GDV **RM1.27** billion

Total 2021 Sales **RM7.00** million



Sapphire by the Gardens, Melbourne, Australia

SAPPHIRE BY THE GARDENS is an integrated development, comprising residential, retail, office and hotel components. It features two towers, one housing the Shangri-la Melbourne Hotel, and the other housing 347 luxurious apartment units, retail and office space. The project achieved a 97% take-up rate as of year-end.

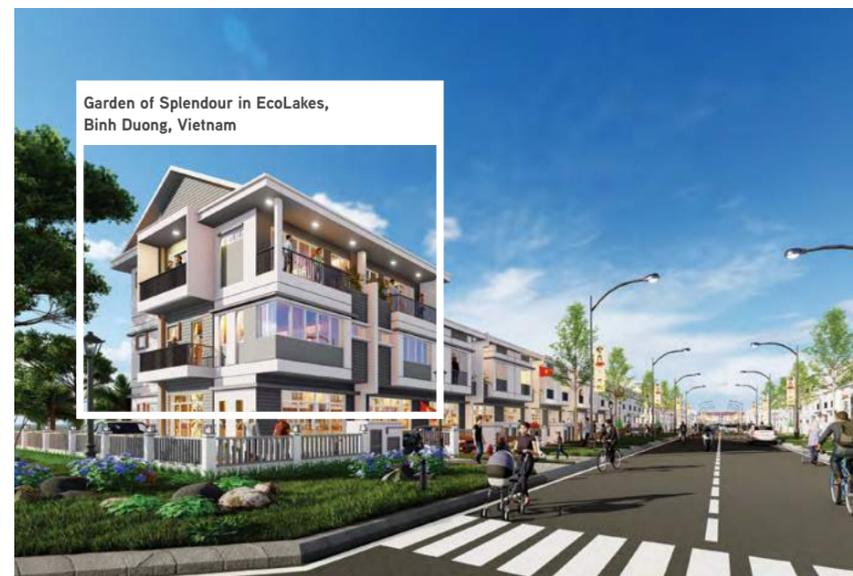
Upcoming Project

Riding on the good market acceptance in Melbourne, S P Setia is considering new acquisitions to grow its land bank in a strategic location in the city.

Being one of the fastest-growing economies in Southeast Asia, Vietnam is a natural attraction to S P Setia.

KEY DEVELOPMENT DATA

- Project Launch **2008**
- Total Acreage **558.46**
- Developed Acreage **80.45**
- Total Expected GDV **RM2.23** billion
- Effective Remaining GDV **RM843.40** million
- Total 2021 Sales **RM45.00** million



Garden of Splendour in EcoLakes, Binh Duong, Vietnam

VIETNAM

Being one of the fastest-growing economies in Southeast Asia, Vietnam is a natural attraction to S P Setia. We ventured into its robust property market, with the development of two projects – the EcoLakes township and EcoXuan boutique strata development. Both have proximity to Ho Chi Minh City.

ECOLAKES

Inspired by the Setia Eco Park development in Selangor, Malaysia, this integrated township serves as an ecological oasis in an urban area. This development, which spans 558.5 acres, is located in Ben Cat, Binh Duong, which is about 40 kilometres to the north of Ho Chi Minh City.

Its unique features include a man-made beach at a lake in its town park. Other components in the township include terraced houses, bungalows, semi-detached houses, apartments and commercial properties comprising a commercial centre, medical centre and schools around a lake.

New Launches

We had three new sales launches at EcoLakes, all of which were well received.

In January, we introduced 110 units of two- and three-storey semi-detached house and villa, with a total GDV of RM102.47 million. Each unit offers a land size of 1,223 sq ft to 1,891 sq ft and built-ups of 2,549 sq ft to 5,594 sq ft. This phase recorded a take-up rate of 99% as of year-end.

In May, we sold a 6.75-acre piece of commercial land for RM44.68 million. This will make way for a shopping mall development.

In October, we launched 223 units of two- and three-storey row house with a GDV of RM114.02 million. Each unit comes with land areas of 1,076 sq ft to 2,197 sq ft and built-ups of 1,343 sq ft to 2,617 sq ft. This phase achieved a 100% take-up rate.

In the same month, we introduced 35 units of shophot with a GDV of RM23.69 million. The units here come with land areas of 884 sq ft to 1,806 sq ft and built-ups of 2,650 sq ft to 3,353 sq ft. This phase also hit a 100% take-up rate.

PERFORMANCE REVIEW

This 27-acre boutique development is located in Lai Thieu, about 16 kilometres to the north of Ho Chi Minh City. It is easily accessible from Ho Chi Minh City via the National Highway 13, or alternatively, via the Phu Long bridge, which connects Lai Thieu to district 12.

ECOXUAN

This 27-acre boutique development is located in Lai Thieu, about 16 kilometres to the north of Ho Chi Minh City. It is easily accessible from Ho Chi Minh City via the National Highway 13, or alternatively, via the Phu Long bridge, which connects Lai Thieu to district 12.

Situated within a developed urban area, this development is surrounded by various facilities and recreational amenities.

There was no new launch in EcoXuan in 2021.

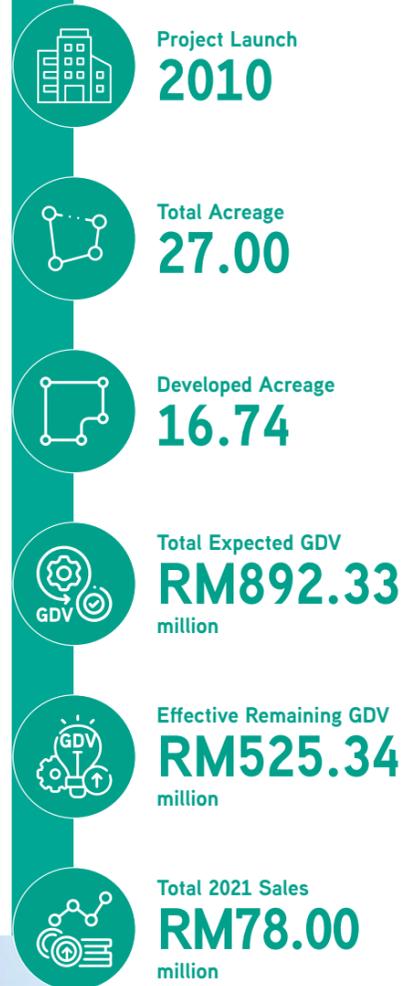
Ongoing Projects

We completed two phases in 2021. This included the 325-unit Sky A apartment, with a GDV of RM76.32 million, which we completed in May. The other was the 26 shophouses in Phase 5 with a GDV of RM41.34 million.



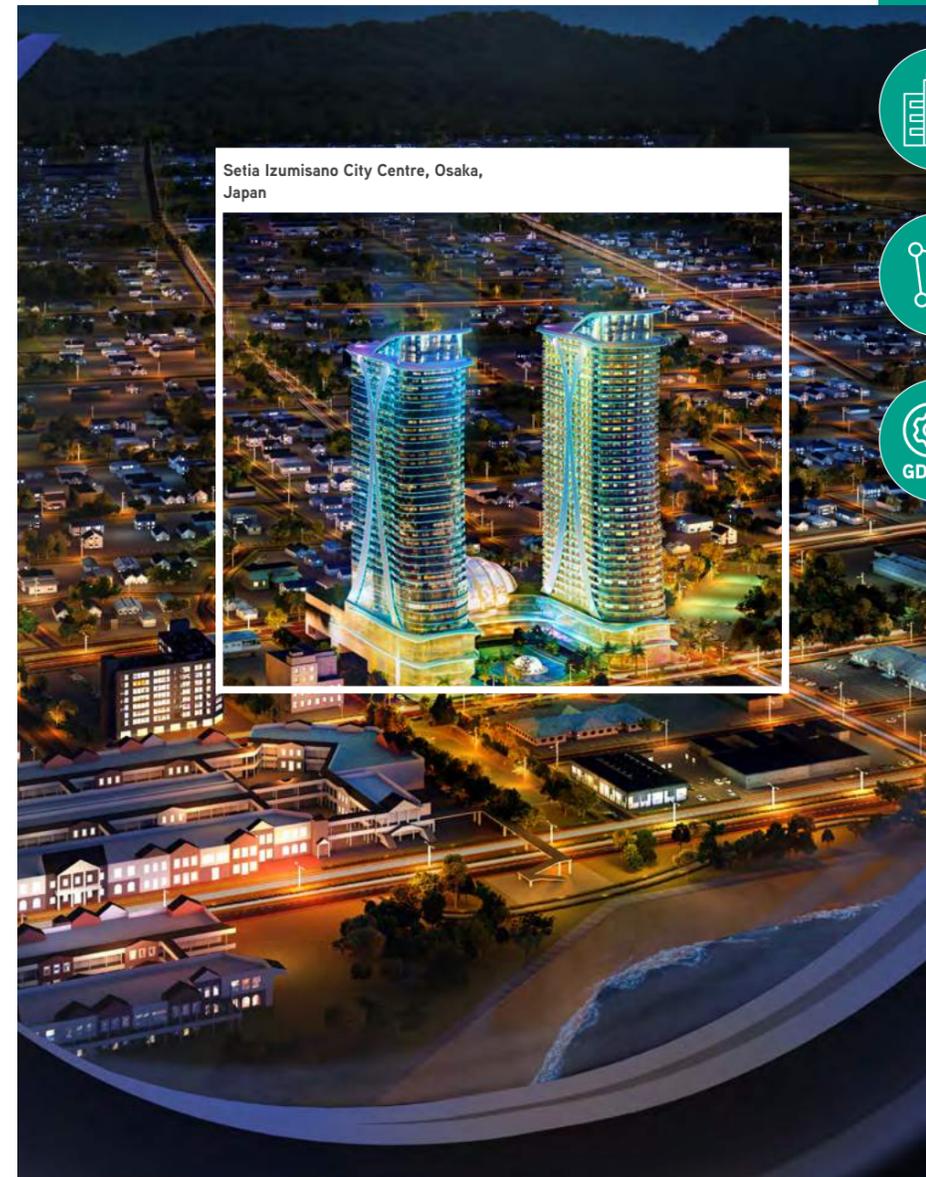
Sky Residences in EcoXuan, Lai Thieu, Vietnam

KEY DEVELOPMENT DATA

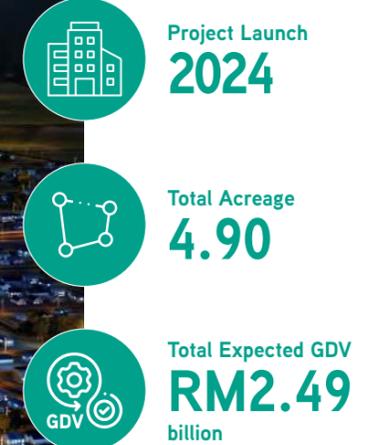


PERFORMANCE REVIEW

SETIA IZUMISANO CITY CENTRE



Setia Izumisano City Centre, Osaka, Japan



JAPAN

SETIA IZUMISANO CITY CENTRE

Setia Izumisano City Centre has been planned as S P Setia's maiden project in Japan. This 4.9-acre proposed mixed development is located near Kansai International Airport.

Upon completion, it would comprise high-rise apartments; a hotel; a convention centre; office space; retail units; and a community and medical care unit with a total GDV estimated at RM2.49 billion.

This project is to be developed over seven years. In view of the prolonged COVID-19 pandemic, the initial launch of the development was postponed to 2024 to allow for more clarity on the economy.

Setia Izumisano City Centre has been planned as S P Setia's maiden project in Japan. This 4.9-acre proposed mixed development is located near Kansai International Airport.



Battersea Power Station, London, United Kingdom

The development - which boasts an 18-acre public space, including a six-acre public park and a town square known as Malaysia Square - offers 3.5 million sq ft of mixed commercial space and more than 4,000 residential units.

UNITED KINGDOM

BATTERSEA POWER STATION

Located on the south bank of the River Thames in the Central Business District, this mixed-development has turned into an iconic landmark in the city of London. It is a joint-venture mega project by S P Setia, together with Sime Darby Property Berhad and the Employees Provident Fund ("EPF").

The development - which boasts an 18-acre public space, including a six-acre public park and a town square known as Malaysia Square - offers 3.5 million sq ft of mixed commercial space and more than 4,000 residential units.

The development saw its Phase 1, named Circus West Village, open in 2017. Its commercial components, comprising shops, restaurants, cafes and office spaces, are presently doing well, with 97.5% occupancy rate.

They are also witnessing strong footfall and turnover. Among the prominent occupants are Apple Inc, which will set up its new UK headquarters here, and No. 18, a cosmopolitan members club for businesses. The residential portion of Phase 1 is fully sold.

**"This phase features a six-acre Power Station Park, 18,500-sq-ft food hall, 500,000 sq ft of office space, more than 100 new shops, a cinema, and versatile spaces to hold events."**

We completed Phase 2, i.e. the Power Station, in 2021. This phase comprises 256 apartment units, with a total GDV of RM3.81 billion. It offers a selection of studios; two-, three- and four-bedroom units, with sizes ranging from 400 sq ft up to 6,600 sq ft. The take-up rate stood at 72%, with sales momentum still going strong.

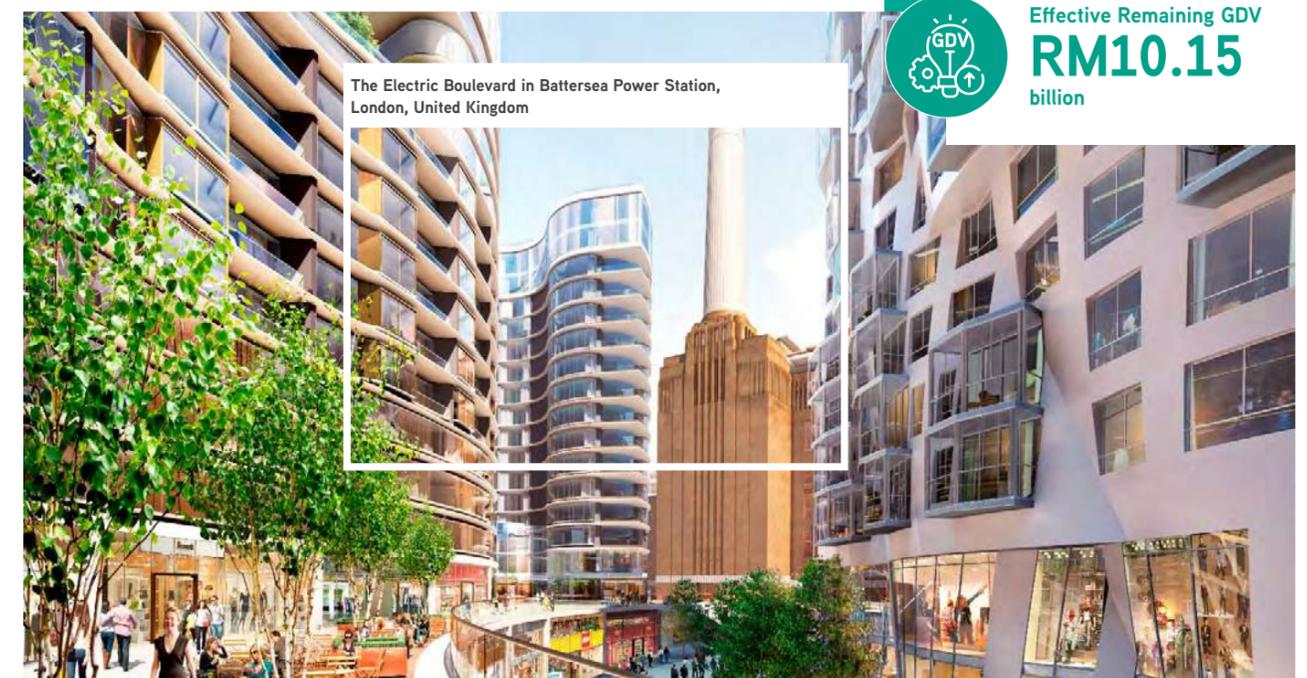
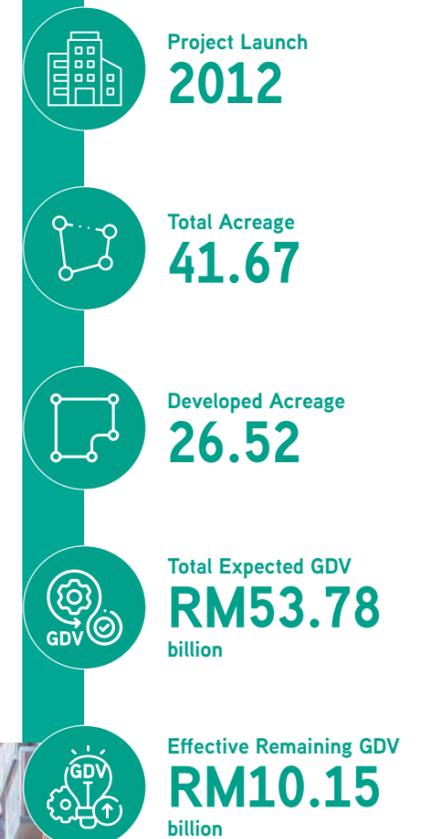
This phase features a six-acre Power Station Park, 18,500-sq-ft food hall, 500,000 sq ft of office space, more than 100 new shops, a cinema, and versatile spaces to hold events.

Phase 3a, called The Electric Boulevard, is under construction. This phase, which will offer residential units; 50 new shops, restaurants and cafes; a park; a community hub, had already secured a take-up rate of 92%. The sales momentum remains positive for Phase 3a.

The BPS development is easily accessible via public transport. the NLE between Kennington and Battersea was opened to the public in September. It marks the first major Tube extension this century, and it plays a vital role in regenerating the Vauxhall, Nine Elms and Battersea areas.

Interest in BPS has been picking up, as development of the project progresses. Given the improving property market outlook in London and the surrounding catalysts of the project, we are revising the plan for subsequent phases at BPS to have higher plot ratios in order to cater for the pent-up demand.

BATTERSEA POWER STATION



The Electric Boulevard in Battersea Power Station, London, United Kingdom

## SUSTAINABILITY STATEMENT

S P Setia is at the forefront in the property industry, holding steadfast to its 'livelearnworkplay' development philosophy. Our ability to connect communities, create ecological features and sustainable living environments that enrich the lives of our residents has made the Setia brand synonymous with strength, reliability and value.

S P Setia has an extensive presence in Malaysia and a strong presence in six (6) countries, where our vision of sustainability seeks to create long-term value for our stakeholders. S P Setia is committed to its sustainability journey. We consider our Economic, Environmental, Social ("EES") and governance factors into all aspect of business to ensure our action is impactful to our stakeholders.

This Sustainability Statement (the "Statement") presents our sustainability journey, and details how we manage stakeholders' expectations, ranging from disclosure of our sustainability governance structure, and what we consider material to our performance data and related information from 1 January 2021 to 31 December 2021.

### Framework application

Our sustainability framework and standards are in accordance with the following guidance and frameworks:

- Bursa Securities Sustainability Listing Requirements;
- Bursa Securities' Sustainability Reporting Guide (2nd edition); and
- Malaysia Code of Corporate Governance (Revised April 2021).

We adopt international practices and aspire to achieve compliance with the following international sustainability frameworks:

- Global Reporting Initiative ("GRI");
- United Nations Sustainable Development Goals ("UNSDGs"); and
- Global Real Estate Sustainability Benchmark ("GRESB").

### Reporting scope, content and boundary

The information and the data in this statement refer to S P Setia and its active ongoing projects within Malaysia, Singapore, Vietnam, and Australia, unless otherwise stated. The 'RM' sign used in this report refers to Ringgit Malaysia which is also the functional currency. The content of this Report has been reviewed by S P Setia's Board and Management level Committee to determine relevance to the Group's business to ensure that current and material issues are addressed.

The sustainability objectives, strategies and action plans established in the coming years would take into consideration these global sustainability practices. This is further explained in "Our Sustainability Journey" section below. Data disclosed in this statement are compiled and consolidated at the Group's level via central data management.

### Feedback

Stakeholders' feedback is important to us. We welcome any feedback on this Statement and any aspect of our sustainability performance. Please address all feedback to our Management Risk Team at [groupriskmanagement@spsetia.com](mailto:groupriskmanagement@spsetia.com).



# SUSTAINABILITY STATEMENT

## OUR SUSTAINABILITY JOURNEY

### The Milestones

S P Setia is continuously enhancing its sustainability approach based on best practices in addressing the material EES matters Groupwide. Culture embedment is crucial to ensure effective implementation of our initiatives in achieving our sustainability goals. In FY2021, we conducted 53 sustainability workshops involving 225 participants from Team Setia.

Moving forward, we are looking into full integration of business strategies, risk management, relevant Key Performance Indicators (“KPIs”), to ensure achievement of UNSDGs. Monitoring on sustainability initiatives and sustainability awareness shall be continued to enhance culture embedment and achieve sustainability excellence.

### 2021 HIGHLIGHTS

We initiated various programmes and actions to achieve our sustainability objectives. Key highlights of our achievements include:

Legend: ● Economic ● Environmental ● Social

Spent <b>RM740 million</b> for development of affordable housing projects with <b>5,943 units</b> of completed affordable houses as at financial year ended 31 December 2021.	Received the <b>EdgeProp – ILAM Malaysia’s Sustainable Landscape Awards 2021</b> for Setia Eco Templer and Silver for the Commercial (Low-Rise) category of the PAM Awards 2021 for D’Network @ Setia Eco Park	Spent <b>RM678 million</b> in year 2021 on providing various infrastructure in our projects, including maintenance of road work and landscape.
Continuous awareness on Anti-Bribery and Anti-Corruption via <b>17 corruption risk assessment workshops, 4,655 emails to business associates as at 31 December 2021, 628 business associates signed-off the Setia Integrity Pledge.</b>	Engaged ecologists to conduct ecological studies at <b>Setia Bayuemas Lake</b> with the aim to promote resilient and sustainable environments for the township and its community.	
Completed installation of <b>156 units solar PV</b> rooftop at <b>Setia EcoHill Walk</b> which is known as first solar panel hybrid commercial hub in Semenyih.	A total of <b>347,512</b> trees planted and transplanted across 25 business units.	Pioneer property developer who completed <b>4 solar hybrid</b> commercial hubs and convention centres.
We provided 6 venues as Vaccination Centres for National COVID-19 Immunisation Programme. More than <b>1.3 million</b> doses of vaccine were administered in our vaccination centres.	Awarded <b>Gold Winner for Excellence in Women Empowerment Strategy</b> at Human Resources Excellence Award 2021 for the promotion of women in key management position.	Launched <b>#Setia4Malaysia</b> campaign to highlight the importance of kindness, support the communities in need and engage Team Setia at home.
Spent <b>RM2.72 million</b> on COVID-19 initiatives comprised of COVID-19 test kits, employees health and hygiene supplies, food supply aid, vaccination centres and workplace hygiene.	Spent <b>RM1.05 million</b> under Setia Caring School Programme.	<b>31,508</b> manhours participated training and development programme.
	Spent <b>RM257,196</b> for flood assistance to communities and employees.	

# SUSTAINABILITY STATEMENT

## GOALS AND PROGRESS

S P Setia recognises that sustainability management is a continuous process and strives to refine its goals and performance indicators as we go along this journey. Our achievement in FY 2021 exceeded our established performance targets as shown below.

SUSTAINABILITY AGENDA	SUSTAINABILITY PRINCIPLE	STRATEGIES / ACTIVITIES	PERFORMANCE INDICATORS	TARGETS	ACTUAL ACHIEVEMENT FOR FY2021
Products & Services	Delivering quality products	<ul style="list-style-type: none"> <li>Customer satisfaction – low defects claim</li> </ul>	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 80 / 100</li> </ul>	<ul style="list-style-type: none"> <li>73% (2020 – 79%)</li> </ul>
Economic Growth & Benefits		<ul style="list-style-type: none"> <li>Close working relationship with suppliers, vendors and business associates</li> </ul>	<ul style="list-style-type: none"> <li>Contractors’ quality excellence such as In-Process Construction Quality and Construction Performance Assessment</li> </ul>	<ul style="list-style-type: none"> <li>ICQ: &gt; 75%</li> <li>CPA: &gt; 75%</li> </ul>	<ul style="list-style-type: none"> <li>ICQ: 83% (2020 – 82%)</li> <li>CPA: 79% (2020 – 77%)</li> </ul>
Climate Change	Environmental-friendly developments	<ul style="list-style-type: none"> <li>Introduce pioneering green and sustainable projects</li> <li>Community and people consideration</li> </ul>	<ul style="list-style-type: none"> <li>Awards and recognitions</li> <li>Green certification</li> </ul>	<ul style="list-style-type: none"> <li>At least 10 awards and recognition</li> <li>At least 1 green certification for each upcoming project</li> </ul>	<ul style="list-style-type: none"> <li>3 awards and recognitions received (2020 – 10 awards)</li> <li>No new green certification due to projects are still on-going (2020 – 5 certifications)</li> <li>Completed 4th solar hybrid commercial hub – Setia EcoHill Walk @ Setia EcoHill</li> </ul>
Biodiversity Energy & Water			<ul style="list-style-type: none"> <li>No. of birds, vegetation and other species</li> </ul>	<ul style="list-style-type: none"> <li>Increasing number as compared to previous year</li> </ul>	<ul style="list-style-type: none"> <li>Status Quo (No research was carried out for the year)</li> </ul>
Anti-Corruption	Maintain high integrity culture	<ul style="list-style-type: none"> <li>Zero tolerance for corruption and bribery</li> <li>Continuous education and awareness sessions</li> </ul>	<ul style="list-style-type: none"> <li>No. of proven bribery and corruption related cases</li> </ul>	<ul style="list-style-type: none"> <li>Zero cases</li> </ul>	<ul style="list-style-type: none"> <li>Zero proven bribery and corruption related cases reported as at 31 December 2021 (2020 – 0)</li> </ul>
Human Capital	Retaining talent	<ul style="list-style-type: none"> <li>Employee performance and retention</li> <li>Conducive working environment</li> </ul>	<ul style="list-style-type: none"> <li>Employee survey on happiness rating</li> <li>Low employee turnover</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 80 / 100</li> <li>Single digit rate</li> </ul>	<ul style="list-style-type: none"> <li>85% (2020 – 81%)</li> <li>9.91% employee turnover (2020 – 6.66%)</li> </ul>
	Diversity Appreciation	<ul style="list-style-type: none"> <li>Ensuring equal opportunities and eliminate discrimination</li> </ul>	<ul style="list-style-type: none"> <li>Gender Diversity: Male to Female ratio</li> </ul>	<ul style="list-style-type: none"> <li>M / F : 55:45</li> </ul>	<ul style="list-style-type: none"> <li>56:44 (2020 – 57:43)</li> </ul>
Community Engagement	Creating communities	<ul style="list-style-type: none"> <li>Accessible developments – infrastructure accessibility such as roads and public transportation access</li> <li>Green leisure developments such as parks and gardens</li> <li>Excellent features, amenities and facilities</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of development allocated to green spaces and amenities</li> </ul>	<ul style="list-style-type: none"> <li>&gt; 10%</li> </ul>	<ul style="list-style-type: none"> <li>More than 10% of developments allocated to green spaces and amenities for our Eco-series projects</li> </ul>
Health & Safety Security	Providing safe and conducive working environment	<ul style="list-style-type: none"> <li>Zero major incidents</li> </ul>	<ul style="list-style-type: none"> <li>No. of major incident</li> </ul>	<ul style="list-style-type: none"> <li>Zero</li> </ul>	<ul style="list-style-type: none"> <li>Zero major incidents reported (2020 – 0)</li> </ul>

# SUSTAINABILITY STATEMENT

## SUSTAINABILITY GOVERNANCE

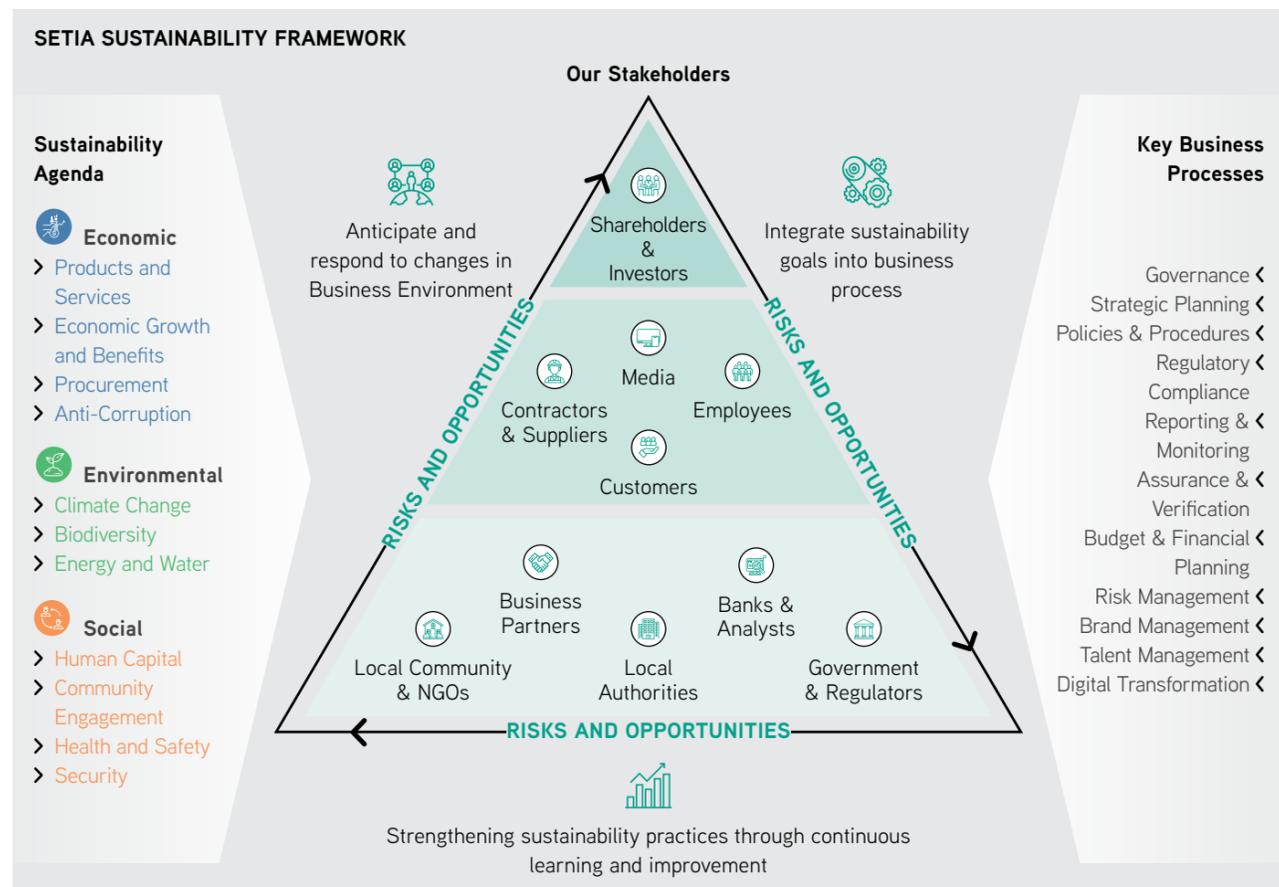
### Sustainability Framework and Policy

We believe high standards of corporate governance form a strong basis for safeguarding shareholders' interests. The Board has a stewardship responsibility to understand the material sustainability matters, provide guidance on dealing with these matters to ensure they are managed proactively in a structured and consistent manner.

Please refer to page 173 for Sustainability Governance Structure.

Our sustainability framework, which was established last year, provides the overarching principles of our sustainability practices within the Group. The framework encompasses three (3) i.e. Sustainability Agenda, Our Stakeholders and Key Business Processes.

The framework encompasses three (3) pillars i.e. Sustainability Agenda, Our Stakeholders and Key Business Processes.



The Board has approved and adopted the Sustainability Policies for the Group which include:

- To integrate sustainability management into the culture, business activities and decision-making processes.
- To anticipate and respond to the changing economic, environmental, social and governance landscape and requirement proactively.
- To manage sustainability matters pragmatically to an acceptable level given the circumstances of each situation.
- To implement a robust Sustainability Framework that is aligned with S P Setia Group's strategic and sustainability objectives and in accordance with best practices.
- To continuously strive towards strengthening the sustainability management practices through continuous learning and improvement.

# SUSTAINABILITY STATEMENT

## Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs

Based on our Sustainability Agenda, S P Setia identified its EES material matters as outlined in the GRI standards based on the level of importance to stakeholders and S P Setia whilst taking into consideration the financial and non-financial impact.

The UNSDGs are a set of universal goals to address the world's biggest challenge by 2030. By embracing the UNSDGs, S P Setia is demonstrating our willingness to do our part to create a sustainable

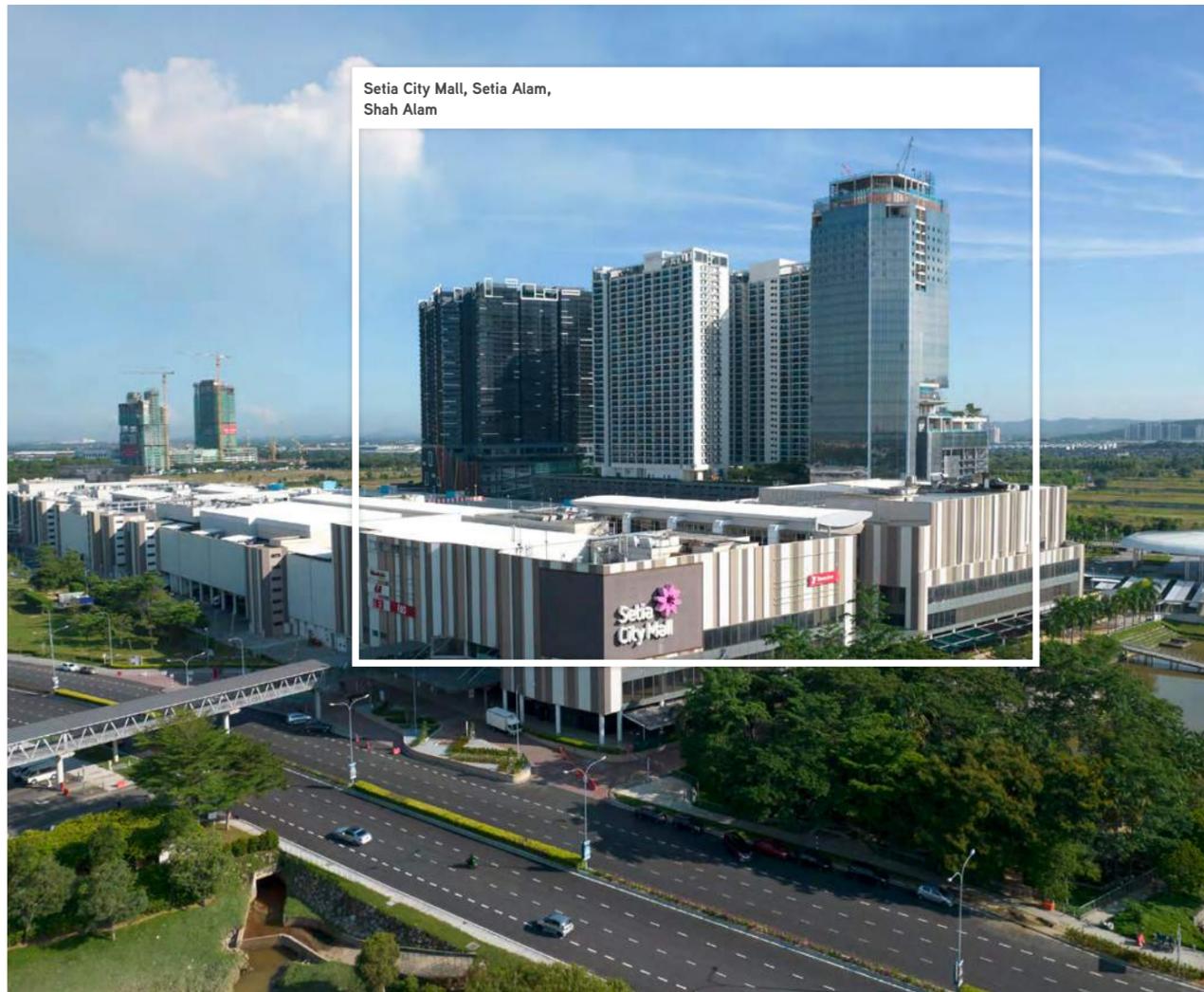
future for the next generation. Of the seventeen (17) goals outlined in UNSDGs, we focus on goals in which we believe we can better achieve. This is determined through a materiality assessment and stakeholder engagements.

Please refer to page 32 to 37 for materiality and page 188 to 191 for stakeholder engagement.

The table below shows the alignment of our Sustainability Agenda to GRI indicators and UNSDGs:

SUSTAINABILITY AGENDA	GRI MATERIAL MATTERS	UNSDGS
<b>ECONOMIC</b>		
<b>Products and Services</b>	<ul style="list-style-type: none"> <li>GRI 416: Product and Customer Service Quality</li> <li>GRI 418: Customer Privacy</li> </ul>	
<b>Economic Growth and Benefits</b>	<ul style="list-style-type: none"> <li>GRI 201: Economic Performance</li> <li>GRI 203: Indirect Economic Impacts</li> </ul>	
<b>Procurement</b>	<ul style="list-style-type: none"> <li>GRI 204: Procurement practices</li> </ul>	
<b>Anti-Corruption</b>	<ul style="list-style-type: none"> <li>GRI 205: Anti-corruption</li> </ul>	
<b>ENVIRONMENTAL</b>		
<b>Climate Change</b>	<ul style="list-style-type: none"> <li>GRI 305: Emission &amp; Climate Change</li> <li>GRI 301: Materials</li> <li>GRI 306: Effluent &amp; Waste</li> </ul>	
<b>Biodiversity</b>	<ul style="list-style-type: none"> <li>GRI 304: Biodiversity</li> <li>GRI 307: Environmental compliance</li> </ul>	
<b>Energy and Water</b>	<ul style="list-style-type: none"> <li>GRI 302 and GRI 303: Natural resources</li> </ul>	
<b>SOCIAL</b>		
<b>Human Capital</b>	<ul style="list-style-type: none"> <li>GRI 401, GRI 404, GRI 405: Employment<sup>1</sup></li> <li>GRI 402: Labour Management</li> </ul>	
<b>Community Engagement</b>	<ul style="list-style-type: none"> <li>GRI 413: Local Communities</li> </ul>	
<b>Health and Safety</b>	<ul style="list-style-type: none"> <li>GRI 403: Occupational Health and Safety</li> </ul>	
<b>Security</b>	<ul style="list-style-type: none"> <li>GRI 410: Security Practices</li> </ul>	

Note:  
<sup>1</sup> Employment includes employee engagement, training and education, diversity and equal opportunity



Setia City Mall, Setia Alam, Shah Alam

# ECONOMIC

S P Setia, as a leading property developer in Malaysia, seeks to create economic value within all our developments, by delivering products of excellent quality to our customers without compromising environmental and social sustainability.

## A Economic Growth & Benefits

### Economic Performance

Although economic and travel restrictions imposed in the first half of FY2021 were extended, the Group managed to generate strong sales performance due to the positive demand and high take-up rates of new launches of residential properties. We stayed resilient through new launches, clearing of unsold stocks, strengthening of our capital structure, optimisation of land bank utilisation, relaunch / rebranding of townships and extension of our existing townships.

In FY2021, we focused on several areas including acceleration of our Digital Transformation journey, embracing the sustainability agenda and increasing the use of IBS for both landed and high rise properties. We were also constantly optimising the welfare of our employees, workers, and community members through engagement activities and providing support to Team Setia to persistently grow, do better and strive to succeed by delivering the best.

Regular meetings were conducted throughout the year to closely monitor our financial performance, budgets and forecasts to gain actual insights and allow us to make real-time decisions to achieve our performance targets.

### Infrastructure Investment

In supporting our nation's growth, we continue to house our communities through the development of affordable homes in Setia's townships. These amounted to projects worth RM 0.74 billion as of financial year ended 31 December 2021, which included our RSKU, De Cendana project. Our Bandar Setia Alam affordable housing development was completed in FY2021 and benefited 2,568 residents.

Our Team Setia strives to develop affordable housing in Malaysia in order to elevate the community's life values, address inequalities, enhance social connection and increase job opportunities.

Total  
**RM740.19 million**  
**5,943 units**

### Bandar Setia Alam

RSKU Type B, De Cendana:  
**RM72.50 million**  
Units: **624**  
Completion Year: **2021**

Semarak:  
**RM26.00 million**  
Units: **449**  
Completion Year: **2009**

RSKU Type C, De Palma:  
**RM115.80 million**  
Units: **730**  
Completion Year: **2018**

Seroja:  
**RM55.60 million**  
Units: **725**  
Completion Year: **2013**

RSKU Type C, De Kiara:  
**RM119.70 million**  
Units: **737**  
Completion Year: **2018**

Sentosa:  
**RM55.50 million**  
Units: **550**  
Completion Year: **2016**

RSKU Type C, De Bayu:  
**RM124.60 million**  
Units: **723**  
Completion Year: **2019**

### Setia Eco Gardens

Rumah Mampu Milik ("RMM") Phase 1 (Eko Impiana):  
**RM54.76 million**  
Units: **383**

Completion Year: **2015**

### Setia Eco Hill

RSKU Type B, D'Kristal:  
**RM69.76 million**  
Units: **670**  
Completion Year: **2020**

RMM Phase 2 (Eko Inara and Eko Amanee):  
**RM45.97 million**  
Units: **352**

Completion Year: **2018**

## SUSTAINABILITY STATEMENT

In spite of the extension of the MCO beyond the first half-year 2021, we remained dedicated to improving our communities' quality of life through the completion of infrastructure developments which amounted to RM 678.24 million (2020: RM 174 million), an increase of more than 50% of the infrastructure investment against FY 2021.



### Bandar Setia Alam

Infrastructure Investment:  
**Resurfacing the main and ring road within Setia Alam**  
Amount:  
**RM9.28 million**

Infrastructure Investment:  
**Additional planting (scrutcher) softscapes and hardscape in Setia City at Precinct 1**  
Amount:  
**RM1.34 million**

### Setia Bayuemas

Infrastructure Investment:  
**Landscape Works at Bayuemas Lake**  
Amount:  
**RM1.99 million**

### Setia City Mall

Infrastructure Investment:  
**Extension of 500,000 sq ft of retail spaces**  
Amount:  
**RM410 million**

### Setia Eco Templer

Infrastructure Investment:  
**Interchange and related works at Jalan Ipoh-Rawang to SET development**  
Amount:  
**RM26.46 million**

### Setia EcoHill

Infrastructure Investment:  
**Setia EcoHill Walk**  
Amount:  
**RM215.00 million**

Infrastructure Investment:  
**Road Repairing & Laying Course Works for Part of Jalan EcoHill & Service Access to IPS at Precinct 1**  
Amount:  
**RM0.83 million**

### Setia Warisan Tropika

Infrastructure Investment:  
**Road & drain to clubhouse & show unit**  
Amount:  
**RM3.97 million**

Infrastructure Investment:  
**Landscape at central lake**  
Amount:  
**RM1.37 million**

We successfully completed Setia EcoHill Walk known as the largest integrated development in Kajang-Semenyih Corridor. The 17.5-acre Setia EcoHill Walk is strategically located within South of Klang Valley and easily accessible via the Cheras-Kajang Expressway, SKVE (through SILK Highway) and LEKAS. It comprises a neighbourhood mall, serviced apartment units as well as strata shops and offices that were set to bring a new level of business and leisure opportunities to the up-and-coming Kajang-Semenyih Corridor.

The building was designed and ready for a variety of businesses. It has the potential to be a one-stop shopping destination in the Kajang-Semenyih Corridor. We are delighted to bring the community an entertainment avenue with the first cineplex in Semenyih as an aspiration to nurture networks of community with many activities covering both managing and attending screening events. Setia EcoHill Walk is equipped with the layout of a 10-foot-wide retail corridor for product promotion or alfresco dining. The generous shop units were designed to provide customer rapport with the resources offered by our retail tenants and support the retailers by giving spacious places to enable promotional activities and generate revenue. Office units in Setia EcoHill Walk were developed to enrich the community's wellbeing and its connectivity with the mall and retail shops is expected to boost the local economy.

We completed our major amenities project which is the extension of Setia City Mall with a total cost of RM 410 million. The extension allows us to create an extra 500,000 sq ft of retail spaces that will enhance Bandar Setia Alam's residential and neighborhood areas. The extension of Setia City Mall will also indirectly contribute to the economy through the creation of new job opportunities.

Apart from our integrated development offering, we resurfaced and repaired roads in our townships including Bandar Setia Alam and Setia EcoHill to maintain and enhance the mobility experience of our communities. Given Malaysia's weather patterns that are more likely to produce frequent heavy rainfall, we developed a well managed system of drainage for Setia Warisan Tropika's clubhouse and its show unit to prevent water accumulation and reduce soil erosion.

## SUSTAINABILITY STATEMENT



The Setia EcoHill Walk integrated development comprises a lifestyle oriented neighbourhood mall, serviced apartment units, spacious strata shops and 24-hour security offices

### B Products and Services

#### Delivering Quality Product

Upholding the Group's mission to provide superior customer service and to satisfy customer needs through a culture of excellence, our Team Setia endeavours to deliver high-quality sustainable products to our customers.

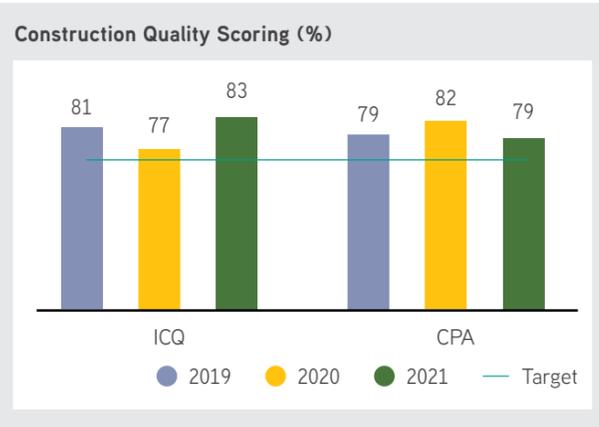
To demonstrate our commitment in delivering quality products, our framework follows the Quality Assessment System in Construction ("QLASSIC") which is a standard from the Construction Industry Development Board ("CIDB"). The QLASSIC allowed our project team to benchmark the quality of workmanship of the construction project, enabling us to use a standard quality assessment system to monitor the workmanship of construction works and assisting us to strengthen the quality control in our construction works.

In addition to monitoring the construction works via periodic progress reports issued by contractors, the Group Quality Management undertakes further initiatives to closely monitor product quality performance through ICQ and CPA via regular site audits. The ICQ assessment is a bi-monthly measurement of in-process construction product quality of building projects according to S P Setia's Quality Standard and specification.

A minimum score of 75% CPA is required by the contractors to obtain the Certificate Practical Completion. The CPA is an assessment of the quality level achieved in the architectural work of a completed project based on S P Setia's Quality Standard. Subsequent to the assessment, the results will be communicated to the respective contractors providing them an avenue for improvement.

During the year, our property development projects managed to obtain an average score of more than 75% for both ICQ and CPA.

SUSTAINABILITY STATEMENT



The Group's construction arm, Setia-Wood Industries Sdn Bhd, received certification from the Programme for the Endorsement of Forest Certification Schemes ("PEFC") under the category of COC in FY2017. This paved way for the development of procedures for purchasing, tracking, manufacturing, sales and recordkeeping of certified materials. We are required to meet the high standards and requirements set by the PEFC.

Quality Commitment

Our objective is to consistently meet and exceed every customer's needs by providing exceptional customer service and product quality. To achieve this objective, we encourage a culture of excellence by instilling in each and every employee a strong sense of commitment to quality, teamwork, and professionalism. We portrayed our

commitment on ensuring products and services quality through certification granted by SIRIM for ISO 9001 Quality Management System ("QMS").

Since FY2018, we have established a TEC with the objective to improve product quality and continue product innovation in delivering quality housing developments. We focused on technology and innovation for the future, as well as knowledge of all aspects of the latest construction techniques and processes, paying attention to detail to ensure delivery of the best quality products and the ability to foresee and eliminate issues promptly.

TEC is led by an EVP and comprises leaders from Contracts Administration, Project Planning & Development, Project Implementation, Landscape and Quality Assurance & Quality Control ("QAQC"), as well as support units from Group Creative Design ("GCD") and Group Quality Management ("GQM").

Supported by the 6 elements of Technical Excellence Framework - Planning & Design, Contractor & Product Quality, Consultant, Landscape, People Development and Sustainable Smart Development, TEC is accountable for monitoring customers' expectations and facilitating the development of technical excellence initiatives and strategies, as well as their implementation. The committee is represented by individuals from each key Business Units and Departments and they accountable to spearhead Business Units and Departments to achieve distinguished product quality in the market. As a role model of the Business Units and Departments, TEC is the main driver to initiate and implement continuous improvement initiatives.

Technical Excellence Committee ("TEC")		
Objective: To achieve Technical Excellence		
Led by EVP and consist of leaders from		
Contract Administration	Project Planning & Development	Project Implementation
Landscape and QAQC	Group Creative Design	Group Quality Management
Technical Excellence Framework covering 6 areas		
Planning & Design	Contractor & Product Quality	Consultant
Landscape	People Development	Sustainable Smart Development

SUSTAINABILITY STATEMENT

Customer Satisfaction

Customer Satisfaction Survey

Customer satisfaction is a salient factor to measure the quality of our product and service deliverables. Throughout the year, we conducted two (2) customer satisfaction surveys to assess, solicit feedback and give insights of customers' satisfaction levels on services, products and overall experience. The purchasers were selected to participate in the survey based on several assessment criteria and include group of purchasers that have signed the Sales & Purchase Agreement, who had collected their keys and those purchasers that had lodged their complaints. Their feedback and opinions were crucial for us to identify and bridge the gap between service delivery and customer expectations. Based on the surveys conducted in 2021, an average of 73% (2020 - 79%) of our purchasers were willing to recommend our products to their friends / relatives or to purchase again from us.

The surveys showed an increasing number of our sales offices achieving 100% in Overall Satisfaction and all service elements rating. The second survey conducted in August 2021 indicated eleven (11) sales offices managed to obtain 100% scores in all elements as compared to ten (10) sales offices in the first survey. 'Ease of contact' and 'courtesy and helpfulness' were the service aspects that constantly achieved the highest satisfaction scores for the Sales & Marketing and Credit Administration. This rating demonstrates our Team Setia dedication to the Group's mission in providing superior customer service. Through the surveys, we have identified improvement areas to be further enhanced as part of our quality improvement objectives and to meeting customer needs. We also follow-through and handle customers inquiries and complaints.

Defect Complaint Management

As a property developer, our Team Setia is diligent in ensuring the whole development and lifecycle of the product are met within our Project Quality Plans. Continuous monitoring programmes and having a good defect management system are important to effectively track and manage defects of multiple projects and development teams. Our main focus for the FY2021 was to enhance the effectiveness of the defect management system by automating the inspection process through the implementation of Snagr system. This system allowed instant reporting and exchange of information between related parties such as our customers, contractors, consultants, and the Customer Relations Unit.

In FY2021, we managed to encourage all Business Units to adopt the Snagr system and utilised its two (2) applications i.e. Post Vacant Possession ("VP") and Pre- Certificate of Practical Completion ("CPC") Inspection for monitoring on handover and defect management matters. In FY2021, we had several Business Units that scored more than 70% of complaints completed within 14 days. This was inclusive of Setia Eco Templer, Setia Eco Glades, Setia AlamImpian and KL Eco City. The other Business Units scored lower percentages due to MCO being imposed by the government during the year.

Cutting Edge Technology with Industrialised Building System

To enhance our customer satisfaction, we aim for timely delivery of our products by adopting the IBS in our construction. IBS has helped shorten the timeframe of our project development as compared to the traditional construction method. Our wholly owned subsidiary, Setia Precast Sdn Bhd, is a one-stop IBS centre specialising in building high-rise apartments, IBS landed houses, and commercial buildings utilising precast technology.

The IBS system naturally has high levels of stability that may enhance safety performance in the face of external forces and other imposed and dead loads based on the special jointing systems deployed into the precast components. By using the IBS technology, we have managed to complete and deliver the following commercial and apartment building through 2021.

No.	Project	Location	Completion Date
1	De Cendana (Apartment)	Bandar Setia Alam	April 2021
2	Setia EcoHill Walk (Commercial)	Setia EcoHill	February 2021

## SUSTAINABILITY STATEMENT

### Product Safety Features

Aligned with SDG 11 of Sustainable Cities and Communities, our properties are designed with safety features as part of our effort to make our sales galleries, commercial buildings and residential homes safe, resilient and sustainable. The safety features of our properties include:

Product Safety Features		
Business Unit	Project	Safety Features
Setia Eco Templer	Phase 2A	<ul style="list-style-type: none"> <li>Lightning arrestor as safety protection from lightning hazard to the residents and house electrical appliances</li> <li>Home alarm system</li> </ul>
Setia EcoHill	Setia EcoHill Walk	<ul style="list-style-type: none"> <li>This safety features is for project - Carnus, Frossa, Aronia, Allia and Kandara</li> <li>Motorcycle parking - bar and chain to secure bike</li> <li>Fire door with anti-panic function</li> <li>Traffic related - wheel stopper, convex mirror, speed hump</li> <li>Floor tiles with minimum R11 rating at outdoor area to prevent slipperiness</li> <li>Movement joint to prevent tile pop-up</li> <li>Identify edge of drop with different colour nosing tiles / pebble wash finish</li> <li>Disabled-friendly features - ramp, parking, toilet, lift car</li> </ul>
	Frossa	<ul style="list-style-type: none"> <li>OKU friendly toilet attached to ground floor bedroom</li> </ul>
Setia Eco Glades	Setia Botanika Hammock Club	<ul style="list-style-type: none"> <li>Ramp for elders and OKU at clubhouse</li> <li>Tac tile for OKU at clubhouse</li> </ul>
Setia Eco Gardens	Tenby School #15 Bungalow	<ul style="list-style-type: none"> <li>Ramp for elders and OKU</li> <li>AAC Block (Starken DuraPro5TM) for internal building wall (GreenLabel Singapore)</li> </ul>
Setia Trio	Trio Sales Gallery	<ul style="list-style-type: none"> <li>Ramp and Disabled-friendly Toilet at Sales Gallery</li> </ul>

### Customer Privacy

The Group safeguards customer privacy in line with the Personal Data Protection Act 2010 ("PDPA"). We developed a Privacy Policy as a guidance for us in collecting, processing, using, disclosing and storing personal data. The policy is published on our corporate website.

Necessary administrative and technical precautions were taken to safeguard Personal Data against loss, theft misuse and unauthorised access, disclosure, usage, alteration or destruction. The Personal Data were retained for a necessary period to fulfil the many different purposes as outlined in the Privacy Policy.

We further protect customer privacy through the implementation of several cybersecurity measures. We have established the following policies and procedures as a guideline to secure the data from any cyber threats:

Cybersecurity related Policies and Procedures	
Document Title	Safety Features
Managing Windows and Application Systems and Passwords Policy	To manage application systems passwords and to provide guidelines for information and system access
Managing Network System and Access Control Policy	To protect network system from authorised access and to prevent damage to the Group's network system
Email and Internet Acceptable Use Policy	To define the acceptable use of the Internet and email for the Group
Server and Network Equipment Password Management Policy	To establish guideline for managing password for servers and network
File Server Policy	To control the access and storage of files in the file server to ensure information is preserved for confidentiality, integrity and availability

## SUSTAINABILITY STATEMENT

In the FY2021, we conducted cybersecurity awareness trainings for Team Setia on cybersecurity, conducted by an external training provider, from April 2021 to August 2021. A total of 1,927 of Team Setia members attended the training sessions which covered topics from basic security to more advanced cybersecurity topics such as securing passwords and how to identify scammers.

### C Procurement

#### Responsible Supply Value Chain

We aim to extend the Group's values and principles to all third parties in order to foster trust and long-term benefits to all stakeholders in our supply chain, underpinned by high integrity, a healthy and safe workplace, good environmental practices and strict compliance to all applicable laws and regulations where we operate.

We expect all third parties and their respective sub-contractors to comply with our COCBE in dealing with S P Setia:

- 1 Includes the value recognised, abided by and promoted by the Group;
- 2 List of specific guidelines for respecting human rights and conflict of interest; and
- 3 Ensures the Code of COCBE is regarded as a best practice of business conduct.

S P Setia encourages suppliers, vendors, contractors and business associates to adopt and share sustainable practices. All suppliers / contractors are required to:

- 1 Comply with regulatory requirements such as federal, state and municipal laws and statutes;
- 2 Comply with all industry standards and limits set for environmental and social impacts, including HSE aspects;
- 3 Commit to the protection of the environment, including prevention of pollution, such as noise, waste and air; and
- 4 Comply with industry standards and workmanship quality.

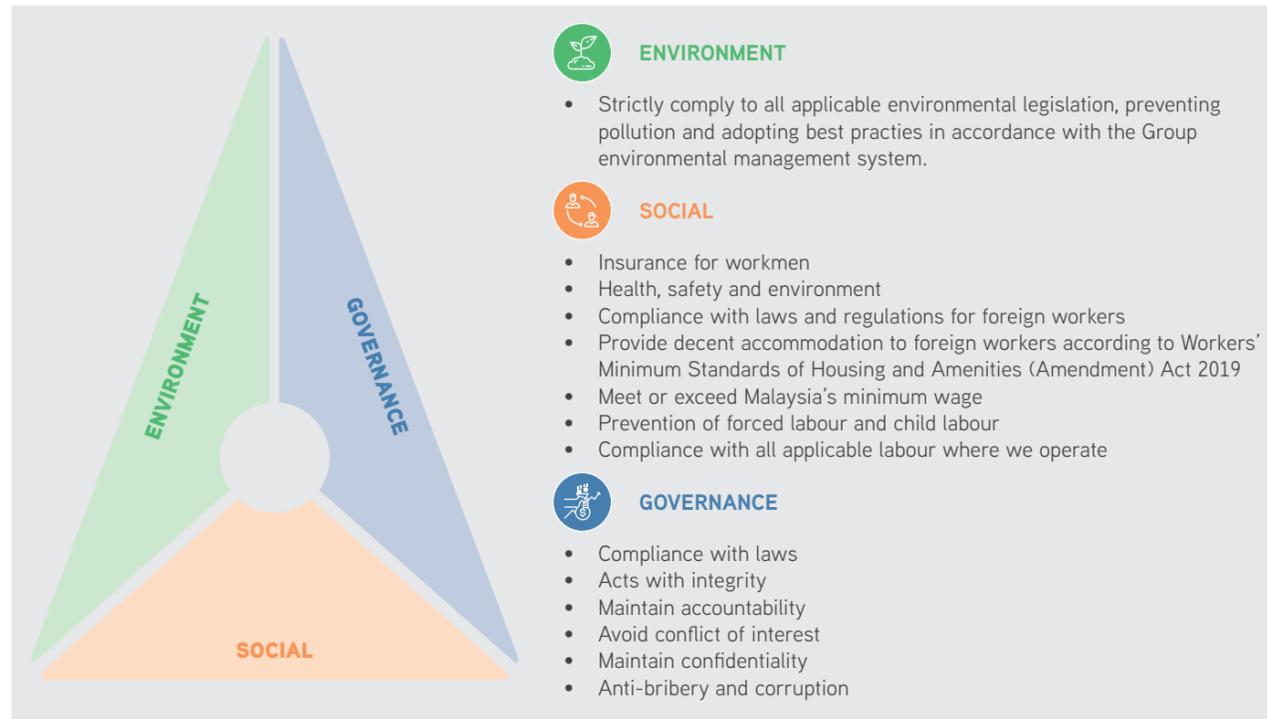
To manage this, all vendors, suppliers and contractors are required to go through a structured pre-qualification process and sign a service level agreement. In addition, our GQM has a dedicated team to perform monthly audits for all project sites to ensure our contractors' adherence to these applicable laws and regulations. All contractors also required to submit monthly progress reports to S P Setia, including health and safety and environmental matters for monitoring.

Rising business associates' awareness of the importance of the environmental and social aspects of sustainability is important to S P Setia to keep moving forward in our sustainability journey. S P Setia is committed to engaging with our business associates and partners to raise awareness and increase education on sustainability through briefings prior to the commencement of work, regular meetings with the construction teams, submission of progress reports to S P Setia and Chief Executive Officer ("CEO") / Chief Operating Officer ("COO") dialogues.

## SUSTAINABILITY STATEMENT

### Vendor Selection and Assessment

We have stringent tender processes and annual performance evaluation for contractors in place. Whilst we value the quality, pricing, performance and timeliness of deliverables, we place a greater focus on sustainability. The social, environmental and integrity principles are also included as part of the criteria during vendor assessment processes.



### Prioritise local procurement

At S P Setia, our fundamental principles are always focused on people and environment. Our suppliers, vendors, contractors, and business associates play an important role within S P Setia's business ecosystem. To support our economy, we prioritise local sourcing of goods and services where the Group's operations are located.

Local procurement enables knowledge and skill development locally and reduces carbon footprint, besides creating job and business opportunities for the locals. Almost 100% of our purchases were sourced locally through local agents, where possible. A very minimal amount of purchases was sourced from overseas suppliers.

### D Anti-Bribery and Anti-Corruption

#### Key activities and initiatives carried out by Integrity & Governance Unit

Organisational Anti-Corruption Plan from year 2021 to 2023	Establishment of SOPs • Donations / Contributions / Sponsorship of external event • Offering and Accepting of Gifts and / or Hospitality	As at 31 December 2021, a total of 4,655 emails were sent to date on awareness on Corporate Liability and compliance to S P Setia Anti-Bribery and Corruption Policy to the registered business associates
628 business associate signed-off the Setia Integrity Pledge	Conducted 17 corruption risk assessment workshops and attended by 178 Team Setia	Provided 26 training hours on Anti-Money Laundering and Personal Data Protection

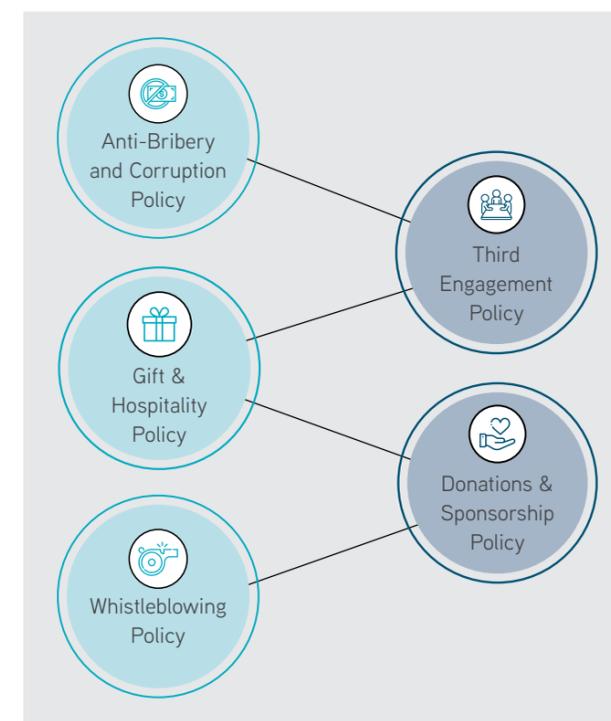
## SUSTAINABILITY STATEMENT

### Anti-Bribery and Anti-Corruption policies and procedures

S P Setia has zero tolerance towards bribery and corruption as ethics, honesty and integrity are cornerstones of our approach in doing business. We are committed to upholding of the highest ethical standards in our workplace and in all business dealings and relationships. We have in place an Anti-Bribery and Corruption Policy with a defined framework in accordance with Section 17A of the Malaysian Anti-Corruption Commission Act ("MACC") (Amendment 2018) on Corporate Liability. Adequate Procedures initiatives under TRUST principles were planned and implemented to prevent occurrence of corrupt practices in relation to Setia's business activities. Our Anti-Bribery and Corruption Policy should be read in conjunction with S P Setia's COCBE and the relevant SOPs referred to in this Policy.

As a general rule, Team Setia is not permitted, under any circumstances, to make donations, contributions and prohibited from giving and receiving any form of gifts. However, exceptions can be made in limited circumstances which are outlined clearly in both of our Gifts and Hospitality Policy, and Donations and Sponsorship Policy. SOPs for donations / contributions / sponsorship of external event, and offering and accepting of gifts and / or hospitality have been established as a guide for Team Setia when dealing with donations, gifts and hospitality matters.

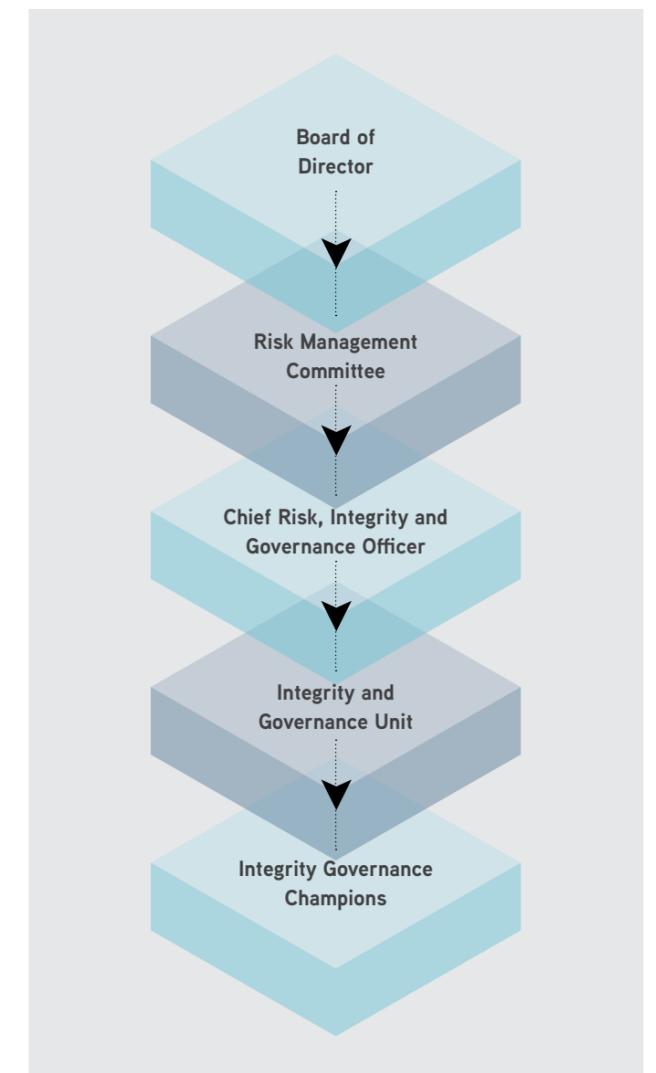
The relevant policies for anti-bribery and corruptions are published in the Group's website, accessible at <https://spsetia.com/en-us/corporate-governance/corporate-governance-home>. We have also extended the relevant policies to overseas operations including Singapore, Japan, Australia and Vietnam in year 2021.



### Anti-Bribery and Anti-Corruption Governance Structure

The Board continues to lead S P Setia's anti-bribery and corruption efforts and has the overall responsibility of ensuring the policy complies with S P Setia's legal and ethical obligations. An Integrity and Governance Unit ("IGU") has been established to implement and oversee the effectiveness of anti-bribery and corruption efforts.

The IGU consists of qualified Certified Integrity Officer ("CeIO") and team members to assist in performing complaint management, detection and verification, strengthening of integrity and governance functions. The IGU is led by the Chief Risk, Integrity and Governance Officer who subsequently report to Risk Management Committee. 40 Integrity Governance Champions ("IGC") were appointed to assist IGU on all integrity and governance matters including corporate liability, at the respective business and support units. The scheduled training and briefing sessions were successfully carried out to meet its objectives, in addition to facilitating the collation of relevant data and information, as and when required.





Integrity Roadshow with Sabah Aeropod's Business Associate in Kota Kinabalu (12 - 15 Dec 2021)

**Anti-Bribery and Anti-Corruption training and awareness**

S P Setia rolled out the Setia Integrity Roadshows designed to raise awareness among business associates focusing on the impact of the corporate liability environment and Setia's integrity policies inclusive of the COCBE. In FY2021, we continued to conduct Setia Integrity Roadshows for the remaining and newcomers of Team Setia, with a total of 60 Team Setia who had signed-off the individual Corruption-Free Pledge. To inculcate high integrity values, we provided 26 training hours on Anti-Money Laundering and Personal Data Protection to Team Setia. We conducted 17 corruption risk assessment workshops; attended by 178 participants as part of our continuous efforts to increase awareness amongst Team Setia. In the early stages of corporate liability enforcement, we sent out a total of 4,655 emails on awareness of Corporate Liability and compliance to S P Setia's Anti-Bribery and Corruption Policy to our business associates as at 31 December 2021.



IGU visit to Jabatan Integriti, Dewan Bandaraya Kuala Lumpur, October 2021

**Whistleblowing System**

Stakeholders are encouraged to report any suspected violation of the S P Setia's policies, COCBE and breach of law and regulations via the whistleblowing system. The Whistleblowing Policy was developed to provide a structured reporting channel and set out the whistleblowing measure which is accessible in our company website. Various whistleblowing channels are provided such as through the whistleblowing e-form, email to "igu@spsetia.com" igu@spsetia.com, by phone via dedicated number, walk-in / appointment to IGU / Risk Management Committee Chairman and writing to Chairman of RMC / IGU.

Through our whistleblowing system, the whistleblower's identity will be accorded with protection of strict confidentiality unless otherwise required by law or for the purposes of any actions by or against the Group.



Integrity Roadshow with Sabah Aeropod's Business Associate in Kota Kinabalu (12 - 15 Dec 2021)

**Organisational Anti-Corruption Plan**

We established S P Setia's OACP from year 2021 to 2023 in support of the National Anti-Corruption Plan agenda, published in year 2019. The objective of OACP is to inculcate a culture of high integrity by providing directions through a structured framework on corruption prevention for Team Setia's adoption in its effort to combat corrupt practices. In our OACP, we have identified seven (7) key risk areas, strategies and action plan which require efforts and commitments from all Team Setia to implement. The monitoring and evaluation structure of OACP has been established to ensure the success of OACP in moving towards becoming a corruption-free organisation.

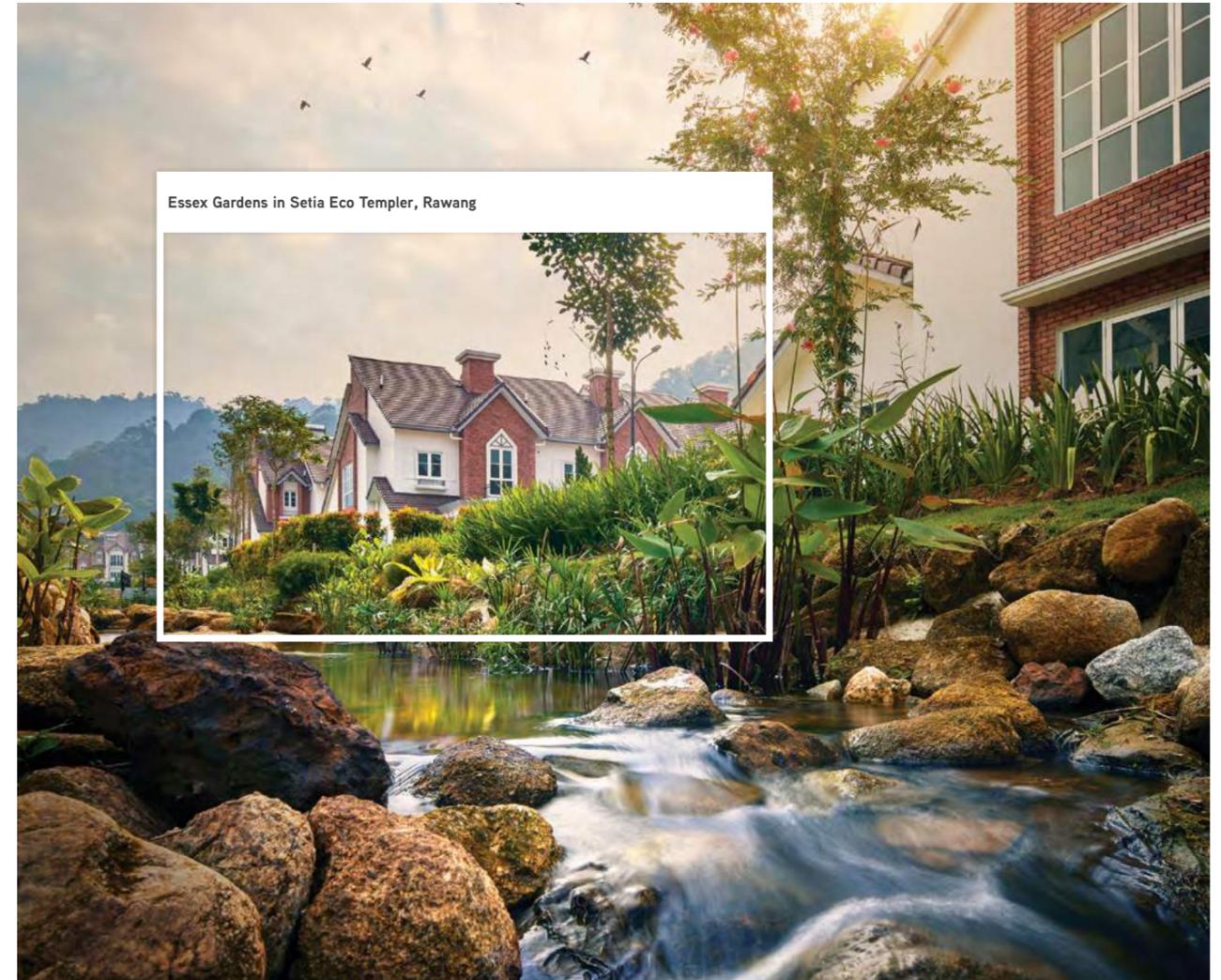


IGU visit to Unit Integriti, Dewan Bandaraya Iskandar Puteri, Johor Bahru, December 2021

In FY2021, the IGU received a total of 11 complaints reported through the whistleblowing system. Six (6) of the cases were related to allegations against staff while the remaining complaints were from purchasers which were dealt with by the business units accordingly. Related internal investigations were conducted in response to the allegations. For proven cases, actions were taken against the parties concerned.

The Whistleblowing Process has been enhanced to include the establishment of a 'Whistleblowing Panel' ("WB Panel") which consists of members of the Risk Management Committee who will evaluate the complaints received. The WB Panel will then provide guidance and recommendations to the Board on the next course of action.

Details of other Integrity & Governance initiatives conducted in FY2021 are described in Statement of Risk Management & Internal Control ("SORMIC") page 195 to 204.



**ENVIRONMENTAL**

**We believe in protecting the environment as we develop and grow our business. Our aim is to continue developing projects with sustainability in mind and promote innovative solutions to drive sustainability without compromising lifestyles.**

## SUSTAINABILITY STATEMENT

Environmental issues such as emission and climate change, resources constraint and biodiversity are material topics to S P Setia Group. The Group seeks to prevent negative impacts on the environment, or at least, manage or reduce those impacts by adopting best practices in environmental standards and implementing environmental-friendly business strategies and processes. These include exploring renewable energy for our property development projects, implementing comprehensive planning and green concepts on our townships, and using sustainable materials and construction methods.

Our dedicated GQM oversees the Group's environmental compliance monitoring and appoints Health, Safety and Environmental ("HSE") Officer under each BU to monitor our contractors to ensure compliance with environmental laws and regulations. The management of environmental aspects is guided by our HSE policy and is certified by ISO 14001:2015 Environmental Management System.

Activities and processes are carried out to ensure adherence to laws, regulation and guidelines issued by Department of Environment ("DOE"), these activities include:

- 1 Bi-weekly audits at project sites to monitor and audit our contractors, focusing on construction waste management, noise pollution, air pollution and effluent management;
- 2 Establish emergency response plan;
- 3 Conduct Environmental Impact Assessment ("EIA");
- 4 Environmental management plan; and
- 5 Health, safety and environmental inspection checklist.

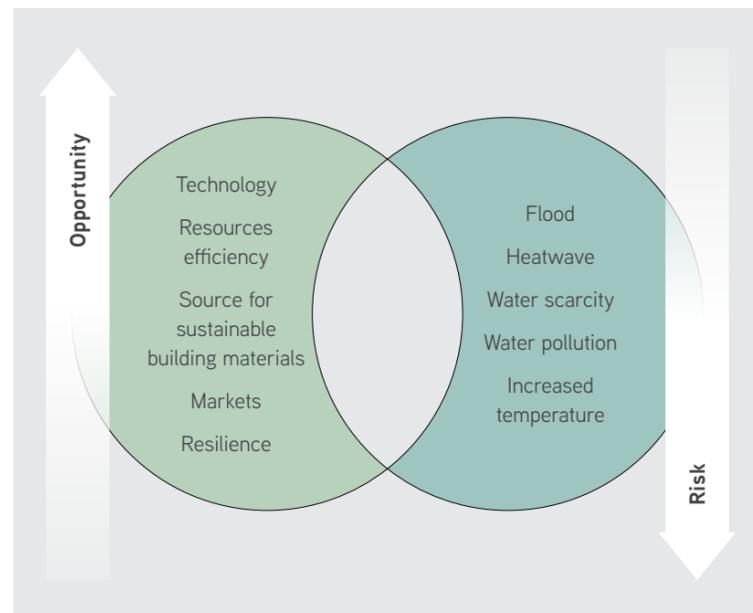
The Group did not violate any environmental laws and regulations and has not been penalised or fined for any major environmental violation in financial year ended 31 December 2021.

### A Climate Change

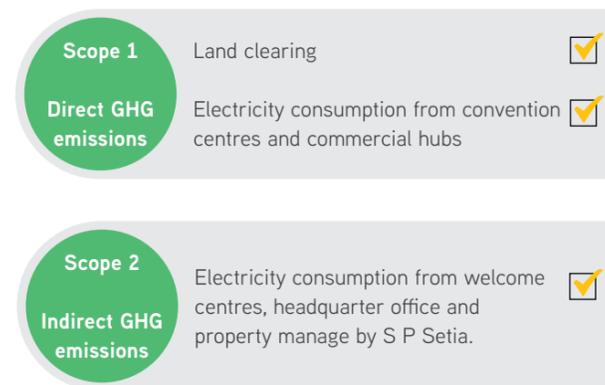
Global average temperatures are on the rise and predicted to exceed 3°C this century and catastrophic consequences are already setting in across the world with extreme variation in weather patterns. The concentration of GHG emissions in the atmosphere is wreaking havoc across the world and threatening lives, economies, health and food. According to the United Nation ("UN") Global Compact Network Malaysia & Brunei, the building and construction industry ("BCI") is complicit in the threat of climate crisis, emitting carbon dioxide gas through greenfield development, material production and the use of fossil fuels. The BCI is responsible for 40% of global energy use, 25% of global water and 40% of global resources emitted to the atmosphere of 1 / 3 of the world's GHG.

In alignment with the Paris Agreement agenda, Malaysia has committed to its own NDC, which aims to reduce GHG emission intensity of GDP by 45% by 2030 relative to the emissions intensity of GDP in 2005. This consists of 35% on an unconditional basis and a further 10% conditional upon receipt of climate finance, technology transfer and capacity building from developed countries. Malaysia's NDC is supported by various policies across government ministries.

Climate change has been identified as a key risk in our ERM process. A summary of identified risks is shown in the table below. We collated both risks and opportunities; negative impacts are addressed through existing mitigation, adaptation processes and continuous management, whilst identified opportunities are expanded through product and technology innovation.



The Group remains conscious of how its own business operations, primarily through resources consumption and the production of emissions and waste, directly or indirectly contribute to climate change. Under S P Setia business activities, the main source of GHG emissions is land clearing to build properties and electricity consumption from convention centres and commercial hubs whereas indirect GHG emissions derive from electricity consumption from welcome centres, our headquarter and properties managed by S P Setia. Activities that generate GHG emissions have been identified for Scope 1 and Scope 2.



We initiated our carbon reduction initiatives in the FY2021 and we are establishing processes to collect carbon emission data, identifying our carbon reduction objectives and setting targets for carbon emission reduction. These efforts will take time as we evaluate available carbon emission standards and frameworks. Appropriate disclosures will be included in our future sustainability reporting on carbon reduction initiatives.

Nevertheless, climate risk and opportunities are unavoidable in our business operations and S P Setia is committed to addressing climate change through sustainable and smart development initiatives from energy and water efficiency to technology innovation, in our projects and townships such as installation of rainwater harvesting systems, use of energy-efficient lightings, installation of solar water heater systems and refurbishment of parks for biodiversity protection.

### B Energy and Water

#### Energy efficiency

Electricity is our key energy source to run our business operations and commercial hubs. As such, we recognise that electricity consumption is one of the key contributors of our GHG emissions. S P Setia is committed to managing energy efficiency in aligning with the UNSDGs. We continue to undertake various energy savings initiatives across of our projects including efficient lighting designs, use of energy savings lightings, renewable energy and more.

Efficient lighting is considered during project design to enable more natural daylight into buildings and allowing the natural environment to flow through the buildings, maximising the natural cooling effects. This is carried out based on sun path analysis through passive design. High-performance double-glazed windows and louvres are used, not only to reduce heat gain, but also to encourage the use of natural daylight to illuminate the buildings.

LED technology has many additional advantages over incandescent, fluorescents and compact fluorescent lamps and lighting devices. LED lightings are well known for its lower energy consumption and ability to improve environmental performance. This have led to more organisations and commercial properties installing it with the expectation for better lighting and to reduce electricity consumption. Throughout the Group, installation of LED lightings across our projects covered clubhouses, public areas and commercial properties. During year 2021, 4,556 additional LED lightings were installed for new projects and welcome centres, including Setia Eco Templer, Setia EcoHill, Setia Eco Glades, Setia Eco Park, Setia Seraya, Setia Trio, Alam Impian, Temasya Glenmarie, Setia Warisan Tropika and Setia City Convention Centre.

We leverage on technology innovation through smart concepts on lightings and air-conditioning system to increase energy efficiency. Smart lightings and air-conditioning systems enable control of lighting system using Internet of Things ("IoT"), sensors, remote access and automation. Our eco-series project – Setia Eco Glades replaced 4 units of conventional street lightings to smart lightings. In Setia Fontaines, we installed smart air-conditioning system in NusaCinta Show Village where air-conditioning operation can be controlled via mobile application. Leveraging on smart technology is expected in energy savings.

## SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

Renewable energy

S P Setia incorporates renewable energy in its projects to reduce carbon emissions. Installation of solar panels has evolved in S P Setia from solar water heater systems to electricity generation over the past 3 years. S P Setia completed solar panel installation at the following sites:

» Setia EcoHill Walk @ Setia EcoHill



Facts about solar panel

- Known as first solar hybrid commercial hub in Semenyih.
- Installation of 156 units of solar panel on rooftop.
- Total energy generation at 70.2 kilowatt.
- Estimated savings of RM31,200 in a year.
- Completed on 30 August 2021.

» D'Network @ Setia Eco Park



Facts about solar panel

- Known as World's First Solar Powered Hybrid Food and Beverage Hub and Symphony of Sustainability.
- Installation of solar panels on the roofs of the entire carpark and main building.
- Total energy generation at 207kWp.
- D'network is able to run on 100% solar power alone.
- Completed in year 2020.

» Setia SPICE Convention Centre



Facts about solar panel

- The first hybrid solar powered Convention Centre in the world.
- Also known as Biggest Solar Farm in Penang.
- Total energy generation at 700kWp.
- 834 MW/h (FY 2020: 893 MW/h) produced and sold to Tenaga Nasional Berhad ("TNB").
- 59% of savings on electricity bills.
- Completed in year 2016.

» Setia City Convention Centre



Facts about solar panel

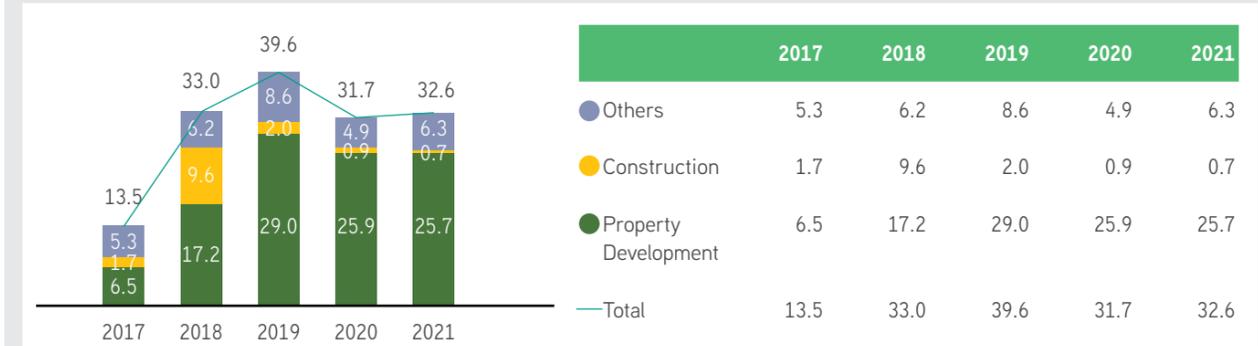
- Installation of solar panel for water heater system.
- Generate 1% of the building monthly power consumption.
- Operated since year 2012.

SUSTAINABILITY STATEMENT

Energy consumption performance

In FY2021, our electricity consumption increased slightly by 3% as compared to FY2020. Despite several lockdowns resulting in intermittent office closures and many of our staff working from home ("WFH") and construction sites operating based on allowed operating hours, our convention centres, which operated as vaccination centres, saw an increase in electricity consumption. The Group consumed a total of 32.6 MW/h in FY2021, somewhat constant as compared with FY2020 with a total consumption of 31.7 MW/h.

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

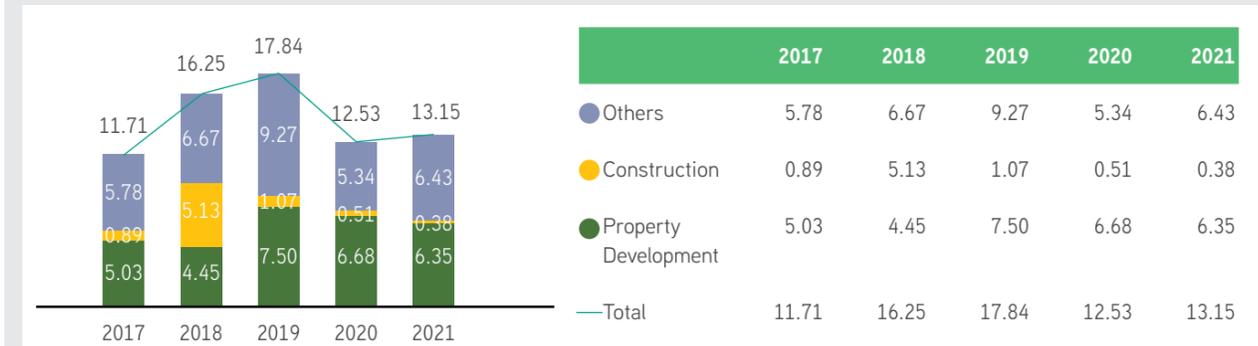


Note: The electricity consumption data in November and December 2020 are adjusted to the actual readings. Estimation of electricity consumption for November and December 2021 were given by certain business units.

As compared amongst the business segment, electricity consumption slightly reduced by 1% in property development whilst 26% of electricity consumption reduction was observed in the construction sector. This reduction, however, was offset by an increase of 29% in Other sectors arising from the utilisation of our convention centres as vaccination centres to assist the Malaysian government in implementing the National Covid-19 Immunisation Programme.

Our energy intensity consolidated at group level in FY2021 is 13.15 kW/h per m<sup>2</sup>. A slight increase of 1% as compared to the previous year. For each of the business segments, energy intensity is decreased in property development and construction sectors by 5% and 26% respectively because the sales gallery and welcome centres were closed due to lockdowns. The energy intensity increased by 20% in Other sectors.

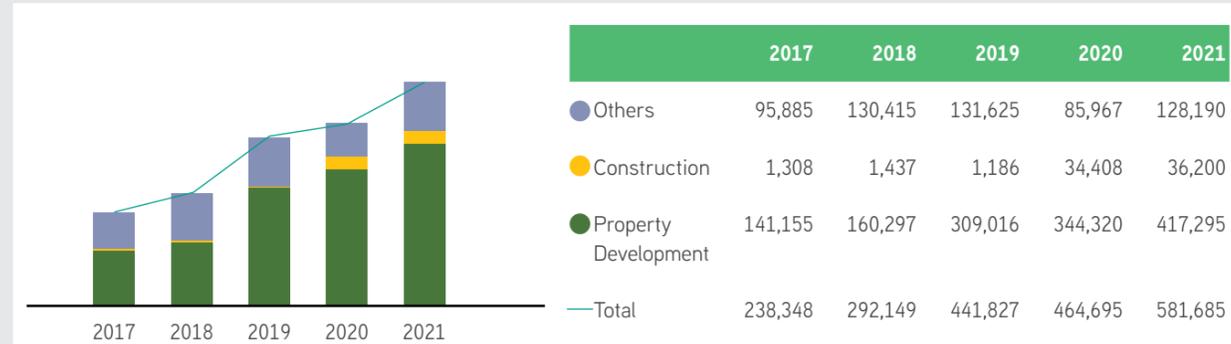
S P Setia Group Energy Intensity Ratio (kW/h over m<sup>2</sup>)



SUSTAINABILITY STATEMENT

Water Efficiency and Consumption

S P Setia Group Water Consumption (in m<sup>3</sup>)



Note: The water consumption data has been revised to include actual readings for the month of November and December Year 2020 and estimation for November and December 2021.

Our objective has always been to minimise the use of water resources. Water consumption in its actual measurement in m<sup>3</sup> has been increasing in line with the number of property projects, commercial properties under management, our clubhouses and offices that we manage.

Water consumption was on an upward trend from FY2017 to FY2021 and increased by 25% in FY2021 as compared to FY2020. All business segments experienced increased water consumption by 21%, 5% and 49% for Property Development, Construction and Others sectors respectively.

S P Setia Group Water Intensity (m<sup>3</sup> over m<sup>2</sup>)



Our measurement on water efficiency – water intensity ratio in FY2021 is 0.08 m<sup>3</sup> per gross floor area, which was an increase of 14% as compared to FY2020 at 0.07m<sup>3</sup> per gross floor area. Water intensity ratios increased across all business segments by 9%, 5% and 41% for Property Development, Construction and Others sectors respectively.

The increase in both water consumption and water intensity ratio was a consequent of S P Setia's participation in the National COVID-19 Vaccination Programme as our clubhouses in Setia Eco Templer and Setia EcoHill, and convention centres served as vaccination centres.

SUSTAINABILITY STATEMENT

Smart and Sustainable Development in our projects

At S P Setia, we create communities by shaping our building environment, customised based on the latest trends in design, technology and customer imperatives, as well as focusing on sustainability. We have established a TEC – comprising key personnel and representatives from each projects to drive Smart and Sustainable Developments (“SSD”), a subset of Setia Digital Transformative Initiative, across the Group. In our context, SSD is a concept evolving to converge on a natural, comfortable lifestyle using the latest “smart” technology and the continuation of this lifestyle via a “sustainable model”.

TEC is guided by six (6) pillars under SSD framework, comprising our innovation approaches which include research and development on new technologies, identifying latest sustainability initiatives and smart innovation in the property construction and project development industry. These six (6) pillars are:



## SUSTAINABILITY STATEMENT

### i. Energy and water efficiency features

S P Setia champions the sustainability cause not only to help create a more sustainable future, but also to provide value to our property buyers. Many of our projects incorporate energy and water efficiency features for both residential and commercial properties, and generally, in our townships. These features include LED lightings, motion sensors, solar heater system, dual flush toilet system, EV charger station.

Rainwater harvesting systems are installed in residential and commercial properties, such as Setia Eco Templer, Setia Eco Glades, Setia Alamsari, Temasya Glenmarie, Setia Alam Impian, Bandar Kinrara, KL Eco City, Setia Fontaines, Bukit Indah, Setia Eco Gardens and Setia International Vietnam, Setia City Convention Centre and SPICE Convention Centre. Rainwater is collected and channelled via a rainwater downpipe and stored in a concealed tank within the building compound. The stored rainwater can be reused for outdoor purposes from watering plants to washing cars, indirectly reducing water consumption.

S P Setia demonstrates its environmental commitment to public by taking the initiative to provide EV charger stations for customers. A total of 13 EV charger stations have been installed at Setia Eco Templer Clubhouse, Setia Alam Welcome Centre, Setia Eco Glades Sales Gallery, Lifestyle Hub @ Setia Eco Park, TrioWalk @ Setia Trio, convention centres and S P Setia HQ building.

Energy efficiency features are considered across our projects. These include LED lightings, efficient lighting design and better insulated building envelope to reduce indoor heat, which minimises the use of air conditioners.

Every project is unique and has its own distinct features. Most of our projects are equipped with sanitary wares and fittings with a 3-star Water Efficiency Product Labeling Scheme ("WEPLS") by SPAN. According to United States Environmental Protection Agency, toilets consume the largest amount of water in any home, using about 30% of the household's water consumption. Dual flush toilets are included in our projects to encourage our home buyers and commercial users to lessen water usage.

### ii. Indoor Environment Quality

Indoor air pollution occurs from inadequate ventilation preventing indoor air pollutants from circulating out and building materials that release dangerous levels of pollutant indoor. Pollutant concentrations can remain in the air for long periods after some activities and affect human health in the long term.

We improve indoor environment quality at our developments by using eco-friendly construction materials in our eco-series projects such as Setia Trio, Setia Seraya, Bukit Indah and Setia Eco Gardens. Eco-friendly construction materials include low Volatile Organic Compound ("VOC") paint, tempered glass, bluescope metal steel roof, asbestos-free cellulose fibre cement board, reinforced wall panel and eco-label tiles.

## C Biodiversity

Land is an essential input to property development industry for urban development. Urban development not only causes air and water pollution, but also large variation in stream flow and temperatures resulting in climate change. Habitat destruction, fragmentation and alteration associated with urban development have been identified as the leading causes of biodiversity decline. Therefore, we are committed to minimising these impacts by conducting EIA on existing and new projects when required.

The Group implements building site plans and tree planting planning in its property development and urban development activities, considering not only the comfort of customers and local residents, but also the surrounding environment and ecosystems. Our commitment towards sustainability and conserving environment are evident in our townships particularly in Bandar Setia Alam, Eco-series townships, Setia Alam Impian, Setia Fontaines and upcoming development in Setia Warisan Tropika.

In year 2021, S P Setia also engaged an ecologist to study the ecological aspects for Setia Bayuemas Lake Park to improve its ecosystem and landscape and create long-term sustainability. The purpose of the ecological study is to understand the physical landscape condition, water quality, aquatic species, bird species, rainfall and biodiversity target. This ecological study provided an overall overview on its natural advantages as well as the improvements needed on the landscape features in Setia Bayuemas and in the design and rehabilitation of the lake park. The ecological study revealed there were 49 species of birds and 36 species of fishes living at the edge, wetland and open area and identified the best location of pest biological control habitat enrichment for fishes and birds, and plants such as *tabebuia chrysantha*, *synzgium gratum*, *ruellia simplex*, *althanatera red*, *calliandra emarginata* and *leporonia articulata* to attract birds, insects and fishes. The results of ecological studies are used as a guideline for landscape development and township planning for Setia Bayuemas.

Setia Fontaines is Setia's first township in the north, spanning 1,691 acres mega township masterfully planned for a good life. A 100-acre Heritage Park featuring an iconic lake and jogging and cycling tracks was completed in June 2021.

Bandar Setia Alam is S P Setia's first flagship township Shah Alam which is home to more than 60,000 residents. Bandar Setia Alam offers the community a balanced lifestyle with its park, multifaceted landscaping, good security and an array of amenities set within a harmonious environment. More than 400 acres of green areas are dedicated for parks, narrow and linear park and pocket gardens. The park has three (3) sections to cater for the various needs of the community:

Energetic Park has facilities for those who enjoy physical activities, Nature Park invites appreciation of the natural vegetation; and the Amphitheatre is ideal for communal and social activities.



Heritage Park, Setia Fontaines, Penang



South Creek Park, Setia EcoHill 2, Semenyih

Looking at our eco-series township: Setia Eco Park, Setia Eco Glades, Setia Eco Templer and Setia EcoHill, these townships are well designed with S P Setia's eco-philosophy DNA. Each Eco-series township are situated at different environment conditions ranging from Setia Eco Park which is located near the forest park to Setia Eco Glades within wetlands, Setia Eco Templer within an environmentally-sensitive area and Setia EcoHill located around natural terrain. Each township is designed to magnify its environmental conditions to bring out the best of its feature and at the same time conserve the environment and optimise land use. The following are key environment features of the eco-series townships.

» Setia Eco Park



- 56 acres of forest park that provide the community to enjoy jungle trekking, eco-discovery walks and panoramic views from an observation tower.
- 94 acres of land is dedicated to waterways, lakes and creeks all around Setia Eco Park.
- Island within the lake serves as nesting ground for beautiful birds.

» Setia Eco Glades



- Masterplan design was conceptualised based on GBI certification criteria.
- Contains many different habitats within its parklands and canals, which are ideal for creating and sustaining mini-ecosystem for native flora and fauna.

» Setia Eco Templer



- Surrounded by lush greeneries with air temperature that is one to two degree Celsius lower than in the city centre.
- The Templer Park and Kanching rain forest reserve provide home to various flora and fauna co-existing in harmony since the beginning of time.

» Setia EcoHill and Setia EcoHill 2



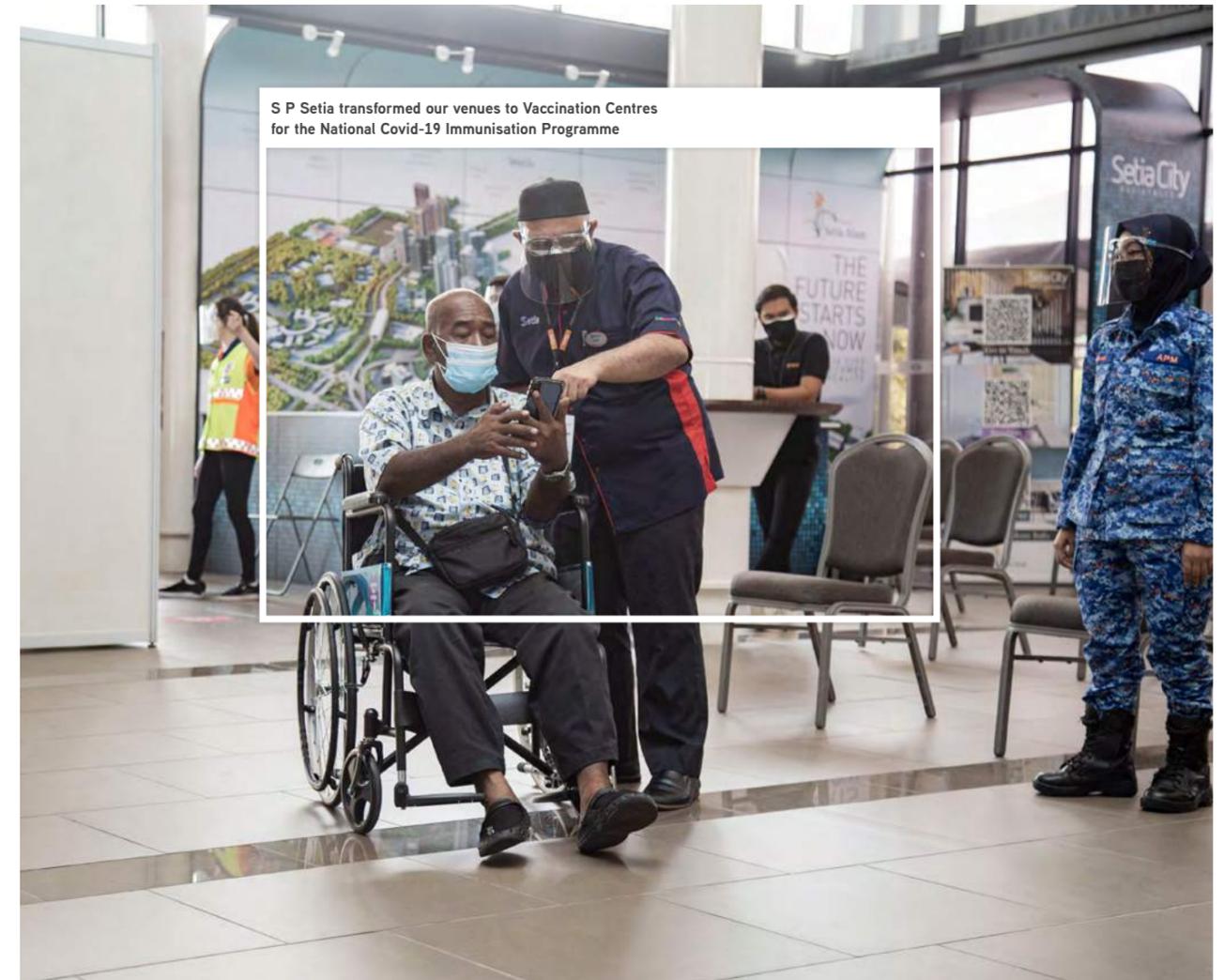
- Designed with greenery hills, brooks and parklands around the natural terrain.
- 198 acres has been dedicated to parklands, grasses waving in the breeze symbolises the township's Live Green! philosophy.
- Adventure park was formerly an oil palm and rubber estate, now revitalised into Malaysia's first residential mountain biking park amidst nature.

Reducing urban heat island effect

Cities replace natural land cover with dense concentrations of pavement, buildings and open spaces which trapped heat and transforming these structures into island of heat. This effect increases energy costs, air pollution levels, danger to aquatic systems and discomfort to human health.

To reduce heat island effect, analysis of cross ventilation air-flow was conducted throughout the project development phase to identify and mitigate stagnant hotspots. This was made possible with computer stimulation through buildings and landscape modelling. Provision of green landscape that complies with or surpass the regulatory requirements in our projects helps reduce heat island effect and lower ambient temperatures to the surrounding environment. During construction and site planning stages, we minimise felling and focus on the conservation of trees – relocating existing trees on site and restoration of existing trees for all our projects. As at 31 December 2021, a total 347,512 trees were planted and transplanted across 25 business units.

Having said that, our Eco-series projects and new townships such as Setia Fontaines, Setia AlamImpian, Setia Bayuemas and Setia Warisan Tropika are planned and designed based on a philosophy of revitalising and sustaining eco-friendly landscapes. Public spaces are provided with gardens, pocket parks, bluescapes, water way, to promote biodiversity and improve the ecosystem within the project area.



S P Setia transformed our venues to Vaccination Centres for the National Covid-19 Immunisation Programme

 **SOCIAL**

As a socially responsible organisation, the Group undertakes numerous initiatives to enrich and benefit our Team Setia and other stakeholders including customers, communities and the public.

SUSTAINABILITY STATEMENT

**A Human Capital**

**Diversity and Inclusion**

We strongly hold on to our values of SETIA's work ethics and Team Setia; where we embrace the diversity of the various races, gender, religions, ages, socio-economic groups and culture, enhancing productivity through teamwork, respect and support for one another, and unifying the diverse groups for better equality and work quality. We have maintained our enthusiasm to support diversity and inclusion through the continuity of our signature programmes under our Women Network, Women of Inspiration ("WiN") which magnifies our efforts including the pledge for 2021 UN Women Asia Pacific Women's Empowerment Principles ("WEPs") and 30% Club Malaysia.

**Human Resources Excellence Award 2021**

Our utmost effort on women empowerment, diversity and inclusion at the workplace has been acknowledged and recognised with a gold award at the HR Excellence Awards 2021, under the category of Excellence in Women Empowerment Strategy. Winning the gold award demonstrates our Team Setia's commitment in supporting and developing a safe working space that allows female empowerment, promotion of women in key management positions and room for flexibility to accommodate women's needs.



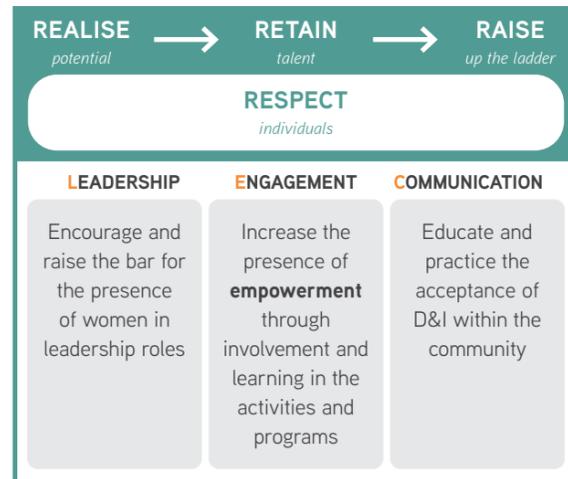
Gold Winner for Excellence in Women Empowerment Strategy at HR Excellence Award 2021

Leadership and top management support is one of the critical success factors that contributes to the success of the programmes and activities conducted by WiN. The WiN network structure is driven by the support of an advisor from the Board of Director, sponsored by the CEO, chaired by our COO and operated throughout the Group by a Committee of diversity advocates ("DiVas") who are nominated based on corporate seniority, ethnicity, tenure in the company, age, personality, and passion for Women and Leadership. These DiVas are given the mandate to be an advocate of Women and Leadership, championing the rolling out of initiatives that are focused on achieving the 4Rs and to be the resource centre in sharing best practices in the market.

Throughout the year 2021, we conducted several activities and programmes in embracing diversity & inclusion, including Circle of Respect ("CORe"), Women4Women, Intimate Virtual WiN Circles ("iVWCs") and Virtual Exchange Theatre.

**Women of Inspiration ("WiN")**

Since the launch in the year 2017, our Team Setia have persistently thrived for women empowerment in Setia by ensuring the development of a sustainable talent pipeline for our female workforce through a variety of programmes and activities conducted under the WiN initiatives. These initiatives hold focus to four areas ("4Rs") and the 3 pillars of Leadership, Engagement and Communication as fundamentals to form women network and achieve the objectives of WiN.



The 4Rs comprises of the following:

- **Realise** – the potential of every female talent through our development initiatives and by presenting a great value proposition on our Employer Value Proposition to attract the best talent in the market;
- **Retain** – our female talent pool within the Setia group by providing the right level of work environment which will support both their career aspirations and personal growth;
- **Raise** – the ladder by accelerating female representation in middle and senior management positions; and
- **Respect** – others as unique individuals; everyone has their own views and preferences in everything they do. By respecting others, we create an inclusive environment that encourages collaboration, support, and a safe space to grow.

SUSTAINABILITY STATEMENT

As part of the **Leadership** pillar, the CORe and Women4Women programmes were launched to raise the bar for the presence of women in leadership roles through a mentoring programme. The CORe programme is a series of group mentoring sessions led by external and internal mentors. The aim of this programme is to promote awareness on the topic of Diversity and Inclusion and embrace it within the Setia Community. Two (2) sessions were conducted in the year 2021, which was open to all Team Setia to participate including men. Our inaugural session was conducted in March 2021 with the main focus area of #choosetochallenge and the second session was conducted in September 2021 focusing on the foundation of respect and unconscious bias.

Circle of Respect ("CORe")		
March 2021 (International Women's Day)	Second Session September 2021	
#choosetochallenge	Foundation of Respect	Unconscious Bias
<p>A conversation on:</p> <ul style="list-style-type: none"> <li>• People development and what can we do about it</li> <li>• Embracing the diversity &amp; Inclusion culture</li> <li>• Building the mindset as the workforce for the future</li> </ul>	<p>A conversation on:</p> <ul style="list-style-type: none"> <li>• The meaning of respect</li> <li>• How to cultivate the foundation of respect</li> <li>• Learning to accept people for who they are</li> </ul>	<p>A conversation on:</p> <ul style="list-style-type: none"> <li>• The meaning of bias</li> <li>• How to recognise it when it happens</li> <li>• Embracing diversity and learn what it means</li> </ul>

Our ongoing annual Women4Women mentoring programme was introduced in 2018. In the year 2021, our focus was to accelerate the personal and professional development of our female talent pool via 1-1 mentoring. Through this programme the mentee will receive guidance, advice and feedback from a mentor who has the experience and wisdom to help the mentee navigate the unknown path and reach their goals. At the same time, the programme serves as a development platform for the mentor to enhance their leadership capability, give courage to step up and "take a seat at the table" with an enhanced level of confidence.

iVWCs is one of the WiN initiatives under the **Engagement** pillar with the main objective of increasing the presence of empowerment through involvement and learning. The programme focuses on building confidence to step up, encouraging our women to #choosetochallenge by knowing when to call out for inequality and celebrate women's achievements.

Three conversation sessions were conducted in 2021, led by the invited guests circle to groom our women to be more confident in stepping into leadership roles.

Intimate Virtual WiN Circles ("iVWCs")		
March 2021 (International Women's Day)	May 2021 (Mother's Day)	November 2021
<p><b>Circle Lead by:</b> Female C-suite Leader from a National-Level NGO</p> <p><b>Circle Topic:</b></p> <ul style="list-style-type: none"> <li>• Building the confidence to speak up</li> </ul>  	<p><b>Circle Lead by:</b> Panel of Mothers in Setia (from different generations and "motherhood" lifecycle)</p> <p><b>Circle Topic:</b></p> <ul style="list-style-type: none"> <li>• Where to strike the balance – striving at work and being a good mother / wife / daughter</li> </ul>  	<p><b>Circle Lead by:</b> External CHRO (of a different industry) and a successful female entrepreneur</p> <p><b>Circle Topic:</b></p> <ul style="list-style-type: none"> <li>• When is the right time to step into bigger shoes?</li> </ul>  

## SUSTAINABILITY STATEMENT

Under the **Communication** pillar and in conjunction with the celebration of International Women's Day 2021, Team Setia conducted a Virtual Exchange Theatre event in collaboration with KL Shakespeare Play and Cultural Impact. A total of 130 participants, ranging from Board members and senior leaders of Setia attended the programme, with the objective to create awareness on the importance of an inclusive culture and highlight the benefits of diversity in the workplace.



### Virtual Exchange Theatre

March 2021

(International Women Day)

#### Objective 1:

To create awareness on the importance of an inclusive culture

#### Objective 2:

To highlight the benefits of diversity in the workplace

#### Event Outcomes:

- Became more aware of the impact of one's own behaviours on others
- The ability to collaborate effectively with colleagues
- Reduced conflicts and misunderstanding
- Having the courage to try new things with colleagues with the intention of creating a better relationship
- Cultivating the practice of self-reflection leading to immediate actionable behavioural change

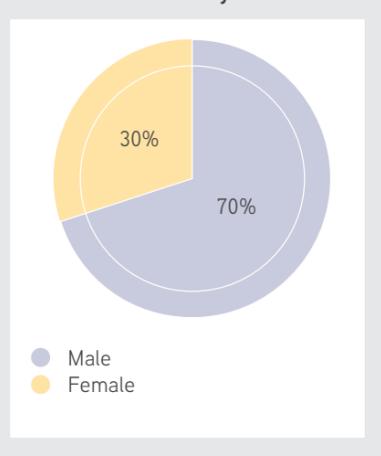
### Setia Pledge 2021

In July 2021, we signed up as a signatory to pledge for 2021 UN Women Asia-Pacific WEPs to reflect our commitment towards Diversity, Inclusion and Equity agenda, based on our sustainability charter 'Building Sustainable Communities for All'. As one of the WEPs community, we are committed to creating a respectful working environment, realising the potential of all employees, and raising the number of women in leadership positions. On top of that, we also signed a pledge with 30% Club Malaysia to further demonstrate our commitment to contribute through education and development programmes in enhancing the capabilities of the board-ready women directors. Setia has now evolved from being merely at an awareness phase of women empowerment, to now committing to these pledges.

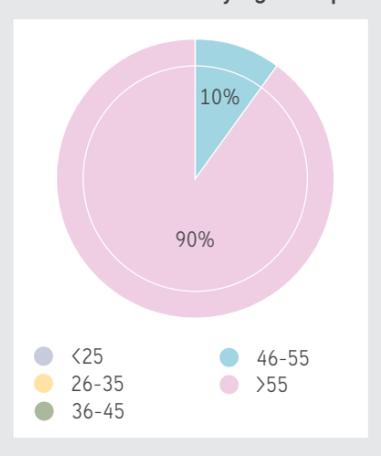
### Board of Directors' Profile

The Group is governed by a diverse Board in terms of gender, age group and ethnicity. In the year 2021, the composition of boards of directors by gender and ethnicity remained unchanged from the year 2020. The percentage of the Board by age group has changed to 10% for the age range of 46 to 55 (2020 - 0%) and 90% for the age range more than 55 (2020 - 100%).

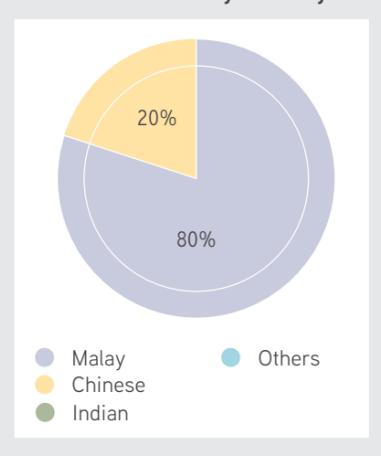
#### Board of Directors (By Gender)



#### Board of Directors (By Age Group)



#### Board of Directors (By Ethnicity)

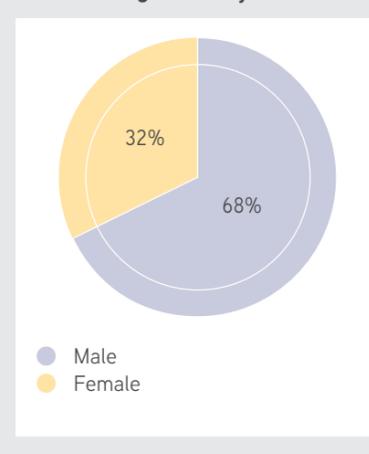


## SUSTAINABILITY STATEMENT

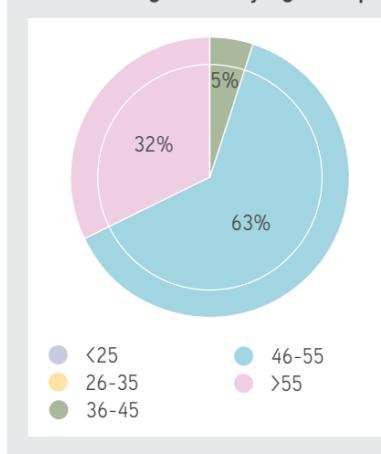
### Senior Management Profile

In 2021, the Group was led by a Senior Management team with a composition of 32:68 of female to male employees (2020 - 24:76). Meanwhile, the percentage of senior management by ethnicity has slightly changed to 26% for Malay (2020 - 24%) and 74% for Chinese (2020 - 76%). The percentage of Senior Management by age group ranging from 36 to 45 remained at 5% (2020 - 5%), 63% for age group ranging from 46 to 55 (2020 - 52%) and 32% for age group ranging more than 55 (2020 - 43%).

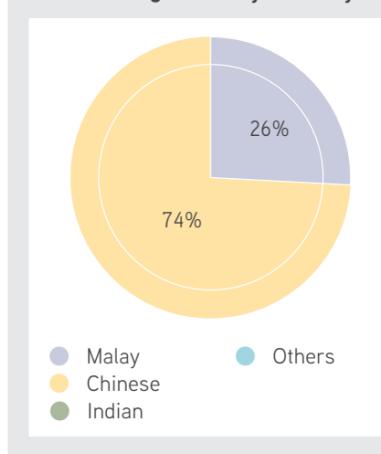
#### Senior Management (By Gender)



#### Senior Management (By Age Group)



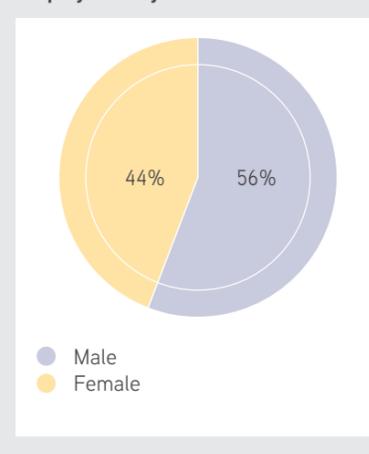
#### Senior Management (By Ethnicity)



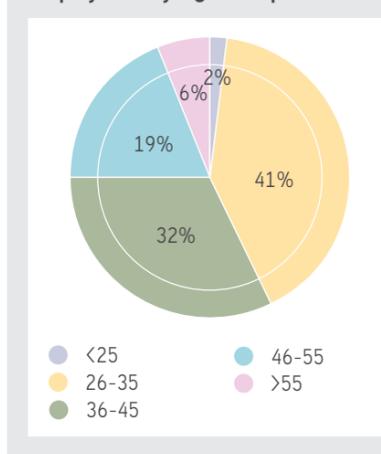
### Employee Profile

In the year 2021, S P Setia maintained our female to male ratio at 44:56 (2020 - 43:57). Similarly the percentage of employees by age group remained approximately the same with 2% for age ranging less than 25 (2020 - 3%), 41% for age ranging from 26 to 35 (2020 - 44%), 32% for age ranging from 36 to 45 (2020 - 30%) and 19% for age ranging from 46 to 55 (2020 - 17%). The percentage of employees by ethnicity remained as per 2020.

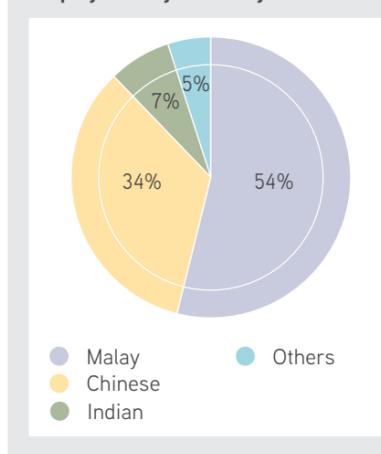
#### Employees (By Gender)



#### Employees (By Age Group)



#### Employees (By Ethnicity)

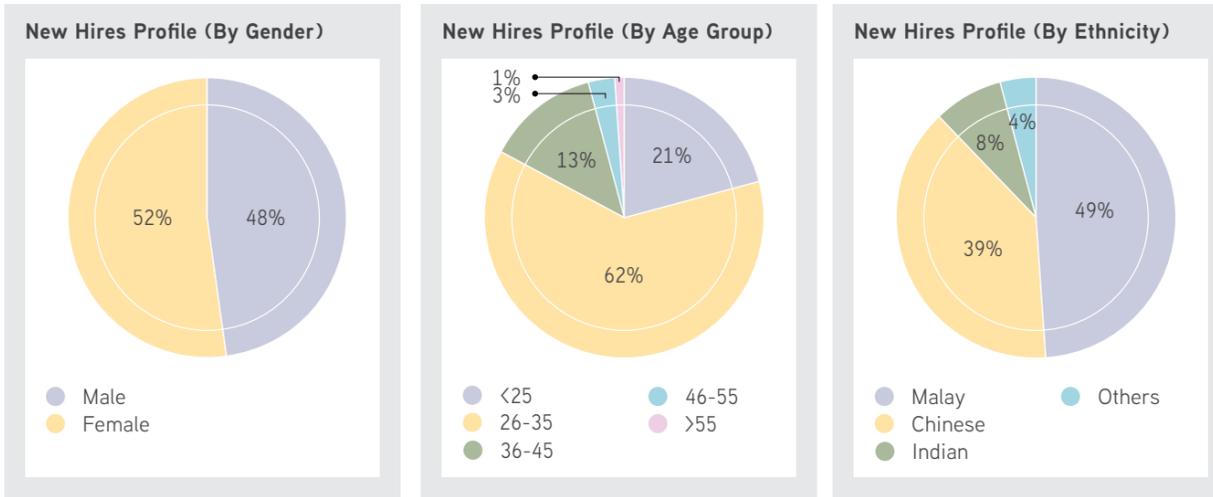


Since the pandemic, there has been a global phenomenon called the "Great Resignation" as employees voluntarily resign from their jobs. S P Setia is looking at this with prudence by implementing numerous initiatives to retain talent. As such, we managed to consistently maintain a single digit of employee turnover rate for the year 2021.

SUSTAINABILITY STATEMENT

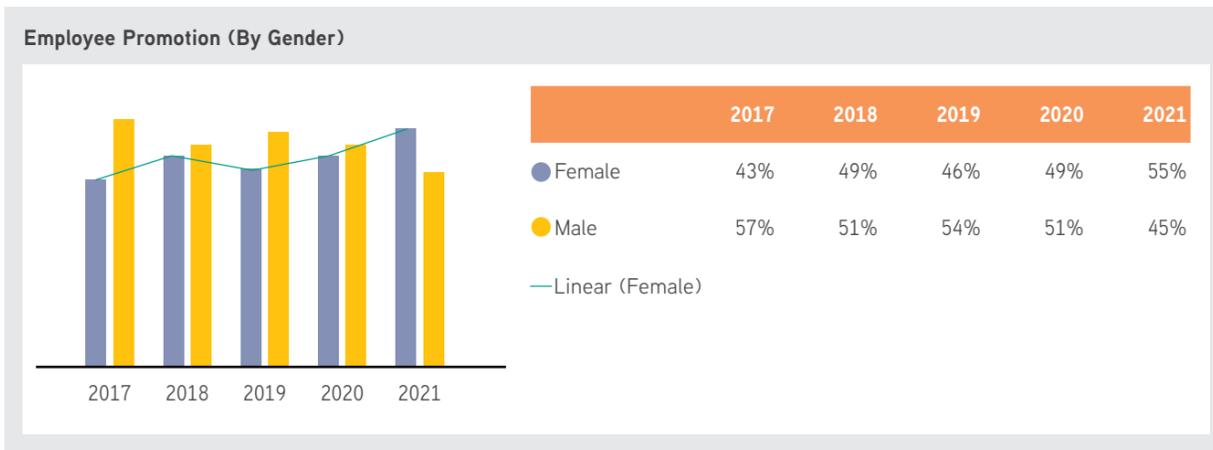
New Hires Profile

S P Setia strives to groom an agile workforce, by continuously developing a sustainable and robust talent pipeline, in retaining and attracting talent. Over the years, we have observed an upward trend of female talent representation in our hiring pool despite the pandemic with the female to male ratio at 52:48 (2020 – 43:57, 2019 – 43:57).



Empowerment of Women

In line with SDG 5 to achieve gender equality and empower all women and girls, S P Setia believes in empowering our female employees. The graph below illustrates an increasing trend of female talent promoted in the company over the years with 2021 having the highest percentage of females promoted at 55% (percentage over the overall promotion for the year).



SUSTAINABILITY STATEMENT

Workplace and Employee Benefits

Employee health is an integral priority and the main factor for workplace productivity. We strive to provide a work culture that nurtures employee health through initiatives to reduce the risk of exposure to COVID-19 and provide financial aid assistance to employees affected by COVID-19. Further elaboration on the COVID-19 assistance programmes can be obtained from the Sustainability Statement on page 136 to 138.

We are dedicated to achieving the Group's mission to be a caring and responsible employer. In 2021, we adopted a hybrid working model, being fluid with workspace and non-restrictive on work locations. We also introduced Smart Casual Fridays to be more practical and applied empathetic management by keeping wellbeing as a priority and allowing those under special categories to work from home (e.g., last trimester of pregnancy / those with young kids or elderly parents requiring attention).

S P Setia believes in cultivating a culture that prioritises employee's wellbeing. We have partnered with Naluri in ensuring that our community and employees are aware on the importance of practising a healthy lifestyle, mentally and physically. Details of the Naluri programme for the year 2021 are highlighted in the Sustainability Statement on page 134.

The Group continuously provides benefits to our employees including annual leave, special leave (such as paternity, study and marriage leave) and monthly meal allowance. Employee Share Option Scheme ("ESOS") and Employee's Share Grant Plan ("ESGP") are also provided at the discretion of the Board as governed by the By-Laws of the Group's Long-Term Incentive Plan ("LTIP"). Further information can be obtained from the Financial Statements at page 210 to 346.

Talent Development & Succession planning

In our effort to be aligned with the Group's vision and mission, it is crucial to have a team with optimum productivity and performance. We continuously enhance Team Setia's capabilities and competencies through our focal talent development strategy by providing relevant training programmes and learning intervention for our employees. In the year 2021, a total of 31,508 training hours was attended by Team Setia with an average of 15.27 training hours per employee. The key training programmes and learning intervention are as described below.

The Page Turners

A lot of work and effort has been taken by our Group to foster the learning and development of our Team Setia and create a sustainable high performance organisation. The Page Turners ("TPT") – Setia's Book Club was officially launched in April 2021 with the vision to build continuous learning and encourage reading, enabling a safe environment where literary discussion can take place in a respectful manner. As one team and one book club family, we go through each session at the same pace, where nobody is left behind. Using a book as a literal example, TPT goes through and turns each page 'together'. We may come from different backgrounds, various levels in the company, different age groups but in TPT, we are equals with one agenda and that is to learn and grow in a safe space, at the same pace.

Throughout the year 2021, 7 sessions of TPT activities were conducted with 81 registered members from junior level group comprising of Senior Executives, Executives and Site Supervisors.

The Page Turners ("TPT")		
Session	Month	Topic
1	April	<b>Official Launch &amp; Article Reading:</b> 10 Ways to Build Self-confidence
2	May	<b>Article Reading:</b> Ikigai
3	June	<b>External Speaker:</b> Turning What you Read into Actionable Tasks
4	July	<b>Article Reading:</b> The Power of Habit 7 Steps to Successful Habit
5	August	<b>Sharing Session:</b> What does Merdeka mean to you?
6	August	<b>Movie Session:</b> The Intern
7	October	<b>Sharing Session:</b> Coffee chat with Naluri's Executive Coach

SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

**Setia's Leadership Reimagined**

Under Setia's Leadership Reimagined ("SLR") Network, we envision Leaders to reflect 3 key leadership pillars – Communicate Impactfully, Coach to Inspire and Collaborate to Build a winning team. On top of that, we envisage for them to inspire talents in growing and achieving greater development, both personally and professionally.

The SLR Network comprises of graduates from the Setia Leadership Series programme; a total of three programmes from "Harvard Leadership" for Heads / General Managers, "People4ward" for Senior Managers, and "PeopleXcellence" for Managers. SLR

Network is based on an exclusive network membership concept with a requirement of completing Individual Development Plan ("IDP"), signing up under the Naluri's Digital Coaching Programme, identifying a minimum of two (2) successors and creating a LinkedIn Profile.

The programmes conducted by SLR Network held to its vision of building and sustaining a culture of growth where talent can thrive within an open and empowering environment led by inspiring leaders who model the way.

**Setia Leadership Reimagined 2021**



**Thought Leadership Journal**

A platform where Setia's Reimagined Leaders will be able to share thought leadership ideas and opinions through journaling, video interviews, etc.



**Roundtable Series**

A roundtable discussion with notable keynote speakers from industry leaders, CEO, Board; sharing their thought-provoking ideas and views on leadership in this digital era.



**Bite-Sized Learning**

A short learning session (digitally / online) where leaders will learn new skills and 'sharpen your saw' as a Reimagined Leader.



**Digital Coaching**

A platform for Setia's Re-magined Leaders to experience coaching via a digital platform for leadership and self-development; at the same time, to practise digital coaching to their own people.

**Roundtable Series**

In June 2021, we kicked off the Roundtable Series with our very own Y.A.M. Tan Sri Chairman as he shared motivating and humbling stories from his past experiences and knowledge from his career journey of transitioning from Management to Board roles. The session was followed through with our Non-Independent and Non-Executive Director, Dato' Azmi Bin Mohd Ali, who shared on his life-long learning journey and how coaching and nurturing talent has been the centre and core of how he has navigated his career. In November 2021, we had a roundtable with two (2) special guest speakers coming from a background of leading global unicorn companies. In the session, we had a conversation with our guest speaker through a virtual fireside chat about their experience in scaling these global unicorn businesses and how we can apply these learnings in a mature organisation like S P Setia as we navigate our way through digitalisation.

**Bite-Size Learning**

Three (3) topics were shared through the Bite-Size Learning session. The first topic discussed was on "Managing Change – Motivating Staff in Times of Rapid Change". This provided the opportunity for our leaders to explore how to develop mental resilience within the team, maintain momentum and heighten engagement levels. Secondly, a short learning session was conducted on the topic of "Onboarding Stakeholders while Risks are Ambiguous – Agile Decision Making". In this session, we aspired to explore a researched structured method in an engaging session of meeting of the minds to manage decision making opportunities. The final topic was on "Does the New Norm Demand Heightened Authenticity by Leaders?". Our leaders were able to explore the dimensions of, 'if being themselves means being an authentic leader; understand the characteristic of being an authentic leader; and examine what needs to start, stop and continue this journey of being an authentic leader'.

**Digital Coaching**

SLR Resilience Programme is a digital coaching platform designed to equip leaders with enhanced skills to cope and thrive when faced with change and uncertainties, recover from failures and setbacks more effectively and manage their resilience as well as mental health proactively. It is an impactful programme at an Individual, Team and Organisational Level in collaboration with Naluri. It supports leaders to shift their behaviour by learning to respond intentionally to "stress triggers" rather than react impulsively and finally to be more engaging, practical and result-oriented compared to the conventional 'webinar training sessions'. This programme offered an opportunity to engage with the Executive Coach at Naluri in an interesting and constructive discussion on how to be a more resilient leader. The members are entitled to unlimited sessions and may book a session via the Naluri application.

**Setia Mentoring Programme**

A 6-month Setia Mentoring Programme was established to accelerate the Personal and Professional development of the mentees through the guidance, advice and feedback from a mentor who share the experiences and wisdom to help mentees navigate through the unknown path of their position and reach their goals within a specific timeframe. Four (4) key parties of this mentoring programme include the Mentor, Mentee, Sponsor and HR Champion.

The Mentees were selected based on their nomination as potential successors, through our Succession Planning process. They were put through a structured mentoring programme, with 30% of the mentees being female talent.

The Mentors were provided with their respective Mentee's IDP with details on Leadership, Professional, Career and Personal development. The mentoring process was to identify improvement opportunities for the Mentees and at the same time, to empower them to drive and own their development improvement plans.

Setia Mentoring Programme (Mentor-Mentee Matching)	
Mentor	Mentee
Executive Vice President ("EVP") / Deputy General Manager ("DGM")	Head of Department ("HOD") / General Manager ("GM") level
GM / DGM	Senior Manager level
Senior Manager / HOD level	Manager level

**Design Thinking**

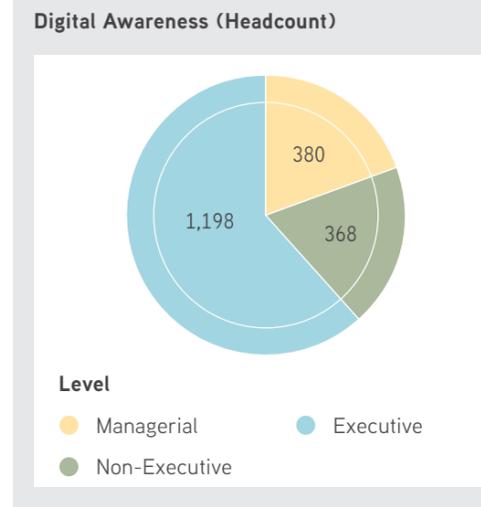
Design Thinking is an innovation project that was launched to instil an innovation culture and to inspire an entrepreneurial mindset in S P Setia through a methodology that focuses on delivering customer-centric innovation to create a real impact to the business, and at the same time accelerate digital transformation within S P Setia. Our approach for this programme is through Facilitation & Project Assignment, with coaching assistance from the Design Thinking Consultant where ideas will be pitched at the relevant platform for future adoption & implementation. The programme was initiated with three ("3") Design Thinking Projects involving Customer Experience Committee ("CEC"), COE, IBS and TEC. The selected project teams came together, going through different phases to bring the solutions of identified challenges to live.

**Frontline Competency Matrix**

We embarked on building a future proof Frontline Skills Matrix on a digital platform by partnering with an external party. The objective is to allow optimisation of capability building and employee driven growth by building a strong foundation for data driven development decision to empower employees in taking charge of their career pathways. Through this digital skills matrix platform, we provided an overview to our frontline teams on the journey and outcomes that we have set to achieve. This platform provided the opportunity for 350 of our frontliners from Sales & Marketing, Credit Administration, Customer Relations and Convention – Sales & Event to have a clear path through skill gaps identification. The Talent Pulse System provided key information on our talent in the areas of role fit score, competency gaps and individual psychometric assessment report & etc. Employees were given access to view their reports.

**Digital Awareness**

As of December 2021, a total of 64 digital awareness sessions were conducted to cultivate a digital mindset and readiness among Team Setia to build a digital and agile workforce that supports the Group Digital Transformation journey. We ran the awareness sessions with the value propositions of having an adaptive workforce that is open to agile and new ways of working. This included the need of developing new skills, building a workforce that embraces opportunities for change and innovation from digital transformation, and enhancing the ability of the organisation to ride on the wave of digital disruption.



SUSTAINABILITY STATEMENT

Succession Planning

As part of the talent development process, the Group has initiated and implemented succession planning with the objective of identifying and strengthening of the talent pipeline. This process is key to meet the anticipated demand for future leaders.

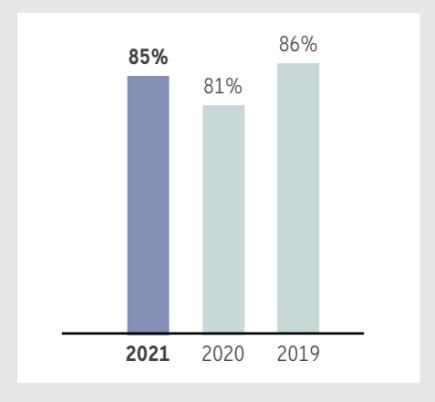
A Talent Review Council ("TRC") has been set up, comprising of senior members of the leadership team, who are responsible for ensuring robust conversations around the talent within the organisation, challenging each other for best outcomes for our Talent Pool, endorsing names listed as successors based on consistent benchmark and ensuring Development Plans are being followed through.

Engagement Activities

People Pulse Survey

People Pulse Survey allows us to track and measure the progress of our engagement survey initiatives year by year. Improvement areas have been identified and addressed accordingly as illustrated by the improved scores in 2021 as compared to 2020. Through the consistent effort in closing the gaps from the 2020 People Pulse Survey results, we scored 85% in the Year 2021, a higher score compared to Year 2020. This demonstrated our commitment to improving the engagement and connection with our employees.

People Pulse Survey – Engagement Score



Naluri

Throughout our partnership with Naluri for an ongoing Employee Assistance Programme ("EAP"), a total of 787 employees have utilised the Naluri platform. There are 6 features within the Naluri programme, and these include monthly webinars, a 4-months digital coaching programme, professional health coaching, onsite or video therapy sessions, periodic on-site employee health screening, and digital tools and self-monitoring devices.

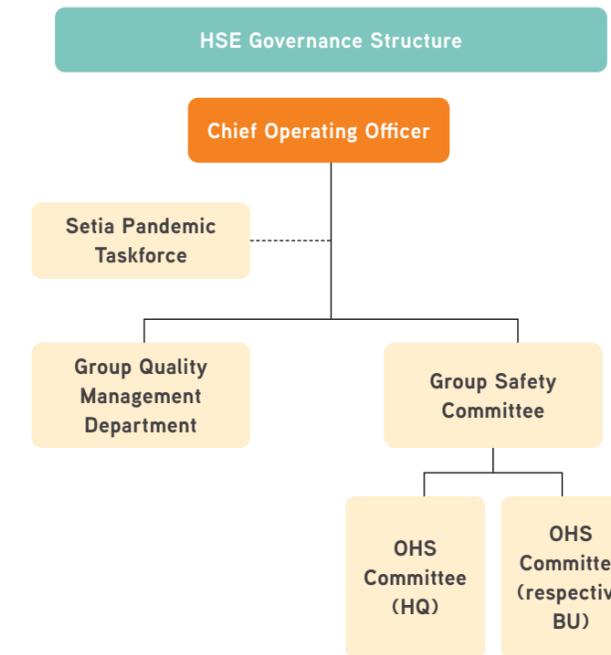
In the year 2021, we kicked off a digital coaching programme to groom leaders across the Group on areas of leadership and resilience. The programme, titled "Path to Resilience", is designed to equip our leaders with the mindset and skills to cope with uncertainties, recover from failures and setbacks effectively, and manage their resilience and mental health proactively. The programme supports our leaders to shift their own behaviours and learn to respond intentionally to "stress triggers" rather than to react impulsively.

Naluri – Employee Assistance Programme

- 787 employees have used the Naluri platform over the course of this programme
- 610 physical and mental health screenings
- 28,862 chat sessions with the top 5 channels of Psychologist, Naluri Assistant, Dietitian, Trainer and Pharmacist
- 14,587 digital learning modules completed (high interest in exercise, diet and self-care modules)
- 12 webinars on topics ranging from managing mental health to diet and fitness
- 9 virtual workout programmes with trained fitness coaches

B Health and Safety

HSE Governance



As guided by Occupational Safety and Health Administration ("OSHA") 1994, the Group is taking our Team Setia's health and safety seriously. Led by the Group Safety Committee, the effectiveness of the safety and health handling matters are monitored and managed by the two dedicated teams of Occupational Health and Safety ("OHS") Committees including at HQ and respective BU level.

The Group Safety Committee is chaired by our COO and steered by the GQM and HSE representatives from the respective business units. It is accountable to oversee the HSE matters, has an oversight role on the effectiveness of the HSE policies and procedures and monitors the HSE performance throughout the Group.

The OHS Committee at HQ level is responsible to lead the HSE initiative execution at project sites and HQ level. The committee is also responsible to monitor the performance of HSE at respective business units through the regular meetings conducted by the Group OHS Committee and BU-level OHS committees.

Key Health and Safety Metrics

Upholding the philosophy of 'livelearnworkplay', the Group promotes a safe and healthy workplace for our Team Setia to work happily. Close monitoring of health and safety performance at our workplace particularly at project sites which have a higher risk of health and safety hazard. We managed to maintain our performance with no major incident, fatalities and non-compliant incidents in 2021.

SUSTAINABILITY STATEMENT

During the year, minor incidents were recorded at projects sites with lost time injuries. These incidents were related to housekeeping work at Setia EcoHill Walk project site, inspection work at Daintree Residence project site and handling tool storage at UNO project site. These incidents were investigated, and root causes were identified. The incidents occurred mainly due to worker's negligence during working at height and handling the tool storage, and action plans were identified to enforce SOPs of working at height and correct tool storage procedures. To enhance the safety of the workers, the Group enforced daily safety toolbox briefings, and several health, safety and environment related trainings were conducted throughout the year. Our occupational health and safety performance is illustrated below:

Injury Index for Projects			
Incident Rate	Frequency Rate	Severity Rate	Fatality Rate
FY2021			
1	0	3	0
FY2020			
0	0	3	0

Note 1: Amended Injury Index figure for the year 2020 to reflect the actual index.  
 Note 2: Formulas used for Injury Index are based on Department of Occupational Safety and Health (or Jabatan Keselamatan dan Kesihatan Pekerjaan) Form 8:

- i. Incident rate –  $\frac{\text{Number of accidents} \times 1,000}{\text{Average number of employee (Number of accidents} \times 100,000)}$
- ii. Frequency rate –  $\frac{\text{Total manhours worked}}{\text{Total workday lost} \times 1,000,000}$
- iii. Severity rate –  $\frac{\text{Total manhours worked}}{\text{Number of fatalities} \times 1,000}$
- iv. Fatality rate –  $\frac{\text{Total manhours worked}}$

OHS Performance		
Incident Rate	Year 2021	Year 2020
Major Incident (case)	0	0
Non-compliance incident (case)	0	0
Penalty (RM)	0	0
Manhours without injuries	15,408,863	23,699,640

Note 1: Amended manhours without injuries figure for the year 2020 to reflect the actual manhours.  
 Note 2: Manhours without injuries exclude Setia International Vietnam and Setia EcoHill for year 2020 & Setia International Vietnam and Setia Alamsari for year 2021, as data was not available.

Quality Effort on HSE-related activities conducted by our Team Setia is one of the KPIs for S P Setia Quality Excellence Award programme. To encourage and inspire our employees, we set 75% as the minimum attainment target of HSE Quality Effort score. For the year 2021, we scored 87% as compared to 85% in the year 2020 and 2019.

SUSTAINABILITY STATEMENT



Health and Safety Monitoring

We demonstrated our continuous efforts and commitments towards ensuring our Team Setia works in safe and healthy environment through the ISO45001:2018 Occupational, Health and Safety Management System certification we received.

We proactively enforced our health and safety performance through monthly HSE audits conducted at Project Sites by the GQM. On-site audits were conducted at all project sites to ensure contractors complied with HSE requirements, which covered several aspects including safety of work area for construction sites, structural and support erection, machinery and workers, and facilities. To encourage our Team Setia to actively monitor the project sites, the Group included the audit scores as part of the Team Setia KPIs.

Based on these monitoring activities by the respective HSE Committee at the BU level, we inspired them to share the improvement plan of the HSE matters at project sites in the HSE Work Group meetings chaired by our COO. Through this initiative, Committee members were able to share enhancement areas that could be implemented by the respective business units, and review the lessons learnt.

In addition, our Team Setia continuously monitors health and safety matters through enforcement of the OHS procedures at both the HQ and BU levels, conduct annual review on the adequacy of HSE policy and procedures and provide HSE awareness and trainings to our employees.

HSE Awareness and Trainings

In addition to the daily safety toolbox briefings conducted at project sites, we refined the HSE capability of our employees and construction workers through additional trainings conducted by the appointed external training providers and internal HSE subject matter experts.

Throughout the year, 21 HSE learning programmes were conducted comprising HSE technical trainings such as basic occupational first aid, cardiopulmonary resuscitation (“CPR”) and use of automated external defibrillator (“AED”), noise exposure monitoring awareness, construction safety awareness, working at height and basic firefighting, and emergency response plan and preparedness. Other trainings provided for non-technical aspects included a seminar on enforcement of the latest amended Act 446 under the Emergency Ordinance, Safety and Health Officer course, Emergency Response Team (“ERT”) remote online training and Intermediate Scaffolding Level 2.

In FY2021, we managed to conduct a virtual CEO Dialogue programme which is our signature annual engagement programme with business associates. The programme was participated by 229 representatives of 162 business associates. This programme was conducted with the aim to enhance our engagement with contractors and at the same time to acknowledge our business associates’ effort in relation to HSE management by providing an award to the company that scored the highest mark in the category of QEAP, i.e. HSE and Product Quality.

COVID-19 response

The year 2021 was a tough journey especially in Malaysia given the spike in confirmed cases of the novel coronavirus infection COVID-19. The appearance of the delta variant also raised the concern of people around the world. Supported by Setia Pandemic Taskforce, our Team Setia managed to stand strong in the face of the COVID-19 challenges throughout the year. The taskforce continuously monitored and tracked all COVID-19 matters and provided progress updates to the Strategic Executive Team (“SET”).

Upon declaration of the third nationwide lockdown in Malaysia in May 2021, we introduced and implemented WFH policy as a guideline for Team Setia to work remotely, whilst taking care of their health to prevent COVID-19 infection.

The Group established an online COVID-19 Information Centre platform as a one-stop communication centre where Team Setia could get important information including COVID-19 latest announcements, Return to Work (“RTW”) Guidebook, Information Links to the relevant authorities such as Majlis Keselamatan Negara (“MKN”), Kementerian Kesihatan Malaysia (“KKM”) and MITI, Frequently Asked Questions (“FAQ”) and contact details to obtain further information on COVID-19.

In FY2021, a total of RM2.72 million was spent by the Group to aid COVID-19 initiatives consisting of COVID-19 test kits, employee health and hygiene supplies, food supply aid, vaccination centres and workplace hygiene.

Items	Investment amount (RM)
COVID-19 test	803,578
Employee health & hygiene	227,880
Workplace hygiene	392,603
Food supply aid	641,267
Vaccination centre	365,494
Others	291,612
<b>Total</b>	<b>2,722,434</b>

We strived to protect our Team Setia from COVID-19 through strict enforcement of COVID-19 Prevention Standard Operating Procedures (“SOPs”) at our offices, sales galleries, clubhouses, project sites, convention centres and manufacturing plant. We implemented daily temperature screenings for all employees, visitors or customers at the entrance of the premises. Our premises were fully equipped with temperature scanners and additional temperature scanner were purchased in FY2021 to detect individuals with a body temperature of more than 37.5°C at all points of entry. Our security personnel were assigned to monitor and decline entry of individuals with a body temperature higher than 37.5°C and the individual would not be allowed to enter the premises if the temperature remained above 37.5°C after 5 minutes of rest from the first scanning.

Other initiatives taken as COVID-19 preventive measures included social distancing at our premises. Protection shields were installed at tables and workstation counters particularly for frontline employees at Setia Eco Glades, Setia Seraya, Setia Trio and Setia Sky Seputeh.

Employee Support Services for COVID-19 (“EES – 19”)		
Gauge Employees Basic Need	Provide Guidelines on Home Quarantine	Periodic Health Monitoring Status
<ul style="list-style-type: none"> <li>To give one-off RM 100 to all Positive Cases and Close Contact for those in Executive levels and below.</li> <li>This applies to all cases reported to the Pandemic Task Force effective date of 1 June 2021.</li> </ul>	<ul style="list-style-type: none"> <li>To enable employees who are to be quarantines at home within a safe and supported environment.</li> </ul>	<ul style="list-style-type: none"> <li>Psychosocial support via Naluri platform</li> <li>Employees also may reach <i>Talian Bantuan Sokongan Psikososial</i> which is a platform organised by KKM and Mercy Malaysia</li> </ul> 

Lockdowns or movement restrictions imposed in the year 2021 raised concern of the Group towards the well-being of our construction workers especially in relation to food supplies. Food Supply 2.0 was implemented by the Group with the objective to supply essential food to all workers staying in CLQs during the MCO periods. We spent a total of RM633,492 to ensure that our construction workers were well-fed during the MCO periods.

SUSTAINABILITY STATEMENT

We upgraded our CLQ for Alam Impian project for approximately 667 workers with a total cost of RM56,500. The upgrading work done involved additional security manpower and floodlight, installation of barb wire, provision of facility for supervision activity of the authority and development of mass and centralised decontamination. During the spike of COVID-19, Setia International Australia implemented an Employee Roster from August 2021 to October 2021 to coordinate employees working schedules to either work from home or office under strict SOP.

Workplace hygiene is our priority for employees coming to office and work to protect them from COVID-19 infection. We installed air purifiers at our premises to purify and filter the air, suppress activity of bacteria and humidify our offices, sales galleries, clubhouses, and convention centres. We also bought spray guns to be used at our premises and conducted regular sanitisations and disinfection.

The Group encourages and promotes Team Setia wellness and health. We distributed vitamins, pulse oximeters, hand sanitisers and personal protective equipment including medical face masks, face shields and hand gloves to our people. We encouraged our Team Setia to perform frequent COVID-19 tests by distributing COVID-19 self-test kits and conducting swab tests for the construction workers regularly. We also provided test kits to visitors as they are required to provide us with the test results prior to entering our premises.

Besides a mental health programme, we also initiated an Employee Support Services for COVID-19 (“EES-19”) to help and assist employees who were identified as a COVID-19 Positive Case or Close Contact. We believed a good support system was important to ensure our employees who contracted COVID-19, were fully supported during their quarantine and recovery periods.

Three steps of response were implemented by the Group for employees under EES-19. These comprised assessing employee’s basic needs, providing guidelines on home quarantine and reporting on their periodic health monitoring status.

SUSTAINABILITY STATEMENT

Food distribution at the CLQs



Setia EcoHill 2



Setia Sky Seputeh

With utmost pride and pleasure, we contributed towards helping the nation achieve herd immunity. We supported the National COVID-19 Immunisation Programme (“PICK”) and the Public-Private Partnership Industrial Immunisation Programme (“PIKAS”) by transforming 6 venues into Pusat Pemberian Vaksin (“PPV”) or Vaccination Centres for the National COVID-19 Immunisation Programme to help the Government ramp up the vaccination programmes. 4 out of the 6 venues were mega PPVs throughout Malaysia and these were:

- Setia City Convention Centre 1 and 2 in Shah Alam;
- Setia SPICE Arena; and
- Setia SPICE Convention Centre in Pulau Pinang.



PPV Club360 Setia EcoHill



PPV Setia City Convention Centre

The PPVs were managed by the COVID-19 Immunisation Task Force (“CITF”) and COVID-19 Vaccine Supply Access Guarantee Special Committee (“JKJAV”) and supported with the collaboration of public servants, medical personnel and a total of 395 of our Team Setia Volunteers.

Setia Vaccination Centre		
Venue	Period	Total Doses Administered
Setia Eco Templer	July 2021 to September 2021	More than 50k
Setia EcoHill 360	July 2021 to August 2021	More than 40k
Setia City Convention Centre 1	June 2021 to August 2021	More than 500k
Setia City Convention Centre 2	June 2021 to August 2021	More than 80k
Setia Spice Arena	June 2021 to October 2021	More than 400k
Setia Spice Convention Centre	August 2021 to October 2021	More than 200k
<b>Total</b>		<b>More than 1.3 million</b>

SUSTAINABILITY STATEMENT

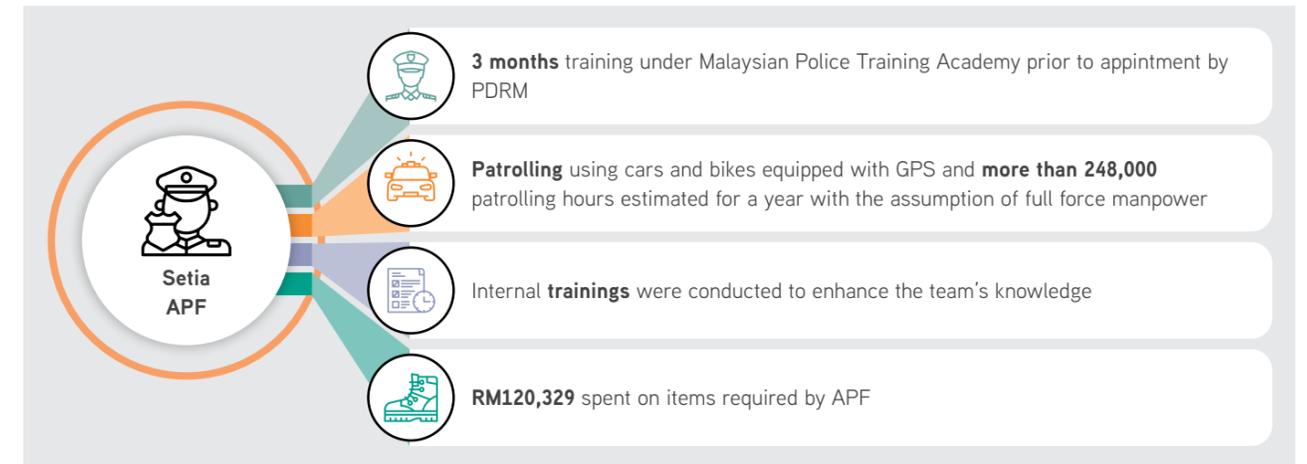
C Security

Creating a safe and secure environment is one of the Group’s salient roles in ensuring our Team Setia, residents and communities can enjoy performing their daily activities without fear or worry about security issues.

Our offices, sales galleries and township are protected by trained APF who are required to attend 3 months of police course training under the Malaysian Police Training Academy before being appointed by Polis Diraja Malaysia (“PDRM”). The APF conducts patrols in townships using patrol cars and bikes equipped with Global Positioning System (“GPS”) mobile system for communication and reporting to the APF’s Operational Room. In FY2021, we spent a total

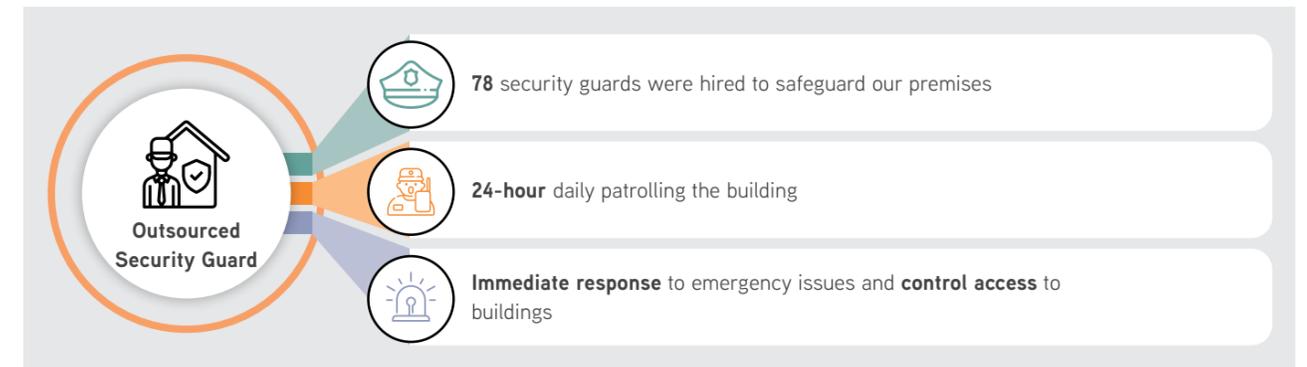
of RM120,329 to enhance the capability of our APF ranging from patrol bike replacement to enhanced PDRM stickers and accessories, and purchase of improved mobile GPS, walkie talkie holsters and operation shoes. As stipulated by the Police Act, the APF has the authority to arrest any criminal suspects and bring them to the nearby police station for investigation and further action by PDRM.

As of December 2021, eleven (11) crime cases were handled by our APF and a total of more than 248,000 patrolling hours were recorded. The patrolling hours were estimated with the assumption of full workforce and did not include the number of leave days taken by the employees.



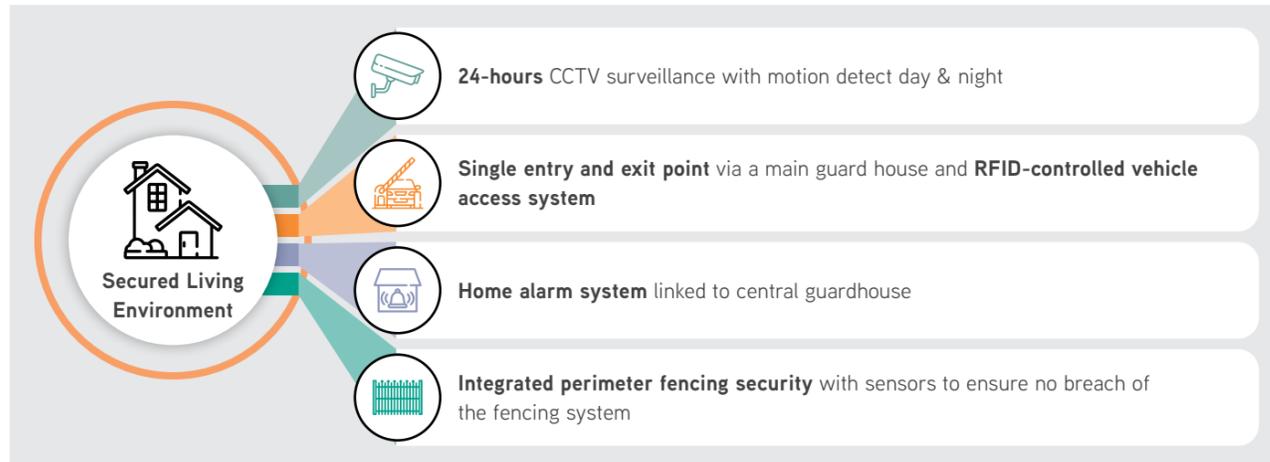
In FY2021, we conducted two internal trainings for our APF. The first training was a 3-hour session on Polis Bantuan or APF’s SOP and Regulation Awareness Training, attended by a total of 105 participants. A second training focusing on criminal law and procedures in 2-hour sessions were attended by a total of 96 participants.

We also outsourced 78 security guards for our premises including offices, sales galleries and show houses. These security guards are responsible for controlling access of people to our premises, ensuring no unauthorised access.



Our townships are designed with security features to prevent malicious activities or security breaches that may harm the residents and the public.

In addition to 24-hour patrolling, most of our townships are also equipped with 24-hour CCTV surveillance that has day and night motion detection. The residential areas access is controlled with a single entry and exit point via a main guard house. Vehicle access into the township is controlled using radio-frequency identification (“RFID”) system. The RFID stickers with embedded radio frequency chips are stucked at the headlight / windscreen of residents’ vehicles.



Each home is fitted with an alarm system that is linked to the guardhouse via Central Monitoring System (“CMS”). The system includes a home automation system and mobile application that allows users to receive update / status anytime from devices. Additional features of the mobile application include control of fittings at homes and a link to the home automation system. The system will alert guardhouses via the CMS system when the alarm is triggered.

To secure access of the townships, an integrated perimeter fencing security system is installed to detect intrusion. The system utilises the Perimeter Intrusion Detection System (“PIDS”) that combines surveillance system and sensors to detect vibration caused by cutting, climbing or attempt to breach physical perimeter fencing, enabling security guards to respond immediately when trespassing is detected. The system is paired with physical fencing and barbed wires to enhance security for the community.

**D Community Engagement**

**S P Setia Foundation**

We invested in the future of our nation, lending a helping hand to underprivileged Malaysians via the establishment of S P Setia Foundation. S P Setia Foundation was established to promote positive impact, foster integration and national unity.

Through the establishment of S P Setia Foundation, the Group persistently lent a hand to enrich underprivileged Malaysians. A total of RM1.16 million was spent by S P Setia Foundation in the financial year ended 31 December 2021 to cover, among others, donations for medical and financial assistance to Team Setia, COVID-19 expenses for Setia PPVs Centres and SCSP.

**Setia Caring School Programme**

As specified in the trust deed of the S P Setia Foundation, we are serving our nation with the objective of assisting in the advancement

of education for disadvantaged pupils in Malaysia through Setia Caring School Programme. Nine (9) schools from a diverse background in Selangor, Johor and Penang were selected and adopted into our scheme to assist students who are successful in both academic and non-academic areas, with high moral standards, and who demonstrate good behaviour and good values. The objective was to produce a community-conscious student body with a high sense of empathy for the disadvantaged and willingness to lend a helping hand in whatever form or manner irrespective of race, colour or creed; and enlightened future leaders who are imbued with a high sense of altruism whose eternal remit is to build a united and prosperous Malaysia irrespective of race, culture or creed.

Throughout the year 2021, we spent a total of RM 1.05 million on a variety of activities and programmes under SCSP.

**School Hygiene Education**

In March 2021, our team conducted the School Hygiene Education and “Jom Bawa Bekal” programme at our selected Setia schools which benefitted 5,200 students and teachers. The programme aimed to cultivate a hygienic culture in their daily lives and encourage them to bring healthy home-cooked food to school to protect the students and teachers from COVID-19.

A total of 5,100 set of tumblers and food containers were distributed to all 9 SCSP schools in Selangor, Penang and Johor. This initiative was carried out to support the Government’s initiative to encourage healthy meals and for the students and teachers to bring cooked food from home during the Conditional Movement Control Order (“CMCO”). In this programme, we spent a total of RM 304,000 on the purchase and distribution of essential items including food containers, tumblers and fabric face masks.

**School Hygiene Education & Jom Bawa Bekal**

**SCSP Selangor**

- SK Semenyih
- SJKC Kg Baru Semenyih
- SJKT Ladang Rinting



**SCSP Penang**

- SK Batu Ferringhi
- SJKC Aik Hua
- SJKT Tasek Permai



**SCSP Johor**

- SK Kota Dalam
- SJKC Seelong
- SJKT Kulai Besar



SUSTAINABILITY STATEMENT

Pastoral Care Programme

We believe that a favourable and conducive learning environment could boost the motivation of our Setia schools' students and enhance their academic performance. Comfortable and conducive school environment and facilities such as classrooms, library and common areas allow both students and teachers to develop a fun and meaningful learning experience. Through the Pastoral Care Programme - "My School My Home" - S P Setia Foundation inspired all Setia schools to enhance and lighten up their facilities. In March 2021, a soft launch of the fully completed pastoral care rooms were carried out by the teachers.

During the year 2021, RM 95,000 was spent by S P Setia Foundation for the Establishment of Pastoral Care Programme - "My School My Home" - in all Setia schools.

Pastoral Care Programme - "My School My Home"

SCSP Selangor

SK Semenyih

SJKC Kg Baru Semenyih

SJKT Ladang Rinching

Completed



SCSP Penang

SK Batu Ferringhi

SJKC Aik Hua

SJKT Tasek Permai

Completed



SCSP Johor

SK Kota Dalam

SJKC Seelong

SJKT Kulai Besar

Completed



SUSTAINABILITY STATEMENT

Pastoral Care Programme

Despite the strict COVID-19 SOPs imposed by the government in 2021, S P Setia Foundation continued to engage students through online activities under the Pastoral Care Programme. Under the programme, Story Telling Competition and Merdeka Video Competition were introduced. The programme involved all SCSP students and cost RM 37,400. Through these competitions, the participants could enhance their communication skills, sharpen their memory, brush up their creativity and nurture their imagination.

Pastoral Care Programme - Online Activities

Story Telling Competition



Merdeka Video Competition



SUSTAINABILITY STATEMENT

Teacher Development Programme

We continued our annual Teachers Roundtable Discussion involving 18 SCSP Teachers, with the Headmistress / master representing all Setia schools. These discussions were conducted in April 2021 via Microsoft Team to obtain teachers' views on current issues and needs of the students. Feedbacks and inputs received from the discussions were crucial for S P Setia Foundation to identify impactful activities or programmes to address issues faced by both teachers and students.

Student Annual Stipend

Concerned over the challenges faced by B40 (low-income) families, an annual stipend of RM 150 educational assistance was provided to students of selected Setia schools, allowing them to buy books. A total of 2,280 SCSP B40 students received educational assistance costing RM 342,000. The initiative helped relieve the cost of living these students faced and assisted those badly hit by the pandemic. This, in turn, eased their learning process. The Foundation spent RM 178,000 for the purchase of 2 full sets of school uniforms for distribution to the 940 SCSP B40 students in the hope to bolster their self-confidence and self-esteem with the new school uniforms.

#Setia4Malaysia

In August 2021, we launched our maiden #Setia4Malaysia programme which aimed to spread good cheer and show caring gestures and to remind fellow Team Setia and our stakeholders that we should be grateful and thankful for what we have during this pandemic environment.

The programme was conducted to cultivate national spirit through five (5) main initiatives, comprising Setia PPV Heroes, Truly Malaysian MasterChef, Unity Run 2021, Alongside Our B40s and Online Article Campaign.

#Setia4Malaysia

Setia PPV Heroes  
August 2021



Truly Malaysian MasterChef  
August 2021 - September 2021



Unity Run 2021  
August 2021 - September 2021



Alongside our B40s  
Starting August 2021



Setia PPV Heroes initiative

Through the Setia PPV Heroes initiative, we delivered tokens of gratitude to our frontliners and volunteers in Setia PPVs in the central region and Penang by distributing Merdeka snack packs. We provided more than 2,300 servings of savoury and sweet Malaysia snacks and desserts to approximately 1,060 frontliners and volunteers at Setia PPVs in central region and 4,000 servings given to 800 frontliners and volunteers at Penang's Setia PPVs. The snack packs were sourced from Food and Beverages local micro-enterprises mainly from the B40 community whose sources of income were affected by the prolonged lockdown in 2021.

Truly Malaysian MasterChef

Truly Malaysian MasterChef was an initiative conducted during the Hari Kebangsaan and Malaysia Day period with the objective to spread some festive cheer by engaging their staff members remotely. More than 100 of our employees across the nation were provided with a mystery cooking kit, filled with the necessary ingredients and recipes to prepare well-loved Malaysian desserts.

Unity Run

Our inaugural virtual #Setia4Malaysia Unity Run on Merdeka was launched in collaboration with JomRun as part of our effort to promote a healthy and united Malaysia amidst the lockdown and travel restrictions. Over 1,500 participants from Malaysia, London and Melbourne ran a total of 46,992.96 km in their respective locations from 16 September 2021 to 16 October 2021, to promote unity and strength of Malaysia.

Alongside Our B40s

In our effort to provide financial support to the B40 community, the Group collaborated with the Edge Property Malaysia to initiate a Caring Community Campaign, themed 'Alongside our B40s'. 25 out of 133 of the nominated F&B B40 microenterprises in the Klang Valley and Penang were shortlisted and we sponsored RM500 to each of them to upgrade their businesses. In total, the Group forked out RM46,000 for this initiative. We will continue to purchase food from these 25 microenterprises to be donated to nearby underprivileged homes.

Online Community Engagement

To nurture the Malaysia spirit and promote the #Setia4Malaysia campaign on social media, we conducted Facebook hygiene content on the #Setia4Malaysia updates and featured definitions of local slangs such as - 'lah', 'walao eh' and 'rojak'. These Facebook postings garnered interest and achieved almost 3 million impressions from the public consumption of newspaper articles, Facebook posts and shares, advertisement and blog posts.



# SUSTAINABILITY STATEMENT

## Flood Assistance

As we drew near to our financial year closure in December 2021, Malaysia was hit by the worst floods in history due to continuous torrential rains in many states of Peninsular Malaysia. S P Setia team sprang into action with the establishment of Flood Alert Crisis Taskforce ("FACT") and managed to swiftly respond to the flood crisis and provided immediate assistance to the communities, employees, project sites and CLQs that were affected by the floods.

Flood Aid Assistance (Setia Rescue)		
Community	Employees	Project Sites & CLQ
Managed by respective <b>Business Unit Team</b>	Managed by respective <b>Group Human Resources</b>	Managed by respective <b>Group Quality Management &amp; HSE Team</b>
Aid provided including:	Aid provided including:	Aid provided including:
<ul style="list-style-type: none"> <li>Accommodation</li> <li>Food Aid</li> <li>House and area cleaning (post-disaster)</li> </ul>	<ul style="list-style-type: none"> <li>Accommodation</li> <li>Food Aid</li> <li>Financial Assistance</li> <li>Compassionate Leave</li> </ul>	<ul style="list-style-type: none"> <li>Closely communicate and assist contractors as and when needed</li> </ul>
<b>Cost incurred:</b>	<b>Cost incurred:</b>	<b>Cost incurred:</b>
A total of RM 117,221 was incurred by Bandar Setia Alam, Setia Bayuemas, Setia Alamsari, Setia AlamImpian, Setia Eco Park and Setia Warisan Tropika	RM139,975	Nil



Team Setia of Setia Alam, Setia Bayuemas, Setia Alamsari, Setia AlamImpian, Setia Eco Park and Setia Warisan Tropika, as well as S P Setia Foundation responded promptly with aid for residents of the flood hit areas in Selangor and Kuala Lumpur.

# SUSTAINABILITY STATEMENT

As part of the flood crisis communication response, we leveraged on social media and digital platforms to inform the public of helplines, safety tips and Setia's efforts in assisting those affected by the floods. S P Setia Community Flood Information Portal was developed by our Team Setia as an additional digital platform where the affected communities can search and look for information such as a property's flood risk and find resources to help with understanding flood risk and flood risk reduction.

### Flood Aid Assistance (Social Media and Digital Platform)

#### Facebook - Public Service Announcement: Latest News and Info

#### Facebook - Public Service Announcement: Cross shared Authorities Posting

#### Facebook - Setia Safety Posting: Guides and reminders for those affected by floods

#### S P Setia Community Flood Information Portal: Dedicated microsite for residents and staff reference

SUSTAINABILITY STATEMENT  
MAPPING TO GRI

SUSTAINABILITY STATEMENT  
MAPPING TO GRI

a. Mapping GRI Content Index – Core Option

	GRI STANDARD	DISCLOSURE	REFERENCE
<b>GENERAL DISCLOSURES</b>	102-1	Name of the organisation	S P Setia
	102-2	Activities, bands, products and services	Who We Are, What We Do, page 6
	102-3	Location of headquarters	Corporate Information, page 12
	102-4	Locations of operations	Where We Operate, page 8
	102-5	Ownership and legal form	Corporate structure, pages 13 to 15
	102-6	Markets served	What We Do, page 6 Where We Operate, page 8 Our Property Portfolio, pages 9 to 10
	102-7	Scale of the organisation	Corporate structure, pages 13 to 15 PCEO's Management Discussion & Analysis, pages 40 to 97
	102-8	Information on employees and other workers	Board at a Glance, pages 152 to 153 Profile of Board of Directors, pages 154 to 163 Key Management Team, pages 164 to 169 Human Capital, pages 126 to 134
	102-9	Supply chain	Economic and Property Market Report, pages 28 to 29
	102-10	Significant changes to the organisation and its supply chain	Not applicable
	102-11	Precautionary principle or approach	Not applicable
	102-12	External initiatives	Infrastructure Investment, pages 105 to 106
	102-13	Membership of associations	Membership in Association, page 357
	102-14	Statement from senior decision maker	Chairman's Message, pages 18 to 25
	102-18	Governance structure	Corporate Governance Overview Statement, pages 170 to 194
	102-40	List of stakeholder groups	Stakeholder Engagement, pages 188 to 191
	102-42	Identifying and selecting stakeholders	Stakeholder Engagement, pages 188 to 191
	102-43	Approach to stakeholder engagements	Stakeholder Engagement, pages 188 to 191
	102-44	Key topic and concerns raised	Key Risk and Mitigation, pages 42 to 43 Stakeholder Engagement, pages 188 to 191
	102-45	Entities included in the consolidated financial statements	Corporate structure, pages 13 to 15
	102-46	Defining report content and topic boundaries	Reporting scope, content and boundary, page 98
	102-47	List of material topics	Materiality, pages 32 to 33
	102-48	Restatements of information	Energy and Water, pages 117 to 122 Health and Safety, pages 135 to 138
	102-49	Changes in reporting	Not applicable
	102-50	Reporting period	Page 98
	102-51	Date of most recent report	The Sustainability Statement is issued on an annual basis together with S P Setia's Annual Report which is accessible here: <a href="https://spsetia.com/en-us/investor-relations">https://spsetia.com/en-us/investor-relations</a>
	102-52	Reporting cycle	Reporting scope, content and boundary, page 98
	102-53	Contact point for questions regarding the report	Reporting scope, content and boundary, page 98
	102-54	Claims of reporting in accordance with the GRI Standards	Framework application, page 98
	102-55	GRI content index	Sustainability Statement Mapping to GRI, pages 148 to 149
	102-56	External assurance	Our Approach to Sustainability, page 4

b. Mapping GRI Content Index – Specific Topics

	GRI STANDARD	DISCLOSURE	REFERENCE
<b>MATERIAL TOPICS</b>	<b>Economic Performance</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	201-1	Direct economic value generated and distributed	Economic Performance, page 105
	203-1	Indirect Economic Impacts	Infrastructure Investment, page 105 to 106
	<b>Anti-Corruption</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	205-1	Operations assessed for risks related to corruption	Anti-Corruption, pages 112 to 114
	205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption, pages 112 to 114
	205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption, pages 112 to 114

	GRI STANDARD	DISCLOSURE	REFERENCE
<b>MATERIAL TOPICS</b>	<b>Energy</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	302-1	Energy consumption within the organisation	Energy Consumption Performance, page 119
	302-3	Energy intensity	Energy Consumption Performance, page 119
	<b>Water</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	303-5	New employee hires and employee turnover	Water Efficiency and Consumption, page 120
	<b>Biodiversity</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	304-1	Operational site owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity, page 122 to 124
	<b>Environmental Compliance</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	401-1	Non-compliance with environmental laws and regulations	Environmental, page 116
	<b>Employment</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	401-1	New employee hires and employee turnover	Human Capital, page 130
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Human Capital, page 131
	<b>Occupational Health and Safety</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	403-1	Occupational health and safety management system	Health and safety, pages 135 to 138
	403-2	Types of injury and rates of injury, lost days, absenteeism and no of work-related fatalities	Health and safety, pages 135 to 138
	403-3	Occupational health services	Health and safety, pages 135 to 138
	403-4	Worker participation, consultation and communication on occupational health and safety	Health and safety, pages 135 to 138
	403-5	Worker training on occupational health and safety	Health and safety, pages 135 to 138
	403-06	Promotion of worker health	Health and safety, pages 135 to 138
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety, pages 135 to 138
	403-8	Workers covered by an occupational health and safety management system	Health and safety, pages 135 to 138
	403-9	Workers covered by an occupational health and safety management system	Health and safety, pages 135 to 138
	403-10	Work-related injuries	Health and safety, pages 135 to 138
	<b>Training and Education</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	401-1	Average hours of training per year per employee	Human Capital, pages 131 to 134
	<b>Diversity &amp; Equal Opportunity</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	405-1	Diversity of governance bodies and employees	Human Capital, pages 126 to 129
	<b>Security Practices</b>		
	103-1	Explanation of the material topic and its boundaries	Materiality, pages 32 to 33 Aligning Our Sustainability Agenda to GRI Indicators and UNSDGs, page 103
	410-1	Security personnel trained in human rights policies or procedures	Security Practices, pages 139 to 140

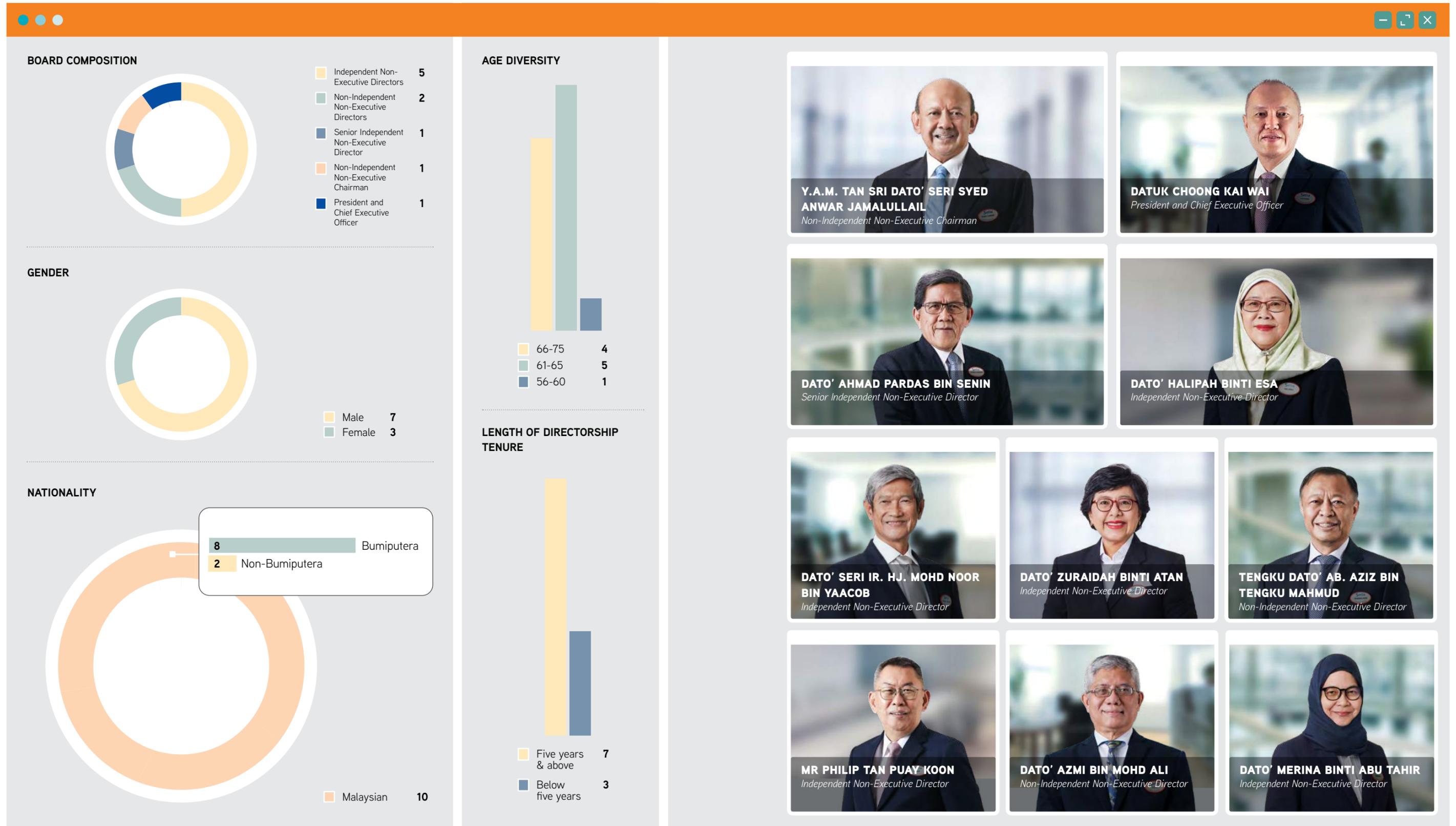
## COMMITMENT TO STRONG GOVERNANCE

- 152 Board at a Glance
- 154 Profile of Board of Directors
- 164 Key Management Team
- 170 Corporate Governance Overview Statement
- 195 Statement on Risk Management and Internal Control
- 205 Additional Compliance Information



Setia Warisan Tropika,  
Sepang

# BOARD AT A GLANCE



**PROFILE OF BOARD OF DIRECTORS**  
AS AT 29 MARCH 2022

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



Nationality	Gender	Years of Age	Date of Appointment	Length of Service	Number of Board Meetings Attended
Malaysian	Male	70	3 January 2019	3 years and 2 months	12 / 12

**ACADEMIC / PROFESSIONAL QUALIFICATION(S):**

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

**SKILLS MATRIX AND INDUSTRY EXPERIENCE:**

**Current Principal Appointments:**

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

**Past Relevant Experiences:**

- Chairman, Cahaya Mata Sarawak Berhad
- Chairman, EON Bank Berhad
- Chairman, DRB-Hicom Berhad
- Chairman, Lembaga Tabung Haji Investment Panel
- Chairman, Malakoff Corporation Berhad
- Chairman, Malaysia Airports Holdings Berhad
- Chairman, Malaysian Resources Corporation Berhad
- Chairman, Media Prima Berhad
- Chairman, Radicare (M) Sdn Bhd
- Chairman, Uni Asia General Insurance Berhad
- Chairman, Uni Asia Life Assurance Berhad
- Director, Bangkok Bank Berhad

- Director, Maxis Communications Berhad
- Group Managing Director, Amanah Capital Partners Berhad
- Financial Accountant, Malaysian Airlines Systems Berhad

**Membership of Board Committee**

Chairman of Nomination and Remuneration Committee

**DECLARATION:**

- Does not have any conflict of interest or any family relationship with any other Director(s) and / or major shareholder(s) of S P Setia Berhad except by virtue of being a nominee Director of Permodalan Nasional Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2021

**DATUK CHOONG KAI WAI**  
*President and Chief Executive Officer*



Nationality	Gender	Years of Age	Date of Appointment	Length of Service	Number of Board Meetings Attended
Malaysian	Male	61	1 October 2021	5 months	5 / 5

**ACADEMIC / PROFESSIONAL QUALIFICATION(S):**

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

**SKILLS MATRIX AND INDUSTRY EXPERIENCE:**

**Current Principal Appointments:**

- President and CEO of S P Setia Berhad
- Chairman, Perumahan Kinrara Berhad
- Trustee, S P Setia Foundation

**Past Relevant Experiences:**

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

**Membership of Board Committee**

Member of Executive Committee

**DECLARATION:**

- Does not have any conflict of interest or any family relationship with any other Director(s) and / or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2021

PROFILE OF BOARD OF DIRECTORS

AS AT 29 MARCH 2022

PROFILE OF BOARD OF DIRECTORS

AS AT 29 MARCH 2022

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



Nationality	Gender	Years of Age	Date of Appointment	Length of Service	Number of Board Meetings Attended
Malaysian	Male	69	17 September 2014	7 years and 6 months	12 / 12

- ACADEMIC / PROFESSIONAL QUALIFICATION(S):**
- Fellow, Chartered Institute of Management Accountants ("CIMA")
  - Member, Malaysian Institute of Accountants ("MIA")
  - Member, Institute of Corporate Directors Malaysia
- SKILLS MATRIX AND INDUSTRY EXPERIENCE:**
- Current Principal Appointments:**
- Director, Battersea Project Holding Company Limited
  - Director, Sime Darby Berhad
- Past Relevant Experiences:**
- Chairman, Desaru Development Corporation Sdn Bhd
  - Chairman, Desaru Development Holdings One Sdn Bhd
  - Chairman of Malaysian Directors Academy
  - Deputy Chairman of Costain Group PLC
  - Deputy Chairman of PLUS Expressways Berhad
  - Deputy Chairman of UEM Builders Berhad
  - Deputy Chairman of UEM Land Holdings Berhad
  - Director, Silterra Malaysia Sdn Bhd
  - Director, Themed Attractions Resorts & Hotels Sdn Bhd
  - Director, Faber Group Berhad
  - Director, Opus Group Berhad
  - Director, Pharmaniaga Berhad
  - Director, Sime Darby Energy Sdn Bhd
  - Director, Sime Darby Industrial Holdings Sdn Bhd
  - Director, UEM Environment Sdn Bhd
  - Director, Universiti Malaysia Kelantan
- Director, Universiti Teknologi MARA
  - Executive Director & CEO, Silterra Malaysia Sdn Bhd
  - Managing Director of UEM World Berhad, Renong Bhd, TIME Engineering Berhad, TIME dotCom Berhad and EPE Power Corporation Berhad
  - Managing Director and CEO, UEM Group Berhad
  - Financial Controller, Malaysian Tobacco Company Berhad
- Membership of Board Committee**
- Chairman of Risk Management Committee
  - Member of Nomination and Remuneration Committee
  - Member of Finance and Investment Committee
- DECLARATION:**
- Does not have any conflict of interest or any family relationship with any other Director(s) and / or major shareholder(s) of S P Setia Berhad
  - Has not been convicted of any offences within the past five years
  - Has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2021

**DATO' HALIPAH BINTI ESA**  
Independent Non-Executive Director



Nationality	Gender	Years of Age	Date of Appointment	Date of Resignation as Independent Non-Executive Director	Length of Service	Number of Board Meetings Attended
Malaysian	Female	72	29 August 2014	28 February 2018	7 years and 7 months	12 / 12

- ACADEMIC / PROFESSIONAL QUALIFICATION(S):**
- Bachelor of Arts (Hons) in Economics, University of Malaya
  - Master of Economics, University of Malaya
  - Certificate in Economic Management, IMF Institute, Washington
  - Certificate in Economic Management, Kiel Institute for World Economics, Germany
  - Certificate in Advanced Management Programme, Adam Smith Institute, London, United Kingdom
- SKILLS MATRIX AND INDUSTRY EXPERIENCE:**
- Current Principal Appointments:**
- Director, Cagamas Berhad
  - Director, Sime Darby Plantation Berhad
- Past Relevant Experiences:**
- Chairman & Founding Director of Securities Industry Dispute Resolution Centre
  - Chairman, Pengurusan Aset Air Berhad
  - Director, Bank Pertanian Malaysia Berhad
  - Director, Employees Provident Fund Board
  - Director, Inland Revenue Board
  - Director, KLCC Property Holdings Berhad
  - Director, Malaysia Deposit Insurance Corporation
  - Director, MISC Berhad
  - Director Malaysia Marine & Heavy Engineering Berhad
  - Director, NCB Holdings Berhad
  - Director, Petroliaam Nasional Berhad
  - Director, Malaysia Thailand Joint Development Authority
- Director, UDA Holdings Berhad
  - Director, Putrajaya Holdings
  - Director, Lembaga Kemajuan Tanah Persekutuan ("FELDA")
  - Director-General, Economic Planning Unit ("EPU") in the Prime Minister's Department and has held various senior positions in the EPU
  - Deputy Secretary General, Ministry of Finance
- Membership of Board Committee**
- Chairman of Executive Committee
  - Member of Risk Management Committee
- DECLARATION:**
- Does not have any conflict of interest or any family relationship with any other Director(s) and / or major shareholder(s) of S P Setia Berhad
  - Has not been convicted of any offences within the past five years
  - Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2021

PROFILE OF BOARD OF DIRECTORS

AS AT 29 MARCH 2022

PROFILE OF BOARD OF DIRECTORS

AS AT 29 MARCH 2022

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



Nationality	Gender	Years of Age	Date of Appointment	Length of Service	Number of Board Meetings Attended
Malaysian	Male	67	15 October 2014	7 years and 5 months	12 / 12

**ACADEMIC / PROFESSIONAL QUALIFICATION(S):**

- Bachelor of Engineering, Universiti Teknologi Malaysia

**SKILLS MATRIX AND INDUSTRY EXPERIENCE:**

**Current Principal Appointments:**

- Director, Lim Seong Hai Capital Berhad
- Director, Setia (Melbourne) Development Company Pty Ltd
- Director of several private limited companies

**Past Relevant Experiences:**

- Director, Prasarana Malaysia Berhad
- President, Board of Engineers of Malaysia
- Has held various senior positions in the Public Works Department including its Director-General

**Membership of Board Committee**

- Member of Risk Management Committee
- Member of Executive Committee

**DECLARATION:**

- Does not have any conflict of interest or any family relationship with any other Director(s) and / or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2021

**DATO' ZURAI DAH BINTI ATAN**  
Independent Non-Executive Director



Nationality	Gender	Years of Age	Date of Appointment	Date of Resignation as Independent Non-Executive Director	Length of Service	Number of Board Meetings Attended
Malaysian	Female	63	16 December 2014	28 February 2018	7 years and 3 months	12 / 12

**ACADEMIC / PROFESSIONAL QUALIFICATION(S):**

- LL.B (Hons), University of Buckingham, England
- Certificate in Legal Practice, Malaysia
- Member of the Malaysian Bar
- Harvard Business School Executive Education Program ("Making Corporate Boards More Effective")

**SKILLS MATRIX AND INDUSTRY EXPERIENCE:**

**Current Principal Appointments:**

- Chairman, IATSS Forum (Japan) National Committee, Malaysia, an annual ASEAN-JAPAN Leadership Training programme for young professionals, who are sent to Suzuka City, Mie Prefecture, Japan
- Honorary Advisor, The National Cancer Society of Malaysia
- Trustee, S P Setia Foundation
- Sole proprietor, Chambers of Zuraidah Atan

**Past Relevant Experiences:**

- Director, Kenanga Islamic Investors Berhad
- Chairman, Yayasan Sukarelawan Siswa / Student Volunteers Foundation
- Director, Bank Kerjasama Rakyat Malaysia Berhad
- Director, Commodities and Monetary Exchange of Malaysia
- Director, HSBC Bank Malaysia Berhad
- Director, Malaysia Building Society Berhad
- Director, Milux Corporation Berhad
- Director, NCB Holdings Berhad

- Director, Northport (Malaysia) Berhad
- Director, Petron Malaysia Refining & Marketing Berhad
- Director, Universiti Sains Malaysia
- Public Interest Director, Bursa Malaysia Berhad, Bursa Malaysia Derivatives Berhad and Bursa Malaysia Derivatives Clearing Berhad
- Arbitrator, KL Regional Centre for Arbitration
- CEO and President, Affin Merchant Bank Berhad
- Independent Member, Consultation and Corruption Prevention Panel of Malaysian Anti-Corruption Commission

**Membership of Board Committee**

Chairman of Audit Committee

**DECLARATION:**

- Does not have any conflict of interest or any family relationship with any Director(s) and / or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed any public sanction or penalty by the relevant regulatory bodies during the financial year 2021

PROFILE OF BOARD OF DIRECTORS

AS AT 29 MARCH 2022

PROFILE OF BOARD OF DIRECTORS

AS AT 29 MARCH 2022

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



Nationality	Gender	Years of Age	Date of Appointment	Length of Service	Number of Board Meetings Attended
Malaysian	Male	64	12 January 2015	7 years and 2 months	12 / 12

**ACADEMIC / PROFESSIONAL QUALIFICATION(S):**

- Master of Business Administration ("MBA"), Cranfield Institute of Technology, United Kingdom ("UK")
- Bachelor of Science (Hons) in Civil Engineering, Loughborough University of Technology, UK
- Diploma in Management with Merit, Malaysian Institute of Management
- Member, Council on Tall Buildings and Urban Habitat
- Member, The Institution of Engineers Malaysia
- Member, Malaysian Institute of Management

**SKILLS MATRIX AND INDUSTRY EXPERIENCE:**

**Current Principal Appointments:**

- CEO, PNB Merdeka Ventures Sdn Bhd

**Past Relevant Experiences:**

- Head, Property Development, Sime Darby Property Berhad
- Head, Property, Kumpulan Guthrie Berhad
- CEO, Guthrie Property Development Holding Berhad

**Membership of Board Committee**

- Member of Risk Management Committee
- Member of Nomination and Remuneration Committee

**DECLARATION:**

- Does not have any conflict of interest or any family relationship with any other Director(s) and / or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2021

**MR PHILIP TAN PUAY KOON**

*Independent Non-Executive Director*



Nationality	Gender	Years of Age	Date of Appointment	Length of Service	Number of Board Meetings Attended
Malaysian	Male	65	11 September 2015	6 years and 6 months	12 / 12

**ACADEMIC / PROFESSIONAL QUALIFICATION(S):**

- First Class Honours B.A. Degree in Business Studies (Accounting and Finance), North-East London Polytechnic, United Kingdom
- Oxford International Executive Programme
- Stanford-NUS Executive Programme
- IMD-SIDC Advance Business Management Programme
- INSEAD Strategic Management in Banking Programme
- Fellow, Institute of Corporate Directors Malaysia
- Associate Fellow, Asian Institute of Chartered Bankers
- Adjunct Faculty, Iclif Executive Education Center, Asia School of Business (in collaboration with MIT Sloan)

**SKILLS MATRIX AND INDUSTRY EXPERIENCE:**

**Current Principal Appointments:**

- Chairman, MEPS Currency Management Sdn Bhd
- Chairman, Corporate Debt Restructuring Committee (established by Bank Negara Malaysia)
- Director, Citibank Berhad
- Director, Payments Network Malaysia Sendirian Berhad
- Non-Public Interest Director, Private Pension Administrator Malaysia
- Director, Qinzhou Development (Malaysia) Consortium Sdn Bhd
- Director, China-Malaysia Qinzhou Industrial Park (Guangxi) Development Co. Ltd

**Past Relevant Experiences:**

- Managing Director, Chief Financial Officer ("CFO") of Emerging Market Sales & Trading, Asia Pacific, Citibank NA
- Director, Citibank Malaysia (L) Limited
- Director, Risk Treasury, Asia Pacific, Citibank NA
- Country Treasurer & Head of Financial Markets, Citibank Berhad

- Has held various senior management positions in the MUI Group
- Chairman, Malaysian Electronic Payment Sdn Bhd
- Director, Danajamin Nasional Berhad
- Director, MIDF Amanah Investment Bank Berhad
- Director, Cagamas Berhad

**Membership of Board Committee**

- Chairman of Finance and Investment Committee
- Member of Audit Committee
- Member of Nomination Remuneration Committee

**DECLARATION:**

- Does not have any conflict of interest or any family relationship with any other Director(s) and / or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2021

PROFILE OF BOARD OF DIRECTORS

AS AT 29 MARCH 2022

PROFILE OF BOARD OF DIRECTORS

AS AT 29 MARCH 2022

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



Nationality	Gender	Years of Age	Date of Appointment	Length of Service	Number of Board Meetings Attended
Malaysian	Male	61	3 March 2016	6 years	12 / 12

**ACADEMIC / PROFESSIONAL QUALIFICATION(S):**

- LLB (Hons), University of Malaya
- LLM in US & Global Business Law, University of Suffolk, Boston, USA

**SKILLS MATRIX AND INDUSTRY EXPERIENCE:**

**Current Principal Appointments:**

- Senior Partner, Azmi & Associates
- Director, Maybank Islamic Berhad
- Director, Sapura Energy Berhad
- Member, Appeals Committee of Bursa Malaysia Berhad
- Director, Worldwide Holdings Bhd
- Director and Fellow, Institute of Corporate Directors Malaysia
- Director, TerraLex

**Past Relevant Experiences:**

- Director, Sime Darby Berhad
- Director, Chemical Company of Malaysia Berhad
- Director, CCM Duopharma Biotech Berhad
- Director, Cliq Energy Berhad
- Director, Seacera Group Berhad
- Director, Perbadanan Nasional Berhad
- Director, Financial Reporting Foundation
- Director, Universiti Malaysia Kelantan
- Director, UiTM Holdings Sdn Bhd

**Membership of Board Committee**

Member of Finance and Investment Committee

**DECLARATION:**

- Does not have any conflict of interest or any family relationship with any other Director(s) and / or major shareholder(s) of S P Setia Berhad except by virtue of being a nominee Director of Permodalan Nasional Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2021

**DATO' MERINA BINTI ABU TAHIR**  
*Independent Non-Executive Director*



Nationality	Gender	Years of Age	Date of Appointment	Length of Service	Number of Board Meetings Attended
Malaysian	Female	56	17 November 2021	4 months	3 / 3

**ACADEMIC / PROFESSIONAL QUALIFICATION(S):**

- Fellow, Association of Chartered Certified Accountants ("ACCA")
- Member, Malaysian Institute of Accountants ("MIA")
- Member, Malaysian Institute of Certified Public Accountants ("MICPA")
- Member, ASEAN Chartered Professional Accountant
- Member, Institute of Internal Auditors Malaysia

**SKILLS MATRIX AND INDUSTRY EXPERIENCE:**

**Current Principal Appointments:**

- Director, Tenaga Nasional Berhad
- Member, Malaysian Institute of Accountants Education Board
- Member, ACCA Global Forum on Governance, Risk and Performance

**Past Relevant Experiences:**

- CFO, Lembaga Tabung Haji
- Held various key positions in Malaysia Airlines Berhad / Malaysian Airline System Berhad, Amanah Capital Partners Berhad and Sime Darby Berhad
- Chairperson, ACCA Malaysia Advisory Committee
- Council Member, Malaysian Institute of Accountants

**Membership of Board Committee**

- Member of Audit Committee
- Member of Nomination and Remuneration Committee

**DECLARATION:**

- Does not have any conflict of interest or any family relationship with any other Director(s) and / or major shareholder(s) of S P Setia Berhad
- Has not been convicted of any offences within the past five years
- Has not been imposed with any public sanction or penalty by the relevant regulatory bodies during the financial year 2021

# KEY MANAGEMENT TEAM



**DATO' SERI KOE PENG KANG**  
Deputy President and Chief Operating Officer ("COO")

60, Male, Malaysian

**Date of Appointment as Deputy President and COO:**  
1 October 2021

**Relevant Experience:**

Dato' Seri Koe Peng Kang took office as the Deputy President and COO of S P Setia on 1 October 2021. Prior to this, he was appointed as Senior EVP of S P Setia on 1 July 2019. Dato' Seri Koe has been with the Group for 24 years.

Before joining the Company, Dato' Seri Koe was involved in various national projects including the country's rural water supply scheme, the Sungai Selangor Water Supply Scheme Phase 1 and the Petronas Twin Towers.

He is a registered professional engineer and construction manager, having earned a BSc (Civil Engineering) from the University of Leeds, United Kingdom and a MSc (Construction Management) from the University of Birmingham, United Kingdom ("UK").

Dato' Seri Koe is a Chairman of Tender and Procurement Committee for Battersea Power Station in London. He has been elected as President of FIABCI Malaysia and Vice President for FIABCI Asia Pacific Committees. He is also a committee member of Investor Relations and Strategic Partnership Subcommittee of the Malaysia-China Business Council ("MCBC").



**DATUK CHOY KAH YEW**  
Chief Financial Officer ("CFO")

51, Male, Malaysian

**Date of Appointment as CFO:**  
1 April 2016

**Relevant Experience:**

Datuk Choy Kah Yew joined S P Setia in April 2014 and was designated as Acting CFO effective 16 June 2014. With working experience in audit, finance and banking stretching back 26 years, Datuk Choy, who started his career with KPMG in 1990, held several senior leadership and management positions at Alliance Investment Bank Berhad ("AIBB") between 2004 and 2014.

On 1 April 2016, Datuk Choy was appointed as CFO of S P Setia. Prior to joining S P Setia, he was the Head of AIBB's Capital Markets.

His professional qualifications include membership with the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants ("MIA").



**DATUK TAN HON LIM**  
Executive Vice President ("EVP")

60, Male, Malaysian

**Date of Appointment as EVP:**  
1 July 2015

**Relevant Experience:**

Datuk Tan Hon Lim started his career in the Company in 1990 as a project engineer and was appointed as EVP in July 2015.

He was involved in the Bukit Indah, Ampang project development and the Company's first mixed development township, Pusat Bandar Puchong and S P Setia's first international foray, Vietnam.

Datuk Tan is overseeing signature townships including Setia Alam, Setia EcoHill and Setia Alamsari. In 2019, he was retasked to manage the Vietnam's portfolio.

Datuk Tan is leading the Setia Technical Excellence Committee and Customer Experience Committee, enhancing the Group's technical initiatives, innovative aspects and drive customer experience strategies.

Presently, he is a member of the Real Estate & Housing Developers' Association ("REHDA") National Council and REHDA Selangor Committee.

Datuk Tan earned a BSc (Civil Engineering), from Louisiana State University, USA.



**DATUK YUSLINA MOHD YUNUS**  
Executive Vice President

55, Female, Malaysian

**Date of Appointment as EVP:**  
1 January 2018

**Relevant Experience:**

Datuk Yuslina Mohd Yunus was Group Managing Director for the I&P Group before assuming her role as EVP of S P Setia.

With her vast experience, Datuk Yuslina oversees four Business Units as well as S P Setia Foundation and Group Quality Management.

Datuk Yuslina is a member of the MIA. She also has an Advanced Diploma in Accountancy from the Institute Technology MARA and an Executive MBA from the Universiti Teknologi MARA.



**DATUK STANLEY SAW KIM SUAN**  
Executive Vice President

55, Male, Malaysian

**Date of Appointment as EVP:**  
1 July 2020

**Relevant Experience:**

Datuk Stanley joined S P Setia as a Project Manager in 1997.

Among his notable career milestones in Setia was his secondment to Vietnam where he managed various projects there.

Subsequently, he assumed his role as Divisional General Manager for Property Division (South) of S P Setia in May 2016. Four years later, he was promoted to EVP.

Datuk Saw has a Bachelor of Engineering (Civil), from the University of New South Wales, Australia and an MBA from Nottingham Trent University, United Kingdom.



**DATUK ZAINI YUSOFF**  
Executive Vice President

58, Male, Malaysian

**Date of Appointment as EVP:**  
1 July 2020

**Relevant Experience:**

Datuk Zaini Yusoff was the COO for I&P Group prior to being appointed as S P Setia's Divisional General Manager before assuming the role of EVP.

Datuk Zaini carries with him 33 years of experience, providing fiscal, strategic and operations leadership in various corporations.

A civil engineer, he earned a Bachelor of Science (Hons) in Civil Engineering from Memphis State University, Tennessee, USA.

KEY MANAGEMENT TEAM

KEY MANAGEMENT TEAM



**LING THOU LUNG**  
Executive Vice President

48, Male, Malaysian

**Date of Appointment as EVP:**

1 July 2020

**Relevant Experience:**

Ling joined S P Setia in 2007 as Project Manager for SetiaWalk and he was involved in the Setia Sky Residences project, the Group's first high-rise serviced apartment in Kuala Lumpur City Centre. He rose through the ranks to become Head of Technical in 2012 and was tasked to be involved in the Battersea Power Station project in London.

In 2015, he was appointed General Manager and subsequently in May 2016, he was promoted to Divisional General Manager and is involved in KL Eco City, Setia Federal Hill and Battersea Power Station projects.

A qualified engineer, Ling has a Bachelor of Engineering (Hons) in Civil Engineering from the University of Science, Malaysia and an MBA, from the University of Malaya.



**SOH HEE PIN**  
Divisional General Manager ("Div GM")

58, Male, Malaysian

**Date of Appointment as Div GM:**

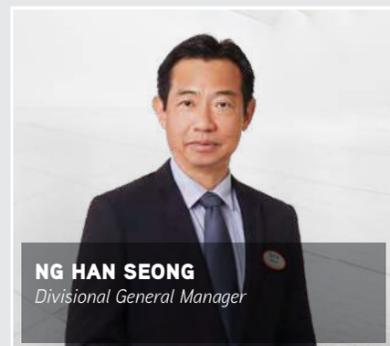
1 January 2015

**Relevant Experience:**

After joining S P Setia as Senior Manager in April 1997, Soh, rose through the ranks before assuming the role of Div GM, Niche Development Division.

Soh was also instrumental in the construction of the Prime Minister's Office, Residence and Government residential quarters between the late 1990s and early 2000s. He currently oversees the niche developments in the Group.

A qualified engineer, he has a Bachelor of Engineering (Civil) from the University of New South Wales, Australia.



**NG HAN SEONG**  
Divisional General Manager

58, Male, Malaysian

**Date of Appointment as Div GM:**

1 July 2020

**Relevant Experience:**

Ng Han Seong joined S P Setia in 1999 as Senior Manager, Infrastructure Department. He was promoted to General Manager in 2004, Infrastructure Department, Setia Precast and Property North.

He holds a Bachelor Degree (BSc Hon), Civil Engineering; a Master Degree (MSc Engineering), Foundation Engineering, both from Birmingham University, UK.

Ng is a Chartered Engineer (CEng) (England) and a member of the Institution of Civil Engineers ("ICE") (England).

In 2014, Ng was assigned to oversee the northern region projects of S P Setia which included the major iconic SPICE project.

In 2018, he was appointed by REHDA as Deputy Chairman from 2018 to 2020.

In 2020, Ng was promoted to Div GM and tasked to lead the Construction Division of the Group.



**TAN SIOW CHUNG**  
Divisional General Manager

49, Male, Malaysian

**Date of Appointment as Div GM:**

1 July 2020

**Relevant Experience:**

Prior to joining S P Setia, Tan served as a consultant engineer.

In 2000, upon joining the Company as Project Engineer, he first worked on the Wawasan Indera project in Pusat Bandar Puchong, one of the first few projects of the Company.

His career in S P Setia spans over 20 years and he spearheaded the Company's flagship township, Bandar Setia Alam in Selangor. In 2020 he was promoted to Div GM.

Tan has a first class honours degree in Electrical Engineering from University of Technology Malaysia ("UTM").



**GOH TZEN SERNZ**  
Divisional General Manager

44, Male, Malaysian

**Date of Appointment as Div GM:**

1 July 2020

**Relevant Experience:**

Prior to joining S P Setia in 2003 as Project Engineer for Setia Eco Park, Goh Tzen Sernz served as a Senior Engineer in a consulting firm. He rose through the ranks to become Deputy General Manager in 2012 to lead Setia Eco Glades.

He was appointed General Manager in 2016 and was promoted to Div GM for Eco-themed Division in July 2020.

A qualified engineer, Goh has a Bachelor of Engineering (Hons) in Civil Engineering from UTM with 20 years of experience in the property development industry.



**YEO CHENG JWAY**  
Divisional General Manager

51, Male, Malaysian

**Date of Appointment as Div GM:**

1 July 2020

**Relevant Experience:**

Before joining S P Setia, Yeo was attached to Resorts World Berhad, where he gained experience in finance, sales and marketing. He was then involved in the implementation of a strategic project in Malaysia spearheaded by Dow Corning, an MNC based in the USA.

He then joined S P Setia in 2007 as Finance Manager in Johor. His current role is as the Div GM for the Group's projects in Penang.

Yeo holds a Bachelor of Science (Computer Science and Statistics) from Campbell University, USA and an MBA (Finance & Business Policy) from Bradford University, UK. He is an associate member of the CIMA and a member of the MIA.

KEY MANAGEMENT TEAM

KEY MANAGEMENT TEAM



**NADIAH TAN ABDULLAH**  
Chief Human Resources Officer ("CHRO")

53, Female, Malaysian

**Date of Appointment as CHRO:**  
1 March 2017

**Relevant Experience:**

Being in the human resources field for more than two decades, Nadiah Tan Abdullah, joined S P Setia in October 2016 as Divisional General Manager, Group Human Resources.

Her experience focused on Organisational Development and Change Management. She had also accrued experiences from local and Global Fortune 500 companies. She earned a BA (Hons) International Relations, from Staffordshire University, United Kingdom.

Nadiah has been directly involved in driving change within the areas of Organisational Development, HR Transformation and Diversity and Inclusion. She has been part of the 30% Club for Malaysia, leading the Talent Pipeline Pillar. Her Coaching and Mentoring experience have led her to becoming a mentor at local and regional Leadership Programs, notably with the Global Institute of Leadership Development in Singapore (2018) and LeanIn Malaysia (2018 & 2019). She was appointed as Adjunct Professor by UNITAR International University in January 2022. Nadiah has been a Council Member for Malaysian Employers Federation ("MEF") and is currently serving her second term.



**NURANISAH MOHD ANIS**  
Chief Risk, Integrity & Governance Officer ("CRIGO")

49, Female, Malaysian

**Date of Appointment as CRIGO:**  
30 May 2019

**Relevant Experience:**

Notching more than 24 years of experience, Nuranisah Mohd Anis has run the gamut of Enterprise Risk Management, Business Continuity Management, Internal and External Audit, Investment Management and Business Process Improvement, covering various Public Listed Company ("PLC").

She is a Chartered Accountant registered with the MIA. She is a Certified Integrity Officer ("CeIO"), under the Malaysia Anti-Corruption Academy ("MACA").

Her other qualifications include the Certification in Risk Management Assurance ("CRMA") from the Institute of Internal Auditors ("IIA") Global, an Associate member of the IIA Malaysia and an Associate Business Continuity Professional ("ABCP") registered with the Disaster Recovery Institute ("DRI"), USA. She graduated with an MBA from Universiti Teknologi Mara, Shah Alam.



**JENNIFER MOK KHA WAI**  
Chief Internal Auditor ("CIA")

49, Female, Malaysian

**Date of Appointment as CIA:**  
1 March 2017

**Relevant Experience:**

Mok has accrued more than 25 years of experience in internal audit, having served in various public listed companies since 1996 including property development companies. Mok is a member of the IIA.

She has a Bachelor of Commerce (Accounting and Finance) from the University of Melbourne, Australia and is a Chartered Accountant with the MIA.



**AZLINA BAHAROM**  
Chief Legal Officer ("CLO")

54, Female, Malaysian

**Date of Appointment as CLO:**  
1 July 2020

**Relevant Experience:**

Azlina Baharom joined S P Setia in 2018 as General Counsel and was elevated to the position of Chief Legal Officer in 2020.

Enrolled as an Advocate and Solicitor of both the Supreme Court of Singapore and the High Court of Malaya in 1990, Azlina practised as a lawyer before embarking on a career as in-house counsel in both public listed and private companies holding several corporate services portfolios.

Her experience as an in-house counsel spans over 25 years with various competencies in industries involved in agribusiness, manufacturing, construction and engineering and real estate. A qualified company secretary since 1998, Azlina has served several key companies under Permodalan Nasional Berhad.

Azlina holds a Bachelor of Laws (LLB Honours) degree from the National University of Singapore.



**LINDAYANI TAJUDIN**  
Head,  
Group Strategy & Business Development

49, Female, Malaysian

**Date of Appointment as Head,  
Group Strategy & Business Development:**  
1 July 2020

**Relevant Experience:**

Lindayani Tajudin is a Chartered Accountant with in-depth knowledge and experience in the infrastructure industries both locally and internationally.

Prior to joining S P Setia, Lindayani held senior management roles in a few listed companies.

Her core competencies include strategic planning, business development, mergers and acquisitions, project finance and investor relations, amongst others. She holds a Bachelor of Science (Economics) (Hons) – Accounting and Finance from London School of Economics and Political Science, UK.

She is a Fellow of the ACCA and a member of the MIA.



**LEE WAI KIM**  
Group Company Secretary  
SSM PC No. 202008001422, MAICSA 7036446

45, Female, Malaysian

**Date of Appointment as Group Company Secretary:**  
1 July 2016

**Relevant Experience:**

Lee Wai Kim joined S P Setia in August 2014 and was appointed as Company Secretary on 15 April 2016.

She commands over 20 years of experience in corporate secretarial and governance matters covering private limited companies and public companies listed on Bursa Malaysia Securities Berhad and London Stock Exchange as well as financial institutions and stock exchange.

She is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators and has an MBA, from Victoria University, Australia.

**Notes:**

1. None of the Senior Management hold any directorship in any public companies and listed issuers other than in S P Setia Group.
2. None of the Senior Management have any family relationship with any Director and / or any major shareholder of S P Setia, nor any conflict of interest with S P Setia.
3. None of the Senior Management have been convicted of any offences over the past five years and there was no public sanction or penalty imposed on any of them by the relevant regulatory bodies during the financial year.

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

## LEADERSHIP & PURPOSE CHAIRMAN'S INTRODUCTION

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

**FRAMEWORKS APPLIED:**

- Bursa Malaysia's Corporate Governance Guide 4<sup>th</sup> Edition
- Companies Act 2016 ("CA 2016")
- Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities")

**MCCG 2021 PRINCIPLES:**

- A** Principle A : Board Leadership and Effectiveness
- B** Principle B : Effective Audit and Risk Management
- C** Principle C : Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders

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

In this period of considerable uncertainty, good governance, the strength of our stakeholder relationships, maintaining a close dialogue with our talented team and living our values, are fundamental to our long-term success. We will continue to further strengthen our corporate governance practices in line with the Malaysian Code on Corporate Governance.



**Dear Shareholders,**

I am pleased to present our 2021 Corporate Governance Overview Statement. This Statement is to be read in tandem with our Corporate Governance Report ("CG Report"), which is available online and details our application of the MCCG 2021. As this is our first year under which the revised MCCG 2021 has applied to S P Setia, we have taken the opportunity to present some of our governance initiatives under the key themes of the new governance and reporting rules.

**OUR PURPOSE, STRATEGY AND CULTURE**

Given the uncertain and evolving environment in which we have been living and working in this year, I am pleased to be able to report that the Team Setia's actions have been critical in delivering on short-term strategic priorities to support our long-term underlying purpose.

Fundamental to our purpose and strategy is their alignment with our culture based on our S.C.R.I.P.T values. We are pleased that these have been a cornerstone to the Team Setia's actions throughout the year and, in particular, in the period since the pandemic dominated the global agenda.

**SUSTAINABILITY, THE ENVIRONMENT AND THE COMMUNITY**

Whilst the pandemic has, and will continue to, impact our business, our commitment to sustainability remains as strong as ever. To ensure we meet the long-term expectations of our stakeholders, we continue to monitor our sustainability priorities, including actions we need to take to minimise our environmental impact and invest in our local community.

**DIVERSITY AND INCLUSION**

Of our Key management team, 32% are female. Our Board, at its current state, comprises 30% female representation. We appreciate that diversity extends beyond gender and we continue to actively consider diversity and inclusion in all Board and employee appointments.

**BOARD EFFECTIVENESS**

It is a key requirement of good governance that an annual evaluation is carried out to ensure that the Board, its committees and each Director perform effectively. In line with the provisions of the MCCG 2021, this year's Board effectiveness evaluation was conducted internally. This evaluation involved an in-depth review of the Board's activities and those of its committees, the Directors' contributions, interactions and their effectiveness in carrying out their role. I am pleased to announce that the evaluation was positive, and we have identified some areas of focus over the coming year in order to further strengthen our corporate governance framework. Further information on the process and outcome of the evaluation is provided on page 181.

**ENGAGING WITH OUR STAKEHOLDERS**

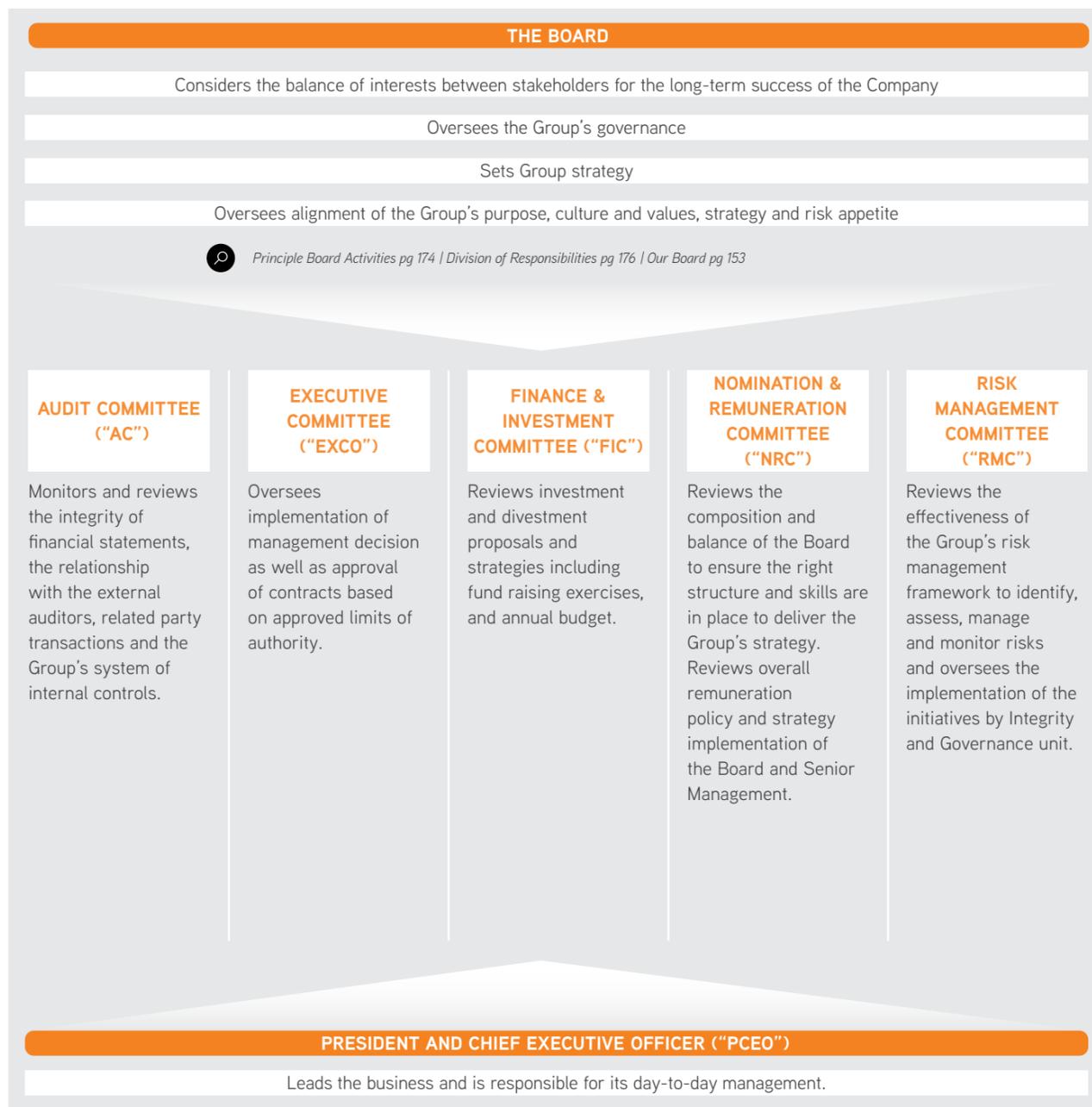
Critical to our long-term success is the strength of our stakeholder relationships. Whilst a large element of the Board's regular stakeholder engagement is with shareholders and employees, a key part of our role as a Board is to understand the wider team's relationships with other stakeholders including the local community, suppliers, finance providers, joint venture partners, visitors, local authorities and industry associations. For more details on how we have engaged with stakeholders and the outcome of those engagements turn to pages 188 to 191.

As we start the new financial year, our focus as a Board will be to ensure we emerge from the pandemic a stronger business. The challenges of COVID-19 have laid bare the real inequalities in society, and so equity, diversity and inclusion will continue to be high on our agenda, along with our usual key themes of strategy, people and culture, sustainability, succession and development.

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

A

**THE ROLE OF THE BOARD AND  
ITS COMMITTEES**



**SUSTAINABILITY GOVERNANCE STRUCTURE**



Our Board is ultimately responsible for the oversight of the Group's sustainability management matters, which include strategy formulation, policies, risks and opportunities.

The Management team, led by the PCEO is continuously enhancing the sustainability management framework and processes to ensure effective implementation and execution of the ESG initiatives.

A

**PRINCIPLE BOARD ACTIVITIES  
IN 2021**

At every scheduled Board meeting, the Board receives an update from the senior management and the company secretary on financial matters, operational and strategic activities and governance. The table below provides examples of significant matters discussed in FY2021.

TOPIC	ACTIVITY & OUTCOME
<b>Strategic Growth and Sustainability Agenda</b>	<ul style="list-style-type: none"> <li>Reviewed and approved the Group’s 5-year strategic plan (from year 2022 to 2026), presented by all the Heads of Business Units (“BU”) locally and abroad</li> <li>Received quarterly update on Sustainability Management</li> </ul>
<b>Financial and Business Performance</b>	<ul style="list-style-type: none"> <li>Reviewed and approved the Audited Financial Statements for FY2020</li> <li>Reviewed and approved the Quarterly Results and Quarterly Press Releases for announcement to Bursa Securities</li> <li>Received updates on the Group’s Business Plan for FY2021, presented by all the Heads of BUs locally and abroad</li> <li>Approved dividends for preference shares paid in FY2021</li> <li>Approved report / contents of the Integrated Report for FY2020</li> <li>Reviewed the Group’s funding plan</li> </ul>
<b>Governance, Integrity and Risks</b>	<ul style="list-style-type: none"> <li>Received the Group’s quarterly risk reports as well as updates on whistleblowing cases</li> <li>Approved the Group’s Anti-Corruption Plan for year 2021 to 2023 and 2021 Scorecard</li> <li>Reviewed half-yearly reports for submission to MACC</li> <li>Approved amendments to the Anti-Bribery and Corruption Suite of Policies</li> <li>Approved amendments to the Board Charter to align to the MCCG 2021 and Guidelines on Conduct of Directors of Listed Issuers and Their Subsidiaries</li> <li>Approved the approach for the annual Board Effectiveness Evaluation (“BEE”) for FY2021 and discussed the findings arising from the exercise</li> <li>Approved the Board Improvement Plan for FY2022</li> <li>Noted Minutes of Board Committee Meetings and received updates from Chairman of respective Board Committees</li> <li>Noted quarterly declaration of interest by Directors and time commitment</li> </ul>

TOPIC	ACTIVITY & OUTCOME
<b>Board and Management Succession Planning</b>	<ul style="list-style-type: none"> <li>Received updates on Management transition as well as amendments to the Organisation Structure</li> <li>Approved updates to the Board Succession Plan and Diversity Policy</li> </ul>
<b>People and Leadership</b>	<ul style="list-style-type: none"> <li>Reviewed the retirement of Directors by rotation and eligibility for re-election and recommended their re-election at the 46<sup>th</sup> AGM</li> <li>Reviewed the trainings attended by Directors on a half yearly basis</li> <li>Approved new appointment of Director and re-composition of Board Committees</li> <li>Received report on People Pulse Survey for FY2021</li> <li>Approved KPIs for FY2022 for the Group, PCEO, Group Company Secretary, CIA and CRIGO</li> <li>Provided feedback on KPIs for FY2022 for other Senior Management Team members</li> </ul>
<b>Remuneration Matters</b>	<ul style="list-style-type: none"> <li>Reviewed and recommended the Directors’ Fees and Other Remuneration and Benefits for shareholders’ approval at the 46<sup>th</sup> AGM</li> <li>Reviewed the Non-Executive Directors Remuneration Framework benchmarked against peers and other public listed companies</li> <li>Reviewed and approved the revisions to the salary and benefits of the Group’s employees</li> <li>Approved salary increment and promotions for the Group’s employees for FY2021</li> </ul>

A

**DIVISION OF RESPONSIBILITIES &  
ROLES OF THE DIRECTORS AND THEIR COMMITTEE MEMBERSHIPS**

**Note:**

(1) Resigned on 1 October 2021  
(2) Demised on 26 August 2021  
(3) Appointed on 1 October 2021

(4) Appointed on 17 November 2021  
(5) Resigned on 17 November 2021

**NUMBER OF MEETINGS**

BOARD	AC	EXCO	FIC	NRC	RMC	46 <sup>th</sup> AGM
-------	----	------	-----	-----	-----	----------------------

**Chairman**

<b>Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail</b>	12			5		✓
---	----	--	--	---	--	---

- Conducts meetings of the Board and shareholders and ensures that they are properly briefed at their respective meetings.
- Facilitates meetings of the Board and ensures that no Board member, whether executive or non-executive, dominates the discussion, and that healthy debate takes place.

**President and Chief Executive Officer**

<b>Dato' Khor Chap Jen<sup>(1)</sup></b>	7		9			✓
--	---	--	---	--	--	---

<b>Datuk Choong Kai Wai<sup>(3)</sup></b>	5		3			
---	---	--	---	--	--	--

- Responsible for the overall management of the Group, ensuring that strategies, policies and matters set by the Board are effectively implemented in line with the Board's direction.
- Regularly reviews the performance of the heads of divisions and departments who are responsible for all functions contributing to the success of the Group.

**Senior Independent Non-Executive Director ("SID")**

<b>Dato' Ahmad Pardas Bin Senin</b>	12		10	5	5	✓
-------------------------------------	----	--	----	---	---	---

- Designated contact to whom concerns pertaining to the Group may be conveyed to by shareholders and other stakeholders.
- Chairs meetings of the Board and shareholders in the absence of Chairman.
- All queries which require SID's attention can be emailed to [apardas@spsetia.com](mailto:apardas@spsetia.com)

**Non-Executive Directors**

**INDEPENDENT**

<b>Dato' Halipah Binti Esa</b>	12		12		5	✓
--------------------------------	----	--	----	--	---	---

<b>Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob</b>	12		12		5	✓
--	----	--	----	--	---	---

<b>Dato' Zuraidah Binti Atan</b>	12	7		4 <sup>(5)</sup>		✓
----------------------------------	----	---	--	------------------	--	---

<b>Noraini Binti Che Dan<sup>(2)</sup></b>	5	4				✓
--	---	---	--	--	--	---

<b>Philip Tan Puay Koon</b>	12	7	10	5		✓
-----------------------------	----	---	----	---	--	---

<b>Dato' Merina Binti Abu Tahir<sup>(4)</sup></b>	3	2		1		N/A
---	---	---	--	---	--	-----

**NON-INDEPENDENT**

<b>Tengku Dato' Ab. Aziz Bin Tengku Mahmud</b>	12			5	5	✓
--	----	--	--	---	---	---

<b>Dato' Azmi Bin Mohd Ali</b>	12		10			✓
--------------------------------	----	--	----	--	--	---

- Ensure that business and investment proposals presented by Management, key transactions or critical decisions are fully deliberated, examined and decided on by the Board in a meeting.
- Play a key role by providing unbiased and independent views, advice and judgment, which take into account the interests of the Group and all its stakeholders including shareholders, employees, customers, business associates and the community as a whole.

**COMPANY SECRETARY**

The Company Secretary of the Company is a qualified Company Secretary under Section 235 of the CA 2016 and is also the secretary to the Board Committees. The Company Secretary plays an advisory role to the Board, particularly with regard to the Company's Constitution and Board policies and procedures as well as compliance with relevant rules and regulations.

The Company Secretary ensures that the discussions and deliberations at Board and Board Committee meetings are well documented and subsequently communicated to the relevant Management for appropriate action. The Company Secretary updates the Board and Board Committees on the follow-up of their decisions and recommendations by Management.

The Board is satisfied with the performance and support rendered by the Company Secretary to the Board in discharging the functions in the year under review.

**DIVISION OF RESPONSIBILITIES**

There is clear division between executive and non-executive responsibilities which ensures accountability and oversight. During the year, the non-executive directors, led by the Chairman, regularly met without management present. The roles of Chairman, PCEO and SID are clearly defined, set out in writing and regularly reviewed by the Board and are available on our website under Corporate Governance.

**RESPONSIBILITY AND DELEGATION**

The Board is responsible for the overall governance of the Group and plays an active role in determining the long-term direction and strategy of the Group in order to enhance shareholders' value.

The responsibilities of the Board include defining and determining the strategic direction, directing future expansion, implementing corporate governance, identifying principal risks and ensuring the implementation of appropriate systems to manage these risks, human resource planning and development, reviewing investments made by the Group, overseeing the proper conduct of business and reviewing the adequacy and the integrity of the Group's internal control system and management information system.

There is a schedule of matters reserved specifically for the Board's decision which includes, among others, the approval of annual business plans and budgets, material acquisitions and disposals of assets, major capital projects, financial results, dividend recommendations, fund raising exercises and Board appointments. As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to specific Committees with their own Terms of Reference ("TOR"). The TOR of the Board Committees are available on the Company's website at [www.spsetia.com](http://www.spsetia.com).

The PCEO together with the Deputy President and COO, CFO and EVPs of the Group are accountable for the day-to-day management of financial, business and operational matters of the Group within the prescribed limits of authority and in accordance with the Group's SOPs, including transforming strategies into performance targets to realise the approved business plan for the year. They are in turn supported by a management committee which comprises the heads of all BUs and Support Units.

The Group's KPIs, comprising financial and non-financial operating drivers, for each financial year are set and approved by the Board to be achieved by the Management, led by the PCEO. Performance of the Group against budget is reviewed and tracked by the Board on a quarterly basis in conjunction with the approval of the unaudited quarterly results of the Group. At the end of each financial year, the Board undertakes a full year review of the Group's performance against the budget and business plan approved by the Board in the preceding year.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

A

**DIRECTORS' INDEMNITY**

S P Setia continues to provide and maintain indemnification for its Directors throughout the year under review as allowed under the CA 2016 to the extent it is insurable, under the Directors' and Officers' Liability Insurance ("D&O") procured by the Company. Directors and Officers are indemnified against any liability incurred by them in discharging their duties as Directors and Officers of the Group.

**DIRECTORS' COMMITMENT**

The Board meets at least five (5) times a year at quarterly intervals with additional meetings convened as and when necessary to approve quarterly financial results, business plans, budgets and other business development activities. The Board and Board Committee meetings for the whole year are scheduled in advance by the third quarter of the preceding financial year to enable the Board members to plan their schedules accordingly. All proceedings of the Board meetings are duly minuted, approved by the Board and signed by the Chairman of the Meeting.

The Board places importance on the contributions given through robust discussions by the Directors at each Board and Board Committee Meetings. For the FY 2021, all the Directors complied with the minimum 50% attendance requirement in respect of Board meetings as stipulated by the MMLR and the Company's Constitution. The Board was satisfied with the level of time commitment given by the Directors towards fulfilling their roles and responsibilities as Directors of the Company.

In line with the MMLR, none of the members of the Board holds more than five (5) directorships in listed issuers. During the FY 2021, the Directors notified the Company Secretary as and when they were appointed to other boards, to ensure that such appointments would not unduly affect their time commitment and responsibilities to the Board. The Directors also provided updates of their directorships and shareholdings in other companies on a quarterly basis, which were tabled to the Board for notation.

**DIRECTORS' INDEPENDENCE**

The Board acknowledges the important contributions that Independent Non-Executive Directors ("INEDs") make to good corporate governance. All Directors, regardless of their independent status, are required to act in the best interest of the Company and to exercise unfettered and independent judgement.

For the FY 2021, the Board was satisfied with the mix of independent and non-independent directors, the composition being diverse in demographics, skills and experience. Since 28 February 2018, the Board has comprised of a majority INEDs. The Board practised active, robust and open discussions at Board meetings so as to ensure that opportunities were given to all Directors to participate and contribute to the decision-making process. Vigorous deliberations and all the views given by the Directors were considered before decisions were made by the Board. There was an existing process for the Chairman and Directors to declare and abstain from participating in discussions where a conflict of interest situation might arise in order to uphold the integrity of the decisions made by the Board.

During the year under review, the NRC and Board assessed the independence of the INEDs as part of the BEE process. The Board was satisfied with the level of independence demonstrated by all the INEDs and that they could continue to bring sound, independent and objective judgement to Board deliberations through active participation in discussions and decision-making by the Board and their ability to act in the best interests of the Group. The NRC and the Board also agreed that the continuous contributions of the INEDs are beneficial to the Board and the Company as a whole. Each INED had also provided his / her confirmation on his / her independence to the NRC and Board.

The Board Charter specifies that the tenure of a Non-Executive Director shall not exceed a cumulative term of nine (9) years from the date of first appointment. As at the date of this Statement, none of the Non-Executive Directors has served the Board for more than nine (9) years.

Besides the annual assessment, a potential candidate must, prior to the appointment as an Independent Director, submit his / her declaration of independence in compliance with the criteria set out in the MMLR, to the NRC and Board for consideration.

**ACCESS TO INFORMATION AND ADVICE**

The Board has full and unrestricted access to all information pertaining to the Group's business and affairs including inter alia, financial results, annual budgets, business reviews against business plans and progress reports on the Group's developments and business strategies, to enable it to discharge its duties effectively. The agenda and board papers are circulated to the Board members a week prior to the Board meetings to allow sufficient time for the Directors to review, consider and deliberate knowledgeably on the issues and, where necessary, to obtain further information and explanations to facilitate informed decision-making.

Access to Board papers is facilitated through an application which allows the Directors to securely access, read, review Board documents and collaborate with other Directors, the Management and Company Secretary electronically. This mode of dissemination and record keeping of Board and Board Committee papers allows the Directors to have instantaneous access to current and past records of the Company while ensuring security of confidential information.

The Board is kept apprised on announcements made by the Company to Bursa Securities on significant transactions, whereas news coverage on events, analyst reports and matters concerning the Group reported in the media are disseminated to all the Directors, if any.

Senior Management officers and external advisers may be invited to attend Board meetings when necessary, to furnish the Board with explanations and comments on the relevant agenda items tabled at the Board meetings or to provide clarification on issue(s) that may be raised by any Director.

All Directors have direct and unrestricted access to the advice and services of the Company Secretary and Senior Management. The Board may, either collectively or as individual members seek independent professional advice, at the Group's expense, if required, in furtherance of their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

**ONBOARDING AND CONTINUING DEVELOPMENT PROGRAMME FOR DIRECTORS**

All new Directors appointed to the Board are given a comprehensive onboarding programme, covering areas of the business, including among others, the Company's strategies, business segments and operations, the corporate governance framework within the Group and key risks.

In line with Paragraph 15.08 of the MMLR, the Directors recognise the importance and value of attending conferences, training programs and seminars in order to keep themselves abreast of the development and changes in the industry the Group operates as well as being updated on new regulatory and statutory requirements.

The trainings / seminars / conferences attended by the Directors during the FY2021, among others, are set out below.

	KEY AREAS OF FOCUS					
	STRATEGIC GROWTH AND / OR SUSTAINABILITY AGENDA	FINANCIAL AND BUSINESS	RISKS AND INTERNAL CONTROL	INTEGRITY AND GOVERNANCE	FINANCE, ACCOUNTING AND / OR TAX RELATED	LEGAL
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	✓	✓	✓	✓	✓	
Datuk Choong Kai Wai	✓	✓	✓	✓	✓	
Dato' Halipah Binti Esa	✓	✓	✓	✓	✓	
Dato' Ahmad Pardas Bin Senin	✓	✓	✓	✓	✓	
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	✓	✓	✓	✓	✓	
Dato' Zuraidah Binti Atan	✓	✓	✓	✓	✓	✓
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	✓	✓	✓	✓	✓	
Philip Tan Puay Koon	✓	✓	✓	✓	✓	✓
Dato' Azmi Bin Mohd Ali	✓	✓	✓	✓	✓	✓
Dato' Merina Binti Abu Tahir	✓	✓	✓	✓	✓	

For full details of the list of trainings, please refer to the Corporate Governance Report.

A

**NOMINATION AND REMUNERATION  
COMMITTEE REPORT**

**Dear Shareholders,**

Our focus in FY2021 has been on non-executive director and management succession and to ensure our management structure, skills and experience below the Board support the effective delivery of our long-term ambitions.

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



**COMMITTEE MEETINGS IN 2021**



**MEETING** - Please refer to page 176 to 177 for number of NRC meetings held during the year.

**MEMBERSHIP**

The NRC comprises five (5) members of which a majority are INEDs. The members of the NRC as at the date of this report are as follows:

- **Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail**  
(Chairman & Non-Independent Non-Executive Director)  
(Appointed on 31 May 2019) (Tenure: 2 years and 9 months)
- **Dato' Ahmad Pardas Bin Senin**  
(Senior Independent Non-Executive Director)  
(Appointed on 12 March 2015) (Tenure: 7 years)
- **Philip Tan Puay Koon**  
(Independent Non-Executive Director)  
(Appointed on 3 March 2016) (Tenure: 6 years)
- **Tengku Dato' Ab. Aziz Bin Tengku Mahmud**  
(Non-Independent Non-Executive Director)  
(Appointed on 17 December 2020) (Tenure: 1 year and 3 months)
- **Dato' Merina Binti Abu Tahir**  
(Independent Non-Executive Director)  
(Appointed on 17 November 2021) (Tenure: 4 months)

The Company Secretary of the Company is the secretary of the NRC who is in attendance at all NRC Meetings and records the proceedings thereat.

The NRC has direct and unrestricted access to the advice and services of the Company Secretary and Senior Management. The NRC may, either collectively or as individual members seek independent professional advice, at the Company's expense, if required, in furtherance of their duties.

The chair would be chaired by an INED once the succession plan of the Board is finalised at the end of 2024.

The President and Chief Executive Officer ("PCEO") attends the meetings of the NRC upon invitation. Other members of Senior Management are invited to meetings of the NRC when necessary to provide support to the discussion on matters related to the agenda of the meeting.

**TERMS OF REFERENCE**

The TOR of the NRC are available online for reference in the Board of Directors' section of the Company's website at [www.spsetia.com](http://www.spsetia.com).

**APPOINTMENT / RE-ELECTION OF DIRECTORS**

S P Setia practises a formal and transparent process on the appointment of new Directors. In its selection of suitable candidates, the NRC has a selection criteria based on competencies and attributes required to further strengthen to the Board's composition. All nominees to the Board are first considered by the NRC, taking into consideration among others the diversity in terms of mix of skills, competencies, experience, age and gender guided by the Diversity Policy adopted by the Board and time commitment required to effectively fulfil his or her role as a Director.

The NRC is responsible for recommending to the Board, Directors who are standing for re-election at the AGM pursuant to the Company's Constitution.

The NRC will consider the Directors who are due for re-election / re-appointment in the same manner as other Directors, taking into consideration the Director's performance during his / her term.

**MAIN RESPONSIBILITIES**

- Reviewing Board structure, size and composition and making recommendations to the Board with regard to any adjustments
- Nominating candidates for the approval of the Board
- Ensuring succession plans are in place for the Board and senior executive positions
- Administering the Group Employees' Long Term Incentive Plan ("LTIP") comprising the Employee Share Option Scheme ("ESOS") and the Employee Share Grant Plan ("ESGP")
- Ensuring a balance of fixed and variable pay, with the intent of creating a competitive total remuneration package that supports the attraction and retention of senior management; and
- Ensuring appropriate alignment between incentivised performance and the interests of shareholders.

**MATTERS CONSIDERED**

**NOMINATION AND RELATED MATTERS**

(1) Reviewed the performance of the Directors who were subject to re-election at the 46<sup>th</sup> Annual General Meeting of the Company held on 22 April 2021 ("46<sup>th</sup> AGM") pursuant to Clause 102 of the Company's Constitution, and recommended to the Board, the re-election / re-appointment of Dato' Halipah Binti Esa, Tengku Dato' Ab. Aziz Bin Tengku Mahmud and the late Puan Noraini Binti Che Dan. The Directors had met the Board's expectations of high performance based on the performance and contribution of each Director as assessed through the BEE.

(2) Kept abreast of the changes to the new MCCG launched on 28 April 2021 and reviewed the status of the Company's adoption of the new practices in the MCCG and action plans thereof. The Board Charter was also reviewed by the NRC for recommendation to the Board for approval of the amendments which were mainly to align to the new MCCG.

(3) Kept abreast of progress of management transition plan and updated on the changes to organisation structure in preparation for the change of management.

(4) Reviewed the Group's representation in the board of directors of subsidiaries and joint venture companies as part of management transition plan and recommended changes to the Board for approval.

(5) Reviewed the composition of the Board and AC following the demise of the late Puan Noraini Binti Che Dan, former INED and Chairman of AC. The NRC reviewed the curriculum vitae of 8 potential candidates with strong credentials and of different ethnicity nominated by Directors, major shareholder and independent source.

After having considered the qualification and skillsets of all the potential candidates and Directors of the Company including the time commitment to discharge their duties and responsibilities, upon recommendation of the NRC, the appointment of Dato' Merina Binti Abu Tahir as INED, member of the AC and NRC, and appointment of Dato' Zuraidah Binti Atan as Chairman of the AC, effective 17 November 2021 were approved by the Board. The appointment of Dato' Merina Binti Abu Tahir was also mapped against the Board Succession Plan and Board Diversity Policy approved and adopted by the Board in FY 2020.

(6) Reviewed the approach and questionnaires to be used for the BEE and recommended the same to the Board for approval. For the BEE 2021, the Board undertook the assessment which was internally facilitated. The BEE 2021 assessed the performance of the Board as a whole, Board Committees and individual Directors of the Company. The areas of coverage of the BEE 2021 were composition, responsibility and conduct, process and administration.

The results of the BEE together with the Board Improvement Plan for 2022 were presented to the NRC and thereafter, to the Board. The BEE results indicated that the Directors were satisfied that the Board was effective in discharging their responsibilities, had an effective composition and was enabled by current process / administration. The Directors were of the view that the composition of the Board was well-balanced, taking into consideration the diversity of gender, mix of skills, qualifications, experiences and the level of contribution from each of the members to the respective committees.

The Directors were also satisfied that the Board Committees provided added value to the Company's governance system and that the Company's business was being conducted in an effective and efficient manner. The focus areas in the Board Improvement Plan for FY 2022 are Board Process and Administration and Board Composition and Succession.

Meanwhile, the actions identified to further improve the Board processes set out in the Board Improvement Plan for FY 2021 were monitored by the NRC until their completion during the year.

(7) Received report on the results of the People Pulse Survey and the management action plans to address the gaps identified. The Company undertakes this annual survey which serves as a barometer to measure the overall climate of the Company and to identify key issues and concerns of employees in order for the Management to construct action plans to address issues and concerns.

(8) Took cognisance of trainings attended by the Directors on a half-yearly basis including and recommending suitable areas of topics, if any.

During the FY 2021, all Directors attended the necessary training programmes and seminars to further broaden their perspectives, skills, knowledge and were kept abreast of the relevant changes in the law, regulations and the business environment. The trainings attended by the Directors are set out on page 179 of this Integrated Report 2021.

(9) Performed annual assessment of the composition of the Board Committees, having regard to the mix of skills, experience, tenure of service, and the practices set out in the MCCG, to ensure that they remain effective and relevant in order for them to carry out the roles and responsibilities as delegated by the Board in an effective and efficient manner.

(10) Reviewed the performance of the AC pursuant to Paragraph 15.20 of MMLR.

(11) Reviewed the KPIs for the FY 2022 of the Group, PCEO, the CIA, Chief Risk, Integrity and Governance Officer and Group Company Secretary, and made its recommendations to the Board for approval. The NRC also reviewed the KPIs of other Senior Management team.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

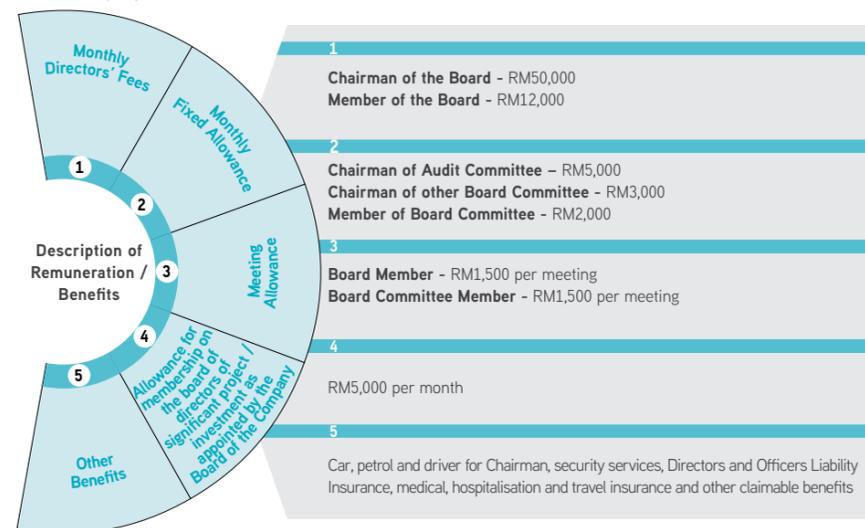
A

REMUNERATION AND RELATED MATTERS

- (1) Reviewed and recommended to the Board, the payment of token and / or salary increment for the PCEO and eligible employees with reference to their KPIs and the Group's performance.
- (2) Approved the total allocations to eligible Senior Management and employees under the LTIP for the FY 2021 grant of shares and options where applicable, pursuant to the ESGP and ESOS in accordance with the LTIP By-Laws, respectively.
- (3) Reviewed and recommended to the Board, additional medical coverage relating to COVID-19 for Directors and employees.
- (4) Reviewed and recommended to the Board, the proposed one-off payment to the late Puan Noraini Binti Che Dan, former INED of the Company, based on compassionate grounds due to COVID-19.

- (5) Benchmarked the remuneration practices of peers in the industry so as to ensure that the remuneration policy for the NEDs of the Company remain competitive to attract, retain and motivate Directors and to commensurate with the level of responsibility expected of the Directors.

The Remuneration Framework of the NEDs for the FY 2021, as approved by the shareholders at the 46th AGM of the Company was as follows:



The details of the remuneration (excluding Sales and Services Tax) of each Director of the Company who served during the FY 2021 are as follows:

PCEO	BASIC SALARY (RM'000)	BONUS (RM'000)	FEES* (RM'000)	OTHER EMOLUMENTS (RM'000)	BENEFITS-IN-KIND (RM'000)	TOTAL (RM'000)
Dato' Khor Chap Jen <sup>(1)</sup>	2,212	-	-	294	216	2,722
Datuk Choong Kai Wai <sup>(2)</sup>	616	-	-	90	1	707
<b>NON-EXECUTIVE DIRECTORS</b>						
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	-	-	570	102	114	786
Dato' Halipah Binti Esa	-	-	137	104	-	240
Dato' Ahmad Pardas Bin Senin	-	-	137	192	-	329
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	-	-	137	152	-	288
Dato' Zuraidah Binti Atan	-	-	137	84	-	221
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	-	-	137	81	-	218
Noraini binti Che Dan <sup>(3)</sup>	-	-	89	46	-	135
Philip Tan Puay Koon	-	-	137	195	-	332
Dato' Azmi bin Mohd Ali	-	-	137	57	-	194
Dato' Merina Binti Abu Tahir <sup>(4)</sup>	-	-	18	15	-	32

\* The Directors have voluntarily taken a reduction of Directors' Fee by 10% from January 2021 to June 2021.  
 (1) Resigned on 1 October 2021 (2) Appointed on 1 October 2021 (3) Demised on 26 August 2021 (4) Appointed on 17 November 2021

Going forward for year 2022, the Company would maintain the existing Remuneration Framework of the NEDs.

The Company did not disclose the remuneration of the top 5 Senior Management for the FY 2021 in the Integrated Report 2021. The Board will consider the appropriateness of such disclosure in the future.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

B

RISK MANAGEMENT FRAMEWORK

The Board is responsible for determining both the nature and extent of the Group's risk management framework and the risk appetite that is acceptable in seeking to achieve its strategic objectives. The framework and the ongoing process in place for identifying, evaluating and managing the principal risks faced by the Group are described on pages 42 to 43 of this Integrated Report. These are regularly reviewed by the Board.

Primary responsibility for operation of the Group's internal control and risk management systems, which are extended to include financial, operational and compliance controls has been delegated to the Management. These systems have been designed to manage, rather than eliminate, the risk of failure to achieve the Group's business goals and can provide only reasonable, not absolute, assurance against material misstatement or loss.

INTERNAL CONTROL

IN DELIVERING THE BOARD'S COMMITMENT TO MAINTAIN AND IMPLEMENT A STRONG CONTROL STRUCTURE AND ENVIRONMENT FOR THE PROPER CONDUCT OF THE GROUP'S BUSINESS OPERATIONS, THE KEY ELEMENTS OF THE GROUP'S INTERNAL CONTROL ARE AS FOLLOWS:

- an established organisational structure with clear lines of responsibility, approval levels and delegated authorities
- a disciplined management and committee structure which facilitates regular performance review and decision-making
- undertaking review of the Group's financial performance at monthly Group Action Committee ("GAC") meetings
- having in place various policies, procedures and guidelines underpinning the development, asset management, financing and main operations of the business, together with professional support services including legal, human resources, information services, tax, Group secretarial and health, safety and security
- a risk management and internal audit function whose work spans the whole Group
- a financial and property information management system

RISK MANAGEMENT

The oversight role of risk management is carried out by the RMC and the Board. The RMC and the Board set the strategic direction for risk roles, responsibilities and reporting structure.

The periodic reporting to both the RMC and the Board on risk management activities is undertaken by the Management via the Management Risk Team ("MRT").

ADDITIONALLY, THE MRT AND RMC RECEIVE AND DISCUSS ON A QUARTERLY BASIS THE FOLLOWING MATTERS:

- the Group's risk register, including significant and emerging risks, and how exposures have changed during the period
- summary reports and progress of the agreed action plans

The Group has in place policies to promote good business conduct and a healthy corporate culture that reflects integrity, transparency and fairness, namely the COCBE and Whistleblowing Policy. Additionally, decision-making by the Board and Management is guided by the Group's Discretionary Authority Limits ("DAL").

**AUDIT COMMITTEE  
REPORT**

**Dear Shareholders,**

Despite a challenging year operationally, the Group effectively maintained a strong internal control environment and continues to standardise and streamline its finance systems and processes whilst ensuring audit compliances.

**DATO' ZURAIDAH BINTI ATAN**  
Chairman, Audit Committee



**COMMITTEE MEETINGS IN 2021**



**MEETING** - Please refer to page 176 to 177 for number of AC meetings held during the year.

**MEMBERSHIP**

The members of the AC as at the date of this report are as follows:

- **Dato' Zuraidah Binti Atan**  
(Chairman & Independent Non-Executive Director)  
(Appointed as Chairman on 17 November 2021), (Tenure: 4 months)  
(Appointed on 15 May 2018), (Tenure: 3 years and 6 months)
- **Philip Tan Puay Koon**  
(Independent Non-Executive Director)  
(Appointed on 11 September 2015), (Tenure: 6 years and 6 months)
- **Dato' Merina Binti Abu Tahir**  
(Independent Non-Executive Director)  
(Appointed on 17 November 2021), (Tenure: 4 months)

The composition of the AC is in compliance with Paragraph 15.09 of the MMLR and Step Up Practice 9.4 of MCCG.

The AC has an independent Chairman, Dato' Zuraidah Binti Atan, who is not the Chairman of the Board of S P Setia. She became Chairman of AC on 17 November 2021. She possesses the necessary skills, capabilities and attributes in ensuring AC Meetings are efficiently conducted by fostering open discussions with all members of the AC on the agenda items during meetings so as to facilitate thorough considerations to be given to all the subject matters presented to the

AC. The AC Chairman together with the AC members play an active role in engaging with the Management, CFO, Chief Internal Auditor ("CIA"), Group Financial Controller ("GFC") and the External Auditors.

From the beginning of the financial year under review up to 26 August 2021, the Chairmanship of the AC was held by the late Puan Noraini Binti Che Dan, who was an INED of the Company and a member of the MIA. The late Puan Noraini Binti Che Dan sadly passed on 26 August 2021. The AC wishes to place on record her exemplary Chairmanship over the years. Her judgment of the environment the Group operates was certainly perceptive. She is dearly missed.

The latest member of the AC, Dato' Merina Binti Abu Tahir is a member of the MIA, ACCA and Malaysia Institute of Certified Public Accountants.

**TERMS OF REFERENCE**

TOR of the AC are available online for reference in the Board of Directors' section of the Company's website at: [www.spsetia.com](http://www.spsetia.com).

**MAIN RESPONSIBILITIES**

- Compliance with financial reporting standards and relevant financial reporting requirements
- Oversight of the financial, internal control environment and conflict of interest.
- Consideration of the internal and external audit programme and results
- Review of the external audit relationship and provision of audit and non-audit services

**MATTERS CONSIDERED**

**WITH REGARD TO THE COMPANY AND EXTERNAL AUDITORS AND RELATED MATTERS**

(a) Reviewed the unaudited quarterly financial results, including its related Bursa Securities' announcements and press statements, the consolidated audited year financial statements of the Company and the Group, prior to recommending the same to the Board for approval, focusing particularly on:

- the overall performance of the Group, which included amongst others, sales, method of recognition of revenue and profit, land held for property development, the Group's investment properties, cashflow position, amount of receivables and payables and level of gearing;
- the prospects for the Group;
- the changes and implementation of major accounting policies and practices and the external auditor's report highlighting the key audit matters and the implications on the Group;
- compliance with accounting standards and other legal requirements; and
- significant accounting and audit matters raised by the External Auditors in the financial statements and the corresponding judgement made by the Management.

(b) Discussed significant accounting and audit issues in respect of the financial statements of the Group for the financial year ended 31 December 2020 with the External Auditors and assessed the actions and procedures taken by the External Auditors in respect of those areas.

(c) Reviewed the performance of the External Auditors, guided by the External Auditors Policy and independence of the External Auditors, and recommended their re-appointment to the Board. The annual assessment was carried out by the Group Finance Department via a questionnaire where performance of the External Auditors was rated according to a five-point scale. Areas of the performance review included the quality of service rendered, sufficiency of resources, level communication and interaction by the audit team and independence, objectivity and professionalism of the audit team. Upon conclusion of the audit, the External Auditors reconfirmed to the AC their independence in carrying out the audit of the financial statements of the Company for the financial year ended 31 December 2020 vide the report of audit results submitted to the AC as well confirmation obtained at the AC Meeting.

The Board had recommended the re-appointment of Messrs Ernst & Young PLT as External Auditors of the Company for the financial year ended 31 December 2021 at the Company's 46<sup>th</sup> AGM, which was approved by the shareholders.

(d) Reviewed the audit planning memorandum for the FY2021 with the External Auditors including the adequacy of the external audit team. The areas of audit emphasis and action plans were discussed at length with the External Auditors and the Management to ensure that adequate actions were carried out to ascertain compliance with the relevant accounting standards, prior to finalising the audited financial statements of the Group. Received the declaration of independence in writing by the External Auditors in respect of the audit for the FY2021.

(e) Reviewed the Group's tax matters and deliberated on the proposed actions plans to be taken as advised by the appointed tax solicitors.

(f) Reviewed and kept abreast of status of the Group's internal re-organisation of business activities and companies for business continuity and building enterprise resilience in preparation for the new norms and new normal beyond the COVID-19 crisis.

WITH REGARD TO THE COMPANY AND EXTERNAL AUDITORS AND RELATED MATTERS (CONT'D)

- (g) Reviewed amendments to the External Auditor Policy so as to align to the new Malaysian Code on Corporate Governance issued on 28 April 2021, in particular, on areas relating to the assessment of the suitability, objectivity and independence of the external auditors.
- (h) Reviewed the amount of audit and non-audit fees paid or payable by the Group and its subsidiaries to the External Auditors and their affiliated companies for the FY2020. The total amount of both the audit and non-audit fees for the FY2020 were compared against the previous year and any increase or decrease in fees was appropriately justified by the Management, taking into consideration the implementation of the MFRS framework, level of activities of the Group, inflationary factors and reference to the fees payable by other companies in the same industry. The accumulated fees quoted for non-audit services were within the allowable threshold set.
- (i) Kept abreast of auditing and accounting standards in respect of general borrowing cost capitalisation applicable to the Group pursuant to MFRS 123 on Borrowing Cost.
- (j) Held two (2) private sessions with the External Auditors on 24 February 2021 and 22 November 2021 without the presence of the PCEO and Management to discuss relevant issues and obtain feedback for improvements. There were no areas of concern that warranted escalation to the Board.

WITH REGARD TO MATTERS RELATING TO INTERNAL AUDIT FUNCTION, INTERNAL CONTROLS AND OPERATIONS WERE AS FOLLOWS:

- (a) Reviewed the internal audit reports prepared by the Internal Auditors of the Group and provided constructive feedback in ensuring the adequacy and effectiveness of the internal control system of the Group. Where appropriate, the AC directed the Management to rectify and improve control procedures. The AC also monitored the progress of follow-up audit on the agreed action plans taken by Management to close the audit findings by monitoring the progress of implementation of recommendations.
- (b) Reviewed and approved the internal audit framework to further improve the reporting and rating of the state of internal controls through 3 special additional meetings in addition to the quarterly AC meetings to focus on assessing, evaluating and strengthening system of internal controls of the Group, so as to ensure soundness of the Group's system of internal controls and that appropriate action plans are taken to address audit findings.  
  
This includes review on scheduled and special internal audit engagements on areas of concern and assessed the outcome of the review on the effectiveness of internal controls and recommending improvements, where necessary.
- (c) Reviewed the performance of the CIA against the approved KPIs for year 2021.
- (d) Responsible for assessing and setting of the KPIs of the CIA for year 2022.
- (e) Reviewed the internal audit reports of the audit conducted on an associate company of the Group.
- (f) Reviewed the Audit Committee Report and Statement of Risk Management and Internal Control for inclusion in the Annual Report 2021.
- (g) Reviewed and approved the updates to the Group Internal Audit Charter which encompassed further updates and alignment to the International Professional Practice Framework of Internal Auditing which sets out its roles and responsibilities, scope, accountability and authority.
- (h) Reviewed and approved the internal audit plan for 2022 including the resource requirement, manpower sufficiency, department budget and adequacy of the scope of internal audit function.
- (i) Reviewed the procedures for recurrent related party transactions for purposes of ensuring that the processes and controls were in place to ensure that recurrent related party transactions were not more favourable to the related parties than those generally available to the public and were not to the detriment of the minority shareholders.
- (j) Reviewed and verified the share option allocations for the ESOS and ESGP under the Company's LTIP for the FY2020 award that was confirmed by the External Auditors. The AC was satisfied that the allocation of the share option was in compliance with the LTIP By-Laws.

INTERNAL AUDIT FUNCTION

Group Internal Audit ("GIA"), the Group's independent in-house internal audit function carried out all internal audit functions of the Group. GIA provides the Board, through the AC, reasonable assurance on the effectiveness and adequacy of risk management, internal control and governance processes within the Group. S P Setia is a corporate member of the Institute of the Internal Auditors Malaysia ("IIAM").

GIA is headed by the Chief Internal Auditor, Jennifer Mok, who has over 27 years of experience in internal auditing in various public listed companies. Jennifer is a chartered accountant and a member of the MIA and the Institute of Internal Auditors Malaysia, who reports functionally to the AC and administratively to the PCEO to ensure her independence.

GIA carries out risk based audit and review, based on the approved annual audit plan by the AC and is guided by its Group Internal Audit Charter and International Professional Practices Framework. A summary of activities of the internal audit function carried out during the FY2021 is as follows:

1	2	3	4	5	6
Performed audit engagements which covered reviews of internal control systems, policies and processes, management information systems, risk management and governance compliances.	Internal audit reports were issued and tabled to the AC where significant risks and key areas of concerns were identified with persons or individuals identified being held accountable together with their recommendations for improvements.	Performed follow up procedures on the implementation of agreed upon action plans to ensure that necessary actions had been taken / were being timely implemented as recommended.	Reported to the AC on review of the adequacy, appropriateness and compliance with the procedures established in relation to recurring related party transactions in accordance with the guidelines set out in the Circular to Shareholders dated 24 March 2021.	Reviewed areas where there were concerns that affected financial reporting, internal controls and governance. In an effort to provide value added services, GIA also provided additional assurance and advisory services to Business Units upon request by the AC and / or Management in relation to compliance, governance, risk management and internal controls.	Revisited the audit plans and audit approach for the year to ensure that adequate time was allocated to perform the audit and in certain instances, considered alternative procedures to ensure that sufficient appropriate evidence was obtained.

GIA is resourced with a total of 14 internal auditors and assisted by an office executive. All internal auditors are equipped with relevant experience and qualifications. In order to perform their functions effectively, the internal auditors undergo continuous training to equip themselves with the required skills and business acumen.

The total cost incurred for the internal audit function for the FY2021 was approximately RM2.2 million.

C

**STAKEHOLDER  
ENGAGEMENT**

As a leading property developer, we are aware of how our business decisions affect our stakeholders, which include shareholders, customers, regulators, employees and the local communities.

Throughout the year, we diligently consider feedbacks and comments gathered and through these encounters gain valuable input on our economic, environmental and social performance. Based on this information, we continuously improve our business processes and create products that our customers appreciate.

We continuously engage with our stakeholders to understand their concerns and areas of interest and to obtain feedback through various channel of engagements including meetings, events & roadshows, surveys and online platforms (website and social media) as summarised in the table below.

**Frequency of  
Engagement**



KEY STAKEHOLDERS GROUP	CHANNEL OF ENGAGEMENT	CONCERNS RAISED	OUR RESPONSE	FREQUENCY OF ENGAGEMENT	
<p><b>Investors / Shareholders</b></p> <p>Our investors are the provider of our capital with the expectation they receive monetary benefits in return.</p>	<ul style="list-style-type: none"> <li>Corporate and media announcements</li> <li>Regular analysts and investors briefings</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Company websites</li> <li>Project launches</li> </ul>	<ul style="list-style-type: none"> <li>Economic and financial performance</li> <li>Sustainable revenue and profit growth</li> <li>Dividend and growth prospects</li> </ul>	<p>We engage with investors and potential investors regularly through our channel of engagement, ensuring they understand our prospects and future growth. Other areas we provide to investors include operational and financial performance, ESG agenda as well as outlook.</p>	
<p><b>Fund Providers</b></p> <p>Fund providers support us through the provision of short- and long-term capitals enabling us to manage our operation and achieve our business objectives.</p>	<ul style="list-style-type: none"> <li>Periodic reporting</li> <li>Loan covenant compliance reporting</li> </ul>	<ul style="list-style-type: none"> <li>Economic and financial performance</li> <li>Dividend and growth prospects</li> </ul>	<p>We report to our fund providers through periodic reporting such as regular loan covenant compliance report.</p>		
<p><b>Analysts</b></p> <p>Our analysts provide us with information such as economic conditions, business prospects and regulatory updates. They provide the information of our Company to our investors through media briefings, commentaries and articles.</p>	<ul style="list-style-type: none"> <li>Corporate and media announcements</li> <li>Analysts briefings</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Company websites</li> <li>Project launches</li> </ul>	<ul style="list-style-type: none"> <li>Business overview</li> <li>Strategic imperatives</li> <li>Economic and financial performance</li> <li>Growth prospects</li> <li>Corporate governance</li> <li>Sustainability performance and tracking</li> </ul>	<p>We update our analysts through our regular briefing updates. We organise various events engaging our analysts briefing them about our businesses, its prospects and our achievements.</p>	
<p><b>Government and Regulators</b></p> <p>We work closely with both Federal, local governments and municipalities. Through our experience and expertise in private sector operation, we help managing infrastructure investments and to shape policy and regulatory changes relevant to our businesses.</p>	<ul style="list-style-type: none"> <li>Industry associations</li> <li>Regulatory requirements reporting</li> </ul>	<ul style="list-style-type: none"> <li>Compliance reporting</li> <li>Site inspections and visits</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory requirements</li> <li>Economic issues</li> <li>Environment issues</li> <li>Public and community engagements</li> <li>Government policies</li> </ul>	<p>We regularly involve with various government and authorities' discussions related to our businesses and discuss government policies and regulatory requirements.</p>	

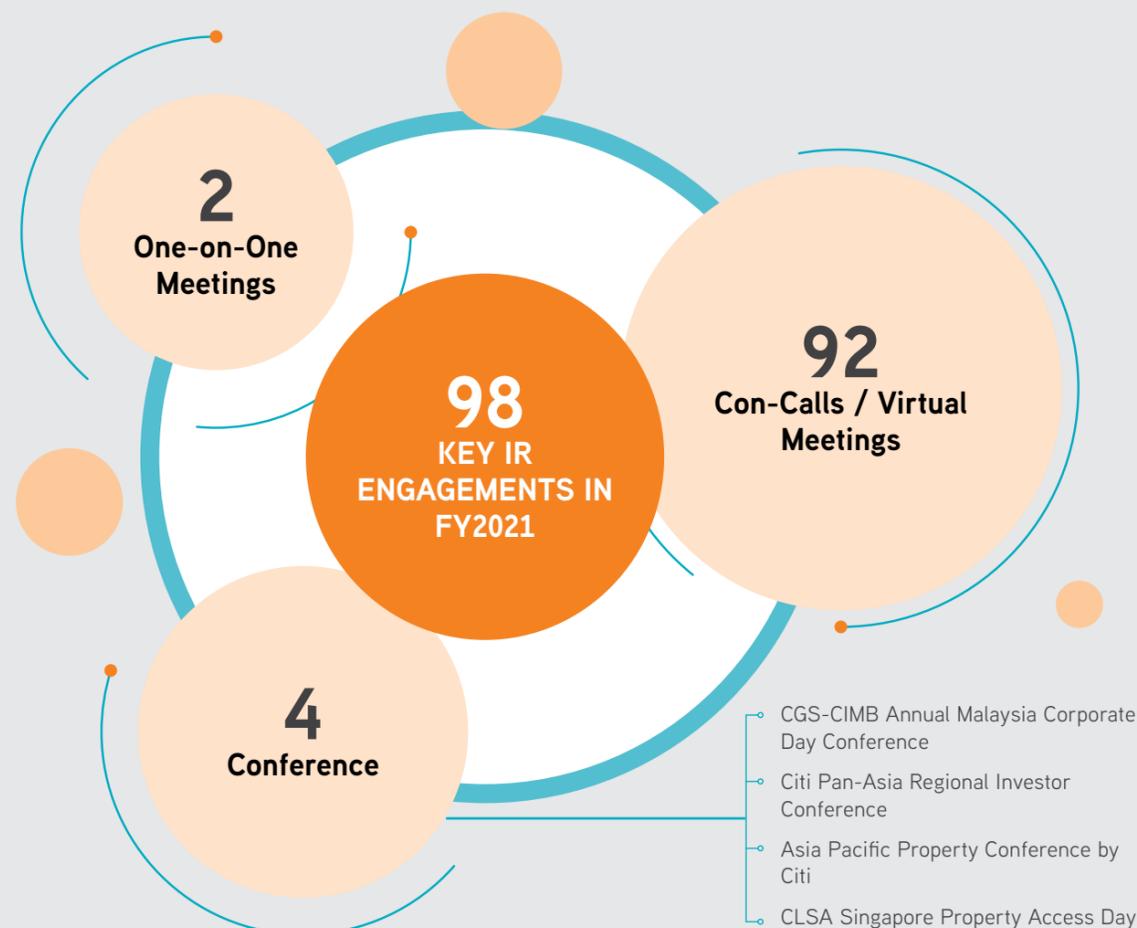
KEY STAKEHOLDERS GROUP	CHANNEL OF ENGAGEMENT	CONCERNS RAISED	OUR RESPONSE	FREQUENCY OF ENGAGEMENT	
<p><b>Customers</b></p> <p>Customers are at the heart of our business. We understand our markets and endeavour to exceed our customers' expectations. We care how our customers feel about us, our products and services so we can deliver improvements.</p>	<ul style="list-style-type: none"> <li>Corporate and media announcements</li> <li>Company websites</li> <li>Project launches</li> <li>Customer satisfaction surveys</li> <li>Online platforms</li> </ul>	<ul style="list-style-type: none"> <li>Customers events</li> <li>Corporate and product brochures</li> </ul>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Product and services features / amenities and facilities</li> <li>Timely delivery</li> <li>Pricing of products and services</li> <li>Safety and security</li> </ul>	<p>We conduct regular planned meetings and briefings with both our potential and existing customers through project launches, community events, forum and customer satisfaction survey.</p>	
<p><b>Media</b></p> <p>Media comprise organisations, both profit and non-profit channels and formats controlled by communities of practice and interest – commercial media and news entities, brand communities, user forums, activist websites and many others</p>	<ul style="list-style-type: none"> <li>Corporate and media announcements</li> <li>Analysts briefings</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Company websites</li> <li>Project launches</li> </ul>	<ul style="list-style-type: none"> <li>Long-term relationship building</li> <li>Impact to communities</li> <li>Awareness and promotions</li> <li>Advertisements</li> </ul>	<p>We brief media on our business operations, our products and services, business plans and strategies through series of programmes established as part of media communication.</p>	
<p><b>Employees</b></p> <p>Our people drive our businesses. We strive to create a diverse and inclusive workplace where all our colleagues can reach their full potential. We provide conducive working environment enabling our people to work comfortably, effectively and efficiently.</p>	<ul style="list-style-type: none"> <li>Onboarding Programmes</li> <li>Employee engagement activities</li> <li>Team huddles – “Good Morning Setia” sessions</li> <li>Corporate activities – such as festive luncheon and CEO / COO Dialogue</li> </ul>	<p>(done in SOP compliant bubbles / virtually)</p> <ul style="list-style-type: none"> <li>Performance and leadership development programmes</li> <li>People Pulse Survey</li> <li>Succession planning</li> </ul>	<ul style="list-style-type: none"> <li>Compensation and benefits</li> <li>Career enhancements</li> <li>Health, Safety and Environment</li> <li>Performance development</li> <li>Exit and retirement benefits</li> </ul>	<p>We strive to create a diverse and inclusive workplace where all employees can reach their full potential in a conducive work environment.</p> <p>We ensure our employees' well-being through competitive compensation and benefit plans, health and wellness programmes and a safe workplace.</p>	
<p><b>Suppliers and Contractors</b></p> <p>Our suppliers and contractors provide us with the materials and services we require enabling our businesses to serve the customers and communities.</p>	<ul style="list-style-type: none"> <li>Daily contacts – telephones and e-mails</li> <li>Periodic meetings and briefings</li> <li>Tender briefings</li> </ul>	<ul style="list-style-type: none"> <li>Contract and legal discussions</li> <li>Project updates and meetings</li> </ul>	<ul style="list-style-type: none"> <li>Payment terms</li> <li>Contract terms and conditions</li> <li>Future business dealings</li> </ul>	<p>Our suppliers and contractors are directly impacted our business operation. We ensure that our suppliers and contractors understand our business needs and areas covering integrity, labour &amp; human rights, inclusivity and health, safety &amp; environment.</p>	
<p><b>Local Communities</b></p> <p>Our business impact the surrounding communities where we operate. We aim to provide social and economic benefits to the communities.</p>	<ul style="list-style-type: none"> <li>Corporate and media announcements</li> <li>Analysts briefings</li> <li>Annual reports</li> <li>Company websites</li> <li>Project launches</li> </ul>	<ul style="list-style-type: none"> <li>Community activities – bullying, women empowerment</li> <li>Festive seasons celebrations</li> </ul>	<ul style="list-style-type: none"> <li>Economic well-being</li> <li>Safety and health</li> <li>Impact of operations on surrounding communities and environment</li> <li>Employment opportunities</li> </ul>	<p>We aim to provide social and economic benefits to the communities, for example through sponsorship, financial assistance and charity; visits seminars and joint activities; and recruiting from impacted communities.</p>	

Throughout the year, we diligently consider feedbacks and comments gathered and through these encounters gain valuable input on our economic, environmental and social performance. Based on this information, we continuously improve our business processes and create products that our customers appreciate.

INVESTOR RELATIONS

S P Setia is fully committed to provide accurate, transparent and timely communication with our shareholders, fund managers, analysts and the public at large, allowing them to make informed investment decisions. Regular engagements with these stakeholders are vital and the Investor Relations (“IR”) Team which plays an important role in providing the on-going updates and relevant information on strategies, outlook and prospects, emphasises on the following:

<p><b>Maintaining timely and transparent access to information</b></p> <p>The IR Team emphasises on the need to always provide clear, comprehensive and equal information to all stakeholders. Effective communication and disclosure of material corporate development are announced to Bursa Securities, as well as dissemination of presentation materials, press releases and press conferences – all in a timely manner.</p> <p>As the COVID-19 pandemic, enforcement of MCO and certain standard operating processes have led to social distancing where mass gatherings and meetings are not encouraged, the IR Team has accelerated the use of digital platform where engagements are largely conducted via calls, Microsoft Teams and Zooms applications.</p>	<p><b>Maintaining close rapport, instilling credibility and trust</b></p> <p>The IR Team strives to instil credibility and trust in our investors and takes all the necessary steps to ensure that critical issues are addressed promptly, effectively and accurately. Our objective is to ensure that our investors are always kept abreast of corporate developments and have a broad and clear understanding of strategic issues.</p> <p>Periodic and ad-hoc information are provided to the analysts and fund managers on the Group’s performance. Presentation materials can be downloaded from the IR section of our website. In addition, Senior Management also meets with analysts and fund managers on a regular basis while hosting site visits to our projects to provide a better understanding of the Group’s developments.</p>
--	---



BROAD RESEARCH COVERAGE

S P Setia is well covered by 17 local and foreign research houses. After the announcement of our FY2021 results, there were 5 analysts that had add / buy / outperform calls, 10 hold / neutral calls and 2 sell / underperform calls on S P Setia with an average target price of RM1.43.

Below, we provide a summary of the research houses’ recommendations and target prices.

No	Financial Institution	Target Price (RM)	Recommendation	RNAV	Discount
1	CGS-CIMB	1.84	Add	NA	NA
2	TA Securities	1.83	Buy	NA	NA
3	KAF	1.80	Buy	4.00	55%
4	CLSA	1.75	Buy	5.00	65%
5	Credit Suisse	1.60	Outperform	5.33	70%
6	AllianceDBS	1.50	Hold	3.75	60%
7	Maybank	1.42	Hold	4.00	65%
8	Public	1.40	Neutral	4.67	70%
9	UOB	1.35	Hold	4.20	68%
10	UBS	1.35	Neutral	3.86	65%
11	AffinHwang	1.34	Hold	2.24	40%
12	MIDF	1.33	Neutral	4.43	70%
13	RHB	1.28	Neutral	4.27	70%
14	Hong Leong	1.26	Hold	4.93	75%
15	Macquarie	1.20	Neutral	6.03	80%
16	Kenanga	1.19	Underperform	NA	NA
17	Citi	0.82	Sell	2.73	70%
	<b>Average</b>	<b>1.43</b>		<b>4.25</b>	<b>66%</b>

KEY IR ISSUES

The outlook of property developers continued to be challenging given the disruptive nature of the COVID-19 pandemic and its impact on the property sector, but as more initiatives are introduced to uplift the economy and also to spur the property sector, there is renewed demand towards landed residential units in our matured townships.

The business outlook of developers is not always necessarily positive but nevertheless, S P Setia believes in portraying an honest assessment of the Group’s business outlook, even if prospects may not be particularly positive. In doing so, the Group hopes that investors will obtain a realistic expectation of the business cycles and will be in a better position to make informed investment decisions.

EFFECTIVE SHAREHOLDER COMMUNICATION

The Group values the importance of having effective communication with its shareholders and investors.

Information disseminated is clear, relevant and comprehensive, and is timely and readily accessible by all stakeholders. Effective communication channels with the Company’s shareholders, stakeholders and the public are maintained through the dissemination of press releases, press conferences, timely announcements and disclosures made to Bursa Securities.

The Company’s Investor Relations Department plays an important role in providing ongoing updates on the Group’s development activities and conducting regular dialogues and discussions with fund managers, financial analysts, shareholders and the media. These meetings

provide a vital avenue and direct channel of communication where financial analysts and institutional fund managers can gain a better understanding of the businesses and direction of the Group; enter into constructive dialogues and discussions based on mutual understanding of objectives; and where relevant, feedback is factored into the Group’s business decisions. The media are also invited to attend the Group’s major events and property launches where briefings are given on the relevant projects. Currently, the Company is covered by 17 local and foreign research houses and brokerages. The Company will continue to participate in investor conferences / roadshows locally and abroad.

A press conference is usually held after the conclusion of each AGM or Extraordinary General Meeting if any, and is attended by the Chairman, PCEO, Deputy President and COO and CFO to keep the investing public abreast of the outcome of the meeting. At the same forum, the President and CEO also clarifies issues which the media may have with regard to the performance of the Group and its corporate developments. If necessary, an analysts briefing is also convened after the press conferences with the objective of updating the fund managers of the Group’s performance for the year under review. The press conferences and analyst briefings are also attended by the Senior Management of the Group. However, due to the COVID-19, the Company did not organise a physical press conference after its 46th AGM held on 22 April 2021 as part of its efforts to counter the spread of COVID-19. The Company continued to engage with the press and analysts leveraging on digital platforms.

These are the few initiatives carried out by the Management as part of the continuous engagement programme to keep the relevant stakeholders apprised on the business development and financial performance of the Group.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT

C

Apart from the Company's website, enquiries on Investor Relations can be sent to Mr. Justine Jiew, Head of Investor Relations, Group Strategy & Business Development at ir@spsetia.com or 603-33482576.

### GENERAL MEETING

The Company's General Meetings remain the principal forum for dialogue and communication with shareholders, in particular, private investors. Shareholders are encouraged to attend General Meetings of the Group, given sufficient time and opportunity to participate in the proceedings, ask questions on the resolutions being proposed as well as the operations of the Group, and communicate their expectations and possible concerns. Presentations will also be given by the PCEO to brief shareholders on project updates or proposals for which the approval of shareholders are being sought. All Board members, Senior Management and the Group's external auditors as well as the Group's advisers are available to respond to shareholders' questions during General Meetings of the Group.

The Integrated Report 2020, containing the Notice of 46<sup>th</sup> AGM, was issued to the shareholders on 24 March 2021, being 28 days prior to the 46<sup>th</sup> AGM. Where necessary, explanatory notes were provided in the notice with the objective of providing shareholders with the relevant background information pertaining to the resolutions tabled for approval.

The Company holds its General Meetings at the time and venue which are convenient and easily accessible to shareholders. General Meetings of the Company remain important platforms for the Board and Management to have a better and more intimate engagement with the shareholders present.

Only shareholders whose names appear in the Record of Depositors as at the date determined by the Company in accordance with the Company's Constitution are entitled to attend, speak and vote at General Meetings. Shareholders who are unable to attend are entitled to appoint proxy(ies) to attend, speak and vote at the General Meetings. The shareholders' participation whether in person or by proxy(ies) at the 46<sup>th</sup> AGM of the Company in 2021 via the Remote Participation and Voting Facilities arranged by the Company was satisfactory as they represented a significant percentage of the Company's issued share capital.

The Company's 46<sup>th</sup> AGM held on 22 April 2021 was conducted entirely through live streaming from the Broadcast Venue as part of the Company's effort to curb the spread of COVID-19. During the proceedings of the 46<sup>th</sup> AGM, the PCEO of the Group presented to the shareholders the updated financial performance of the Group as well as the other proposals at hand. The voting by poll was undertaken by the Company by way of online remote voting further underscored the recognition of the principle of one vote one share.

### CORPORATE DISCLOSURE

#### Corporate Disclosure Policy

The Company is committed to ensuring that all information such as corporate announcements, circulars to shareholders and financial results are disseminated to the general public in a timely and accurate

manner. The Board is responsible for presenting a balanced, clear and meaningful assessment of the Group's financial position to the shareholders, investors, stakeholders and regulatory authorities.

The Company's quarterly interim and full year audited financial results are released within two (2) months from the end of each quarter / financial year and the Integrated Report, which remains a key channel of communication, is published within four (4) months after the financial year-end. The Integrated Report is not merely a factual statement of financial information and performance of the Group; it provides an insightful interpretation of the Group's performance, operations, and other matters affecting shareholders' interest. It is hoped that such insights will allow shareholders and investors to make more informed investment decisions based not only on past performance but also premised on the future direction of the Group.

### INFORMATION TECHNOLOGY

#### Leverage on Information Technology for Effective Dissemination of Information

The Company maintains a website that serves as a forum for the general public to have access to information on the latest developments taking place in the Group. Corporate presentations, annual reports, corporate announcements and financial information utilised during analyst and fund manager briefings are also available on the Company's website at www.spsetia.com.

### SUSTAINABILITY

#### Strategies that Promote Sustainability

The Company is committed to imbibing corporate responsibility practices into our business activities. Sustainability is embedded in the organisation's mission, vision and values and is manifested in our products. The scope of the Sustainability Statement covers the Group's operations in Malaysia during the reporting period from January 2021 to December 2021.

The Sustainability Statement is set out from pages 98 to 149 of the Integrated Report 2021 and explains the Group's practices and activities carried out during the FY 2021.

### COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement and is satisfied that the Company has substantially complied and applied the three key Principles of the MCGG for the FY 2021.

Details of how the Company has applied the MCGG Principles and complied with its Practices are set out in the CG Report. Departures are further explained in the CG Report which is available on the Company's website at www.spsetia.com.

The Board is further satisfied that the Company has fulfilled its obligations under the relevant paragraphs of the MMLR, MCGG, CA 2016 and other applicable laws and regulations throughout the FY 2021.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

S P Setia continues to monitor and evaluate the changing business landscape and monitors changes to the legislative and regulatory requirements to proactively mitigate risks and possible benefits from any opportunities to remain competitive.

The Board of Directors ("Board") of S P Setia is committed in to maintaining a sound internal control and risk management system. Each BU has implemented its own control processes under the leadership of the PCEO, who is responsible for good business practices and regulatory governance.

The Statement on Risk Management and Internal Control was prepared pursuant to paragraph 15.26(b) of the Bursa Securities Main Market Listing Requirements ("Main LR") and guided by the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines").

### BOARD RESPONSIBILITY

The Board upholds its commitment and responsibility for the Group's risk management and internal control systems covering not only financial controls but also strategic, operational, compliance with regulatory requirements, as well as ensuring the adequacy and effectiveness of these systems.

The implementation of these control systems is undertaken by the management, which regularly and periodically reports on key risks identified and actions taken to mitigate and / or minimise such risks. The oversight of these critical areas is carried out by the Board Committees namely the Risk Management Committee ("RMC") and the AC.

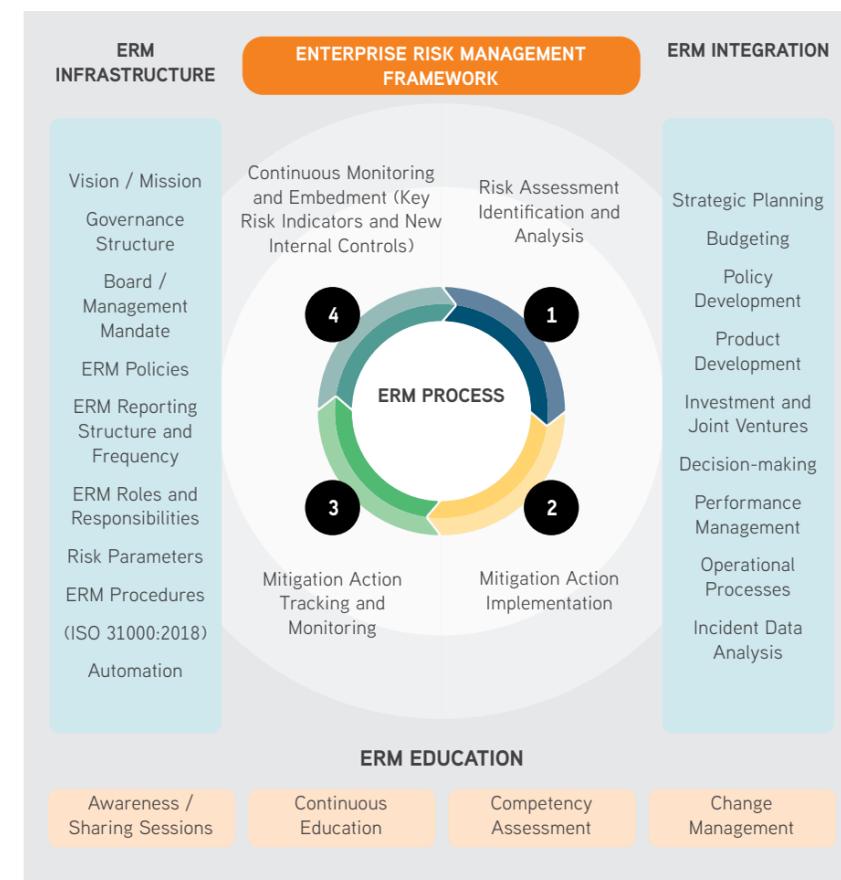
The Group's risk management and internal control systems are designed to efficiently and effectively manage risks to an acceptable level; to provide information for accurate reporting, decision making, and ensuring compliance with regulatory and statutory requirements to support the achievement of the Group's sustainable business objectives.

The Board also ensures that there is a robust framework of ongoing risk management processes in identifying, evaluating, and managing significant risks faced by the Group to promote long-term success of the Company which is sustainable. The design of these systems is mainly to manage and mitigate rather than eliminate the risks which have been identified and periodically reassessed by the Management.

### ENTERPRISE RISK MANAGEMENT

The Group Risk, Integrity and Governance ("GRIG") has established an Enterprise Risk Management ("ERM") Framework to proactively identify, evaluate, and manage key risks to an acceptable level based on a set of parameters. In line with the Group's commitment to delivering sustainable value, this ERM framework aims to provide an integrated and organised approach group-wide. It outlines the ERM methodology which is in line with the Principles and Guidelines of ISO31000:2018 Risk Management, primarily promoting the risk ownership and continuous monitoring of key risks identified.

The Group's ERM Framework is summarised as follows:



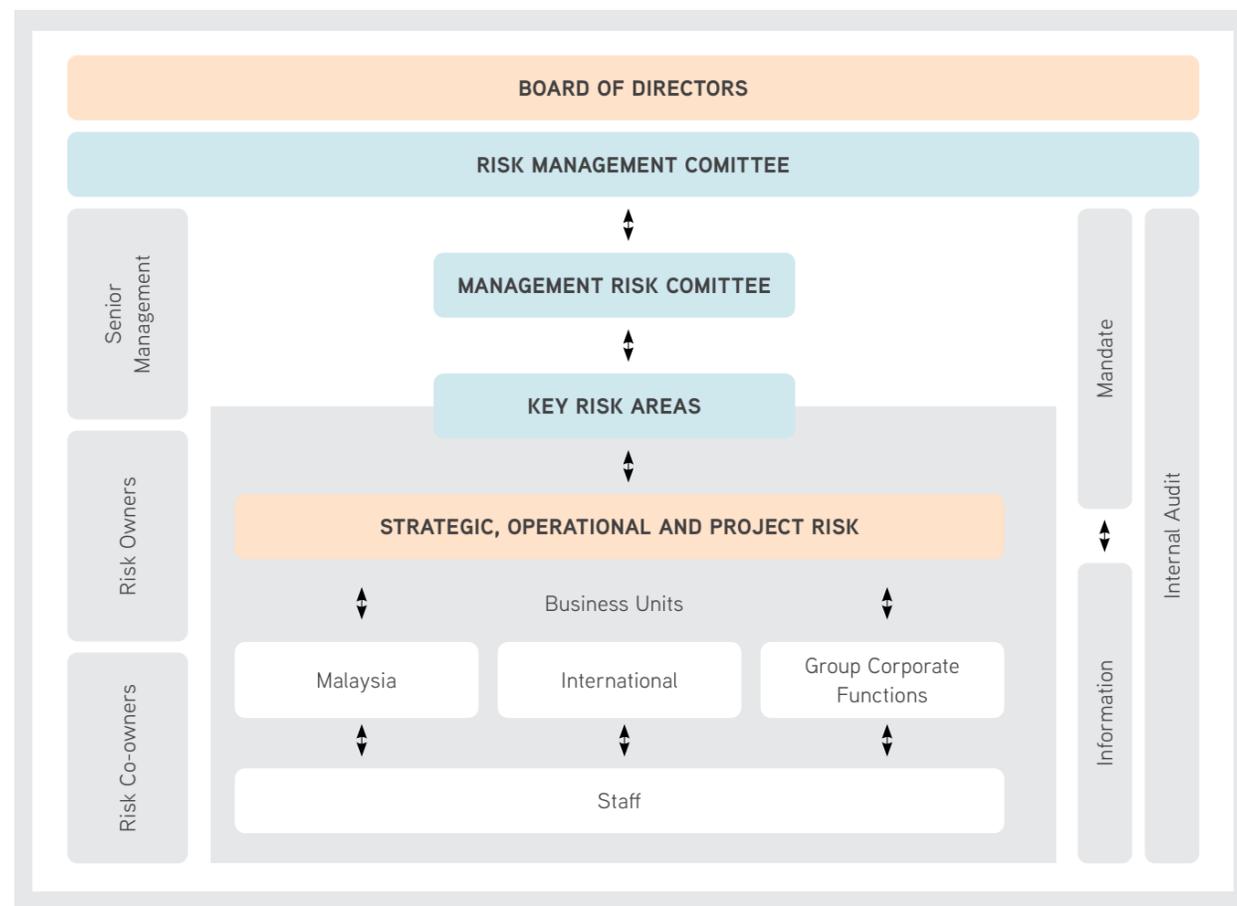
## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### a. Enterprise Risk Management Oversight

The oversight role of risk management is carried out by the Risk Management Committee (“RMC”) and the Board. The mandate and commitment from RMC and the Board are the key success factors in the implementation of the ERM programmes. The RMC and the Board set the strategic direction for risk policies, roles, responsibilities, and risk reporting structure. The periodic reporting to both the RMC and the Board on risk management initiatives is undertaken by Management via the MRT, which keeps the RMC and the Board apprised with respect to the Group’s key risk areas, implementation of risk action plans and identify emerging risks and trends.

The MRT comprises key members of the Senior Management and is chaired by the PCEO. The MRT maintains the risk oversight within the Group at the management level, as outlined in the endorsed ERM Framework.

The ERM Reporting structure below illustrates the Board and Management’s involvement in ensuring effective ERM communication and implementation:



The MRT is assisted by GRIG, where its primary role is to ensure effective implementation of the ERM and BCM framework, programmes, and continuous education and awareness across the Group; and the provision of independent and objective assessment of key risks as well as timely reporting to the MRT, RMC and the Board.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### b. Enterprise Risk Management Policy

The Board recognises that inherent risks are present in the normal course of the Group’s core businesses, presenting both threats and opportunities. The ERM policy has been developed to ensure effective implementation of ERM framework which is consistent with the Group’s aspiration in achieving its corporate objectives and meeting shareholders’ expectations. The following risk policy provides guidance on the management of risks and applies across all Business Units:

- To manage risks proactively.
- To manage both negative and positive risks.
- To manage risks pragmatically to an acceptable level, given the particular circumstances of each situation.
- To ensure that risk assessment is performed and that the process is embedded in the eco-system.
- To manage risks routinely and in an integrated and transparent way in accordance with good governance practices; and
- To require that an effective and formalised risk management framework is established and maintained by SETIA.

### c. Risk Reporting

The Group’s ERM Framework provides for regular review and periodical reporting. The reports include the risk profiles, risk action plans, and status updates. During the year under review, these reports were presented on a quarterly basis and deliberated by the MRT, RMC and the Board.

### d. Risk Management Initiatives

As part of the Group’s efforts to instil a proactive risk management culture and ownership of risks, the following initiatives were undertaken during the year under review:

- Continuous ERM Education Programmes which include ERM technical briefings / trainings, awareness and refresher sessions.
- On 25 November 2021, GRIG and Internal Audit Department organised the virtual Setia, Governance, Risk and Audit Forum 2021 (“SGRAF 2021”) for members of the Board of Directors, Management, and Team Setia, with the theme “Enhancing Agility, Managing Uncertainty, Maintaining Resilience and Strengthening Assurance”



These efforts formed part of the Group’s initiative in communicating and ensuring effective application of ERM in the day-to-day business operations.

- Sessions with Heads of BU and senior management to obtain endorsement on key risk areas.
- Provided risk advisory and independent assessment as well as awareness programmes and facilitated risk management workshops across the Group.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

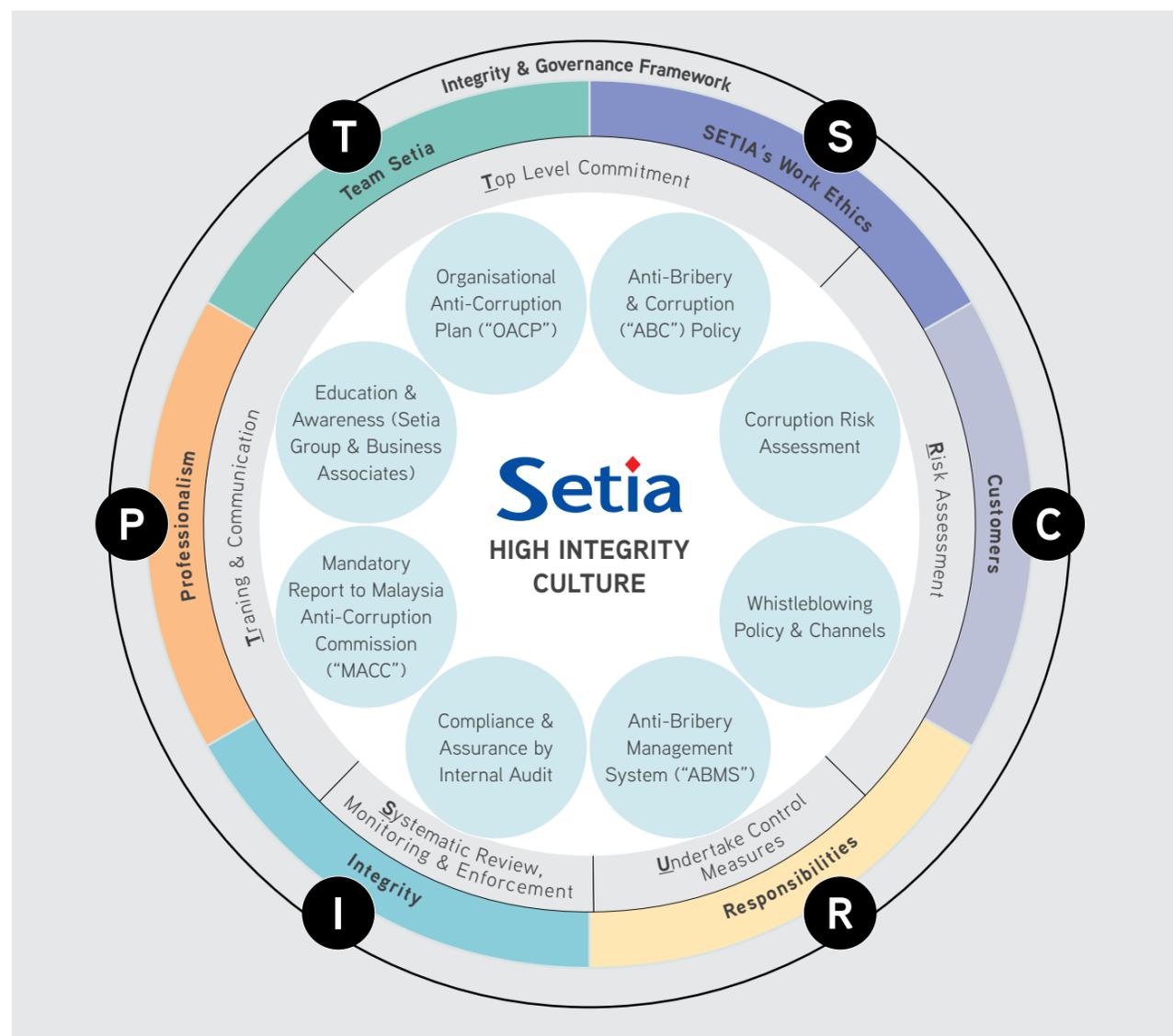
### INTEGRITY AND GOVERNANCE

Setia is continuously enhancing its efforts in embedding high integrity culture throughout Setia Group. The Board and senior management of S P Setia Group of Companies are committed in maintaining high standard of COCBE by conducting its business with professionalism and integrity.

The Group Integrity & Governance Unit (“IGU”) and Integrity and Governance Framework were established in 2019 to further reinforce Setia’s commitment to a high integrity culture, in support of the Malaysian government’s desire to encourage strong ethical practices and good governance. The integrity culture has always been inculcated amongst the employees through the embedment of Setia Values also known as SCRIPT.

Based on the Guideline for the Management of Integrity & Governance Unit issued by the MACC in 2019, the IGU is responsible for the execution of the following four (4) core functions:

- **Complaints Management** - To receive and respond to all complaints and information concerning violation of possible criminal, improper conduct and ethics of S P Setia. This includes Whistleblowing provisions being adopted by the Group.
- **Identification and Verification** - To identify and verify complaints in regards to possible criminal, improper conduct and the violation of the COCBE of S P Setia and ensure appropriate actions are taken. To report criminal and corruption related offences to the relevant enforcement agencies.
- **Strengthening Integrity** - To inculcate, institutionalise and implement the concept of integrity in organisation.
- **Governance** - To ensure the implementation of good governance.



## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The Group’s Whistleblowing Process is as shown below:



To support the National Anti-Corruption Plan 2019, several actions had taken place. For the year 2021, the Board and senior management of S P Setia Group of Companies continued its efforts in strengthening Setia’s corporate governance and inculcating good ethical business practices among Setia’s employees and business associates through various initiatives conducted by the IGU as follows:

- Introduced the annual declaration on conflict of interest for employees;
- Adopted S P Setia’s ABC policies for its businesses operating in Japan, Singapore, Australia and Vietnam;
- Conducted the annual assessment of corruption risk on business units within the group which were then reported to the RMC and Board;
- Continued with its regular communication with internal and external stakeholders with regards to Setia’s ABC stance, policies and procedures through various roadshows for business associates and new employees;
- Capacity building through knowledge sharing sessions with the Malaysian Anti-Corruption Commission (“MACC”), Bank Negara Malaysia and other Government-linked Companies; and
- Embarked on the due diligence process on third parties prior to their engagement.

The framework considered Setia’s fitness and preparation to face the challenges and consequences of the Corporate Liability provision’s enforcement. Setia is always taking steps to guarantee that proper fortifying measures are in place, based on the TRUST principle under the Guidelines on Adequate Procedures, issued by the National Centre

For Governance, Integrity and Anti-Corruption (“GIACC”) of Prime Minister’s Department dated 4 December 2018. The following policies had been approved by the Board for implementation and compliance by Team Setia and Setia’s Business Associates:

- ABC Policy
- COCBE
- Whistleblowing Policy
- Gifts and Hospitality Policy
- Donations and Sponsorship Policy
- Third Party Engagement Policy

The Board and senior management shall endeavour to continue Setia’s integrity journey through the implementation of Setia’s OACP 2021 – 2023 which were approved by the Board during the year. The OACP which were formulated based on the T.R.U.S.T. principles outlined the following strategies:

- Tightening of policies and procedures relating to interactions with public officials, gifts and hospitality and on sponsorships and donations;
- Minimising the Group’s corruption risk exposure through its third parties by introducing the due diligence procedure on third party engagement;
- Minimising the Group’s exposure to cash payment fraud through the tightening of its cash handling procedures.
- Enhanced transparency in its procurement process; and
- Continued to exercise due care in its employee recruitment process.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

The table below provides an overview of the action plans to support the above strategies:

<b>T</b>	<ul style="list-style-type: none"> <li>Continuous communication with internal and external stakeholder on Setia's policies and commitments on anti-corruption.</li> <li>To include the Corruption Risk Indicator as one of the respective BU / corporate function's KPI.</li> </ul>
<b>R</b>	<ul style="list-style-type: none"> <li>Perform annual corruption risk assessment on the respective business units.</li> </ul>
<b>U</b>	<ul style="list-style-type: none"> <li>Align current procedures to ISO37001:2016 (Anti-Bribery Management Systems) requirements with the aim of implementing the system in future.</li> <li>Leveraging on technology to facilitate compliance to the ABC procedures.</li> <li>Continuous review of the ABC policies and procedures for its effectiveness and relevancy.</li> </ul>
<b>S</b>	<ul style="list-style-type: none"> <li>Conduct compliance and assurance audit by internal audit team and review of the effectiveness of the OACP by an independent external auditor.</li> </ul>
<b>T</b>	<ul style="list-style-type: none"> <li>Continuous awareness programmes whilst leveraging on technology to provide accessibility to awareness materials such as the creation of an integrity communication site as a hub for e-learning videos and guidebooks</li> </ul>



The progress of the action plans is reported to the RMC and Board along with the MACC on half yearly basis.

The Board and senior management are pleased to report, in implementing the OACP, during the year, Setia had continued to strengthen the embedment of Setia High Integrity Culture among its employees via continuing the Setia Integrity Roadshows with target participation of the staff who had missed the earlier sessions in the previous years and for new recruits. They had also signed-off the mandatory Individual Corruption-Free Pledge as a commitment not to be involved in any bribery or corruption activities during their tenure as Setia's employees.

Setia Integrity Roadshows for Business Associates were also conducted with the aim to achieve the following objectives:

- To enhance awareness and obtain commitment from Setia's Business Associates to ensure corruption-free business environment;
- To comply to Section 17A(6) of the MACC Act 2009 on the scope of 'Associated Person' which includes contractor / vendor / supplier / agent / consultants / solicitors etc;
- To strengthen Setia's Adequate Procedures initiatives on Training & Communication (T.R.U.S.T); and
- To portray support by the Business Associates to Setia's commitment towards 'Zero Tolerance' on Bribery and Corruption through the signing of the Integrity Pledge.

For year 2021 (post upliftment of the Movement Control Order effective October 2021), we managed to conduct a total of 70 sessions inclusive of 16 virtual Integrity Roadshows sessions for Business Associates. The target participants were among Setia's active business partners. As at 27 December 2021, 692 BAs had attended the sessions and signed-off the Setia Integrity Pledge.

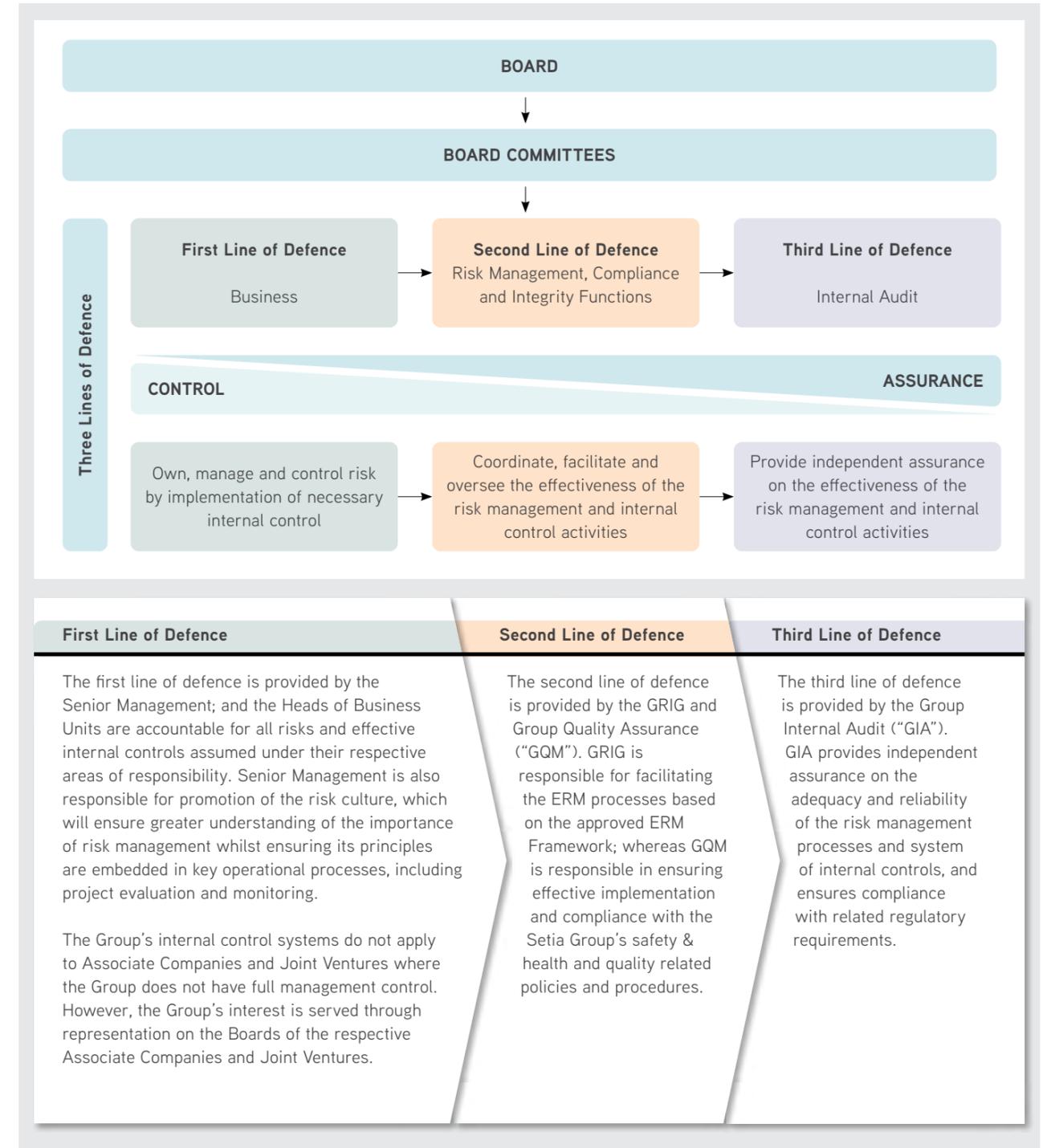
In strengthening our relationship with the authorities, we have engaged with the Integrity and Governance Units and relevant departments of the related agencies as follows:

- Dewan Bandaraya Kuala Lumpur
- Majlis Bandaraya Seberang Perai, Pulau Pinang
- Majlis Bandaraya Subang Jaya
- Dewan Bandaraya Kota Kinabalu
- Suruhanjaya Pencegahan Rasuah Malaysia Johor
- Majlis Bandaraya Johor Bahru
- Majlis Bandaraya Iskandar Puteri
- Bahagian Integriti, Jabatan Imigresen Malaysia
- Integrity Department, Permodalan Nasional Berhad ("PNB")
- Suruhanjaya Pencegahan Rasuah Malaysia, Ibu Pejabat (Bahagian Pengurusan Integriti Agensi, Bahagian Penggubahan Wang Haram, Bahagian Pendidikan Masyarakat dan Persatuan Pegawai Integriti Bertauliah Malaysia)

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### FEATURES OF KEY INTERNAL CONTROLS IN SETIA

In SETIA, "Three Lines of Defence" model as depicted below guides our practice of effective internal controls:



STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY INTERNAL CONTROL SYSTEM	ASSURANCE MECHANISM / ENABLER
<p><b>Policies, Guidelines and Procedures</b></p>	<p><b>Group Quality Management (“GQM”)</b></p> <p>Facilitates the establishment and maintenance of the Setia Group’s approved policies and SOPs.</p> <p>Establishes and manages an integrated quality, health &amp; safety and environment management system for the Property Division, manufacturing and construction arms. The integrated system is progressively reviewed to ensure its relevance.</p> <p>GQM supports the Group in accomplishing its objectives by performing regular quality audits and assisting the Group to progressively improve its business processes relating to product and service quality as well as regulatory compliance.</p> <p><i>(The details of GQM’s initiatives i.e. HSE Governance and quality commitment) have been described in the Sustainability Statement under Social section)</i></p> <p><b>Discretionary Authority Limits (“DAL”)</b></p> <p>The DAL document is crucial to ensure there is an optimal balance between strong corporate governance practices and operational efficiency. It is a written delegation of authority by the Board to the respective Board Committees and Management within the Setia Group. Its key objectives are to provide a holistic view of the authority limits set, to encourage delegation, empowerment and accountability, and to eliminate guesswork, confusion and to provide clarity.</p> <p>The DAL document is subject to periodical review to incorporate any changes that affect the authority limits.</p>
<p><b>Strategy &amp; Business Development</b></p>	<p><b>Group Strategy &amp; Business Development Group Investor Relations</b></p> <ul style="list-style-type: none"> <li>• Generate and seek out new business opportunities in line with S P Setia’s strategic goals</li> <li>• Evaluating and managing investment opportunities from origination, financial evaluation, research and due diligence, negotiation, through to Board’s approval and deal execution.</li> <li>• Establishment and execution of 5 years Business Plan and Budget</li> <li>• Consideration on emerging market trends which includes Environment, Social &amp; Governance</li> <li>• Regular engagement with analysts, fund managers, investors and other stakeholders on corporate performance and outlook of the company</li> </ul>
<p><b>Financial Performance Tracking and Monitoring</b></p>	<p><b>Group Finance</b></p> <p>Group financial planning and budgeting, monitoring, reviewing, and reporting of the Group financial performance via periodic reviews of actual performance versus targets, and ensures initiatives and mitigating action are taken.</p> <p>The review and deliberation of financial performance of the Group are conducted on a monthly basis during the GAC meeting.</p>

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY INTERNAL CONTROL SYSTEM	ASSURANCE MECHANISM / ENABLER
<p><b>ICT and Digital Transformation</b></p>	<p><b>Group Information Communication Technology (“ICT”) and Digital Transformation</b></p> <p>The core role are to plan, develop, implement, support, and improve IT and digital services to enable the business to:</p> <ul style="list-style-type: none"> <li>• Increase revenue and workplace productivity</li> <li>• Improve operational excellence and cost optimization</li> <li>• Mitigate cyber risk to ensure business continuity</li> <li>• Adopt emerging technologies to enable value creation</li> <li>• Leverage on data and technology to improve connectivity in Setia’s community, and enable smart and sustainable development</li> <li>• Tracking and monitoring of digital transformation initiatives via CEC and TEC</li> </ul> <p><i>(The details of Digital Transformation initiatives have been described in the Sustainability Statement under Digital Transformation section)</i></p>
<p><b>Manpower &amp; Talent Management</b></p>	<p><b>Group Human Resources (“GHR”)</b></p> <p>GHR plays a strategic role in ensuring that our People Plans are aligned to the Business. GHR is responsible for the formulation, implementation, monitoring, and review of the overall Human Resources Strategy. The scope covers the entire employee life cycle from Talent Acquisition, Performance Management, and Talent Development and drives Organisational Change in building organisational capabilities.</p> <p><i>(The details of GHR initiatives i.e. employee engagement, development focus, etc) have been described in the Sustainability Statement under Social section)</i></p>
<p><b>Governance &amp; Compliance</b></p>	<p><b>Group Internal Audit (“GIA”)</b></p> <p>GIA, which is an integral part of the Group’s governance process, internal controls system and risk management, reports directly to the AC on a quarterly basis. GIA adopts a risk-based approach in undertaking the internal audit function of the Group, provides independent and objective assurance on the adequacy and the effectiveness of the internal control system implemented by the Group.</p> <p>GIA proactively participates in the Group’s effort to create awareness on the importance of upholding high standards of governance culture within the Group. Apart from conducting series of sharing sessions on Internal Control best practices, GIA together with Group Risk, Integrity &amp; Governance (“GRIG”) had jointly organised the Setia Governance, Risk and Audit Forum 2021 held on 25 November 2021. Standard Operating Procedure (“SOP”) Assessments were also carried out to assess staff’s knowledge and uphold their understanding of their daily operational SOPs.</p>

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

### MONITORING, REPORTING AND REVIEWING

The Group's system of risk management and internal controls are monitored via periodic management review of financial and operational results, business processes, the state of internal controls and business risk profile by the respective Heads of BUs and reported to the GAC.

In addition, the Board is updated on the Group's performance on a quarterly basis and reviews are undertaken by GIA on the effectiveness of controls implementation at each individual BU. Reports on the reviews carried out by GIA are submitted on a regular basis to management and the AC. In addition, updates on the risk profiles and key mitigations are also tabled to the RMC and the Board on a quarterly basis.

### BOARD COMMENTARY AND OPINION

For the financial year under review, the Board has received a written assurance from the PCEO, Deputy President and COO as well as CFO that the Group's ERM and internal control systems, in all material aspects, are operating adequately and effectively. There were no material control failures or adverse compliance events that directly resulted in any material loss to the Group. Taking into consideration the information and assurance given by the President and CEO, Deputy President and COO and CFO, the Board is satisfied that the ERM and internal control systems in place for the year under review and up to the date of approval of this Statement on Risk Management and Internal Control are sound and effective to safeguard the interest of all shareholders, the Group's assets, and other stakeholders. The Board has deliberated and approved the recommendations brought forth by the RMC and the AC.

### REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY THE EXTERNAL AUDITORS

The External Auditors, Messrs. Ernst & Young PLT, have performed limited assurance procedures on the Statement in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3 - Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control as issued by the Malaysia Institute of Accountants, included in this Annual Report of the Group for the year ended 31 December 2021.

Messrs. Ernst & Young PLT have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control included in this annual report is not prepared, in all material respects, in accordance with the disclosures required by Paragraphs 41 and 42 of Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 28 February 2022.

## ADDITIONAL COMPLIANCE INFORMATION

### AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable by the Company and its subsidiaries to the external auditors and their affiliated companies for financial year ended 31 December 2021 are as follows:

	Group (RM'000)	Company (RM'000)
Fees for statutory audits - current year		
- Messrs. Ernst & Young PLT Malaysia	1,822	142
- Member firms of Ernst & Young Global	477	-
Other non-audit services		
- Messrs. Ernst & Young PLT Malaysia	336	78

The amount of non-audit fees incurred for the services rendered to the Group and the Company by its external auditors, Messrs. Ernst & Young PLT and its member firms of Ernst & Young Global for the financial year ended 31 December 2021 are RM335,900 and RM78,000 respectively.

Services rendered by Messrs. Ernst & Young PLT were not prohibited by regulatory and other professional requirements, and are based on globally practised guidelines on auditors independence. Messrs. Ernst & Young PLT was engaged in these non-audit services based on their expertise and experience on the subject matter.

### MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year except as disclosed in note 41 of the financial statements.

### RECURRENT RELATED PARTY TRANSACTIONS

At the 46<sup>th</sup> AGM of the Company held on 22 April 2021, the Company had obtained the approval from its shareholders for the renewal of the shareholders' mandate to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business, with related parties.

The said mandate took effect on 22 April 2021 and will continue until the conclusion of the forthcoming AGM of the Company.

At the forthcoming AGM to be held on 27 April 2022, the Company intends to seek its shareholders' approval to renew the existing mandate for recurrent related party transactions of a revenue or trading nature. The details of the shareholders' mandate to be sought will be furnished in the Circular to Shareholders dated 29 March 2022 attached to this Integrated Report 2021.

ADDITIONAL COMPLIANCE  
INFORMATION

## EMPLOYEE SHARE SCHEME

During FY2021, the Company issued ordinary shares ("Shares") and options under the Employee Share Grant Plan ("ESGP") and Employee Share Option Scheme ("ESOS"), respectively, pursuant to the Long Term Incentive Plan ("LTIP"). Further information on the ESGP and ESOS is set out in the Directors' Report and Note 24 of the Annual Audited Financial Statements for FY2021 in this Annual Report.

Brief details on the number of Shares and options granted, vested and outstanding since the commencement of the LTIP on 10 April 2013 and from FY2013 to FY2021 are set out in the table below:

For the period from 10 April 2013 to 31 October 2013	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
<b>ESGP</b>				
Number of Shares granted ('000)	17,035	896	3,354	12,785
Number of Shares vested ('000)	-	-	-	-
Number of Shares lapsed ('000)	(521)	-	-	(521)
<b>Number of Shares outstanding as at 31 October 2013 ('000)</b>	<b>16,514</b>	<b>896</b>	<b>3,354</b>	<b>12,264</b>
<b>ESOS</b>				
Number of Options granted ('000)	80,864	25,600	55,264	-
Number of Options exercised ('000)	-	-	-	-
Number of Options lapsed ('000)	-	-	-	-
<b>Number of Options outstanding as at 31 October 2013 ('000)</b>	<b>80,864</b>	<b>25,600</b>	<b>55,264</b>	<b>-</b>
<b>For the period from 1 November 2013 to 31 October 2014</b>				
<b>ESGP</b>				
As at 1 November 2013 ('000)	16,514	896	3,354	12,264
Number of Shares granted ('000)	13,110	300	2,608	10,202
Number of Shares vested ('000)	(4,064)	(203)	(759)	(3,102)
Number of Shares lapsed ('000)	(5,145)	(505)	(1,166)	(3,474)
<b>Number of Shares outstanding as at 31 October 2014 ('000)</b>	<b>20,415</b>	<b>488</b>	<b>4,037</b>	<b>15,890</b>
<b>ESOS</b>				
As at 1 November 2013 ('000)	80,864	25,600	55,264	-
Number of Options granted ('000)	3,312	-	3,312	-
Number of Options exercised ('000)	(9,311)	(4,800)	(4,511)	-
Number of Options lapsed ('000)	(27,193)	(12,800)	(14,393)	-
<b>Number of Options outstanding as at 31 October 2014 ('000)</b>	<b>47,672</b>	<b>8,000</b>	<b>39,672</b>	<b>-</b>

ADDITIONAL COMPLIANCE  
INFORMATION

For the period from 1 November 2014 to 31 December 2015	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
<b>ESGP</b>				
As at 1 November 2014 ('000)	20,415	488	4,037	15,890
Number of Shares granted ('000)	8,825	160	1,643	7,022
Number of Shares vested ('000)	(6,832)	(191)	(1,446)	(5,195)
Number of Shares lapsed ('000)	(3,745)	-	(1,391)	(2,354)
<b>Number of Shares outstanding as at 31 December 2015 ('000)</b>	<b>18,663</b>	<b>457</b>	<b>2,843</b>	<b>15,363</b>
<b>ESOS</b>				
As at 1 November 2014 ('000)	47,672	8,000	39,672	-
Number of Options granted ('000)	15,500	-	15,500	-
Number of Options exercised ('000)	(7,380)	-	(7,380)	-
Number of Options lapsed ('000)	(11,439)	-	(11,439)	-
<b>Number of Options outstanding as at 31 December 2015 ('000)</b>	<b>44,353</b>	<b>8,000</b>	<b>36,353</b>	<b>-</b>
<b>For the period from 1 January 2016 to 31 December 2016</b>				
<b>ESGP</b>				
As at 1 January 2016 ('000)	18,663	457	2,843	15,363
Number of Shares granted ('000)	5,429	150	1,141	4,138
Number of Shares vested ('000)	(9,129)	(247)	(1,883)	(6,999)
Number of Shares lapsed ('000)	(664)	-	(53)	(611)
<b>Number of Shares outstanding as at 31 December 2016 ('000)</b>	<b>14,299</b>	<b>360</b>	<b>2,048</b>	<b>11,891</b>
<b>ESOS</b>				
As at 1 January 2016 ('000)	44,353	8,000	36,353	-
Number of Options granted ('000)	9,586	1,600	7,986	-
Number of Options exercised ('000)	(1,703)	-	(1,703)	-
Number of Options lapsed ('000)	(450)	-	(450)	-
<b>Number of Options outstanding as at 31 December 2016 ('000)</b>	<b>51,786</b>	<b>9,600</b>	<b>42,186</b>	<b>-</b>
<b>For the period from 1 January 2017 to 31 December 2017</b>				
<b>ESGP</b>				
As at 1 January 2017 ('000)	14,299	360	2,048	11,891
Number of Shares granted ('000)	15,339	300	2,500	12,539
Number of Shares vested ('000)	(7,427)	(204)	(1,404)	(5,819)
Number of Shares lapsed ('000)	(1,083)	-	(128)	(955)
<b>Number of Shares outstanding as at 31 December 2017 ('000)</b>	<b>21,128</b>	<b>456</b>	<b>3,016</b>	<b>17,656</b>
<b>ESOS</b>				
As at 1 January 2017 ('000)	51,786	9,600	42,186	-
Number of Options granted ('000)	142,889	15,518	114,575	12,796
Number of Options exercised ('000)	(2,370)	-	(2,370)	-
Number of Options lapsed ('000)	(1,371)	-	(893)	(478)
<b>Number of Options outstanding as at 31 December 2017 ('000)</b>	<b>190,934</b>	<b>25,118</b>	<b>153,498</b>	<b>12,318</b>

ADDITIONAL COMPLIANCE  
INFORMATION

For the period from 1 January 2018 to 31 December 2018	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
<b>ESGP</b>				
As at 1 January 2018 ('000)	21,128	456	3,016	17,656
Number of Shares granted ('000)	16,969	300	3,026	13,643
Number of Shares vested ('000)	(10,728)	(254)	(2,063)	(8,411)
Number of Shares lapsed ('000)	(1,401)	-	(87)	(1,314)
<b>Number of Shares outstanding as at 31 December 2018 ('000)</b>	<b>25,968</b>	<b>502</b>	<b>3,892</b>	<b>21,574</b>

<b>ESOS</b>				
As at 1 January 2018 ('000)	190,934	25,118	153,498	12,318
Number of Options granted ('000)	18,665	-	16,112	2,553
Number of Options exercised ('000)	(1,018)	-	(1,018)	-
Number of Options lapsed ('000)	(3,588)	-	(3,137)	(451)
<b>Number of Options outstanding as at 31 December 2018 ('000)</b>	<b>204,993</b>	<b>25,118</b>	<b>165,455</b>	<b>14,420</b>

For the period from 1 January 2019 to 31 December 2019	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
<b>ESGP</b>				
As at 1 January 2019 ('000)	25,968	502	3,892	21,574
Number of Shares granted ('000)	13,970	225	2,131	11,614
Number of Shares vested ('000)	(9,982)	(198)	(1,661)	(8,123)
Number of Shares lapsed ('000)	(1,248)	-	-	(1,248)
<b>Number of Shares outstanding as at 31 December 2019 ('000)</b>	<b>28,708</b>	<b>529</b>	<b>4,362</b>	<b>23,817</b>

<b>ESOS</b>				
As at 1 January 2019 ('000)	204,993	25,118	165,455	14,420
Number of Options granted ('000)	3,447	-	-	3,447
Number of Options exercised ('000)	-	-	-	-
Number of Options lapsed ('000)	(3,440)	-	-	(3,440)
<b>Number of Options outstanding as at 31 December 2019 ('000)</b>	<b>205,000</b>	<b>25,118</b>	<b>165,455</b>	<b>14,427</b>

For the period from 1 January 2020 to 31 December 2020	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
<b>ESGP</b>				
As at 1 January 2020 ('000)	28,708	529	4,362	23,817
Number of Shares granted ('000)	6,695	38	470	6,187
Number of Shares vested ('000)	(14,228)	(275)	(2,361)	(11,592)
Number of Shares lapsed ('000)	(1,097)	-	-	(1,097)
<b>Number of Shares outstanding as at 31 December 2020 ('000)</b>	<b>20,077</b>	<b>291</b>	<b>2,471</b>	<b>17,315</b>

<b>ESOS</b>				
As at 1 January 2020 ('000)	205,000	25,118	165,455	14,427
Number of Options granted ('000)	3,282	-	1,791	1,491
Number of Options exercised ('000)	-	-	-	-
Number of Options lapsed ('000)	(4,612)	-	-	(4,612)
<b>Number of Options outstanding as at 31 December 2020 ('000)</b>	<b>203,670</b>	<b>25,118</b>	<b>167,246</b>	<b>11,306</b>

ADDITIONAL COMPLIANCE  
INFORMATION

For the period from 1 January 2021 to 31 December 2021	Total	Executive Director / CEO	Senior Management	Other Entitled Employees
<b>ESGP</b>				
As at 1 January 2021 ('000)	20,077	291	2,471	17,315
Number of Shares granted ('000)	5,656	-	76	5,580
Number of Shares vested ('000)	(10,877)	(189)	(1,506)	(9,183)
Number of Shares lapsed ('000)	(1,609)	(102)	(177)	(1,329)
<b>Number of Shares outstanding as at 31 December 2021 ('000)</b>	<b>13,247</b>	<b>-</b>	<b>864</b>	<b>12,383</b>

<b>ESOS</b>				
As at 1 January 2021 ('000)	203,670	25,118	167,246	11,306
Number of Options granted ('000)	-	-	-	-
Number of Options exercised ('000)	(368)	-	(361)	(7)
Number of Options lapsed ('000)	(65,057)	(25,118)	(38,929)	(1,010)
<b>Number of Options outstanding as at 31 December 2021 ('000)</b>	<b>138,245</b>	<b>-</b>	<b>127,956</b>	<b>10,289</b>

**Maximum Allowable Allocation of the LTIP**

Based on the LTIP By-Laws, the aggregate number of Shares comprised in the LTIP Awards to be awarded to a selected person in accordance with the LTIP shall be determined at the discretion of the Nomination and Remuneration Committee subject to the following:-

- The total number of new Shares made available under the LTIP shall not exceed 15% of the issued and paid-up share capital of the Company (excluding treasury shares, if any) at the point in time when an LTIP Award is offered; and
- Not more than ten percent (10%) of the total new Shares to be issued under the LTIP at the point in time when an LTIP Award is offered be allocated to any individual Selected Person who, either singly or collectively through persons connected with him, holds twenty per cent (20%) or more in the issued and paid-up share capital of the Company (excluding treasury shares, if any).

As of 31 December 2021, 1.34% of the Shares granted pursuant to the ESGP (excluding number of shares lapsed) has been granted to the Executive Director / CEO and Senior Management since the commencement of the LTIP up to FY2021.

There were no options granted under the ESOS during FY2021.

## FINANCIAL STATEMENTS

- 211 Corporate Information
- 212 Directors' Report
- 218 Statements of Financial Position
- 220 Statements of Comprehensive Income
- 221 Consolidated Statement of Changes In Equity
- 223 Statement of Changes In Equity
- 224 Statements of Cash Flows
- 227 Notes to the Financial Statements
- 340 Statement by Directors
- 340 Statutory Declaration
- 341 Independent Auditors' Report

# 2021

## CORPORATE INFORMATION



### DOMICILE

Malaysia



### LEGAL FORM AND PLACE OF INCORPORATION

Public listed company limited by way of shares incorporated in Malaysia



### REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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

# DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of S P Setia Berhad ("the Company" or "S P Setia") for the financial year ended 31 December 2021.

## PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities and other information relating to the subsidiary companies are provided in Note 8 to the financial statements.

## RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	347,345	101,059
Attributable to:		
Owners of the Company	284,365	101,059
Non-controlling interests	62,980	-
	347,345	101,059

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

## DIVIDENDS

At the Extraordinary General Meeting of the Company held on 20 March 2014, the shareholders of the Company resolved to approve the Company's Dividend Reinvestment Plan ("DRP"). The authority granted to the Company to allot and issue new shares of the Company pursuant to the DRP was renewed by the shareholders at the 46th Annual General Meeting ("AGM") of the Company held on 22 April 2021.

The DRP provides an option to the shareholders to reinvest either all or a portion of the declared dividends in new shares in lieu of receiving cash. Shareholders who elect not to participate in the option to reinvest, will receive the entire dividend wholly in cash.

Subsequent to 31 December 2021, the Directors declared a single-tier dividend of 0.65 sen per share amounting to RM26,442,025 in respect of the financial year ended 31 December 2021. The financial statements for the current financial year do not reflect this proposed dividend. It will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2022.

## PREFERENTIAL DIVIDENDS

During the financial year, the Company paid the following preferential dividends:

- a semi-annual preferential dividend of 6.49% per annum in respect of the Islamic Redeemable Convertible Preference Shares ("RCPS-i A") and 5.93% per annum in respect of the Class B Islamic Redeemable Cumulative Preference Shares ("RCPS-i B") for financial period from 1 July 2020 to 31 December 2020. A total of RM66,021,141 was paid in cash on 12 May 2021; and
- a semi-annual preferential dividend of 6.49% per annum in respect of the RCPS-i A and 5.93% per annum in respect of the RCPS-i B for financial period from 1 January 2021 to 30 June 2021. A total of RM66,021,141 was paid in cash on 28 September 2021.

Subsequent to 31 December 2021, the Directors declared a semi-annual preferential dividend of 6.49% per annum amounting to RM35,326,945 in respect of the RCPS-i A and 5.93% per annum amounting to RM30,694,196 in respect of the RCPS-i B for financial period from 1 July 2021 to 31 December 2021. The financial statements for the current financial year do not reflect this proposed dividend. It will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2022.

## ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital by way of the following allotment of new ordinary shares:

- 10,877,453 new ordinary shares pursuant to the vesting of shares under the Employee Share Grant Plan ("ESGP") at the price of RM1.09 per share; and
- 367,800 new ordinary shares pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS") at the price of RM0.77 per share.

During the financial year, the Company has issued the following Islamic Medium Term Notes ("Sukuk Wakalah") pursuant to a rated Islamic Medium Term Notes Programme of up to RM3.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme"):

Tranche	Issuance Date	Amount (RM Million)	Tenure	Periodic Distribution Rate (per annum)
1	25 June 2021	500	5 Years	3.85%
2	25 June 2021	300	7 Years	4.30%
		800		

The proceeds raised from the issuance of these Sukuk Wakalah were utilised for capital investments as well as refinancing and repayment of existing borrowings of the Group.

## EMPLOYEE SHARE GRANT PLAN AND EMPLOYEE SHARE OPTION SCHEME

The Company's Long Term Incentive Plan ("LTIP" or "Scheme") is governed by the By-Laws which was approved by the shareholders on 28 February 2013 and is administered by the Nomination and Remuneration Committee ("NRC") which is appointed by the Board of Directors, in accordance with the By-Laws of LTIP.

On 23 February 2017, the Board of Directors approved the extension of the LTIP for another 5 years pursuant to By-Laws 18.2 of the By-Laws of LTIP and as such the LTIP shall be in force for a period of 10 years up to 9 April 2023.

The LTIP comprised the ESGP and Employee Share Option Scheme ("ESOS"). The salient features, terms and details of the LTIP are disclosed in Note 24 to the financial statements. During the financial year, the Company granted 5,655,930 shares under the ESGP to eligible employees of the Company and/or its eligible subsidiary companies. The details of the shares and options granted under LTIP and its vesting conditions during the financial year and the number of shares and options outstanding at the end of the financial year are disclosed in Note 24 to the financial statements.

## DIRECTORS

The Directors in office since the beginning of the financial year to the date of this report are:

Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail  
 Datuk Choong Kai Wai (appointed on 1 October 2021)  
 Dato' Halipah Binti Esa  
 Dato' Ahmad Pardas Bin Senin  
 Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob  
 Dato' Zuraidah Binti Atan  
 Tengku Dato' Ab. Aziz Bin Tengku Mahmud  
 Mr Philip Tan Puay Koon  
 Dato' Azmi Bin Mohd Ali  
 Dato' Merina Binti Abu Tahir (appointed on 17 November 2021)  
 Dato' Khor Chap Jen (resigned on 1 October 2021)  
 Puan Noraini Binti Che Dan (demised on 26 August 2021)

## DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## DIRECTORS (CONT'D)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Dato' Seri Koe Peng Kang  
 Datuk Wong Tuck Wai (resigned on 1 September 2021)  
 Datuk Choy Kah Yew  
 Datuk Tan Hon Lim  
 Datuk Kow Choong Ming (resigned on 1 September 2021)  
 Datuk Yuslina Binti Mohd. Yunus  
 Datuk Saw Kim Suan  
 Soh Hee Pin  
 Datuk Zaini Bin Yusoff  
 Ng Han Seong  
 Neo Keng Hoe  
 Yeo Cheng Jway  
 Jamalullail Bin Abu Bakar (resigned on 1 September 2021)  
 Sha'ari Bin Hanapi  
 Tan Mui Hiang  
 Saniman Bin Amat Yusof  
 Hong Boon Toh (resigned on 11 January 2022)  
 Zulfakar Bin Abdullah  
 Anuar Bin Kasim (resigned on 1 July 2021)  
 Liong Kok Kit (appointed on 1 July 2021)  
 Li Wai Chee  
 Goh Tzen Sernz  
 Ling Thou Lung  
 Tan Siow Chung  
 Tuan Hj Ahmad Khalif Bin Tan Sri Datuk (Dr) Hj Mustapha Kamal  
 Gan Hwa Leong  
 Gan Hua Tiong  
 Mohd Auzir Zakri Bin Abd Hamid (resigned on 28 January 2022)  
 Mohamad Azhar Bin Aripin (appointed on 28 January 2022)  
 Nasleena Binti Mohamad Shariff  
 Mohd. Salem Bin Kailany  
 Fadzidah Binti Hashim (resigned on 31 May 2021)  
 Puar Chin Jong (resigned on 21 January 2022)  
 Dato' Sri Ghazali Bin Mohd. Ali (ceased on 21 January 2022)  
 Dato' Sri Syed Saleh Bin Syed Abdul Rahman  
 Iszad Jeffri Bin Ismail  
 Dato' Abu Sujak Bin Mahmud (demised on 11 February 2021)  
 Dato' Beh Hang Kong  
 Beh Chee Hong (ceased on 11 February 2021)  
 Dr Shahril Bin Simon (appointed on 21 October 2021)  
 Wan Azlan Bin Wan Abdul Rashid (appointed on 22 February 2021 and resigned on 21 October 2021)  
 Datin Paduka Kartini Binti Hj. Abdul Manaf (appointed on 21 October 2021)  
 Ahmad Shahrman Bin Johari (appointed on 21 October 2021)  
 Zahrin Bin Zakaria (appointed on 31 May 2021)  
 Chong Wai Hong (appointed on 11 January 2022)

## DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## DIRECTORS' INTEREST IN SHARES AND LTIP

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiary companies during the financial year except for the following:

	<----- No. of ordinary shares ----->			
	At date of appointment	Addition	Disposal	At 31.12.2021
Datuk Choong Kai Wai				
- direct	411,250	-	-	411,250

The following Director had an interest in LTIP during the financial year:

	<----- No. of shares under the ESGP ----->				
	At date of appointment	Granted	Vested	Lapsed	At 31.12.2021
Datuk Choong Kai Wai					
- direct	67,750	-	-	-	67,750

	<----- No. of shares under the ESOS ----->				
	At date of appointment	Granted	Exercised	Lapsed	At 31.12.2021
Datuk Choong Kai Wai					
- direct	11,771,706	-	-	-	11,771,706

## DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors as shown in the financial statements or the fixed salary of a full-time employee of the Company as shown in Note 36 to the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have arisen from the transactions disclosed in Note 41 to the financial statements.

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than those arising from the shares or share options granted under the LTIP.

The Directors and officers of the Group and of the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties while holding office. During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and officers of the Group and the Company are RM30,000,000 and RM60,000 respectively. The Directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

## DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

The significant event subsequent to the financial year end is disclosed in Note 50 to the financial statements.

## OTHER STATUTORY INFORMATION

- (a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
  - (ii) to ensure that any current assets which were unlikely to realise their values in the ordinary course of business as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances:
- (i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
  - (ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or
  - (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (c) At the date of this report, there does not exist:
- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
  - (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.
- (d) At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.
- (e) In the opinion of the Directors:
- (i) no contingent or other liability of the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and
  - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

## AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Details of auditors' remuneration are set out in Note 36 to the financial statements.

This report is approved by the Board of Directors on 28 February 2022.

Signed on behalf of the Board of Directors

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

**DATUK CHOONG KAI WAI**  
Director

Shah Alam, Malaysia

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

Note	<----- Group ----->			<----- Company ----->		
	2021 RM'000	2020 RM'000 Restated	1.1.2020 RM'000 Restated	2021 RM'000	2020 RM'000	
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	2	725,965	703,811	639,630	1,077	424
Right-of-use - property, plant and equipment	3	1,852	2,341	3,613	-	-
Investment properties	4	2,046,487	2,034,472	2,006,439	3,438	3,438
Right-of-use - investment properties	5	46,940	69,054	75,853	-	-
Inventories - land held for property development	6	12,534,255	12,661,069	12,315,617	-	-
Intangible asset	7	13,488	13,385	14,089	-	-
Investments in subsidiary companies	8	-	-	-	12,324,246	9,028,267
Investments in joint ventures	9	3,455,185	2,703,702	2,979,178	35,251	35,251
Investments in associated companies	10	565,362	559,857	560,090	92,971	95,621
Other investments	11	96	96	96	-	-
Amounts owing by subsidiary companies	12	-	-	-	1,769,088	4,899,505
Amounts owing by joint ventures	13	69,785	69,785	69,785	-	-
Trade receivables	17	64,891	28,824	30,249	-	-
Other receivables, deposits and prepayments	19	79,606	73,464	66,017	-	-
Deferred tax assets	16	315,812	329,766	261,968	1,918	500
		<b>19,919,724</b>	<b>19,249,626</b>	<b>19,022,624</b>	<b>14,227,989</b>	<b>14,063,006</b>
<b>Current assets</b>						
Trade receivables	17	738,641	849,503	722,003	-	-
Contract assets	18	1,290,160	1,263,891	1,077,886	-	-
Other receivables, deposits and prepayments	19	233,651	238,969	212,277	1,886	1,912
Inventories - land held for sales	6	139,670	-	-	-	-
Inventories - property development costs	6	2,895,419	3,127,216	3,036,635	-	-
Inventories - completed properties and others	6	1,049,646	1,096,541	1,449,450	-	-
Contract cost assets	20	1,708,206	1,433,530	1,216,622	-	-
Amounts owing by subsidiary companies	12	-	-	-	1,847,574	1,225,273
Amounts owing by joint ventures	13	84,514	82,589	85,104	59,179	58,836
Amounts owing by associated companies	14	2,464	4,336	590	-	647
Amounts owing by related parties	15	276	458	930	-	-
Current tax assets		50,793	84,889	69,421	11,259	-
Short-term funds	21	1,401,604	1,485,695	1,676,226	304,467	781,020
Short-term deposits	22	206,190	208,725	179,503	86,875	-
Cash and bank balances	23	1,463,422	1,224,816	1,204,348	141,669	75,199
		<b>11,264,656</b>	<b>11,101,158</b>	<b>10,930,995</b>	<b>2,452,909</b>	<b>2,142,887</b>
<b>TOTAL ASSETS</b>		<b>31,184,380</b>	<b>30,350,784</b>	<b>29,953,619</b>	<b>16,680,898</b>	<b>16,205,893</b>

## STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

Note	<----- Group ----->			<----- Company ----->		
	2021 RM'000	2020 RM'000 Restated	1.1.2020 RM'000 Restated	2021 RM'000	2020 RM'000	
<b>EQUITY AND LIABILITIES</b>						
<b>Equity</b>						
Share capital	24	8,490,225	8,468,287	8,432,321	8,490,225	8,468,287
Share capital - RCPS-i A	25	1,087,363	1,087,363	1,087,363	1,087,363	1,087,363
Share capital - RCPS-i B	25	1,035,218	1,035,218	1,035,304	1,035,218	1,035,218
Share-based payment reserve (non-distributable)		86,927	132,400	144,721	86,927	132,400
Reserve on acquisition arising from common control (non-distributable)	26	(1,295,884)	(1,295,884)	(1,295,884)	-	-
Exchange translation reserve (non-distributable)		107,157	75,042	(27,167)	-	-
Retained earnings (distributable)		4,664,527	4,478,816	4,972,036	529,243	560,226
Equity attributable to owners of the Company		<b>14,175,533</b>	<b>13,981,242</b>	<b>14,348,694</b>	<b>11,228,976</b>	<b>11,283,494</b>
Non-controlling interests		1,456,206	1,418,367	1,432,456	-	-
<b>Total equity</b>		<b>15,631,739</b>	<b>15,399,609</b>	<b>15,781,150</b>	<b>11,228,976</b>	<b>11,283,494</b>
<b>Non-current liabilities</b>						
Redeemable cumulative preference shares	27	37,965	37,140	37,006	-	-
Other payables and accruals	28	61,850	69,267	90,874	-	-
Long-term borrowings	29	9,308,641	9,357,935	8,838,769	3,388,146	2,853,431
Lease liabilities	30	823	1,167	2,404	-	-
Deferred tax liabilities	16	446,104	465,006	453,269	-	-
		<b>9,855,383</b>	<b>9,930,515</b>	<b>9,422,322</b>	<b>3,388,146</b>	<b>2,853,431</b>
<b>Current liabilities</b>						
Redeemable cumulative preference shares	27	-	-	32,413	-	-
Trade payables	31	1,495,050	1,495,462	1,506,780	-	-
Contract liabilities	18	119,275	152,467	158,966	-	-
Other payables and accruals	28	804,019	759,880	688,592	24,182	14,528
Short-term borrowings	29	3,247,231	2,583,271	2,330,399	1,357,797	1,436,403
Lease liabilities	30	1,155	1,290	1,288	-	-
Current tax liabilities		30,012	27,278	30,591	-	8,291
Amounts owing to subsidiary companies	12	-	-	-	681,797	609,746
Amounts owing to related parties	15	516	1,012	1,118	-	-
		<b>5,697,258</b>	<b>5,020,660</b>	<b>4,750,147</b>	<b>2,063,776</b>	<b>2,068,968</b>
<b>Total liabilities</b>		<b>15,552,641</b>	<b>14,951,175</b>	<b>14,172,469</b>	<b>5,451,922</b>	<b>4,922,399</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>31,184,380</b>	<b>30,350,784</b>	<b>29,953,619</b>	<b>16,680,898</b>	<b>16,205,893</b>

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
Revenue	32	3,762,748	3,228,117	286,837	225,461
Cost of sales	33	(2,755,721)	(2,531,777)	-	-
Gross profit		1,007,027	696,340	286,837	225,461
Other income	34	154,173	153,047	164,042	190,199
Selling and marketing expenses		(50,072)	(48,898)	-	-
Administrative and general expenses		(389,071)	(373,864)	(185,375)	(171,433)
Share of results of joint ventures		5,644	(372,550)	-	-
Share of results of associated companies		8,888	1,097	-	-
Finance costs	35	(194,125)	(211,688)	(164,671)	(160,509)
Profit/(Loss) before tax	36	542,464	(156,516)	100,833	83,718
Taxation	38	(195,119)	(88,029)	226	(24,027)
Profit/(Loss) for the year		347,345	(244,545)	101,059	59,691
Other comprehensive income, net of tax: <i>(Items that may be reclassified subsequently to profit or loss)</i>					
Exchange differences on translation of foreign operations		32,183	102,180	-	-
Total comprehensive income/(loss) for the year		379,528	(142,365)	101,059	59,691
Profit/(Loss) attributable to:					
Owners of the Company		284,365	(320,747)	101,059	59,691
Non-controlling interests		62,980	76,202	-	-
		347,345	(244,545)	101,059	59,691
Total comprehensive income/(loss) attributable to:					
Owners of the Company		316,480	(218,538)	101,059	59,691
Non-controlling interests		63,048	76,173	-	-
		379,528	(142,365)	101,059	59,691
Basic earnings/(loss) per share (sen)	39	3.75	(11.18)		
Diluted earnings/(loss) per share (sen)	39	3.74	(11.12)		

The accompanying notes form an integral part of the financial statements.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company		Non-distributable		Reserve on acquisition		Share-based payment reserve RM'000	Share capital- RCPS-i B RM'000	Share capital- RCPS-i A RM'000	Share capital RM'000	Share-based payment reserve RM'000	Exchange translation reserve RM'000	Retained earnings RM'000	Total equity RM'000
	Non-distributable	Distributable	Non-distributable	Distributable	Share-based payment reserve RM'000	Share capital- RCPS-i B RM'000								
Balance at 1.1.2020, as previously stated	8,432,321	1,087,363	1,035,304	144,721	(1,295,884)	(27,162)	144,721	1,035,304	1,087,363	8,432,321	144,721	(27,162)	4,912,727	15,722,037
Change in accounting policy and prior year adjustment	51	-	-	-	-	(5)	-	-	-	-	-	-	59,309	59,113
Balance at 1.1.2020, as restated		1,087,363	1,035,304	144,721	(1,295,884)	(27,167)	144,721	1,035,304	1,087,363	8,432,321	144,721	(27,167)	4,972,036	15,781,150
Total other comprehensive income for the year, represented by exchange differences on translation of foreign operations		-	-	-	-	102,209	-	-	-	-	102,209	-	-	102,180
Loss for the year		-	-	-	-	-	-	-	-	-	-	-	(320,747)	(244,545)
Transactions with owners:														
Issuance of ordinary shares		-	-	-	-	-	-	-	-	-	-	-	-	-
- vesting of ESGP		35,880	-	-	(35,880)	-	-	-	-	-	-	-	-	-
Conversion of RCPS-i B into ordinary shares		86	(86)	-	-	-	-	-	-	-	-	-	-	-
Liquidation of subsidiary companies		-	-	-	-	-	-	-	-	-	-	-	-	16,008
RCPS-i A preferential dividends paid	40	-	-	-	-	-	-	-	-	-	-	-	(70,654)	(70,654)
RCPS-i B preferential dividends paid	40	-	-	-	-	-	-	-	-	-	-	-	(61,394)	(61,394)
Dividends paid	40	-	-	-	-	-	-	-	-	-	-	-	(40,425)	(146,695)
Share-based payment under the LTIP		-	-	-	23,559	-	23,559	-	-	-	-	-	-	23,559
Balance at 31.12.2020, as restated		8,468,287	1,087,363	1,035,218	132,400	75,042	132,400	1,035,218	1,087,363	8,468,287	132,400	75,042	4,478,816	15,399,609

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company		Non-distributable		Distributable		Total equity RM'000			
	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		
Balance at 1.1.2021	8,468,287	1,087,363	1,035,218	132,400	(1,295,884)	75,042	4,478,816	13,981,242	1,418,367	15,399,609
Total other comprehensive income for the year, represented by exchange differences on translation of foreign operations	-	-	-	-	-	32,115	-	32,115	68	32,183
Profit for the year	-	-	-	-	-	-	284,365	284,365	62,980	347,345
Transactions with owners:										
Issuance of ordinary shares										
- vesting of ESGP	21,552	-	-	(21,552)	-	-	-	-	-	-
- exercise of ESOS	386	-	-	(103)	-	-	-	283	-	283
Acquisition of additional shares in existing subsidiary 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 the LTIP	-	-	-	(23,818)*	-	-	33,388	9,570	-	9,570
Balance at 31.12.2021	8,490,225	1,087,363	1,035,218	86,927	(1,295,884)	107,157	4,664,527	14,175,533	1,456,206	15,631,739

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

The accompanying notes form an integral part of the financial statements.

## STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share capital		Share-based payment reserve		Retained earnings		Total RM'000
		RM'000	- RCPS-i A RM'000	RM'000	- RCPS-i B RM'000	RM'000	RM'000	
Balance at 1.1.2020		8,432,321	1,087,363	1,035,304	144,721	673,008	11,372,717	
Total other comprehensive income for the year, represented by profit for the year		-	-	-	-	59,691	59,691	
Transactions with owners:								
Issuance of ordinary shares:								
- vesting of ESGP		35,880	-	-	(35,880)	-	-	
Conversion of RCPS-i B into ordinary shares		86	-	(86)	-	-	-	
RCPS-i A preferential dividends paid	40	-	-	-	-	(70,654)	(70,654)	
RCPS-i B preferential dividends paid	40	-	-	-	-	(61,394)	(61,394)	
Dividends paid	40	-	-	-	-	(40,425)	(40,425)	
Share-based payment under the LTIP		-	-	-	23,559	-	23,559	
Balance at 31.12.2020/1.1.2021		8,468,287	1,087,363	1,035,218	132,400	560,226	11,283,494	
Total other comprehensive income for the year, represented by profit for the year		-	-	-	-	101,059	101,059	
Transactions with owners:								
Issuance of ordinary shares:								
- vesting of ESGP		21,552	-	-	(21,552)	-	-	
- exercise of ESOS		386	-	-	(103)	-	283	
RCPS-i A preferential dividends paid	40	-	-	-	-	(70,654)	(70,654)	
RCPS-i B preferential dividends paid	40	-	-	-	-	(61,388)	(61,388)	
Share-based payment under the LTIP		-	-	-	(23,818)*	-	(23,818)	
Balance at 31.12.2021		8,490,225	1,087,363	1,035,218	86,927	529,243	11,228,976	

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

The accompanying notes form an integral part of the financial statements.

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	<----- Group ----->		<----- Company ----->	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit/(Loss) before tax	542,464	(156,516)	100,833	83,718
Amortisation of intangible assets	(103)	704	-	-
Bad debts written off	113	18	-	-
Allowance for impairment loss on receivables	243	640	-	-
Depreciation of property, plant and equipment	29,565	28,594	205	87
Depreciation of right-of-use property, plant and equipment	874	925	-	-
Gain on disposal of property, plant and equipment	(429)	(186)	-	-
Loss on fair value adjustment of investment properties	24	12,480	-	(195)
Loss/(Gain) on disposal of investment properties	3,628	(407)	-	-
Loss on liquidation of subsidiary companies	62	70	(5,044)	-
Property, plant and equipment written off	849	235	-	-
Impairment loss - investment in subsidiary companies	-	-	87,175	132,436
(Reversal)/Write down in value of completed inventories	(1,534)	128,063	-	-
Share of results of joint ventures	(5,644)	372,550	-	-
Share of results of associated companies	(8,888)	(1,097)	-	-
Interest income from financial assets measured at amortised cost	-	-	(1,182)	(1,251)
Interest expense on financial liabilities measured at amortised cost	1,486	309	-	-
Amortisation of transaction cost on borrowings	1,784	293	778	282
Interest expense on lease liabilities	135	131	-	-
Interest income from significant financing component	(11,623)	(17,535)	-	-
Loss from fair value adjustment of financial assets	-	-	831	-
Fair value adjustment on right-of-use - investment properties	22,114	6,799	-	-
Share-based payment	9,056	23,559	2,177	487
Unrealised foreign exchange loss	12,727	13,125	12,981	17,879
Interest expense	190,720	210,955	163,893	160,227
Dividend income	-	-	(286,837)	(225,461)
Interest income	(53,680)	(58,447)	(92,496)	(181,490)
Rental income	(56,410)	(54,877)	-	-
Operating profit/(loss) before working capital changes	677,533	510,385	(16,686)	(13,281)
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)	27	(42)
Changes in payables	58,652	(16,327)	(11,021)	18,776
Net cash from/(used in) operations	1,250,027	566,121	(27,680)	5,453

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	<----- Group ----->		<----- Company ----->	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES (cont'd.)</b>				
Rental received	9,792	11,069	-	-
Interest received	21,227	21,554	134	87
Interest paid on lease liabilities	(135)	(125)	-	-
Net tax paid	(162,849)	(164,000)	(20,742)	(24,803)
Net cash from/(used in) operating activities	1,118,062	434,619	(48,288)	(19,263)
<b>CASH FLOWS FROM 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)	(858)	-
Additions to investment properties	(24,908)	(51,281)	-	-
Proceeds from disposal of property, plant and equipment	566	606	-	1
Proceeds from disposal of investment properties	22,855	16,092	-	-
Net cash (outflow)/inflow from liquidation of subsidiary companies	(43)	-	43	-
Acquisition of additional shares in existing joint ventures	(675,592)	(56,787)	-	-
Repayment from/(Advances to) an associated company	3,296	(72)	3,296	(71)
(Advances to)/Repayment from subsidiary companies, including receipt of dividends	-	-	(446,474)	401,572
(Advances to)/Repayment from joint ventures	(1,607)	2,406	110	980
(Placement of)/Withdrawal from sinking fund, debt service reserve, escrow accounts and short-term deposits	(15,087)	(4,425)	(194)	24
Dividends received from associated companies	10,620	3,680	-	-
Redeemable cumulative preference share dividends received	-	-	1,596	4,564
Interest received	32,453	36,893	20,034	8,878
Rental received	39,708	37,349	-	-
Net cash (used in)/from investing activities	(1,010,152)	(605,852)	(422,447)	415,948

## STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	<----- Group ----->		<----- Company ----->	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Proceeds from issuance of ordinary shares				
- exercise of ESOS	283	-	283	-
Repayment to non-controlling shareholder of subsidiary companies	(3,743)	-	-	-
Proceeds from issuance of Sukuk Wakalah	800,000	-	800,000	-
Drawdown of bank borrowings	1,428,340	2,163,549	296,977	449,043
Repayment of bank borrowings	(1,648,526)	(1,438,697)	(646,000)	(253,500)
Repayment of lease liabilities	(1,258)	(1,288)	-	-
Interest paid	(390,327)	(409,809)	(163,257)	(163,667)
Payment of transaction cost on borrowings	(3,079)	(7,887)	(3,048)	(24)
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)	-	(40,425)
RCPS-i A preferential dividends	(70,654)	(70,654)	(70,654)	(70,654)
RCPS-i B preferential dividends	(61,388)	(61,394)	(61,388)	(61,394)
Net cash from/(used in) financing activities	6,697	25,853	152,913	(140,621)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	114,607	(145,380)	(317,822)	256,064
<b>EFFECT OF EXCHANGE RATE CHANGES</b>	5,723	10,859	(2,542)	379
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	2,821,290	2,955,811	838,105	581,662
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	2,941,620	2,821,290	517,741	838,105
Cash and cash equivalents included in cash flows comprise the following amounts:				
Short-term funds	1,401,604	1,485,695	304,467	781,020
Short-term deposits	206,190	208,725	86,875	-
Cash and bank balances	1,463,422	1,224,816	141,669	75,199
Bank overdrafts (Note 29)	(29,419)	(12,856)	-	(3,038)
	3,041,797	2,906,380	533,011	853,181
Less: Amounts restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	(100,177)	(85,090)	(15,270)	(15,076)
	2,941,620	2,821,290	517,741	838,105

The accompanying notes form an integral part of the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES

## (a) Basis of preparation

S P Setia Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Company is principally an investment holding company. The principal activities and other information relating to the subsidiary companies are provided in Note 8.

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

## Changes in accounting policies

On 1 January 2021, the Group and the Company adopted the following Amendments to MFRSs:

## Effective for financial periods beginning on or after 1 January 2021:

MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2 (Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16)	1 January 2021
MFRS 16: COVID-19- Related Rent Concessions (Amendment to MFRS 16)	1 April 2021

Adoption of the above new MFRSs, Amendments to MFRSs, IC Interpretations and Annual Improvements to MFRSs did not have any material effect on the financial performance or position of the Group and the Company except as discussed below:

## Interest Rate Benchmark Reform - Phase 2: Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued.
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no material impact on the financial statements of the Group and the Company. The Group and Company intend to use the practical expedients in future periods if they become applicable.

## Amendments to MFRS 16: COVID-19 - Related Rent Concessions beyond 30 June 2021

On the adoption of the Amendments to MFRS 16, the Group applies the practical expedients not to assess whether a COVID-19 related rent concession from a lessor that meets all of the following conditions is a lease modification:

- the change in lease payments results in revised consideration for the lease that is substantially the same as or less than, the consideration for the lease immediately preceding the charge;
- any reduction in lease payments affect only payments due on or before 30 June 2022; and
- there is no substantive change to other terms and conditions of the lease

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (a) Basis of preparation (Cont'd)

## Changes in accounting policies (Cont'd)

The Group has adopted the Amendments to MFRS 16 with election to apply the practical expedient as mentioned above consistently to eligible contracts with similar characteristics and in similar circumstances that meet the conditions as stated above. These amendments had no material impact on the financial statements of the Group and the Company.

*IFRS Interpretations Committee's ("IFRIC") Agenda Decision on MFRS 123 Borrowing Costs relating to over time transfer of constructed goods ("IFRIC Agenda Decision")*

In March 2019, the 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 ("MASB") 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 ongoing development project for which revenue is recognised over time. The Group has adopted this change in accounting policy in its financial statements for the current financial year ended 31 December 2021, the financial effects of which are shown in Note 51.

Standards issued but not yet effective

The standards and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

<i>MFRS 3: Reference to the Conceptual Framework (Amendments to MFRS 3)</i>	1 January 2022
<i>MFRS 116: Property, Plant and Equipment – Proceeds Before Intended Use (Amendments to MFRS 116)</i>	1 January 2022
<i>MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract (Amendments to MFRS 137)</i>	1 January 2022
<i>Annual Improvements to MFRS Standards 2018 - 2020 cycle</i>	1 January 2022
<i>MFRS 101: Classification of Liabilities as Current or Non current (Amendments to MFRS 101)</i>	1 January 2023
<i>MFRS 101: Disclosure of Accounting Policies (Amendment to MFRS 101)</i>	1 January 2023
<i>MFRS 108: Definition of Accounting Policies (Amendment to MFRS 108)</i>	1 January 2023
<i>MFRS 17: Insurance Contracts (Amendments to MFRS 17)</i>	1 January 2023
<i>MFRS 112: Deferred Tax related to Assets and Liabilities arising from a single transaction (Amendment to MFRS 112)</i>	1 January 2023
<i>MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)</i>	Deferred

The Amendments to MFRSs and Annual Improvements to MFRSs above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of these Amendments to MFRSs and Annual Improvements to MFRSs.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (b) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the reporting date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

(i) *Critical judgement made in applying accounting policies*

The following are judgements made by management in the process of applying the Group's accounting policies that have the most significant effect on amounts recognised in the financial statements:

*Classification between investment properties and owner-occupied properties*

The Group determines whether a property qualifies as an investment property and has developed certain criteria based on MFRS 140 Investment Property in making that judgement.

In making its judgement, the Group considers whether a property generates cash flows largely independently of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property, but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately.

If the portions could not be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production and supply of goods and services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

*Capitalisation of borrowing costs*

The Group capitalises borrowings cost during the period in which development activities are being undertaken or where there is on-going development activities which benefits an entire township.

Significant judgement is involved in determining whether the development activities carried out meet the criteria of an active development in ascertaining whether or not borrowing costs incurred should be capitalised. Besides that, management is also required to estimate the appropriate apportionment of borrowing costs eligible for capitalisation to the various development phases.

The borrowing costs capitalised are as disclosed in Note 2, 4 and 6.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (b) Significant accounting judgements and estimates (Cont'd)

## (ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources associated with estimation uncertainty at the reporting date that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

*Revenue recognition of property development activities*

Revenue on property development activities are recognised in accordance with the accounting policy set out in Note 1(t)(i) below. The terms of the property development contracts and the laws that apply to these contracts, will determine whether the control of the properties sold is transferred and the corresponding revenue is recognised over time or at a point in time.

The Group recognises certain of its property development activities over time or based on the percentage of completion method using the input method which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects. Revenue from property development activities of the Group that is recognised over time amounts to RM2,753,285,000 (2020: RM2,072,154,000).

Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation and this includes determining the extent of property development costs incurred and the total estimated costs of property development, which in turn is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group. In making these judgements, management relies on past experience and the work of specialists.

*Allowance for stock obsolescence and inventories write down*

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories are reviewed on a regular basis and the Group will make an allowance for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, changes in product preference and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories and additional allowances for slow moving inventories may be required.

As a result of the Covid-19 pandemic and its consequential effects, the Group had recognised a write-down in value of its property inventories RM128,063,000 in the previous financial year. In the current financial year, there was a write-back in value of property inventories of RM1,534,000.

The carrying amounts of the Group's inventories as at 31 December 2021 are disclosed in Note 6.

*Fair value of investment properties*

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent professional valuers to perform valuations on its investment properties at each reporting date. The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as location, size, condition, accessibility and design of the respective properties and the investment method which entails determination of the net income applying suitable growth rates and capitalising of the net income by a suitable rate of return.

Certain properties were valued based on the cost method which is based on current estimates of construction costs less depreciation, obsolescence and existing physical conditions of the respective properties.

The details of the investment properties are disclosed in Note 4 whilst the valuation techniques and key assumptions applied on the determination of the fair values are disclosed in Note 47(a).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (b) Significant accounting judgements and estimates (Cont'd)

## (ii) Key sources of estimation uncertainty (Cont'd)

*Impairment of investment in subsidiary companies*

At the reporting date, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective cash generating units ("CGU"s) based on their fair value less cost to sell or their respective value-in-use ("VIU"), whichever is higher. Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGUs, and discounting them at the appropriate rate. The cash flow forecasts included a number of significant judgements and estimates such as the timing of the project launches and sales, product pricing and costing and discount rate.

The annual impairment review resulted in the Company recognising impairment losses in respect of its investment in certain of its subsidiary companies as disclosed in Note 8.

*Income taxes*

Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The carrying amounts of the Group's and the Company's tax assets as at 31 December 2021 were RM50,793,000 and RM11,259,000 (2020: RM84,889,000 and RM Nil) respectively.

The carrying amounts of the Group's and the Company's tax liabilities as at 31 December 2021 were RM30,012,000 and RM Nil (2020: RM27,278,000 and RM8,291,000).

*Deferred tax assets*

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed capital allowances and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, capital allowances and tax losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. When an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

The Group has recognised the deferred tax assets as it is probable that its development projects and its cost and efficiency rationalisation strategies would generate sufficient taxable profits in future against which the deferred tax assets can be utilised.

The carrying amount of the Group's recognised and unrecognised deferred tax assets as at 31 December 2021 are disclosed in Note 16.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (c) Subsidiary companies

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses. The method of assessing impairment of the investment in subsidiary companies is as disclosed in Note 1(p) below. Impairment losses are charged to profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the subsidiary company disposed off is taken to profit or loss.

## (d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary companies made up to the end of the financial year. The consolidated financial statements are prepared using uniform accounting policies for like transactions in similar circumstances.

The Group controls an investee if and only if the Group has all the followings:

- (i) power over the entity;
- (ii) exposure, or rights, to variable returns from its involvement with the entity; and
- (iii) the ability to use its power over the entity to affect the amount of the investor's returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) the size of the Company's holding of voting rights relative to the size and dispersion of holdings of other vote holders;
- (ii) potential voting rights held by the Company, other vote holders or other parties;
- (iii) rights arising from other contractual arrangements; and
- (iv) any additional facts and circumstances that indicated that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meeting.

The Group reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control.

All intra-group balances, transactions, income and expenses are eliminated in full on consolidation and the consolidated financial statements reflect external transactions only.

All subsidiary companies are consolidated using the acquisition method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases except for I & P Group Sdn. Berhad, Syarikat Kemajuan Jerai Sdn Bhd and Wawasan Indera Sdn Bhd which are accounted for based on the pooling of interests method.

Business combinations under common control are accounted for using the pooling of interests method, where the results of entities or businesses under common control are accounted for as if the combination had been effected throughout the current and previous financial periods. The assets, liabilities and reserves of these entities are recorded at their pre-combination carrying amounts or existing carrying amounts are accounted for from the perspective of the common shareholder. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that would otherwise be done under the acquisition method. No new goodwill is recognised as a result of the combination. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reserve on acquisition arising from common control.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (d) Basis of consolidation (Cont'd)

Under the acquisition method of accounting, the cost of an acquisition is measured as the aggregate of the fair values of the assets acquired, liabilities incurred or assumed and equity instruments issued at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interests in the subsidiary. Acquisition-related costs are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interests in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

The excess of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interests in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Goodwill is stated at cost less accumulated impairment losses. Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

Non-controlling interests are the part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the shareholders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised in retained earnings within equity attributable to the shareholders of the Company.

## (e) Investments in associated companies and joint ventures

An associated company is an entity in which the Group has significant influence and that is neither a subsidiary company nor an interest in a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (e) Investments in associated companies and joint ventures (Cont'd)

In the Company's separate financial statements, investments in associated companies and joint ventures are stated at cost less impairment losses. The method of assessing impairment of the investment in associated companies and joint ventures is as disclosed in Note 1(p) below. Impairment losses are recognised in profit or loss.

On disposal, the difference between the net disposal proceeds and the carrying amount of the associated companies and the joint ventures are included in profit or loss.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements by the equity method of accounting. Under the equity method, the investments in associated companies and joint ventures are initially recognised at cost and adjusted thereafter for post-acquisition changes in the Group's share of net assets of the associated companies and joint ventures. Distribution received from associated companies and joint ventures reduce the carrying amount of the investment. Where there has been change recognised in other comprehensive income by the associated companies and joint ventures, the Group recognised its share of such changes in other comprehensive income.

An investment in an associated company or a joint venture is accounted for using the equity method from the date on which the Group obtains significant influence or joint control until the date the Group ceases to have a significant influence or joint control over the associated company or joint venture.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'share of results of associated companies and joint ventures' in the statement of profit or loss.

Discount on acquisition is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of results of the associated companies or joint ventures in the period in which the investment is acquired.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

Equity accounting is discontinued when the carrying amount of the investment in an associated company or a joint venture diminishes by virtue of losses to zero, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associated company or the joint venture.

The results and reserves of associated companies or joint ventures are accounted for in the consolidated financial statements based on audited and/or unaudited management financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

When changes in the Group's interests in an associated company or a joint venture do not respectively result in a loss of significant influence and loss of joint control, the retained interests in the associated company or joint venture are not remeasured. Any gain or loss arising from the changes in the Group's interests in the associated company or joint venture is recognised in profit or loss.

When the Group ceases to have significant influence over an associated company or joint control over a joint venture, any retained interest in the former associated company or joint venture is recognised at fair value on the date when significant influence or joint control is lost. Any gain or loss arising from the loss of significant influence or joint control over an associated company or joint venture respectively is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (f) Property, plant and equipment

## (i) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from their use or disposal. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

## (ii) Depreciation

Freehold land and capital work-in-progress are not depreciated.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost.

The principal annual rates used for this purpose are:

Leasehold land	Lease term of 99 years
Buildings	2% - 10%
Plant, machinery, cranes and trucks	5% - 20%
Renovations, computer equipment, office equipment, furniture and fittings	5% - 33%
Motor vehicles	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

## (g) Investment properties

Investment properties are properties which are owned or held under a freehold and leasehold interest either to earn rental income or for capital appreciation or for both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. The fair value assessment is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and categories of the properties being valued.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (g) Investment properties (Cont'd)

When the fair value of the Investment Property Under Construction ("IPUC") is not reliably determinable, the IPUC is measured at cost until either its fair value has been reliably determinable or construction is complete, whichever is earlier. Investment properties are derecognised either when they have been disposed off (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. The amount of consideration to be included in the gain or loss arising from the derecognition of investment property is determined in accordance with the requirements for determining the transaction price in MFRS 15.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

## (h) Build-Operate-Transfer ("BOT") agreement

The Group recognises revenue from the construction and upgrading of infrastructure projects under BOT agreement in accordance with the accounting policy for construction contracts set out in Note 1(n) below. Where the Group performs more than one service under the arrangement, consideration received or receivable is allocated to the components by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 1(o) below.

When the consideration receivable does not represent an unconditional right to receive cash or another financial asset, the Group recognises the consideration receivable as either development rights or as intangible assets, based on the allocation of the fair value of the construction services rendered. The accounting policies for the development rights and intangible assets are disclosed in Notes 1(k)(iii) and 1(i) respectively.

Subsequent costs and expenditures related to infrastructure and equipment arising from the Group's commitments to the BOT agreement or that increase future revenue are recognised as additions to the intangible asset and are stated at cost. Capital expenditures necessary to support the Group's operation as a whole are recognised as property, plant and equipment, and accounted for in accordance with the policy stated under property, plant and equipment in Note 1(f) above. When the Group has contractual obligations that it must fulfill as a condition of its license to:

- maintain the infrastructure to a specified standard; or
- restore the infrastructure when the infrastructure has deteriorated below a specified condition,

it recognises and measures these contractual obligations in accordance with the accounting policy for provisions in Note 1(x) below. Repairs and maintenance and other expenses that are routine in nature are expensed and recognised in profit or loss as incurred.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (i) Intangible assets

Intangible assets are recognised to the extent that the Group has acquired a right (a licence) to charge users of public services.

Intangible assets are stated at cost less accumulated amortisation and impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 1(p) below.

Amortisation of the intangible assets begins when it is available for use, which means when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The right to operate Subterranean Penang International Convention & Exhibition Centre ("SPICE") is amortised over a period of 30 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceed and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

## (j) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## (i) Group as a Lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

## - Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities, unless the right-of-use asset meet the definition of an investment property, in which case, the asset would be accounted for based on the fair value model in accordance with Note 1(g) above. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	1 to 4 years
-----------	--------------

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The method of assessing impairment of the right-of-use assets is as disclosed in Note 1(p) below. Impairment losses are recognised in profit or loss.

## - Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (j) Leases (Cont'd)

## (i) Group as a Lessee (Cont'd)

## - Lease liabilities (Cont'd)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

## - Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

## (ii) Group as a Lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as lease income. The accounting policy for lease income is set out in Note 1(t)(viii) below.

When the assets are leased out under an operating lease, the asset is included in the statements of financial position based on the nature of the asset. Lease income is recognised over the term of the lease on a straight-line basis.

## (k) Inventories

## (i) Inventory properties

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is held as inventory and is measured at the lower of cost and net realisable value.

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sales.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (k) Inventories (Cont'd)

## (i) Inventory properties (Cont'd)

Inventory properties under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once contracted to be sold, the related costs of these inventories would be transferred to cost to fulfill contracts, and subsequently recognised in profit or loss as and when control passes to the respective purchasers.

Units of development properties completed and held for sale are stated at the lower of cost and net realisable value. Costs comprise costs of acquisition of land, direct building costs and other related development costs.

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. Generally no significant development work would have been undertaken on these lands other than project planning, infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

## (ii) Raw materials, consumable goods and others

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average and first-in, first-out basis. In the case of finished goods and work-in-progress, cost comprises materials, direct labour, other direct charges and an appropriate proportion of factory overheads.

Net realisable value represents the estimated selling price in the ordinary course of business, less selling and distribution costs and all other estimated cost to completion.

## (iii) Development rights

Development rights represent the rights to additional density over and above the maximum permissible density for the Group's development projects within the island of Penang, granted pursuant to a BOT agreement for the construction and refurbishment of the Subterranean Penang International Convention & Exhibition Centre ("SPICE") and complementary retail, food and beverage outlets and offices.

Development rights are recognised to the extent that the Group has performed the construction services for the BOT agreement. Development rights are initially measured at cost, which is represented by the allocated fair value of the construction services rendered.

Development rights recognised are included as part of the cost of the land held for property development or the property development costs of the Group, based on the allocation of the expected utilisation of the development rights for the planned property development projects of the Group.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (l) Contract assets and contract liabilities

A contract asset is the right of the Group or the Company to consideration in exchange for goods or services that it has transferred to the customer when that right is conditional upon future performance but not through the passage of time. If the Group or the Company has performed its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised and presented net of any amounts that has been recognised as receivables. Contract asset is presented as the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance of MFRS 9: Financial Instruments.

A contract liability is the obligation of the Group or the Company to transfer goods and services to a customer for which it has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration or the Group or the Company has a right to an amount of consideration that is unconditional before it transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group or the Company performs its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss. Contract liabilities include advance payment and downpayments received from customers and other amounts where the Group or the Company has billed before the goods are delivered or services are provided to the customers.

## (m) Contract cost assets

## (i) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer which they would not have incurred if the contract had not been obtained. The incremental costs of obtaining a contract with a customer are recognised as contract cost assets when the Group expects those costs to be recoverable.

## (ii) Costs to fulfill a contract

The costs incurred in fulfilling a contract with a customer which are not within the scope of other MFRSs, such as MFRS 102: Inventories, MFRS 116: Property, Plant and Equipment and MFRS 138: Intangible Assets, are recognised as contract cost assets when all of the following criteria are met:

- the costs relate directly to a contract or to an anticipated contract that can be specifically identified;
- the costs generate or enhance resources of the Group that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The amortisation shall be updated subsequently to reflect any significant change to the expected timing of transfer to the customer of the goods or services to which the asset relates in accordance with *MFRS 108: Accounting Policies, Changes in Accounting Estimate and Errors*.

Impairment loss is recognised in profit or loss to the extent that the carrying amount of the contract cost exceeds:

- the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (m) Contract cost assets (Cont'd)

## (ii) Costs to fulfill a contract (Cont'd)

Before an impairment loss is recognised for contract costs, the Group shall recognise any impairment loss for assets related to the contract that are recognised in accordance with other MFRSs, such as MFRS 102, MFRS 116 and MFRS 138. The Group shall include the resulting carrying amount of the contract costs assets in the carrying amount of the cash-generating unit to which it belongs for the purpose of applying *MFRS 136: Impairment of Assets* to that cash-generating unit.

An impairment loss is reversed when the impairment conditions no longer exist or have improved. Such reversal is recognised in profit or loss.

## (n) Long-term construction contracts

The Group's long-term construction contracts are all fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to-date bear to the estimated total costs, and for this purpose, only those costs that reflect actual contract work performed are included as costs incurred.

Where the outcome of a long-term construction contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. At the same time, all contract costs incurred are recognised as an expense in the period in which they are incurred.

Costs that relate directly to a contract and which are incurred in securing the contract are also included as part of contract costs if they can be separately identified and measured reliably and it is probable that the contract will be secured.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in profit or loss irrespective of whether contract work has commenced or not, or of the stage of completion of contract activity, or of the amounts of profits expected to arise on other unrelated contracts.

On the statement of financial position, contracts in progress are reflected either as contract assets which is the surplus of (i) work performed to date recognised under the percentage of completion method or over time, or (ii) the billings made to date. A contract liability would represent the surplus of (ii) over (i).

## (o) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

## (i) Financial assets

## Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group and the Company applied the practical expedient, the Group and the Company have initially measured a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group and the Company have applied the practical expedient are measured at the transaction price determined under MFRS 15.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (o) Financial instruments - initial recognition and subsequent measurement (Cont'd)

## (i) Financial assets (Cont'd)

*Initial recognition and measurement (Cont'd)*

In order for a financial asset to be classified and measured at amortised cost, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. The assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

*Subsequent measurement*

For purposes of subsequent measurement, financial assets of the Group and of the Company are classified into two categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through profit or loss

*Financial assets at amortised cost (debt instruments)*

This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's and the Company's financial assets at amortised cost are disclosed in Note 46.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (o) Financial instruments - initial recognition and subsequent measurement (Cont'd)

## (i) Financial assets (Cont'd)

*Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through other comprehensive income ("OCI"), debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with the net changes in fair value recognised in the statement of profit or loss.

This category includes investments which the Group had not irrevocably elected to classify at fair value through OCI. Dividends on investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

The Group's and the Company's financial assets at fair value through profit or loss are disclosed in Note 46.

*Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group or the Company has transferred substantially all the risks and rewards of the asset, or (b) the Group or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group or the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group or the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group or the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group or the Company has retained.

On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received together with any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (o) Financial instruments - initial recognition and subsequent measurement (Cont'd)

## (i) Financial assets (Cont'd)

*Impairment of financial assets*

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group has performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by the purchasers or the purchasers' end-financiers.

## (ii) Financial liabilities

*Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

Financial liabilities are classified, at initial recognition, as financial liabilities at amortised cost or financial liabilities at fair value through profit or loss.

The Group and the Company initially measure a financial liability at its fair value minus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the issue of the financial liability.

*Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gain or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group has not designated any financial liability as at fair value through profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (o) Financial instruments - initial recognition and subsequent measurement (Cont'd)

## (ii) Financial liabilities (Cont'd)

*Amortised cost*

Financial liabilities are measured at amortised cost using the effective interest method, which allocates interest expenses at a constant rate over the term of the financial liabilities. The effective interest rate is calculated at initial recognition and is the rate that discounts the estimated future cash flows (including all fees and points paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability to the amortised cost of the financial liability.

Subsequent to initial recognition, the amortised cost of a financial liability is the amount at initial recognition minus principal repayments, plus the cumulative amortisation using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

*Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

## (iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## (p) Impairment of non-financial assets

*Property, plant and equipment, right-of-use - property, plant and equipment, intangible asset, investments in subsidiary companies, associated companies and joint ventures*

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired.

If such an indication exists, the asset's recoverable amount is estimated. The recoverable amount is the higher of an asset's fair value less cost to sell and its value-in-use. Value-in-use is the present value of the future cash flows expected to be derived from the asset. Recoverable amounts are estimated for individual assets, unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs to.

An impairment loss is recognised whenever the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are charged to profit or loss immediately.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**(q) Share capital and Islamic redeemable cumulative preference shares ("RCPS-i A and "RCPS-i B")**

Ordinary shares, RCPS-i A and RCPS-i B are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the issuer.

Ordinary shares, RCPS-i A and RCPS-i B are recorded at nominal value.

The proceeds received net of any directly attributable transaction costs are credited to share capital.

Dividends on ordinary shares, RCPS-i A and RCPS-i B are recognised in equity in the period in which they are declared.

**(r) Redeemable cumulative preference shares ("RCPS")**

Redeemable cumulative preference shares are classified as financial liabilities in accordance with the substance of the contractual arrangement of the RCPS.

Dividends to shareholders of the RCPS are recognised as finance costs, on an accrual basis.

RCPS are measured at amortised cost.

**(s) Contingencies**

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event not wholly within the control of the Group or of the Company.

Contingent liabilities and assets are not recognised in the statement of financial position of the Group except for contingent liabilities assumed in a business combination of which the fair value can be reliably measured.

**(t) Revenue recognition***(i) Revenue from property development*

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

**(t) Revenue recognition (Cont'd)***(i) Revenue from property development (Cont'd)*

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan, and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and
- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

The Group has determined that it has a significant financing component related to the sales of its property units being developed under the deferred payment scheme (10:90 scheme). As a result of this the amount of the promised consideration is adjusted for the significant financing component and the related interest income is recognised using the effective interest method over the term of the deferment.

*(ii) Revenue from construction contracts*

Under such contracts, the Group is engaged to construct buildings and related infrastructure and in certain instances to supply equipments. These contracts may include multiple promises to the customers and therefore accounted for as separate performance obligations. The fair value of the revenue, which is based on fixed price under the agreement will be allocated based on relative stand-alone selling price of the considerations of each of the separate performance obligations.

The Group recognises construction revenue over time as the project being constructed has no alternative use to the Group and it has an enforceable right to the payment for performance completed to date. The stage of completion is measured using the input method, which is based on the total actual construction cost incurred to date as compared to the total budgeted costs for the respective construction projects.

*(iii) Sale of goods*

Revenue from the sale of goods is measured at the fair value of the consideration receivable and is recognised in profit or loss when the significant risks and rewards of ownership and control of the goods have been transferred to the buyer.

*(iv) Management fees*

Management fees are recognised when services are rendered.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (t) Revenue recognition (Cont'd)

## (v) Recreational club operations

Revenue from recreational club operations consists of recreational club membership fees, monthly subscription fees, sports and other recreational facilities. Where there are more than one performance obligations, the transaction price will be allocated to each of the separate performance obligations. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from recreational club activities including subscription fees but excluding club membership fees are recognised when the services are rendered. The payment of the transaction price is due immediately upon delivery of the services. Recreational club membership fees which are received upfront are recognised on a straight-line basis over the tenure of the respective memberships.

The revenue recognition of other classes of revenue that are not within the scope of MFRS 15 are set out below:

## (vi) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

## (vii) Interest income

Interest income is recognised on a time proportion basis.

## (viii) Lease income

Lease income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of lease income over the lease term on a straight-line basis.

Other than the above, all other income are recognised on an accrual basis.

## (u) Foreign currencies

## (i) Functional currency

Functional currency is the currency of the primary economic environment in which an entity operates.

The financial statements of each entity within the Group are measured using their respective functional currencies.

## (ii) Transactions and balances in foreign currencies

Transactions in currencies other than the functional currency ("foreign currencies") are translated to the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary items denominated in foreign currencies at the reporting date are translated at foreign exchange rates ruling at that date.

Non-monetary items which are measured in terms of historical costs denominated in foreign currencies are translated at foreign exchange rates ruling at the date of the transaction.

Non-monetary items which are measured at fair values denominated in foreign currencies are translated at the foreign exchange rates ruling at the date when the fair values were determined.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (u) Foreign currencies (Cont'd)

## (ii) Transactions and balances in foreign currencies (Cont'd)

Exchange differences arising on the settlement of monetary items and the translation of monetary items are included in profit or loss for the period.

When a gain or loss on a non-monetary item is recognised directly in equity, any corresponding exchange gain or loss is recognised directly in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any corresponding exchange gain or loss is recognised in profit or loss.

## (iii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date.

Income and expense items are translated at exchange rates approximating those ruling on transactions dates.

All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within equity. On the disposal of a foreign operation, the exchange translation differences relating to that foreign operation are recognised in profit or loss as part of gain or loss on disposal.

## (v) Employee benefits

## (i) Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave, maternity leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees other than those that are attributable to property development activities or construction contract in which case such expenses are capitalised as part of the costs of the relevant assets.

## (ii) Post-employment benefits

The Company and its subsidiary companies incorporated in Malaysia make contributions to the Employees Provident Fund ("EPF") and foreign subsidiary companies make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contributions already paid and as expenses in the period in which the employees render their services.

## (iii) Share-based payment transactions

The Group operates an equity-settled share-based long term incentive plan ("LTIP" or "Scheme"), which comprises the ESGP and ESOS for its employees and Executive Directors.

ESGP

Employees and Executive Directors are entitled to ESGP in the form of Restricted Share Plan ("RSP") and Performance Share Plan ("PSP") as consideration for services rendered. The RSP is a restricted share plan for employees and Executive Directors, while the PSP is a performance share plan for selected senior management and Executive Directors.

The RSP and PSP are settled by way of issuance and transfer of new shares upon vesting. The total fair value of RSP and PSP granted is recognised as an employee cost with a corresponding increase in the share options reserve within equity over the vesting period after taking into account the probability that the RSP and PSP will vest.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (v) Employee benefits (Cont'd)

## (iii) Share-based payment transactions (Cont'd)

ESGP (Cont'd)

The fair value of RSP and PSP is measured at grant date, taking into account, if any, the market vesting conditions upon which the RSP and PSP were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of shares that are expected to vest on the vesting date.

At each reporting date, the Group revises its estimates of the number of RSP and PSP that are expected to vest on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share-based payment reserve.

ESOS

The ESOS allows the Group's employees and Executive Directors to acquire shares of the Company. The total fair value of share options granted is recognised as an employee cost with a corresponding increase in the share options reserve within equity over the vesting period and taking into account the probability that the options will vest.

The fair value of share options is measured at grant date using the binomial model, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each reporting date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of the revision of original estimates, if any, in profit or loss and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share-based payment reserve.

The fair value of the share options recognised in the share-based payment reserve is transferred to share capital when the share options are exercised, or transferred to retained earnings upon expiry of the share-based payment options.

The proceeds received net of any direct attributable transaction costs are credited to equity when the option are exercised.

## (w) Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of an inventory property that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

Capitalisation commences when: (1) the Group incurs expenditures for the asset; (2) the Group incurs borrowing costs; and (3) the Group undertakes activities that are necessary to prepare the asset for its intended use or sale. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

The interest capitalised is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment.

The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. Interest is also capitalised on the purchase cost of a site of property acquired specifically for redevelopment, but only where activities necessary to prepare the asset for redevelopment are in progress.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (x) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

## (y) Income tax

## (i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

## (ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiary companies, associated companies and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiary companies, associated companies and joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (y) Income tax (Cont'd)

## (ii) Deferred tax (Cont'd)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

## (z) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, short-term deposits with licensed banks and other financial institutions and fixed income trust funds, which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude sinking fund, debt service reserve, escrow accounts and short-term deposits pledged to secure banking facilities.

## (aa) Operating segments

Segment reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. An operating segment's results are reviewed regularly by the chief operating decision maker to decide how to allocate resources to the segment and assess its performance, and for which discrete financial information is available.

Segment revenues, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenues, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

## (ab) Current versus non-current classification

The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- (i) expected to be realised or intended to be sold or consumed in normal operating cycle;
- (ii) held primarily for the purpose of trading;
- (iii) expected to be realised within twelve months after the reporting period; or
- (iv) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (ab) Current versus non-current classification (Cont'd)

A liability is classified as current when:

- (i) it is expected to be settled in normal operating cycle;
- (ii) it is held primarily for the purpose of trading;
- (iii) it is due to be settled within twelve months after the reporting period; or
- (iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## (ac) Fair value measurement

The Group measures financial instruments, such as short-term funds, quoted and unquoted securities and non-financial assets such as investment properties at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 1. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

## (ac) Fair value measurement (Cont'd)

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether the transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as investment properties, financial assets and for non-recurring measurement, such as assets held for distribution in discontinued operations.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the management. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management analyses the movement in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

## (ad) Disposal groups held for sale and discontinued operations

Disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset disposal group is available for immediate sale in its present condition subject only to terms that are usual and customary.

Immediately before classification as held for sale, the measurement of the assets and liabilities in a disposal group is brought up-to-date in accordance with applicable MFRSs. Then, on initial classification as held for sale, disposal groups are measured in accordance with MFRS 5 that is at the lower of carrying amount and fair value less costs to sell. Any differences are included in profit or loss.

A component of the Group is classified as a discontinued operation when the criteria to be classified as held for sale have been met or it has been disposed and such a component represents a separate major line of business or geographical area of operations, is part of a single coordinated major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale.

## 2. PROPERTY, PLANT AND EQUIPMENT

Group 2021	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, cranes and trucks RM'000	Computer equipment, office renovations, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Cost</b>								
At 1.1.2021	34,960	14,242	376,864	42,125	218,073	37,867	260,763	984,894
Additions	-	-	1,400	37	4,691	646	55,808	62,582
Disposals	-	-	(118)	(955)	(2,417)	(840)	-	(4,330)
Write-offs	-	-	-	-	(3,203)	(39)	-	(3,242)
Net transfer to investment properties (see Note 4)	-	-	(6,119)	-	-	-	-	(6,119)
Reclassification	-	-	37,956	1	1,024	-	(38,981)	-
Exchange differences	-	-	(41)	-	23	(4)	-	(22)
At 31.12.2021	34,960	14,242	409,942	41,208	218,191	37,630	277,590	1,033,763
<b>Accumulated depreciation</b>								
At 1.1.2021	-	767	67,572	32,261	154,013	26,231	-	280,844
Charge for the year	-	146	11,256	3,765	15,648	2,436	-	33,251
Disposals	-	-	(97)	(936)	(2,400)	(760)	-	(4,193)
Write-offs	-	-	-	-	(2,359)	(34)	-	(2,393)
Reclassification	-	-	-	(1)	1	-	-	-
Exchange differences	-	-	29	-	25	(4)	-	50
At 31.12.2021	-	913	78,760	35,089	164,928	27,869	-	307,559
<b>Accumulated impairment losses</b>								
At 1.1.2021/31.12.2021	-	-	202	-	37	-	-	239
<b>Net carrying amount</b>								
At 31.12.2021	34,960	13,329	330,980	6,119	53,226	9,761	277,590	725,965

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Group 2020	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, cranes and trucks RM'000	Computer equipment, office renovations, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in- progress RM'000	Total RM'000
<b>Cost</b>								
At 1.1.2020	34,960	14,242	366,667	43,277	203,440	38,910	191,130	892,626
Additions	-	-	83	145	11,608	537	84,305	96,678
Disposals	-	-	(290)	(28)	(794)	(1,468)	-	(2,580)
Write-offs	-	-	-	(1,270)	(1,395)	(132)	-	(2,797)
Reclassification	-	-	9,681	-	4,990	1	(14,672)	-
Exchange differences	-	-	723	1	224	19	-	967
At 31.12.2020	34,960	14,242	376,864	42,125	218,073	37,867	260,763	984,894
<b>Accumulated depreciation</b>								
At 1.1.2020	-	621	58,535	29,587	139,509	24,505	-	252,757
Charge for the year	-	146	9,105	3,972	16,326	3,089	-	32,638
Disposals	-	-	(108)	(28)	(757)	(1,267)	-	(2,160)
Write-offs	-	-	-	(1,270)	(1,186)	(106)	-	(2,562)
Exchange differences	-	-	40	-	121	10	-	171
At 31.12.2020	-	767	67,572	32,261	154,013	26,231	-	280,844
<b>Accumulated impairment losses</b>								
At 1.1.2020/31.12.2020	-	-	202	-	37	-	-	239
<b>Net carrying amount</b>								
At 31.12.2020	34,960	13,475	309,090	9,864	64,023	11,636	260,763	703,811

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 2. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Computer equipment, office equipment, renovations, furniture and fittings RM'000	Motor vehicles RM'000	Total RM'000
<b>2021</b>			
<b>Cost</b>			
At 1.1.2021	2,329	551	2,880
Additions	754	104	858
At 31.12.2021	3,083	655	3,738
<b>Accumulated depreciation</b>			
At 1.1.2021	2,329	127	2,456
Charge for the year	113	92	205
At 31.12.2021	2,442	219	2,661
<b>Net carrying amount</b>			
At 31.12.2021	641	436	1,077
<b>2020</b>			
<b>Cost</b>			
At 1.1.2020	2,329	555	2,884
Disposals	-	(4)	(4)
At 31.12.2020	2,329	551	2,880
<b>Accumulated depreciation</b>			
At 1.1.2020	2,329	43	2,372
Charge for the year	-	87	87
Disposals	-	(3)	(3)
At 31.12.2020	2,329	127	2,456
<b>Net carrying amount</b>			
At 31.12.2020	-	424	424

Land and buildings of the Group included above at a net carrying amount of RM162,974,000 (2020: RM167,139,000) have been charged to banks to partially secure the long term borrowings, revolving credits and bank overdrafts referred to in Note 29 below.

Included under the Group's property, plant and equipment is borrowing costs of RM5,304,000 (2020: RM4,707,000).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 3. RIGHT-OF-USE - PROPERTY, PLANT AND EQUIPMENT

	Buildings	
	Group	
	2021 RM'000	2020 RM'000
<b>Cost</b>		
At beginning of the year	6,551	6,678
Additions	761	64
Early termination of lease contracts	(22)	(80)
Expirations of lease contracts	(488)	(101)
Modification of lease contracts	-	(7)
Exchange differences	62	(3)
At end of the year	6,864	6,551
<b>Accumulated depreciation</b>		
At beginning of the year	4,210	3,065
Charge for the year	1,268	1,319
Early termination of lease contracts	(11)	(69)
Expirations of lease contracts	(488)	(101)
Exchange differences	33	(4)
At end of the year	5,012	4,210
<b>Net carrying amount</b>		
At end of the year	1,852	2,341

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 4. INVESTMENT PROPERTIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
	At beginning of the year	2,034,472	2,006,439	3,438
Additions	26,028	52,910	-	-
Disposals	(26,483)	(15,685)	-	-
Net transfer from property, plant and equipment (see Note 2)	6,119	-	-	-
Transfer from inventory	6,620	-	-	-
Changes in fair value (see Note 34 & 36)	(24)	(12,480)	-	195
Exchange differences	(245)	3,288	-	-
At end of the year	2,046,487	2,034,472	3,438	3,438
Included in the above are:				
At fair value:				
Freehold land and building	1,162,377	1,151,383	1,273	1,273
Leasehold land and building	790,425	815,425	2,165	2,165
	1,952,802	1,966,808	3,438	3,438
At cost:				
Investment properties under construction	93,685	67,664	-	-
	2,046,487	2,034,472	3,438	3,438

The Group's investment properties at a net carrying amount of RM1,304,056,000 (2020: RM1,303,378,000) have been charged to banks to secure the borrowings referred to in Note 29 below.

Included under the Group's investment properties is borrowing costs of RM1,120,000 (2020: RM1,629,000) incurred during the financial year.

The fair values of the investment properties of the Group were assessed with reference to open market value of properties in the similar vicinity. The fair value of the investment properties as at 31 December 2021 was substantially arrived at via valuations performed by certified external valuers.

Investment properties of the Group are measured at fair value except for investment properties under construction which are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

The fair value hierarchy of the investment properties are disclosed in Note 47.

The Group has no restriction on the realisability of its investment properties and no contractual obligation to either purchase, construct or develop the investment properties or for repairs, maintenance and enhancements.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 5. RIGHT-OF-USE - INVESTMENT PROPERTIES

	Group	
	2021 RM'000	2020 RM'000
At beginning of the year	69,054	75,853
Changes in fair value (see Note 36)	(22,114)	(6,799)
At end of the year	46,940	69,054
Included in the above are:		
At fair value:		
Leasehold land and building	46,940	69,054

## 6. INVENTORIES

	Group	
	2021 RM'000	2020 RM'000 Restated
<b>Non-current</b>		
Land held for property development (Note (a))	12,534,255	12,661,069
<b>Current</b>		
Cost:		
- Land held for sales	139,670	-
- Property development costs (Note (b))	2,895,419	3,127,216
- Completed properties	786,917	809,511
- Consumable goods, raw materials and others	14,948	10,642
	3,836,954	3,947,369
Net realisable value:		
- Completed properties	247,781	276,388
	4,084,735	4,223,757
Total inventories	16,618,990	16,884,826

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group was RM474,700,000 (2020 (restated): RM460,896,000).

In the previous financial year, the Group recognised a write-down in value of certain of its completed property units amounting to RM128,063,000 (restated) in the cost of sales.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 6. INVENTORIES (CONT'D)

The following inventories have been charged to various banks to partially secure the borrowings referred to in Note 29 below:

	Group	
	2021 RM'000	2020 RM'000
Land held for property development	3,589,130	3,803,219
Property development costs	252,452	630,158
Completed properties	1,531	8,955
	3,843,113	4,442,332

## (a) LAND HELD FOR PROPERTY DEVELOPMENT

Group	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
<b>2021</b>				
<b>Cost</b>				
At 1.1.2021	5,417,596	3,169,570	4,073,903	12,661,069
Additions	129,348	7,233	386,495	523,076
Transfer to land held for sales	(129,121)	-	(10,549)	(139,670)
Transfer to inventories - property development costs (see Note (b))	(183,784)	(36,284)	(185,071)	(405,139)
Transfer to contract cost assets - costs to fulfill contracts with customers (see Note 20)	(51,976)	(8,375)	(41,486)	(101,837)
Exchange differences	(4,251)	1,330	(323)	(3,244)
At 31.12.2021	5,177,812	3,133,474	4,222,969	12,534,255
<b>2020</b>				
<b>Cost</b>				
At 1.1.2020	5,479,262	3,154,076	3,682,279	12,315,617
Additions	90,895	30,710	560,448	682,053
Transfer to inventories - property development costs (see Note (b))	(125,468)	(702)	(100,107)	(226,277)
Transfer to contract cost assets - costs to fulfill contracts with customers (see Note 20)	(29,062)	(13,929)	(68,635)	(111,626)
Exchange differences	1,969	(585)	(82)	1,302
At 31.12.2020	5,417,596	3,169,570	4,073,903	12,661,069

Included in additions incurred during the financial year are borrowing costs of RM173,950,000 (2020: RM178,947,000).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 6. INVENTORIES (CONT'D)

## (b) PROPERTY DEVELOPMENT COSTS

	Group	
	2021 RM'000	2020 RM'000 Restated
Freehold land at cost	495,770	448,804
Leasehold land at cost	420,993	839,512
Development costs	2,210,453	1,748,319
<b>At 1 January</b>	<b>3,127,216</b>	<b>3,036,635</b>
Costs transferred from inventories - land held for property development ( <i>see Note (a)</i> )		
- freehold land	183,784	125,468
- leasehold land	36,284	702
- development costs	185,071	100,107
Costs transferred to contract cost assets ( <i>see Note 20</i> )		
- freehold land	(191,245)	(76,029)
- leasehold land	(327,910)	(431,099)
- development costs	(642,610)	(413,221)
Costs incurred during the year		
- freehold land	1,654	7,672
- leasehold land	716	14,746
- development costs	932,183	917,095
Exchange differences	(18,447)	48,300
	159,480	293,741
Unsold completed properties transferred to inventories	(391,277)	(203,160)
	2,895,419	3,127,216
<b>At 31 December</b>		
Freehold land at cost	475,918	495,770
Leasehold land at cost	118,104	420,993
Development costs	2,301,397	2,210,453
	2,895,419	3,127,216

Included under development and construction costs incurred and accounted for under inventories - property development costs and contract cost assets during the financial year are borrowing costs of RM19,911,000 (2020 (restated): RM13,962,000).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 7. INTANGIBLE ASSET - RIGHT TO OPERATE SPICE

	Group	
	2021 RM'000	2020 RM'000
<b>Cost</b>		
At beginning and end of the year	16,025	16,025
<b>Accumulated amortisation</b>		
At beginning of the year	2,640	1,936
Charge for the year	534	704
Adjustments	(637)	-
At end of the year	2,537	2,640
<b>Net carrying amount</b>		
At end of the year	13,488	13,385

The Group had entered into a BOT agreement with Majlis Perbandaran Pulau Pinang ("MPPP") to construct the Subterranean Penang International Convention & Exhibition Centre ("SPICE") and complementary retail, food and beverage outlets and offices in year 2011. The terms of the arrangement also require the Group to improve and refurbish the existing Penang International Sports Arena indoor stadium and aquatic centre.

The terms of the arrangement allow the Group to operate SPICE for up to a period of thirty years ("Concession Period") after the completion of construction. Upon expiry of the concession arrangement, subject to the agreement between the Group and MPPP, the Group may be able to operate SPICE for two further terms, consisting of a period of not less than fifteen years each.

The BOT agreement also grants the Group the right to additional density for the Group's development project within the island of Pulau Pinang. Such development rights are limited to 1,500 residential units. The development rights are only exercisable during the Concession Period and any right not exercised by the end of the Concession Period shall lapse.

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares in subsidiary companies, at cost	4,738,912	4,680,335
Capital contribution to subsidiary companies, at cost	7,696,207	4,341,096
LTIP granted to employees of subsidiary companies	178,031	211,289
	12,613,150	9,232,720
Impairment losses	(288,904)	(204,453)
	12,324,246	9,028,267

The capital contribution to subsidiary companies represents additional shareholders' net investment. The capital contribution is unsecured, interest free and the repayment of such balances are not expected in the foreseeable future until such time the subsidiary companies are in the position to repay the amount without impairing its liquidity position.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

The subsidiary companies are as follows:

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
Bandar Setia Alam Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Setia Indah Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Syarikat Kemajuan Jerai Sdn Bhd	100	100	-	-	Malaysia	Under member's voluntary winding-up
S P Setia Project Management Sdn Bhd	100	100	-	-	Malaysia	Property development and project management
Wawasan Indera Sdn Bhd	100	100	-	-	Malaysia	Property development and project management services
S P Setia Eco-Projects Management Sdn Bhd	100	100	-	-	Malaysia	Property development, project development, project management and other related activities
Setia Fontaines Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Setia HC Ventures Sdn Bhd	100	-	-	-	Malaysia	Investment holding
Bukit Indah (Johor) Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Setia Bina Raya Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Setia Precast Sdn Bhd	100	100	-	-	Malaysia	Building contractors
Setia-Wood Industries Sdn Bhd	100	100	-	-	Malaysia	Fabrication, installation and sale of wood products, provision of kiln dry services, sale of building materials and household goods
S P Setia Marketing Sdn Bhd	-	-	100	100	Malaysia	Sale of wood products and building materials

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
Setia Readymix Sdn Bhd	100	100	-	-	Malaysia	Building contractors and manufacturing and sale of building materials
Bukit Indah (Perak) Sdn Bhd	-	100	-	-	Malaysia	Liquidated
S P Setia Management Services Sdn Bhd	100	100	-	-	Malaysia	Under member's voluntary winding-up
Futurecrest (M) Sdn Bhd	100	100	-	-	Malaysia	Investment holding
Shabra Development Sdn Bhd	100	100	-	-	Malaysia	Property development
KL Eco City Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Setia Prefab Sdn Bhd	-	100	-	-	Malaysia	Liquidated
Manih System Construction Sdn Bhd	100	100	-	-	Malaysia	Under member's voluntary winding-up
Tenaga Raya Sdn Bhd	100	100	-	-	Malaysia	Dormant
Indera Perasa Sdn Bhd	100	100	-	-	Malaysia	Investment holding, project management services, property and building management
Setia Eco Templer Recreation Sdn Bhd	-	-	100	100	Malaysia	Operate and manage a recreation club, banqueting and leasing of retail and food and beverage outlets
Setia IP Holdings Sdn Bhd	100	100	-	-	Malaysia	Custodian and management of Group's intellectual property rights
Kenari Kayangan Sdn Bhd	99.99	99.99	-	-	Malaysia	Under member's voluntary winding-up
Setia Ecohill 2 Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
Setia Ecohill Recreation Sdn Bhd	-	-	100	100	Malaysia	Operate and manage a recreation club
Setia Hicon Sdn Bhd	100	100	-	-	Malaysia	Property development
S P Setia Technology Sdn Bhd	100	100	-	-	Malaysia	Provision of money lending service
S P Setia PMC Sdn Bhd	100	100	-	-	Malaysia	Provision of accounting, finance and corporate secretarial services
Setia Promenade Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Bukit Indah Property Management Sdn Bhd	70	70	-	-	Malaysia	Property development
Kewira Jaya Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Kay Pride Sdn Bhd	-	-	100	100	Malaysia	Property development, property investment holding and project management services
Aeropod Sdn Bhd	100	100	-	-	Malaysia	Property development, property investment holding and general construction
Setia Japan Holding Sdn Bhd	100	100	-	-	Malaysia	Investment holding
Eco Meridian Sdn Bhd	100	100	-	-	Malaysia	Construction and operation of concession asset and property investment holding
Setia Ecohill Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
S P Setia (Indonesia) Sdn Bhd	100	100	-	-	Malaysia	Under member's voluntary winding-up
Setia City Development Sdn Bhd	100	100	-	-	Malaysia	Property development, property investment holding and project management services

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
Gita Kasturi Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Intra Hillside Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Setia Eco Green Sdn Bhd	100	100	-	-	Malaysia	Property investment holding
Setia Eco Heights Sdn Bhd	100	100	-	-	Malaysia	Maintains a representative office in Hong Kong for sales and marketing activities
Setia Eco Land Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
Setia Alam Recreation Sdn Bhd	-	-	100	100	Malaysia	Operate and manage a recreation club
Setia Alamsari Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment holding
S P Setia Property Services Sdn Bhd	100	100	-	-	Malaysia	Operation of convention centre
Flexrise Projects Sdn Bhd	100	100	-	-	Malaysia	Property investment holding
Pelita Mentari Sdn Bhd	100	100	-	-	Malaysia	Property investment holding and project management services
Setia Eco Templer Sdn Bhd	100	100	-	-	Malaysia	Property development and property investment
Setia EM (Central) Sdn Bhd	100	100	-	-	Malaysia	Property management services
S P Setia DMC Sdn Bhd	100	100	-	-	Malaysia	Development management consultancy
Exceljade Sdn Bhd	100	100	-	-	Malaysia	Property development and project management services
Sendiman Sdn Bhd	100	100	-	-	Malaysia	Property development

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
Setia Ventures Excellence Sdn Bhd	100	100	-	-	Malaysia	Investment holding
Kemboja Mahir Sdn Bhd	70	70	-	-	Malaysia	Property development and investment holding
Bandar Eco-Setia Sdn Bhd	50	50	-	-	Malaysia	Property development and property investment
Setia Eco Park Recreation Sdn Bhd	-	-	50	50	Malaysia	Operate and manage a recreation club and banqueting
Ganda Anggun Sdn Bhd	-	-	70	70	Malaysia	Property development
Kesas Kenangan Sdn Bhd	-	-	70	70	Malaysia	Property development and property investment
Setia Eco Glades Sdn Bhd	70	70	-	-	Malaysia	Property development and property investment holding
Setia Safiro Sdn. Bhd.	70	70	-	-	Malaysia	Property development and property investment holding
Setia Federal Hill Sdn Bhd	100	100	-	-	Malaysia	Property development
Setia International Limited	100	100	-	-	Malaysia	Investment holding
Setia MyPhuoc Limited	-	-	100	100	Malaysia	Investment holding
Setia Australia Limited	-	-	100	100	Malaysia	Investment holding
Setia Lai Thieu Limited	-	-	95	95	British Virgin Islands	Investment holding
+ Setia Lai Thieu One Member Company Limited	-	-	95	95	Vietnam	Property development
+ Setia (Melbourne) Development Company Pty Ltd	-	-	100	100	Australia	Property development

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
+ Setia St Kilda (Melbourne) Pty Ltd	-	-	100	100	Australia	Property development
+ Setia Carnegie Pty Ltd	-	-	100	100	Australia	Property development
+ Setia A'Beckett (Melbourne) Pty Ltd	-	-	100	100	Australia	Property development
+ S P Setia International (S) Pte. Ltd.	100	100	-	-	Singapore	Promotion, marketing and other activities related to property development
+ Setia (Bukit Timah) Pte. Ltd.	-	-	100	100	Singapore	Promotion, marketing and other activities related to property development
+ S P Setia Development Pte. Ltd.	100	100	-	-	Singapore	Promotion, marketing and other activities related to property development
Setia International Japan Co. Ltd.	100	100	-	-	Japan	Investment holding
+ Setia Osaka Tokutei Mokuteki Kaisha	-	-	100	100	Japan	Property development
α μ S P Setia Foundation	-	-	-	-	Malaysia	A trust established under the provision of Trustees (Incorporation) Act 1952, for promotion and advancement of education, research and dissemination of knowledge
* α μ Setia Badminton Academy	-	-	-	-	Malaysia	A trust established for promotion of badminton
I & P Group Sdn. Berhad	100	100	-	-	Malaysia	Investment holding and provision of management services to subsidiaries
I & P Menara Sendirian Berhad	-	-	100	100	Malaysia	Property development

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
I & P Alam Impian Sdn. Bhd.	-	-	99	99	Malaysia	Property development
I & P Setiawangsa Sdn. Bhd.	-	-	100	100	Malaysia	Property development
Petaling Garden Sdn. Bhd.	-	-	100	100	Malaysia	Property development and investment holding
Setia Mayuri Sdn. Bhd.	-	-	100	100	Malaysia	Property development
Biltmore (M) Sdn. Bhd.	-	-	100	100	Malaysia	Property development
^ PG Resorts Sdn. Bhd.	-	-	100	100	Malaysia	Property development
Temasya Development Co. Sdn. Bhd.	-	-	66.06	66.06	Malaysia	Property development
Alpine Affluent Sdn. Bhd.	-	-	66.06	66.06	Malaysia	Property development
Scenic Promenade Sdn. Bhd.	-	-	66.06	66.06	Malaysia	Sublease of land
Syarikat Perumahan Pegawai Kerajaan Sendirian Berhad	-	-	70.09	70.09	Malaysia	Development and sale of land, residential and commercial properties and rental of properties
Plaza Damansara Sdn. Bhd.	-	-	70.09	70.09	Malaysia	Ceased operation
Perumahan Kinrara Berhad	-	-	51	51	Malaysia	Property development, operation of golf course
Kinrara Golf Club Sdn. Bhd.	-	-	51	51	Malaysia	Ceased operation
Kinrara Urusharta Sdn. Bhd.	-	-	51	51	Malaysia	Ceased operation

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
# I & P Kota Bayuemas Sdn. Bhd.	-	-	51.91	51.91	Malaysia	Property development
Pelangi Sdn. Bhd.	-	-	100	100	Malaysia	Property development and investment holding
Yukong Development (Pte) Limited	-	-	100	100	Singapore	Property development and investment in real properties
Taman Gunong Hijau Sdn. Bhd.	-	-	89.14	89.14	Malaysia	Property development and investment in real properties
I & P Multi Resources Sdn. Berhad	-	-	100	100	Malaysia	Investment holding
I & P Development Sdn. Bhd.	-	-	100	100	Malaysia	Ceased operation
I & P Supply Berhad	-	-	100	100	Malaysia	Ceased operation
I & P Inderawasih Jaya Sdn. Bhd.	-	-	100	100	Malaysia	Ceased operation
Peninsular Land Development Sdn. Berhad	-	-	100	100	Malaysia	Ceased operation
I & P Nibong Sdn. Bhd.	-	-	100	100	Malaysia	Ceased operation
Perusahaan Minyak Sawit Bintang Sendirian Berhad	-	-	100	100	Malaysia	Ceased operation
Yong Peng Realty Sdn. Bhd.	-	-	100	100	Malaysia	Ceased operation

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
Pelanggi Concrete Industries Sdn. Bhd.	-	-	100	100	Malaysia	Investment holding
Eng Lee Knitting Factory Sdn. Bhd.	-	-	100	100	Malaysia	Under member's voluntary winding-up
Petaling Garden Industrial Estate Sdn. Bhd.	-	-	100	100	Malaysia	Under member's voluntary winding-up

\* Audited by a firm other than Ernst &amp; Young PLT

+ Audited by member firms of Ernst &amp; Young Global

α A trust established under the Trustees (Incorporation) Act 1952

μ S P Setia Berhad has effective interest of 100%

# 51% directly owned by Perumahan Kinrara Berhad and 25.9% directly owned by I &amp; P Group Sdn. Berhad

^ 70% directly owned by Petaling Garden Sdn. Bhd. and 30% directly owned by I &amp; P Group Sdn. Berhad

## Incorporation of a new subsidiary company

During the financial year, the Group incorporated the following new subsidiary company:

	Consideration	Effective interest	Incorporation date
Setia HC Ventures Sdn Bhd	RM2.00	100%	16 December 2021

The above subsidiary company had not commenced operations since its incorporation. The incorporation of this subsidiary company had no significant impact on the Group's financial position as at the end of the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

## Subsidiary companies that have material non-controlling interests

Details of the Group's subsidiary companies that have material non-controlling interests at the end of the reporting period are as follows:

Name of subsidiary company	Place of incorporation and operation	Proportion of ownership interests held by non-controlling interest		Profit allocated to non-controlling interests		Carrying amount of non-controlling interests	
		2021	2020	2021	2020	2021	2020
				RM'000	RM'000	RM'000	RM'000
Bandar Eco-Setia Sdn Bhd Group	Malaysia	50%	50%	12,522	12,293	346,168	339,926
Setia Eco Glades Sdn Bhd	Malaysia	30%	30%	2,744	5,043	59,836	57,782
Kesas Kenangan Sdn Bhd	Malaysia	30%	30%	1,217	2,430	80,367	79,150
Perumahan Kinrara Berhad Group	Malaysia	49%	49%	30,931	27,025	575,300	554,301
Syarikat Perumahan Pegawai Kerajaan Sendirian Berhad Group	Malaysia	29.91%	29.91%	3,105	15,031	202,433	204,227
Temasya Development Co. Sdn. Bhd. Group	Malaysia	33.94%	33.94%	6,202	13,481	171,975	169,181
Individually immaterial subsidiary companies with non-controlling interests						20,127	13,800
						1,456,206	1,418,367

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amounts before intra-group elimination) is as follows:

	2021 RM'000	2020 RM'000
<b>Bandar Eco-Setia Sdn Bhd Group</b>		
Non-current assets	465,065	456,099
Current assets	291,322	292,291
Non-current liabilities	(18,390)	(17,091)
Current liabilities	(45,661)	(51,447)
Net assets	692,336	679,852
Revenue	92,255	80,169
Profit for the year, representing total comprehensive income for the year	25,044	24,586
Dividends paid to non-controlling interests	6,280	75,575
Net cash from operating activities	48,343	21,744
Net cash from investing activities	1,168	5,171
Net cash used in financing activities	(12,560)	(151,167)
Net increase/(decrease) in cash and cash equivalents	36,951	(124,252)
	2021 RM'000	2020 RM'000 Restated
<b>Setia Eco Glades Sdn Bhd</b>		
Non-current assets	317,715	345,730
Current assets	126,762	167,456
Non-current liabilities	(30,225)	(42,132)
Current liabilities	(214,798)	(278,448)
Net assets	199,454	192,606
Revenue	109,205	151,832
Profit for the year, representing total comprehensive income for the year	9,148	16,811
Dividends paid to non-controlling interests	16,698	16,998
Net cash from operating activities	62,731	97,541
Net cash from investing activities	3,399	138
Net cash used in financing activities	(54,516)	(93,913)
Net increase in cash and cash equivalents	11,614	3,766

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amounts before intra-group elimination) is as follows: (Cont'd)

	2021 RM'000	2020 RM'000 Restated
<b>Kesas Kenangan Sdn Bhd</b>		
Non-current assets	439,930	424,914
Current assets	130,265	164,331
Non-current liabilities	(150,273)	(179,110)
Current liabilities	(152,033)	(146,301)
Net assets	267,889	263,834
Revenue	45,461	50,666
Profit for the year, representing total comprehensive income for the year	4,055	8,099
Dividends paid to non-controlling interests	-	-
Net cash from operating activities	1,156	27,580
Net cash used in investing activities	(12,929)	(12,034)
Net cash used in financing activities	(32,161)	(35,958)
Net decrease in cash and cash equivalents	(43,934)	(20,412)
	2021 RM'000	2020 RM'000
<b>Perumahan Kinrara Berhad Group</b>		
Non-current assets	765,464	723,451
Current assets	586,214	526,227
Non-current liabilities	(72,701)	(77,705)
Current liabilities	(104,895)	(40,747)
Net assets	1,174,082	1,131,226
Revenue	278,322	295,136
Profit for the year, representing total comprehensive income for the year	63,124	55,154
Dividends paid to non-controlling interests	9,932	5,390
Net cash from operating activities	283,639	97,363
Net cash used in investing activities	(65,913)	(86,734)
Net cash used in financing activities	(21,185)	(11,860)
Net increase/(decrease) in cash and cash equivalents	196,541	(1,231)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D)

Summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amounts before intra-group elimination) is as follows: (Cont'd)

	2021 RM'000	2020 RM'000
<b>Syarikat Perumahan Pegawai Kerajaan Sendirian Berhad Group</b>		
Non-current assets	166,047	179,879
Current assets	530,294	506,260
Current liabilities	(19,533)	(3,334)
Net assets	676,808	682,805
Revenue	24,538	111,633
Profit for the year, representing total comprehensive income for the year	10,382	50,253
Dividends paid to non-controlling interests	4,899	4,899
Net cash from operating activities	64,588	33,611
Net cash from/(used in) investing activities	8,821	(108,023)
Net cash used in financing activities	(16,380)	(16,380)
Net increase/(decrease) in cash and cash equivalents	57,029	(90,792)
	2021 RM'000	2020 RM'000
<b>Temasya Development Co. Sdn. Bhd. Group</b>		
Non-current assets	87,717	94,032
Current assets	454,026	440,633
Non-current liabilities	(4,609)	(5,021)
Current liabilities	(30,431)	(31,173)
Net assets	506,703	498,471
Revenue	50,298	97,972
Profit for the year, representing total comprehensive income for the year	18,274	39,720
Dividends paid to non-controlling interests	3,408	3,408
Net cash from operating activities	43,972	40,561
Net cash from/(used in) investing activities	9,305	(170,535)
Net cash used in financing activities	(10,042)	(21,170)
Net increase/(decrease) in cash and cash equivalents	43,235	(151,144)

## Impairment loss on investment in subsidiary companies

At the reporting date, the Company conducted an impairment review of its investment in certain subsidiary companies where indications of impairment were noted.

The review gave rise to the recognition of impairment losses of investments in subsidiary companies of RM87,175,000 (2020: RM132,436,000) as disclosed in Note 36 based on recoverable amounts of RM495,001,000 (2020: RM141,456,000) (categorised as level 3 in the fair value hierarchy). The impairment losses arose due mainly to the inactivity of these subsidiary companies or following the sale of their respective core assets.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 9. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted ordinary shares/ capital contribution, at cost	3,523,659	2,848,067	35,251	35,251
Group's share of post-acquisition profits less losses	(151,252)	(156,896)	-	-
Group's share of non-distributable reserves	82,778	12,531	-	-
	3,455,185	2,703,702	35,251	35,251

The joint ventures are as follows:

	Equity interests				Place of business/ Country of Incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
Setia Putrajaya Sdn Bhd	60	60	-	-	Malaysia	Property development, building construction and investment holding
Setia Putrajaya Development Sdn Bhd	-	-	60	60	Malaysia	Property development
Greenhill Resources Sdn Bhd	-	-	50	50	Malaysia	Property investment holding, as the owner, landlord and operator of a retail mall
+ SetiaBecamex Joint Stock Company	-	-	57.25	57.25	Vietnam	Property development
Retro Highland Sdn Bhd	50	50	-	-	Malaysia	Property development
# Battersea Project Holding Company Limited	-	-	40	40	Jersey	Mixed use redevelopment of Battersea Power Station
# Battersea Power Station Development Company Limited	-	-	40	40	United Kingdom	Property development and estate management services
# Battersea Power Station Estates Limited	-	-	40	40	United Kingdom	Provision of letting and management services

# Audited by a firm other than Ernst & Young PLT

+ Audited by member firms of Ernst & Young Global

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 9. INVESTMENTS IN JOINT VENTURES (CONT'D)

Notwithstanding that the Group has ownership of more than half of the equity shareholding in certain companies, they are treated as joint ventures pursuant to the contractual rights and obligations of the respective joint venture agreements.

The Group's joint ventures are accounted for using the equity method in the financial statements.

The Group's share of capital commitments of the joint ventures at the reporting date are as below:

	2021 RM'000	2020 RM'000
Capital commitments:		
- Commitments for construction of investment properties	-	7,004
- Commitments for acquisition of development land	124,650	115,705

There is no share of contingent liability and operating lease commitment of the joint ventures of the Group as at the reporting date.

Summarised financial information in respect of the Group's material joint ventures which comprise the Battersea Group of companies are set out below.

**Battersea Group of companies**

Summarised statements of financial position:

	2021 RM'000	2020 RM'000
<b>Non-current assets</b>	<b>3,884,657</b>	2,701,954
<b>Current assets</b>		
Cash and cash equivalents	922,414	552,050
Other current assets	11,176,752	9,613,824
	<b>12,099,166</b>	10,165,874
<b>Non-current liabilities</b>		
Other non-current liabilities	606,972	4,538,123
<b>Current liabilities</b>		
Trade and other payables and provisions	7,697,891	2,413,402
Other current liabilities	-	125
	<b>7,697,891</b>	2,413,527
<b>Net assets</b>	<b>7,678,960</b>	5,916,178

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 9. INVESTMENTS IN JOINT VENTURES (CONT'D)

**Battersea Group of companies (Cont'd)**

Summarised statements of comprehensive income:

	2021 RM'000	2020 RM'000
Revenue	1,787,823	1,306,310
Depreciation and amortisation	(17,683)	(7,334)
Interest income	289	503
Interest expense	(4,033)	(9,762)
Write down in inventories	-	(841,994)
Loss before tax	(53,456)	(973,024)
Taxation	(3,552)	266
Loss for the financial year	(57,008)	(972,758)
Total comprehensive loss for the financial year	(57,008)	(972,758)
Share of results of joint ventures	(22,803)	(389,103)

Reconciliation of the above summarised financial information to the carrying amount of the Group's interest in the Battersea Group of companies is as follows:

	2021 RM'000	2020 RM'000
<b>Net assets</b>		
At the beginning of the financial year	5,916,178	6,703,030
Additional shares issued during the year	1,652,727	81,971
Non-distributable reserves	167,063	103,935
Total comprehensive loss for the financial year	(57,008)	(972,758)
At end of the financial year	7,678,960	5,916,178
Proportion of ownership interest held by the Group	40%	40%
Carrying amount of the Group's interest in the joint venture	3,071,584	2,366,471

There is no dividend paid by Battersea Group of companies during the financial year (2020: RM Nil).

The summarised aggregate financial information of the Group's share of other individually non-material joint ventures as at 31 December is set out below:

	2021 RM'000	2020 RM'000
Profit for the year, representing total comprehensive income for the financial year	28,447	16,553
Carrying amount of the Group's interest in individually non-material joint ventures	383,601	337,231

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 10. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unquoted ordinary shares, at cost	71,138	71,138	900	900
Capital contribution to an associated company, at cost	92,071	94,721	92,071	94,721
Group's share of post-acquisition profits less losses	382,937	383,444	-	-
Group's share of non-distributable reserves	20,588	11,926	-	-
Impairment losses	(1,372)	(1,372)	-	-
	<b>565,362</b>	<b>559,857</b>	<b>92,971</b>	<b>95,621</b>

The associated companies are as follows:

	Equity interests				Place of business/ Country of Incorporation	Principal activities
	Direct		Indirect			
	2021 %	2020 %	2021 %	2020 %		
∞ PTB Property Developer Sdn Bhd	-	-	49	49	Malaysia	Dormant
∞ Qinzhou Development (Malaysia) Consortium Sdn. Bhd.	45	45	-	-	Malaysia	Investment holding
∞ China-Malaysia Qinzhou Industrial Park (Guangxi) Development Co. Ltd	-	-	22	22	China	Property development
* Tanah Sutera Development Sdn. Bhd.	-	-	35	35	Malaysia	Property development and investment in real properties
* Merit Properties Sdn. Bhd.	-	-	20	20	Malaysia	Property development, investment in real properties and providing management services
∞ Fahim-I Hitech Sdn. Bhd.	-	-	20	20	Malaysia	Dormant

\* Audited by member firms of Ernst & Young PLT  
∞ Audited by a firm other than Ernst & Young PLT  
β Financial year end 30 June

For the purpose of applying the equity method of accounting, the management accounts of these associated companies for the financial year ended 31 December 2021 have been used.

Summarised financial information in respect of the Group's material associated companies is set out below. The summarised financial information below represents amounts based on the associated companies' financial statements adjusted for any material differences with the Group's accounting policies.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Summarised statements of financial position:

	Tanah Sutera Development Sdn. Bhd. Group		Merit Properties Sdn. Bhd.	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current assets</b>	<b>593,516</b>	599,133	<b>378,328</b>	387,395
<b>Current assets</b>				
Cash and cash equivalents	278,449	274,314	42,351	45,978
Other current assets	174,806	193,584	1,845	1,100
	<b>453,255</b>	467,898	<b>44,196</b>	47,078
<b>Non-current liabilities</b>				
Trade and other payables and provisions	227	574	-	-
Other non-current liabilities	30,943	35,456	12,171	12,802
	<b>31,170</b>	36,030	<b>12,171</b>	12,802
<b>Current liabilities</b>				
Trade and other payables and provisions	37,602	48,922	2,896	2,402
<b>Net assets</b>	<b>977,999</b>	982,079	<b>407,457</b>	419,269

Summarised statements of comprehensive income:

	Tanah Sutera Development Sdn. Bhd. Group		Merit Properties Sdn. Bhd.	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Revenue	97,689	113,724	802	1,808
Depreciation and amortisation	(1,520)	(1,315)	(27)	(34)
Interest income	5,584	7,914	630	1,097
Interest expense	(59)	(110)	(15)	(20)
Profit/(loss) before tax	25,478	35,265	(7,561)	(27,992)
Taxation	(5,058)	(20,519)	(151)	296
Profit/(loss) for the financial year	20,420	14,746	(7,712)	(27,696)
Total comprehensive income/(loss) for the financial year	20,420	14,746	(7,712)	(27,696)
Share of results of associated companies	7,147	5,161	(1,542)	(5,539)
Dividend from associated companies	8,575	6,125	820	1,230

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the associated companies are as follows:

	Tanah Sutera Development Sdn. Bhd. Group		Merit Properties Sdn. Bhd.	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Net assets</b>				
At beginning of the financial year	982,079	984,833	419,269	453,115
Total comprehensive income/(loss) for the financial year	20,420	14,746	(7,712)	(27,696)
Dividends paid	(24,500)	(17,500)	(4,100)	(6,150)
At end of the financial year	977,999	982,079	407,457	419,269
Group's interest in the associated companies	35%	35%	20%	20%
Carrying amount at end of the financial year	342,300	343,728	81,491	83,854

The summarised aggregate financial information of the Group's share of other individually non-material associated companies as at 31 December is set out below:

	2021 RM'000	2020 RM'000
Profit for the year, representing total comprehensive income for the year	3,283	1,475
Carrying amount of the Group's interest in individually non-material associated companies	49,500	37,554
Capital contribution to an associated company, at cost*	92,071	94,721
	141,571	132,275

\* This amount relates to the capital contribution to Qinzhou Development (Malaysia) Consortium Sdn Bhd, an associated company which holds the investment in China-Malaysia Qinzhou Industrial Park (Guangxi) Development Co. Ltd. in China.

The capital contribution is unsecured, interest free and is not expected to be recalled within the foreseeable future.

## 11. OTHER INVESTMENTS

	Group	
	2021 RM'000	2020 RM'000
<b>Non-current</b>		
At fair value through profit or loss		
Equity instruments (unquoted in Malaysia)	96	96

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

Amounts owing by subsidiary companies included under non-current assets

The amounts owing by subsidiary companies included under non-current assets represent unsecured advances which are not expected to be recalled within the next 12 months and are analysed as follows:

	Company	
	2021 RM'000	2020 RM'000
Bearing interest at 2.57% to 8.00% (2020: 2.38% to 8.00%) per annum	1,731,100	4,730,819
Interest free	-	108,263
Unquoted redeemable cumulative preference shares	37,988	60,423
	1,769,088	4,899,505

Amounts owing by subsidiary companies included under current assets

	Company	
	2021 RM'000	2020 RM'000
Trade accounts:		
- staff secondment fee	5,703	4,920
Unsecured advances:		
- bearing interest at 2.57% to 8.00% (2020: 2.38% to 8.00%) per annum	622,579	609,897
- interest free	1,197,798	611,747
- unquoted redeemable cumulative preference shares	22,785	-
	1,848,865	1,226,564
- allowance for impairment loss	(1,291)	(1,291)
	1,847,574	1,225,273

The movements in the allowance for impairment losses during the financial year are as follows:

	Company	
	2021 RM'000	2020 RM'000
At beginning/end of the year	1,291	1,291

The trade accounts are expected to be settled within the normal credit periods. Unsecured advances are repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES (CONT'D)

Amounts owing to subsidiary companies included under current liabilities

	Company	
	2021 RM'000	2020 RM'000
Unsecured advances:		
- bearing interest at 3.20% to 3.67% (2020: 3.20% to 4.42%) per annum	505,000	505,000
- interest free	176,797	104,746
	<b>681,797</b>	609,746

Unsecured advances are repayable on demand.

## 13. AMOUNTS OWING BY JOINT VENTURES

Amounts owing by joint ventures included under non-current assets

	Group	
	2021 RM'000	2020 RM'000
Unsecured advances:		
- bearing interest at 8.00% (2020: 8.00%) per annum	69,785	69,785

The unsecured advances owing by a joint venture is not repayable within 12 months.

Amounts owing by joint ventures included under current assets

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unsecured advances:				
- bearing interest at 4.00% to 5.25% (2020: 4.00% to 6.75%) per annum	29,716	28,988	8,624	8,624
- interest free	54,798	53,601	50,555	50,212
	<b>84,514</b>	82,589	<b>59,179</b>	58,836

Unsecured advances are repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 14. AMOUNTS OWING BY ASSOCIATED COMPANIES

Amounts owing by associated companies included under current assets

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unsecured advances:				
- interest free	2,464	4,336	-	647

Unsecured advances are repayable on demand.

## 15. AMOUNTS OWING BY/TO RELATED PARTIES

These represent amounts owing by/to Permodalan Nasional Berhad ("PNB") and the government related entities disclosed in Note 41(a) ("PNB Group"). PNB was I & P Group Sdn. Berhad's previous shareholder and immediate holding company.

The amounts owing by/to related parties are repayable/payable on demand.

## 16. DEFERRED TAX

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
		Restated		
Deferred tax assets	315,812	329,766	1,918	500
Deferred tax liabilities	(446,104)	(465,006)	-	-
	<b>(130,292)</b>	(135,240)	<b>1,918</b>	500
At beginning of the year	(135,240)	(191,301)	500	783
Credited/(Charged) to profit or loss	4,591	57,667	1,418	(283)
Exchange rate differences	357	(1,606)	-	-
At end of the year	<b>(130,292)</b>	(135,240)	<b>1,918</b>	500

The Group has recognised the deferred tax assets as it is probable that its development projects and its cost and efficiency rationalisation strategies would generate sufficient taxable profits in future against which the deferred tax assets can be utilised.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 16. DEFERRED TAX (CONT'D)

The temporary differences on which deferred tax assets/liabilities have been recognised are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
Tax effects of:				
- unabsorbed capital allowances	8,196	7,605	82	-
- unutilised tax losses	84,961	109,834	-	-
- valuation of development land and property development and construction profits	(145,210)	(168,196)	-	-
- excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	(31,148)	(31,965)	(56)	-
- fair value changes on investment properties	(51,719)	(49,982)	(109)	(109)
- others	4,628	(2,536)	2,001	609
	<b>(130,292)</b>	<b>(135,240)</b>	<b>1,918</b>	<b>500</b>

Unutilised tax losses, unabsorbed capital allowances and other temporary differences which exist as at 31 December on which deferred tax assets have not been recognised in the financial statements are as follows:

	Group	
	2021 RM'000	2020 RM'000
Unutilised tax losses	478,696	284,101
Unabsorbed capital allowances	10,898	10,559
Others - deductible temporary differences	214,783	289,314
	<b>704,377</b>	<b>583,974</b>

Tax losses for which the tax effects have not been recognised in the financial statements:

- Expiring within 10 years	478,696	284,101
----------------------------	---------	---------

Deferred tax assets have not been recognised in respect of these items for certain subsidiary companies as it is not probable that taxable profits of the subsidiary companies would be available against which the unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences could be utilised.

The unutilised capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

On the other hand, the Malaysia Finance Act gazetted on 27 December 2018 has imposed a time limitation to restrict the carry forward of the unutilised tax losses for Malaysian entities. Based on the latest Malaysian Finance Act gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses has been extended from 7 years to 10 years.

As a result of this change, the unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. from years of assessment 2019 to 2028) and any balance of the unutilised losses thereafter shall be disregarded.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 16. DEFERRED TAX (CONT'D)

However, for any unutilised tax losses that originated from the year of assessment 2019 onwards, these are allowed to be carried forward for a maximum period of 10 consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilised tax losses thereafter shall be disregarded.

The foreign unutilised losses and unabsorbed capital allowances applicable to foreign incorporated subsidiary companies, if any, are pre-determined by and subject to the tax legislations of the respective countries.

## 17. TRADE RECEIVABLES

	Group	
	2021 RM'000	2020 RM'000
<b>Non-Current</b>		
Gross progress billings receivable	64,891	28,824
<b>Current</b>		
Gross progress billings receivable	585,535	712,218
Gross retention sums receivable	137,919	113,820
Other gross receivables	16,958	25,457
Total gross receivables	740,412	851,495
Allowance for impairment loss	(1,771)	(1,992)
	<b>738,641</b>	<b>849,503</b>
Total	<b>803,532</b>	<b>878,327</b>

The progress billings are due within 14 to 90 days (2020: 14 to 90 days) as stipulated in sale and purchase agreements and construction contracts. The retention sums are due upon the expiry of the defect liability period stated in the respective sale and purchase agreements and construction contracts.

Non-current gross progress billings receivables are collectible within 2 to 5 years (2020: 3 to 5 years). Current other gross receivables are collectible within 7 to 90 days (2020: 7 to 90 days).

Ageing analysis of the Group's trade receivables are as follows:

	Group	
	2021 RM'000	2020 RM'000
Neither past due nor impaired	461,605	507,761
1 to 30 days past due but not impaired	106,255	123,434
31 to 60 days past due but not impaired	54,572	68,223
61 to 90 days past due but not impaired	31,195	97,790
91 to 120 days past due but not impaired	70,712	29,516
More than 121 days past due but not impaired	79,193	51,603
	<b>803,532</b>	<b>878,327</b>
Individually impaired	1,771	1,992
	<b>805,303</b>	<b>880,319</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 17. TRADE RECEIVABLES (CONT'D)

Receivables that are neither past due nor impaired

The receivables that are neither past due nor impaired are creditworthy debtors with good payment track records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The receivables that are past due but not impaired are mainly related to the progress billings to be settled by the purchasers or the purchasers' end-financiers. However, the directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business as the legal title to the properties sold remains with the Group until the purchase consideration is fully settled/paid.

Receivables that are impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

The Group measures allowance for impairment losses of trade receivables based on lifetime ECLs.

The expected credit losses on trade receivables are estimated by reference to historical loss experience of the debtors and an analysis of the debtor's current financial position, adjusted for forward-looking factors specific to the debtors and the general economic conditions, where applicable. The Group generally performs impairment assessment on trade receivables on an individual basis or on an account-by-account basis. In respect of its property development activities, the Group has assessed that these debts should be realised in full without material losses in the ordinary course of business as the legal title to the properties sold remains with the Group until the purchase consideration is fully settled/paid.

The movements in the allowance for impairment losses of trade receivables during the financial year are as follows:

	Group	
	2021 RM'000	2020 RM'000
At beginning of the year	1,992	1,352
Allowance for impairment loss during the year	311	640
Reversal of allowance for impairment loss during the year	(68)	-
Bad debts written off	(464)	-
At end of the year	1,771	1,992

The currency exposure profile of trade receivables net of allowance for impairment losses is as follows:

	Group	
	2021 RM'000	2020 RM'000
Malaysian Ringgit	800,739	834,452
Singapore Dollar	2,793	43,875
	803,532	878,327

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 18. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2021 RM'000	2020 RM'000
Contract assets		
Property development (see Note (a))	1,289,164	1,263,082
Construction and other contracts (see Note (b))	996	809
	1,290,160	1,263,891
Contract liabilities		
Property development (see Note (a))	(71,812)	(103,970)
Construction and other contracts (see Note (b))	(47,463)	(48,497)
	(119,275)	(152,467)
	1,170,885	1,111,424

(a) Contract assets and contract liabilities from property development

	Group	
	2021 RM'000	2020 RM'000
Contract assets	1,289,164	1,263,082
Contract liabilities	(71,812)	(103,970)
	1,217,352	1,159,112
At beginning of the year	1,159,112	959,910
Consideration payable to customers	50,206	77,898
Revenue recognised during the year	3,577,105	3,047,272
Interest income relating to deferred payment scheme	11,623	17,535
Progress billings during the year	(3,577,239)	(2,945,757)
Exchange rate differences	(3,455)	2,254
At end of the year	1,217,352	1,159,112

Revenue from property development activities are recognised over time using the input method, which is based on the actual cost incurred to date on the property development projects as compared to the total budgeted cost for the respective development projects.

The transaction price allocated to the unsatisfied performance obligations as at 31 December 2021 is RM5,133,469,000 (2020: RM4,850,370,000). The remaining performance obligations are expected to be recognised as follows:

	Group	
	2021 RM'000	2020 RM'000
Within 1 year	3,947,384	2,202,020
Between 1 and 4 years	1,186,085	2,648,350
	5,133,469	4,850,370

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 18. CONTRACT ASSETS/(LIABILITIES) (CONT'D)

(b) Contract assets and contract liabilities from construction and other contracts

	Group	
	2021 RM'000	2020 RM'000
Contract assets	996	809
Contract liabilities	(47,463)	(48,497)
	<b>(46,467)</b>	<b>(47,688)</b>
At beginning of the year	<b>(47,688)</b>	(40,990)
Revenue recognised during the year	<b>83,707</b>	96,676
Progress billings during the year	<b>(82,486)</b>	(103,374)
At end of the year	<b>(46,467)</b>	<b>(47,688)</b>

Contract expenditure includes the following expenses incurred during the financial year:

	Group	
	2021 RM'000	2020 RM'000
Depreciation of property, plant and equipment	<b>3,686</b>	4,044
Depreciation of right-of-use - property, plant and equipment	<b>394</b>	394
Hire of machinery	<b>11,334</b>	12,508
Rental expense	<b>111</b>	75

The construction revenue is recognised progressively based on the actual cost incurred to date on the construction projects as compared to the total budgeted cost for the respective projects.

The transaction price allocated to the unsatisfied performance obligations for construction and other contracts as at 31 December 2021 is RM47,464,000 (2020: RM48,497,000).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current</b>				
Lease receivable	<b>79,606</b>	73,464	-	-
<b>Current</b>				
Dividend receivable	-	-	<b>1,596</b>	1,596
Deposits	<b>94,967</b>	100,592	<b>112</b>	112
Value Added Tax/Goods and Services Tax receivables	<b>14,985</b>	22,294	-	-
Prepayments	<b>32,653</b>	46,300	<b>3</b>	29
Other sundry receivables	<b>94,953</b>	73,767	<b>175</b>	175
	<b>237,558</b>	242,953	<b>1,886</b>	1,912
Allowance for impairment loss	<b>(3,907)</b>	(3,984)	-	-
	<b>233,651</b>	238,969	<b>1,886</b>	1,912
Total	<b>313,257</b>	312,433	<b>1,886</b>	1,912

The movement in the allowance for impairment losses of other receivables during the financial year are as follows:

	Group	
	2021 RM'000	2020 RM'000
At beginning of the year	<b>3,984</b>	3,984
Written off during the year	<b>(77)</b>	-
At end of the year	<b>3,907</b>	3,984

The currency exposure profile of other receivables, deposits and prepayments net of allowance for impairment losses is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysian Ringgit	<b>291,155</b>	274,588	<b>1,886</b>	1,912
Australian Dollar	<b>19,647</b>	22,196	-	-
Singapore Dollar	<b>316</b>	310	-	-
Vietnamese Dong	<b>1,862</b>	15,061	-	-
Japanese Yen	<b>269</b>	270	-	-
United States Dollar	<b>8</b>	8	-	-
	<b>313,257</b>	312,433	<b>1,886</b>	1,912

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 20. CONTRACT COST ASSETS

	Group	
	2021 RM'000	2020 RM'000 Restated
Contract cost assets		
Costs to fulfil contracts with customers (Note (a))	1,595,914	1,331,233
Costs to obtain contracts with customers (Note (b))	112,292	102,297
	<b>1,708,206</b>	<b>1,433,530</b>
(a) Costs to fulfil contracts with customers		
At beginning of the financial year	1,331,233	1,137,165
Costs transferred from inventories - land held for property development (see Note 6)	101,837	111,626
Costs transferred from inventories - property development costs (see Note 6)	1,161,765	920,349
Costs incurred during the year	1,105,354	838,787
Costs recognised in profit or loss during the year	(2,092,194)	(1,717,661)
Exchange differences	(12,081)	40,967
At end of the financial year	<b>1,595,914</b>	<b>1,331,233</b>
(b) Costs to obtain contracts with customers		
At beginning of the financial year	102,297	79,457
Costs incurred during the year	80,878	48,004
Costs recognised in profit or loss during the year	(70,452)	(29,191)
Exchange differences	(431)	4,027
At end of the financial year	<b>112,292</b>	<b>102,297</b>

## 21. SHORT-TERM FUNDS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At fair value through profit or loss:				
- investments in trust funds in Malaysia	1,401,604	1,485,695	304,467	781,020

Investments in short-term funds in Malaysia represent investments in trust funds investing in highly liquid money market instrument and deposits with financial institutions in Malaysia and are redeemable with one (1) day notice without penalty or redemption charges. These short-term funds are subject to an insignificant risk of changes in value.

All the short-term funds are denominated in Malaysian Ringgit.

As at reporting date, the effective interest rates for the Group's and the Company's short-term funds range from 1.46% to 1.91% and 1.46% to 1.91% per annum (2020: 1.76% to 2.21% and 1.76% to 2.21% per annum) respectively.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 22. SHORT-TERM DEPOSITS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Short-term deposits with licensed banks	206,190	208,725	86,875	-

Included in short-term deposits of the Group is an amount of RM19,428,000 (2020: RM18,813,000) which has been charged to banks as security for banking facilities.

As at reporting date, the effective interest rates for the Group's short-term deposits range from 0.05% to 3.50% (2020: 0.05% to 6.00%). As at reporting date, the effective interest rates for the Company's short-term deposits range from 0.11% to 0.15%. All short-term deposits have average maturity periods of within a year.

The currency exposure profile of short-term deposits is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysian Ringgit	11,575	12,253	-	-
Australian Dollar	57,522	165,152	-	-
Singapore Dollar	15,448	-	-	-
Vietnamese Dong	34,770	31,320	-	-
United States Dollar	10,585	-	10,585	-
Great British Pound	76,290	-	76,290	-
	<b>206,190</b>	<b>208,725</b>	<b>86,875</b>	<b>-</b>

## 23. CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash and bank balances include monies in:				
- Housing Development Accounts	881,743	584,404	-	-
- Sinking Fund Accounts	6,911	8,873	-	-
- Debt Service Reserve Accounts	49,449	48,513	15,270	15,076
- Escrow Accounts	25,370	7,316	-	-
- Revenue Accounts	10,489	10,498	-	-
- Rights and Excess Accounts	100	-	100	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 23. CASH AND BANK BALANCES (CONT'D)

Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Developers (Housing Development Account) Regulations 1991.

Funds maintained in the Housing Development Accounts earn interest ranging from 0.25% to 1.55% (2020: 0.25% to 1.50%) per annum.

The sinking fund, debt service reserve, escrow and revenue accounts were opened in accordance with the terms and conditions set out in the term loan agreements referred to in Note 29 below.

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysian Ringgit	1,251,945	940,311	135,017	65,931
Singapore Dollar	138,674	225,366	-	-
Australian Dollar	19,746	18,337	109	2,650
Great British Pound	10,985	10,002	6,457	6,418
Vietnamese Dong	27,586	24,378	-	-
United States Dollar	12,211	2,551	86	200
Japanese Yen	2,275	3,871	-	-
	<b>1,463,422</b>	<b>1,224,816</b>	<b>141,669</b>	<b>75,199</b>

## 24. SHARE CAPITAL

	Group/Company			
	2021		2020	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid share capital:				
At beginning of the year	4,056,733	8,468,287	4,042,481	8,432,321
Issuance of shares:				
- vesting of ESGP	10,877	21,552	14,229	35,880
- exercise of ESOS	368	386	-	-
Conversion from RCPS-i B (see Note 25)	-	-	23	86
At end of the year	<b>4,067,978</b>	<b>8,490,225</b>	<b>4,056,733</b>	<b>8,468,287</b>

During the financial year, the issued and paid-up ordinary share capital of the Company was increased by way of the following allotment of new ordinary shares:

- (a) 10,877,453 new ordinary shares pursuant to the vesting of shares under the ESGP at the price of RM1.09 per share; and
- (b) 367,800 new ordinary shares pursuant to the exercise of options under the Employees' Share Option Scheme ("ESOS") at the price of RM0.77 per share.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 24. SHARE CAPITAL (CONT'D)

The Long Term Incentive Plan ("LTIP" or "Scheme") was implemented on 10 April 2013. The LTIP, which comprises the ESGP and ESOS allows the Company to grant shares and/or share options under the ESGP and ESOS respectively to eligible employees and Executive Directors of the Group of up to 15% of the issued and paid-up share capital of the Company. The LTIP is governed by the By-Laws of the LTIP which was approved by the shareholders on 28 February 2013 and is administered by the NRC which is appointed by the Board, in accordance with the By-Laws.

On 23 February 2017, the Board of Directors approved the extension of the LTIP for another 5 years pursuant to By-Laws 18.2 of the By-Laws of LTIP and as such the LTIP shall be in force for a period of 10 years up to 9 April 2023.

The main features of the Scheme are as follows:

- (a) The maximum number of new ordinary shares which may be made available under the Scheme at the point in time when an LTIP award is offered shall not be more than fifteen percent (15%) of the issued and paid-up ordinary share capital of the Company.
- (b) The LTIP awards shall be awarded after taking into consideration the employee's position, contribution and performance (where applicable) or such criteria as the NRC may deem fit subject to the following:
- (i) that the number of new ordinary shares made available under the Scheme shall not exceed the amount stipulated in (a) above; and
- (ii) that not more than ten percent (10%) of the total new ordinary shares to be issued under the Scheme at the point in time when an LTIP award is offered be allocated to any employee or Executive Director who, either singly or collectively through persons connected with him, holds twenty percent (20%) or more in the issued and paid-up share capital of the Company.
- (c) In the case of the ESGP, the shares will be vested with the grantee at no consideration on the vesting date; while in the case of the ESOS, the option price will be determined based on the five (5) days volume weighted average market price of the ordinary shares on the date the ESOS award is offered with a potential discount of not more than ten percent (10%) or any such other limit in accordance with any prevailing guideline issued by Bursa Malaysia Securities Berhad or any other relevant authorities as may be amended from time to time.
- (d) The shares and share options granted under the ESGP and ESOS will vest over a remaining period of less than two (2) years from the financial year end.

The movement during the financial year in the number of shares and share options in which employees of the Group and the Company are entitled to are as follows:

	At 1.1.2021 '000	Granted '000	Vested '000	Lapsed '000	At 31.12.2021 '000
<b>ESGP</b>					
Offer 8	4,818	-	(4,710)	(108)	-
Offer 9	8,694	-	(4,121)	(761)	3,812
Offer 10	6,565	-	(2,046)	(580)	3,939
Offer 11	-	5,656	-	(160)	5,496
	<b>20,077</b>	<b>5,656</b>	<b>(10,877)</b>	<b>(1,609)</b>	<b>13,247</b>
<b>ESOS</b>					
Offer 1	22,848	-	-	(17,716)	5,132
Offer 3	1,358	-	-	(294)	1,064
Offer 4	14,374	-	-	(4,407)	9,967
Offer 5	8,834	-	-	(2,317)	6,517
Offer 6	132,375	-	-	(39,370)	93,005
Offer 7	17,735	-	-	(166)	17,569
Offer 8	2,864	-	-	(671)	2,193
Offer 9	3,282	-	(368)	(116)	2,798
	<b>203,670</b>	<b>-</b>	<b>(368)</b>	<b>(65,057)</b>	<b>138,245</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 24. SHARE CAPITAL (CONT'D)

The fair values of the shares and share options granted under the ESGP and ESOS to which MFRS 2 applies were determined using the binomial model. The significant inputs into the model were as follows:

	ESGP										
	Offer 1	Offer 2	Offer 3	Offer 4	Offer 5	Offer 6	Offer 7	Offer 8	Offer 9	Offer 10	Offer 11
Exercise price	*	*	*	*	*	*	*	*	*	*	*
Date of grant	6 May 2013	19 August 2013	31 October 2014	20 August 2015	17 August 2016	7 August 2017	2 January 2018	9 August 2018	20 August 2019	25 August 2020	24 August 2021
Fair value at grant date	RM3.15	RM3.14	RM3.13	RM3.01	RM3.27	RM3.05	RM3.21	RM2.85	RM1.57	RM0.81	RM1.07
Vesting period / Option life	3 years	3 years	3 years	3 years	1 year 5 months	3 years	3 years	3 years	3 years	2 years	1 year 8 months
Weighted average share price at grant date	RM3.42	RM3.37	RM3.35	RM3.02	RM3.17	RM3.30	RM3.40	RM2.96	RM1.73	RM0.81	RM1.10
Expected dividend yield	4.1%	4.2%	3.3%	3.0%	5.3%	6.0%	5.8%	5.1%	5.2%	1.2%	3.7%
Risk-free interest rates	3.21%	3.67%	3.71%	4.01%	3.4%	3.4%	3.4%	3.7%	3.5%	2.0%	1.9%
Expected volatility	18.62%	18.82%	18.51%	21.34%	22.88%	24.26%	53.21%	40.33%	27.91%	47.48%	28.55%

	ESOS									
	Offer 1	Offer 2	Offer 3	Offer 4	Offer 5	Offer 6	Offer 7	Offer 8	Offer 9	
Exercise price		RM2.96 <sup>^</sup>	RM2.92 <sup>^</sup>	RM2.91 <sup>^</sup>	RM2.62 <sup>^</sup>	RM2.76 <sup>^</sup>	RM3.03 <sup>^</sup>	RM2.82	RM1.65	RM0.77
Date of grant		6 May 2013	19 August 2013	31 October 2014	20 August 2015	17 August 2016	7 August 2017	9 August 2018	20 August 2019	25 August 2020
Fair value at grant date		RM0.51	RM0.52	RM0.53	RM0.57	RM0.55	RM0.51	RM0.87	RM0.27	RM0.28
Vesting period / Option life		8 years 3 months	8 years 3 months	7 years 3 months	6 years 3 months	5 years 4 months	4 years 10 months	3 years 3 months	2 years 3 months	1 year 9 months (from July 2021 to April 2023)
Weighted average share price at grant date		RM3.42	RM3.37	RM3.35	RM3.02	RM3.17	RM3.30	RM2.96	RM1.73	RM0.81
Expected dividend yield		4.1%	4.2%	3.3%	3.0%	5.3%	6.0%	5.1%	5.2%	1.2%
Risk-free interest rates		3.21%	3.67%	3.71%	4.01%	3.4%	3.4%	3.7%	3.5%	2.0%
Expected volatility		18.62%	18.82%	18.51%	21.34%	22.88%	24.26%	40.33%	27.91%	47.48%

\* The shares under the ESGP will vest with the grantee at no consideration on the vesting date

<sup>^</sup> Pursuant to the LTIP By-Laws of the Company, the ESOS exercise price options were adjusted for the rights issue of up to 451,916,434 ordinary shares in S P Setia Berhad and rights issue of up to 1,355,749,304 RCPS-i B in S P Setia Berhad which were allotted on 29 December 2017 and listed on 4 January 2018 ("Rights Issue Adjustment")

The expected life of the shares and share options are based on historical data and is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the shares and/or share options granted were incorporated into the measurement of fair value.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 25. ISLAMIC REDEEMABLE CUMULATIVE PREFERENCE SHARES ("RCPS-I A") ("RCPS-I B")

	Group/Company			
	2021		2020	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid RCPS-i A:				
At beginning/end of the year	1,088,658	1,087,363	1,088,658	1,087,363
Issued and fully paid RCPS-i B:				
At beginning of the year	1,176,382	1,035,218	1,176,480	1,035,304
Conversion to ordinary shares (see Note 24)	-	-	(98)	(86)
At end of the year	1,176,382	1,035,218	1,176,382	1,035,218

## RCPS-i A

The RCPS-i A issued by the Company to the shareholders are convertible at any time at the discretion of the holder commencing 2 December 2016 ("Issue Date A") up to such date no later than nine (9) market days prior to the relevant redemption date into such number of fully paid new S P Setia shares without payment of any consideration (cash or otherwise) and with the conversion ratio of two (2) new S P Setia shares for seven (7) RCPS-i A held.

The Company may at any time on or after the 15th anniversary of the Issue Date A, at its discretion, redeem all (and not some only of) the outstanding RCPS-i A in cash at the redemption price which shall be the aggregate of the issue price of RM1.00, any preferential dividends declared but unpaid as at the redemption date and any Deferred Dividends A (as defined below) as at the redemption date.

Under the Constitution, the conversion ratio for RCPS-i A is subject to adjustments from time to time, at the determination of our Board, in the event of any alteration to our Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being effected, in accordance with the provisions of the Constitution. Pursuant to the rights issue of S P Setia shares undertaken by the Company in prior years, the conversion ratio for RCPS-i A has been adjusted to fifty (50) new S P Setia shares for one hundred sixty nine (169) RCPS-i A held. The effective date for the adjusted conversion ratio was 4 December 2017.

The RCPS-i A confers on holders, the following rights and privileges:

- (i) The right to receive preferential dividends, out of distributable profits of the Company earned from the first day of the calendar month following the Issue Date A ("Profits for RCPS-i A") when declared and approved by the Board of the Company, at an expected preferential dividend rate of 6.49%.

From the period commencing on and including the 15th anniversary of the Issue Date A until the redemption date, an additional stepped-up preferential dividend rate of 1.0% per annum above the expected rate abovementioned, shall be payable on the RCPS-i A on an annual basis, provided that the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends, if applicable) ("Expected Preferential Dividend Rate A") shall not exceed a total rate of 20%. The maximum amount of preferential dividends that can be declared and paid on each preferential dividend entitlement date ("Expected Preferential Dividend Amount A") shall be capped at such Expected Preferential Dividend Rate A unless otherwise decided by the Board of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 25. ISLAMIC REDEEMABLE CUMULATIVE PREFERENCE SHARES ("RCPS-I A") ("RCPS-I B") (CONT'D)

## RCPS-i A (Cont'd)

The RCPS-i A confers on holders, the following rights and privileges: (Cont'd)

On any preferential dividend entitlement date for RCPS-i A:

- i. In the event that the Profits for RCPS-i A are lower than the Expected Preferential Dividend Amount A and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount A (in whole or in part):
  - (a) The Company may, at its discretion, declare and pay any amount of preferential dividends up to an amount equal to the Profits for RCPS-i A as at such preferential dividend entitlement date. The amount of Profits for RCPS-i A declared as preferential dividends by the Company on a particular preferential dividend entitlement date, if any shall be referred to as ("Declared Sum A"); and
  - (b) The amount equivalent to the difference between the Profits for RCPS-i A as at such preferential dividend entitlement date and Declared Sum A, shall be cumulative ("Deferred Dividends A-1"), so long as the RCPS-i A remains unredeemed.
- ii. In the event that the Profits for RCPS-i A are more than the Expected Preferential Dividend Amount A and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount A (in whole or in part), the amount equivalent to the difference between the Expected Preferential Dividend Amount A and the Declared Sum A, shall be cumulative ("Deferred Dividends A-2"), so long as the RCPS-i A remains unredeemed.

Deferred Dividends A-1 and A-2 (as the case may be) ("Deferred Dividends A") may be declared and/or paid, at the discretion of the Company, on any subsequent preferential dividend entitlement date for RCPS-i A, provided that the Cumulative Condition A (as defined below) is fulfilled on such preferential dividend entitlement date.

"Cumulative Condition A" of the RCPS-i A means on any preferential dividend entitlement date, the Company:

- (a) has sufficient Profits for RCPS-i A that is at least equivalent to the aggregate of the Declared Sum A and any Deferred Dividends A accumulated as at and on such preferential dividend entitlement date;
- (b) has maintained books and records that evidence the Company having Profits for RCPS-i A that is at least equivalent to the aggregate of the Declared Sum A and any Deferred Dividends A accumulated as at and on such preferential dividend entitlement date; and
- (c) makes an announcement on the Main Market of Bursa Malaysia Securities Berhad that such amount of Deferred Dividends A on such preferential dividend entitlement date shall be cumulative.

Where there is no Profit for RCPS-i A available for the declaration and payment of dividends, the Company shall have no obligation to declare or distribute any preferential dividends on the relevant preferential dividend entitlement date for RCPS-i A. Such preferential dividends shall not be cumulative.

Each RCPS-i A holder will cease to receive any preferential dividends from and including the date the RCPS-i A is converted into new S P Setia shares save for preferential dividends declared but unpaid up to the date of conversion.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 25. ISLAMIC REDEEMABLE CUMULATIVE PREFERENCE SHARES ("RCPS-I A") ("RCPS-I B") (CONT'D)

## RCPS-i A (Cont'd)

The RCPS-i A confers on holders, the following rights and privileges: (Cont'd)

- (ii) The rights as regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of the Company, save and except in the respect of any resolution made:
  - i. when the preferential dividends for RCPS-i A or any part thereof is in arrears and unpaid for more than six (6) months;
  - ii. on a proposal to reduce the Company's share capital;
  - iii. on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;
  - iv. on a proposal to wind up the Company;
  - v. during the winding up of the Company; or
  - vi. on any proposal that affects the rights and privileges attached to the RCPS-i A, including the amendments to the Constitution of the Company.

In any of the aforesaid circumstances, each RCPS-i A holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RCPS-i A held.

## RCPS-i B

The RCPS-i B issued by the Company to the shareholders are convertible at any time at the discretion of the holder commencing 29 December 2017 ("Issue Date B") up to such date no later than nine (9) market days prior to the relevant redemption date into such number of fully paid new S P Setia shares without payment of any consideration (cash or otherwise) and with the conversion ratio of five (5) new S P Setia shares for twenty one (21) RCPS-i B held.

The Company may at any time on or after the 5th anniversary of the Issue Date B, at its discretion, redeem all (and not some only of) the outstanding RCPS-i B in cash at the redemption price which shall be the aggregate of the issue price of RM0.88, any preferential dividends declared but unpaid as at the redemption date and any Deferred Dividends B (as defined below) as at the redemption date.

The RCPS-i B confers on holders, the following rights and privileges:

- (i) The right to receive preferential dividends, out of distributable profits of the Company earned from the first day of the calendar month following the Issue Date B ("Profits for RCPS-i B") when declared and approved by the Board of the Company, at an expected preferential dividend rate of 5.93%.

From the period commencing on and including the 5th anniversary of the Issue Date B until the redemption date, an additional stepped-up preferential dividend rate of 1.0% per annum above the expected rate abovementioned, shall be payable on the RCPS-i B on an annual basis, provided that the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends, if applicable) ("Expected Preferential Dividend Rate B") shall not exceed a total rate of 20%. The maximum amount of preferential dividends that can be declared and paid on each preferential dividend entitlement date ("Expected Preferential Dividend Amount B") shall be capped at such Expected Preferential Dividend Rate B unless otherwise decided by the Board of the Company.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 25. ISLAMIC REDEEMABLE CUMULATIVE PREFERENCE SHARES ("RCPS-I A") ("RCPS-I B") (CONT'D)

## RCPS-i B (Cont'd)

The RCPS-i B confers on holders, the following rights and privileges: (Cont'd)

On any preferential dividend entitlement date for RCPS-i B:

- i. In the event that the Profits for RCPS-i B are lower than the Expected Preferential Dividend Amount B and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount B (in whole or in part):
  - (a) The Company may, at its discretion, declare and pay any amount of preferential dividends up to an amount equal to the Profits for RCPS-i B as at such preferential dividend entitlement date. The amount of Profits for RCPS-i B declared as preferential dividends by the Company on a particular preferential dividend entitlement date, if any shall be referred to as ("Declared Sum B"); and
  - (b) The amount equivalent to the difference between the Profits for RCPS-i B as at such preferential dividend entitlement date and Declared Sum B, shall be cumulative ("Deferred Dividends B-1"), so long as the RCPS-i B remains unredeemed.
- ii. In the event that the Profits for RCPS-i B are more than the Expected Preferential Dividend Amount B and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount B (in whole or in part), the amount equivalent to the difference between the Expected Preferential Dividend Amount B and the Declared Sum B, shall be cumulative ("Deferred Dividends B-2"), so long as the RCPS-i B remains unredeemed.

Deferred Dividends B-1 and B-2 (as the case may be) ("Deferred Dividends B") may be declared and/or paid, at the discretion of the Company, on any subsequent preferential dividend entitlement date for RCPS-i B, provided that the Cumulative Condition B (as defined below) is fulfilled on such preferential dividend entitlement date.

"Cumulative Condition B" of the RCPS-i B means on any preferential dividend entitlement date, the Company:

- (a) has sufficient Profits for RCPS-i B that is at least equivalent to the aggregate of the Declared Sum B and any Deferred Dividends B accumulated as at and on such preferential dividend entitlement date;
- (b) has maintained books and records that evidence the Company having Profits for RCPS-i B that is at least equivalent to the aggregate of the Declared Sum B and any Deferred Dividends B accumulated as at and on such preferential dividend entitlement date; and
- (c) makes an announcement on the Main Market of Bursa Malaysia Securities Berhad that such amount of Deferred Dividends B on such preferential dividend entitlement date shall be cumulative.

Where there is no Profit for RCPS-i B available for the declaration and payment of dividends, the Company shall have no obligation to declare or distribute any preferential dividends on the relevant preferential dividend entitlement date for RCPS-i B. Such preferential dividends shall not be cumulative.

Each RCPS-i B holder will cease to receive any preferential dividends from and including the date the RCPS-i B is converted into new S P Setia Shares save for preferential dividends declared but unpaid up to the date of conversion.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 25. ISLAMIC REDEEMABLE CUMULATIVE PREFERENCE SHARES ("RCPS-I A") ("RCPS-I B") (CONT'D)

## RCPS-i B (Cont'd)

The RCPS-i B confers on holders, the following rights and privileges: (Cont'd)

- (ii) The rights as regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of the Company, save and except in the respect of any resolution made:
  - i. when the preferential dividends for RCPS-i B or any part thereof is in arrears and unpaid for more than six (6) months;
  - ii. on a proposal to reduce the Company's share capital;
  - iii. on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;
  - iv. on a proposal to wind up the Company;
  - v. during the winding up of the Company; or
  - vi. on any proposal that affects the rights and privileges attached to the RCPS-i B, including the amendments to the Constitution of the Company.

In any of the aforesaid circumstances, each RCPS-i B holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RCPS-i B held.

## 26. RESERVE ON ACQUISITION ARISING FROM COMMON CONTROL

	Group	
	2021 RM'000	2020 RM'000
Reserve on acquisition arising from common control	(1,295,884)	(1,295,884)

This represents the difference between the consideration payable on the acquisition of I & P Group Sdn. Berhad in prior years in excess of the equity of I & P Group Sdn. Berhad arising as a result of the application of the pooling of interests method of accounting whereby assets, liabilities and reserves of the entities are recorded at their pre-combination carrying amounts or existing carrying amounts from the perspective of common control shareholder.

## 27. REDEEMABLE CUMULATIVE PREFERENCE SHARES (UNSECURED)

The redeemable cumulative preference shares ("RCPS") issued by subsidiaries of the Company ("the Subsidiaries") are redeemable at any time at the discretion of the Subsidiaries after 5th anniversary but before the 8th to 15th anniversary of the respective issue dates, provided always that the redemption sum to be determined shall not be less than RM1.00 and any amount of dividend payable on the redemption date (including the aggregate amount of any arrears or accruals of dividend, whether or not declared, at the time of redemption).

The preference shares confer on their holders the following rights and privileges:

- (i) The right to be paid, a cumulative preferential dividend of 4% per annum on the issue price, or at 500% per annum gross based on its nominal value;
- (ii) The right in a winding up or return of capital (other than on the redemption of the preference shares) to receive, in priority to the holders of any other class of shares in the capital of the Subsidiaries, repayment in full of RM1.00 and the payment of any cumulative preferential dividend calculated up to the date of commencement of the winding up or return of capital, but no further right to share in surplus assets; and

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 27. REDEEMABLE CUMULATIVE PREFERENCE SHARES (UNSECURED) (CONT'D)

The preference shares confer on their holders the following rights and privileges: (Cont'd)

(iii) The right to receive notice of and attend all general meetings of the Subsidiaries, and shall have the right on a poll at any general meeting of the Subsidiaries to one vote for each preference share held:

- (a) upon any resolution which varies or is deemed to vary the rights attached to the preference shares;
- (b) upon any resolution for the reduction of capital of the Subsidiaries; and
- (c) upon any resolution for the winding up of the Subsidiaries,

but shall otherwise have no right to vote at general meetings of the Subsidiaries.

## 28. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current</b>				
Unpaid consideration for acquisition of development land	61,850	69,267	-	-
<b>Current</b>				
Unsecured advances	16,015	38,596	-	-
Interest accrued	16,028	16,573	11,174	10,539
Deposits received	93,048	62,047	-	-
Unpaid consideration for acquisition of development land	241,286	241,286	-	-
Accrued selling and marketing costs	150,478	136,196	-	-
Other sundry payables and accruals	287,164	265,182	13,008	3,989
	804,019	759,880	24,182	14,528
<b>Total</b>	<b>865,869</b>	<b>829,147</b>	<b>24,182</b>	<b>14,528</b>

The unsecured advances are from minority shareholders of subsidiary companies. These advances are interest free and payable on demand.

The currency exposure profile of other payables and accruals is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysian Ringgit	835,869	781,550	20,894	12,070
Vietnamese Dong	20,756	23,104	-	-
Singapore Dollar	1,124	18,387	-	-
Australian Dollar	4,726	3,554	41	19
Great British Pound	3,247	2,439	3,247	2,439
Japanese Yen	147	105	-	-
United States Dollar	-	8	-	-
	865,869	829,147	24,182	14,528

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 29. BORROWINGS

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Non-current</b>				
<i>Secured:</i>				
Term loans	3,785,924	4,622,718	-	-
Bridging loans	144,140	116,653	-	-
Revolving credits	56,000	141,877	-	-
Medium term notes and commercial paper (Note b)	829,213	791,475	-	-
Hire purchase and finance lease (Note a)	598	1,156	-	-
<i>Unsecured:</i>				
Term loans	3,695,531	3,664,056	2,590,911	2,833,431
Revolving credits	-	20,000	-	20,000
Sukuk Wakalah (Note c)	797,235	-	797,235	-
	9,308,641	9,357,935	3,388,146	2,853,431
<b>Current</b>				
<i>Secured:</i>				
Term loans	1,148,293	370,549	-	-
Bridging loans	9,324	65,431	-	-
Revolving credits	678,426	640,910	-	-
Medium term notes and commercial paper (Note b)	22,157	33,389	-	-
Hire purchase and finance lease (Note a)	815	772	-	-
<i>Unsecured:</i>				
Term loans	624,540	500,194	624,540	500,194
Revolving credits	734,257	959,170	733,257	933,171
Bank overdrafts	29,419	12,856	-	3,038
	3,247,231	2,583,271	1,357,797	1,436,403
<b>Total borrowings</b>	<b>12,555,872</b>	<b>11,941,206</b>	<b>4,745,943</b>	<b>4,289,834</b>
The borrowings are repayable as follows:				
Not later than one year	3,247,231	2,583,271	1,357,797	1,436,403
Later than one year but not later than five years	7,857,312	8,052,679	3,089,204	2,853,431
Later than five years	1,451,329	1,305,256	298,942	-
	12,555,872	11,941,206	4,745,943	4,289,834

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 29. BORROWINGS (CONT'D)

	Group	
	2021 RM'000	2020 RM'000
<b>Note a</b>		
The minimum lease payments are as follows:		
Not later than one year	955	904
Later than one year but not later than five years	638	1,299
Total minimum lease payments	1,593	2,203
Amount representing finance charges	(180)	(275)
Present value of minimum lease payment	1,413	1,928
The present value of payments are as follows:		
Not later than one year	815	772
Later than one year but not later than five years	598	1,156
Present value of minimum lease payments	1,413	1,928

The range of interest rates per annum at the reporting date for borrowings are as follows:

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Term loans	1.08 - 4.15	1.06 - 4.12	1.71 - 3.65	1.66 - 3.85
Bridging loans	3.00 - 3.65	2.85 - 3.69	-	-
Revolving credits	2.80 - 4.15	2.80 - 4.12	2.93 - 3.28	2.94 - 3.25
Medium term notes and commercial paper	3.59 - 4.02	3.60 - 5.34	-	-
Hire purchase and finance lease	4.26 - 4.50	4.26 - 4.50	-	-
Bank overdrafts	3.13 - 3.25	3.10 - 3.50	-	3.10 - 3.50
Sukuk Wakalah	3.85 - 4.30	-	3.85 - 4.30	-

The borrowings are secured by:

- various fixed and floating charges and deeds of assignment over various assets belonging to the Group, including properties as indicated in Notes 2, 4 and 6 above; and
- short-term deposits, sinking fund, debt service reserve, escrow and revenue accounts as indicated in Notes 22 and 23 above.

**Note b**Medium Term Notes ("MTN") and Commercial Paper ("CP")

In prior years, Setia Alamsari Sdn Bhd ("Setia Alamsari"), a wholly-owned subsidiary of the Group, had issued Islamic MTN ("Sukuk Murabahah")("Alamsari MTN") with a total nominal value of RM358 million pursuant to a Sukuk Murabahah Programme (the "Programme"). The Programme, which has a tenure of 10 years from the date of first issuance is to partially finance the purchase consideration of parcels of land acquired by Setia Alamsari in the prior years and its related land conversion premium.

The interest payment is due every quarter with a profit rate of between 3.59% to 3.60% (2020: 3.60% to 5.34%) per annum, commencing from the issue date of the Alamsari MTN.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 29. BORROWINGS (CONT'D)

**Note b (Cont'd)**Medium Term Notes ("MTN") and Commercial Paper ("CP") (Cont'd)

The Alamsari MTN is secured by:

- First party first legal charge over the freehold land of Setia Alamsari held under inventories as disclosed in Note 6;
- Corporate guarantee from the Company; and
- First ranking charge over the Finance Service Reserve Account.

As at 31 December 2021, the outstanding amount of the Alamsari MTN is RM347 million (2020: RM358 million).

In prior years, a wholly-owned subsidiary of the Group, Setia Fontaines Sdn Bhd ("Setia Fontaines") issued Islamic MTN ("Sukuk Murabahah")("Setia Fontaines MTN") amounting to RM434 million pursuant to a Sukuk Murabahah Programme of up to RM434 million in nominal value ("Sukuk Murabahah Programme") to finance the purchase of freehold land acquired by Setia Fontaines. Setia Fontaines had subsequently upsized the existing Sukuk Murabahah Programme to RM2.5 billion in nominal value with approved subscription of up to RM749 million. The Sukuk Murabahah Programme comprises of 4 Tranches with the purpose to redeem the Tranche 1 of the Sukuk Murabahah Programme of RM434 million and to partly finance the construction and development cost to be incurred by Setia Fontaines on its inventories held under Mukim 6, Daerah Seberang Perai Utara, Pulau Pinang. The Sukuk Murabahah Programme has a tenure between 10 to 12 years from the date of the first issuance.

The profit payment is due every month with the profit rate of between 3.72% to 4.02% (2020: 4.02% to 4.89%) per annum, commencing from the issuance date of the Setia Fontaines MTN.

The Setia Fontaines MTN is secured by:

- First legal charge created over the freehold land of Setia Fontaines under inventories as disclosed in Note 6;
- Corporate guarantee by the Company;
- Legal charge over designated accounts; and
- Assignment and legal charge over redemption proceeds account.

As at 31 December 2021, the outstanding amount of the Setia Fontaines MTN is RM508 million (2020: RM471 million).

**Note c**Islamic Medium Term Notes ("Sukuk Wakalah")

On 4 May 2021, the Company made a lodgement to the Securities Commission Malaysia ("SC") for the establishment of a rated Islamic Medium Term Notes Programme of up to RM3.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") under the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

The Sukuk Wakalah Programme allows for the issuance of rated and senior unsecured sukuk ("Sukuk Wakalah") from time to time, subject to total outstanding amount of Sukuk Wakalah not exceeding RM3.0 billion at any point in time. The Sukuk Wakalah Programme has been accorded a credit rating of AAIs by Malaysian Rating Corporation Berhad.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 29. BORROWINGS (CONT'D)

## Note c (Cont'd)

Islamic Medium Term Notes ("Sukuk Wakalah") (Cont'd)

During the financial year, the Company has issued the following Sukuk Wakalah:

Tranche	Issuance Date	Amount (RM Million)	Tenure	Periodic Distribution Rate (per annum)
1	25 June 2021	500	5 Years	3.85%
2	25 June 2021	300	7 Years	4.30%
		<u>800</u>		

The proceeds raised from the issuance of these Sukuk Wakalah were utilised for capital investments as well as refinancing and repayment of existing borrowings of the Group.

The currency exposure profile of borrowings is as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysian Ringgit	9,035,379	9,063,069	3,713,492	3,443,046
Great British Pound	1,694,035	1,436,270	729,875	707,756
Singapore Dollar	334,122	586,270	-	-
Australian Dollar	1,312,363	711,143	302,576	139,032
Japanese Yen	39,513	42,343	-	-
United States Dollar	140,460	102,111	-	-
	<u>12,555,872</u>	<u>11,941,206</u>	<u>4,745,943</u>	<u>4,289,834</u>

## 30. LEASE LIABILITIES

	Group	
	2021 RM'000	2020 RM'000
<b>Non-current</b>		
Lease liabilities	823	1,167
<b>Current</b>		
Lease liabilities	1,155	1,290
Total lease liabilities	<u>1,978</u>	<u>2,457</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 30. LEASE LIABILITIES (CONT'D)

The movement of lease liabilities during the financial year is as follows:

	Group	
	2021 RM'000	2020 RM'000
At beginning of the year	2,457	3,692
Additions	761	64
Interest charged	135	131
Payments of:		
- Principal	(1,258)	(1,288)
- Interest	(135)	(125)
Modification of lease contract	-	(7)
Early termination of lease contract	(11)	(11)
Exchange differences	29	1
At end of the year	<u>1,978</u>	<u>2,457</u>

## 31. TRADE PAYABLES

	Group	
	2021 RM'000	2020 RM'000 Restated
Contractors' claims	182,346	149,179
Retention sums	284,619	365,471
Accrued construction costs	943,727	948,454
Others	84,358	32,358
	<u>1,495,050</u>	<u>1,495,462</u>

The normal credit terms extended by contractors and suppliers range from 7 to 90 days (2020: 7 to 90 days). The retention sums are repayable upon the expiry of the defect liability period.

Other trade payables are required to be settled within 14 to 60 days (2020: 14 to 60 days).

The currency exposure profile of trade payables is as follows:

	Group	
	2021 RM'000	2020 RM'000 Restated
Malaysian Ringgit	1,396,041	1,423,687
Singapore Dollar	41,214	14,255
Vietnamese Dong	1,047	3,290
Australian Dollar	56,748	54,201
Japanese Yen	-	29
	<u>1,495,050</u>	<u>1,495,462</u>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 32. REVENUE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Sale of development properties	3,577,105	3,047,272	-	-
Construction revenue	17,409	26,094	-	-
Sale of other goods and services	168,234	154,751	-	-
Gross dividend from subsidiary companies	-	-	286,837	225,461
	<b>3,762,748</b>	3,228,117	<b>286,837</b>	225,461
Revenue from contracts with customers	3,728,004	3,207,316	-	-
Revenue from other sources of income	34,744	20,801	286,837	225,461
	<b>3,762,748</b>	3,228,117	<b>286,837</b>	225,461
Disaggregation of the revenue from contracts with customers:				
Timing of revenue recognition:				
At a point in time	943,521	1,100,899	-	-
Over time	2,784,483	2,106,417	-	-
	<b>3,728,004</b>	3,207,316	-	-

## 33. COST OF SALES

	Group	
	2021 RM'000	2020 RM'000 Restated
Cost of properties sold	2,552,433	2,329,802
Construction cost recognised as expense	55,117	47,125
Cost of other goods and services sold	148,171	154,850
	<b>2,755,721</b>	2,531,777

Included in cost of properties sold in the previous financial year is a write down in value of completed inventories of RM128,063,000 (restated).

Included in construction cost recognised as expense for the current financial year, are cost incurred by the construction segment for property development projects within the Group of RM37,477,000 (2020: RM20,360,000).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 34. OTHER INCOME

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Interest income from:				
- subsidiary companies	-	-	71,877	167,281
- joint ventures	6,533	3,831	452	515
- deposits and short-term funds	32,453	36,893	12,786	8,878
- significant financing component	11,623	17,535	-	-
- financial assets measured at amortised cost	-	-	1,182	1,251
- others	14,694	17,723	7,381	4,816
Rental income from:				
- investment properties	46,618	43,808	-	-
- other operating leases	9,792	11,069	-	-
Gain on disposal of investment properties	-	407	-	-
Gain on disposal of property, plant and equipment	429	186	-	-
Gain on fair value adjustment of investment properties	-	-	-	195
Forfeiture income	12,420	6,573	-	-
Gain on liquidation of subsidiary companies	-	-	5,044	-
Gain on foreign exchange				
- realised	1,123	-	-	-
Management fee	-	50	60,218	-
Other miscellaneous income	18,488	14,972	5,102	7,263
	<b>154,173</b>	153,047	<b>164,042</b>	190,199

## 35. FINANCE COSTS

	Group		Company	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
Interest on:				
- bank overdrafts	1,373	1,117	586	318
- revolving credits	19,419	32,105	24,248	32,301
- term loans	151,583	171,885	104,800	116,904
- hire purchase and finance lease	46	164	-	-
- Sukuk Wakalah	13,821	-	16,736	-
Preference share dividend	1,734	2,608	-	-
Interest expense to subsidiary companies	-	-	17,523	10,704
Interest expense on financial liabilities measured at amortised cost	1,486	309	-	-
Interest expense on lease liabilities	135	131	-	-
Amortisation of transaction costs on borrowings	1,784	293	778	282
Others	2,744	3,076	-	-
	<b>194,125</b>	211,688	<b>164,671</b>	160,509

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 36. PROFIT/(LOSS) BEFORE TAX

	Group		Company	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
Profit/(Loss) before tax is stated after charging:				
Fees for statutory audits:				
Current year:				
- Ernst & Young PLT, Malaysia	1,822	1,790	142	142
- member firms of Ernst & Young Global	477	460	-	-
- other auditors	477	396	-	-
Other non-audit services:				
- Ernst & Young PLT, Malaysia	336	316	78	33
Amortisation of intangible asset	(103)	704	-	-
Bad debts written off	113	18	-	-
Allowance for impairment loss on receivables	243	640	-	-
Depreciation:				
- property, plant and equipment	29,565	28,594	205	87
- right-of-use - property, plant and equipment	874	925	-	-
Direct operating expenses on:				
- income generating investment properties	10,337	9,500	-	-
- non-income generating investment properties	8	8	8	8
Directors' remuneration				
- Company's Directors:				
- fees and other emoluments	5,832	5,732	5,832	2,575
- share-based payment under LTIP	233	417	233	-
- Other key management personnel:				
- fees and other emoluments	11,281	12,490	4,437	-
- share-based payment under LTIP	945	2,791	298	-
Property, plant and equipment written off	849	235	-	-
(Reversal)/Write down in value of completed inventories	(1,534)	128,063	-	-
Impairment loss on investment in subsidiary companies	-	-	87,175	132,436
Loss on fair value adjustment of right-of-use - investment properties	22,114	6,799	-	-
Loss on fair value adjustment of financial assets	-	-	831	-
Loss on fair value adjustment of investment properties	24	12,480	-	-
Loss on liquidation of subsidiary companies	62	70	-	-
Loss on disposal of investment properties	3,628	-	-	-
Expenses relating to leases:				
- short-term leases	160	284	7,621	-
- low value assets	1,272	1,516	206	160
Loss on foreign exchange:				
- realised	-	21	-	-
- unrealised	12,727	13,125	12,981	17,879

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 36. PROFIT/(LOSS) BEFORE TAX (CONT'D)

Directors' and other key management personnel's remuneration do not include the estimated monetary value of benefits-in-kind as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Company's Directors	125	173	125	86
Other key management personnel	241	455	25	-

## 37. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Expensed off during the year	218,512	208,894	58,747	9,213
Capitalised during the year	54,779	50,336	-	-
	273,291	259,230	58,747	9,213

Included in employee benefits expense that was expensed off during the year is an amount of RM21,248,000 (2020: RM27,244,000) accounted for under cost of sales.

The employee benefit expenses which include the remuneration of Directors and key management personnel are as follow:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Salaries, bonus and other emoluments	217,851	184,759	47,467	7,674
Defined contribution plan	23,383	22,020	5,210	473
Share-based payment under the LTIP	9,570	23,559	2,177	487

## 38. TAXATION

	Group		Company	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
<b>Income tax:</b>				
In respect of current year				
- Malaysian income tax	180,107	145,539	1,187	25,820
- foreign income tax	6,249	5,847	-	-
	186,356	151,386	1,187	25,820
Under/(Over) provision in prior years				
- Malaysian income tax	5,247	(2,867)	5	(2,076)
- foreign income tax	8,107	(2,823)	-	-
	13,354	(5,690)	5	(2,076)
	199,710	145,696	1,192	23,744
<b>Deferred tax:</b>				
- Origination and reversal of temporary differences	15,167	(62,028)	(1,422)	283
- (Over)/Under provision in prior years	(19,758)	4,361	4	-
	(4,591)	(57,667)	(1,418)	283
	195,119	88,029	(226)	24,027

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 38. TAXATION (CONT'D)

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate on the profit before tax as a result of the following differences:

	Group		Company	
	2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
Accounting profit (excluding share of results in joint ventures and associated companies)	527,932	214,937	100,833	83,718
Taxation at 24% tax rate	126,704	51,585	24,200	20,092
Tax effects arising from:				
Non-deductible expenses	60,301	54,285	47,698	60,244
Non-taxable income:				
- interest income	(6,861)	(3,653)	(3,292)	(95)
- single tier dividend income	-	-	(68,841)	(54,111)
- others	(4,174)	(18,408)	-	-
Deferred tax assets not recognised	30,552	35,902	-	-
Recognition and utilisation of tax losses brought forward from previous years, not previously recognised	(1,655)	(28,791)	-	-
Effect on different tax rate used	1,377	144	-	-
Deferred tax on fair value of investment properties at real property gain tax rate	(4,721)	(1,706)	-	(27)
(Over)/Under provision in prior years:				
- income tax	13,354	(5,690)	5	(2,076)
- deferred tax	(19,758)	4,361	4	-
	195,119	88,029	(226)	24,027
Tax savings during the financial year arising from:				
- utilisation of current tax losses	1,425	2,065	-	-
- utilisation of tax losses brought forward from previous years	5,167	6,423	-	-

The Company is on the single tier income tax system; accordingly the entire retained earnings of the Company is available for distribution by way of dividend without incurring additional tax liability.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 39. EARNINGS PER SHARE

Basic earnings per share

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

	Group	
	2021 '000	2020 '000 Restated
Profit/(Loss) attributable to owners of the Company (RM)	284,365	(320,747)
- less: RCPS-i A preferential dividends (RM)	(70,654)	(70,654)
- less: RCPS-i B preferential dividends (RM)	(61,388)	(61,394)
Adjusted profit/(loss) attributable to equity holders of the Company (RM)	152,323	(452,795)
Number of ordinary shares at beginning of the year	4,056,733	4,042,481
Weighted average effect of shares issued pursuant to:		
- exercise of ESOS	164	-
- vesting of ESGP	5,126	6,804
- conversion of RCPS-i B into ordinary shares	-	5
Weighted average number of ordinary shares	4,062,023	4,049,290
Basic Earnings/(Loss) Per Share (sen)	3.75	(11.18)

Diluted earnings per share

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

	Group	
	2021 '000	2020 '000 Restated
Profit/(Loss) attributable to owners of the Company (RM)	284,365	(320,747)
- less: RCPS-i A preferential dividends (RM)	(70,654)	(70,654)
- less: RCPS-i B preferential dividends (RM)	(61,388)	(61,394)
Adjusted profit/(loss) attributable to equity holders of the Company (RM)	152,323	(452,795)
Weighted average number of ordinary shares calculated above	4,062,023	4,049,290
Weighted average number of unissued shares under the LTIP	14,708	21,062
Adjusted weighted average number of ordinary shares that would have been in issue	4,076,731	4,070,352
Diluted Earnings/(Loss) Per Share (sen)	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.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 40. DIVIDENDS

	2021 RM'000	2020 RM'000
<b>Ordinary Shares Dividends</b>		
<i>In respect of the financial year ended 31 December 2019</i>		
Single-tier final dividend of 1 sen per share:		
- Payment in cash	-	40,425
	-	40,425

Subsequent to 31 December 2021, the Directors declared a single tier dividend of 0.65 sen per ordinary share amounting to RM26,442,025 in respect of the financial year ended 31 December 2021.

	2021 RM'000	2020 RM'000
<b>Preferential Dividends</b>		
<i>In respect of the financial period from 1 July 2019 to 31 December 2019</i>		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	-	35,327
- RCPS-i B preferential dividend of 5.93% per annum, payment in cash	-	30,697
<i>In respect of the financial period from 1 January 2020 to 30 June 2020</i>		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	-	35,327
- RCPS-i B preferential dividend of 5.93% per annum, payment in cash	-	30,697
<i>In respect of the financial period from 1 July 2020 to 31 December 2020</i>		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	35,327	-
- RCPS-i B preferential dividend of 5.93% per annum, payment in cash	30,694	-
<i>In respect of the financial period from 1 January 2021 to 30 June 2021</i>		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	35,327	-
- RCPS-i B preferential dividend of 5.93% per annum, payment in cash	30,694	-
	<b>132,042</b>	132,048

Subsequent to 31 December 2021, the Directors declared a preferential dividend of 6.49% per annum amounting to RM35,326,945 in respect of the RCPS-i A and 5.93% per annum amounting to RM30,694,196 in respect of RCPS-i B for financial period from 1 July 2021 to 31 December 2021.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 41. RELATED PARTY DISCLOSURES

In addition to related party disclosures elsewhere in the financial statements, set out below are the other related party disclosures. The following significant related party transactions took place at terms agreed between the parties during the financial year:

(a) Significant related party transactions during the financial year are as follows:

	Transaction value			
	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Transactions with subsidiary companies</b>				
Interest received and receivable	-	-	71,877	167,281
Interest paid and payable	-	-	17,523	10,704
Event service fee paid and payable	-	-	65	17
Dividend received and receivable	-	-	286,837	225,461
Staff secondment fee received and receivable	-	-	4,766	6,879
Group management fee paid and payable	-	-	164	9,613
Group management fee received and receivable	-	-	60,218	-
Rental paid and payable	-	-	7,621	-
<b>Transactions with associated companies</b>				
Dividend received and receivable	9,395	7,355	-	-
<b>Transactions with joint ventures</b>				
Management fee received and receivable	900	865	-	-
Interest received and receivable	6,533	3,831	452	515
Rental received and receivable	524	633	-	-
Rental paid and payable	61	75	-	-
Staff secondment fee received and receivable	334	440	112	123
Event and support service fee received and receivable	90	106	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 41. RELATED PARTY DISCLOSURES (CONT'D)

(a) Significant related party transactions during the financial year are as follows: (Cont'd)

	<-----Transaction value----->		<-----Outstanding balance----->	
	Group		Group	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<b>Transactions with Directors of the Company, members of their family and company in which they have interests</b>				
Professional services fees charged by:				
- Dato' Azmi Bin Mohd Ali	98	-	-	-
Sale of property to:				
- Noraini Binti Che Dan	-	455	-	-
- Dato' Halipah Binti Esa	-	1,284	-	-
- Dato' Azmi Bin Mohd Ali	1,376	-	-	-
- Philip Tan Puay Koon	4,673	-	-	-
<b>Transactions with Directors of subsidiary companies and close family members of the Directors</b>				
Sale of properties to:				
- Datuk Zaini Bin Yusoff	-	1,343	-	-
- Tan Siow Chung	996	-	-	-

**Transactions with shareholders and Government**

Permodalan Nasional Berhad ("PNB") and Amanahraya Trustees Berhad – Amanah Saham Bumiputera ("ATR-ASB"), both government-linked entities, are the substantial shareholders of the Company, with direct shareholding of 26.06% and 24.77% respectively (2020: 26.13% and 26.07%). PNB, ATR-ASB and entities directly controlled by PNB are collectively referred to as government-related entities to the Group and the Company.

The transactions entered into with these government-linked corporations have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 41. RELATED PARTY DISCLOSURES (CONT'D)

(b) Key management personnel remuneration

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
<i>Directors</i>				
Fees, salaries, bonuses and other emoluments	5,490	5,402	5,490	2,575
Estimated monetary value of benefits-in-kind	125	173	125	86
Share-based payment under the LTIP	233	417	233	-
Total short-term employee benefits	5,848	5,992	5,848	2,661
Post-employment benefits				
- EPF and social security cost	342	330	342	-
	6,190	6,322	6,190	2,661
<i>Other key management personnel</i>				
Fees, salaries, bonuses and other emoluments	10,095	11,212	3,961	-
Estimated monetary value of benefits-in-kind	241	455	25	-
Share-based payment under the LTIP	945	2,791	298	-
Total short-term employee benefits	11,281	14,458	4,284	-
Post-employment benefits				
- EPF and social security cost	1,186	1,278	476	-
	12,467	15,736	4,760	-
Total compensation	18,657	22,058	10,950	2,661

**Shares and share options granted to Directors and other key management personnel**

Neither ESGP nor ESOS were granted to the Company's Executive Directors and other key management personnel during the financial year (2020: 293,000 ESGP and 2,061,000 ESOS).

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 42. COMMITMENTS

## (a) Operating lease commitments

*The Group as lessor*

The Group leases out its investment properties to third parties under non-cancellable operating leases. These leases are with remaining lease period of 1 to 28 years (2020: 1 to 29 years) with the option to renew upon expiry. Certain of the leases include contingent rental arrangements computed based on sales achieved by tenants.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2021 RM'000	2020 RM'000
Not later than one year	61,049	70,828
Later than one year but not later than five years	92,604	106,366
Later than five years	340,671	349,974
	<b>494,324</b>	<b>527,168</b>

## (b) Other commitments

	Group	
	2021 RM'000	2020 RM'000
Contractual commitment for construction of investment properties	11,274	32,598
Contractual commitment for acquisition/construction of property, plant and equipment	88,056	79,884
	<b>99,330</b>	<b>112,482</b>

## 43. CONTINGENT LIABILITIES

Corporate Guarantees

	Group	
	2021 RM'000	2020 RM'000
Guarantees given to banks to secure banking facilities granted to subsidiary companies	7,532,697	7,344,099
Guarantees given to banks for performance bonds granted to subsidiary companies	117,610	145,220
Guarantees given to the suppliers of goods for credit terms granted to subsidiary companies	1,920	211
	<b>7,652,227</b>	<b>7,489,530</b>

As at reporting date, no values are ascribed for these guarantees and letters of undertaking provided by the Group and the Company to secure banking facilities described above as the Directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 44. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2021 Group	At 1 January RM'000	Cash flows RM'000	Foreign exchange movement RM'000	Others RM'000	At 31 December RM'000
Long term and short term borrowings excluding bank overdrafts	11,928,350	576,735	17,839	3,529	12,526,453
Unsecured advances	38,596	(3,743)	-	(18,838)	16,015
Redeemable cumulative preference shares	37,140	(1,734)	-	2,559	37,965
Lease liabilities	2,457	(1,258)	29	750	1,978
Total liabilities from financing activities	<b>12,006,543</b>	<b>570,000</b>	<b>17,868</b>	<b>(12,000)</b>	<b>12,582,411</b>
<b>Company</b>					
Long term and short term borrowings excluding bank overdrafts, representing total liabilities from financing activities	4,286,796	447,929	10,439	779	4,745,943

2020  
Group

Long term and short term borrowings excluding bank overdrafts	11,145,567	716,965	66,255	(437)	11,928,350
Unsecured advances	20,039	-	-	18,557	38,596
Redeemable cumulative preference shares	69,419	(1,272)	-	(31,007)	37,140
Lease liabilities	3,692	(1,288)	-	53	2,457
Total liabilities from financing activities	<b>11,238,717</b>	<b>714,405</b>	<b>66,255</b>	<b>(12,834)</b>	<b>12,006,543</b>

## Company

Long term and short term borrowings excluding bank overdrafts, representing total liabilities from financing activities	4,072,739	195,519	18,256	282	4,286,796
--	-----------	---------	--------	-----	-----------

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks, including interest rate risk, credit risk, foreign currency risk, liquidity and cash flow risks. The Group's and the Company's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group and the Company.

Financial risk management is carried out through risk review, internal control systems and adherence to the Group's and the Company's financial risk management policies. The Board regularly reviews these risks and approves the policies covering the management of these risks. The Group and the Company do not trade in derivative instruments.

## (a) Interest rate risk

The Group and the Company are exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

Surplus funds are placed in short-term funds and with licensed financial institutions to earn interest income based on prevailing market rates. The Group and the Company manage its interest rate risks by placing such funds on short tenures of 12 months or less.

The Group's and the Company's policy is to borrow principally on a floating rate basis. The Group and the Company do not generally hedge interest rate risks. The Group and the Company have a policy to ensure that interest rates obtained are competitive.

Sensitivity analysis for interest rate risk

The weighted average interest rate for bank borrowings of the Group and the Company are as follows:

	Group		Company	
	2021 %	2020 %	2021 %	2020 %
Weighted average interest rate	3.08	3.09	3.25	3.12

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group and the Company as at 31 December 2021. If interest rates were to increase or decrease by 50 basis points with all other variables held constant, the Group's and the Company's profit before tax would decrease or increase by RM40,776,000 and RM23,730,000 (2020: RM24,305,000 and RM21,434,000) respectively.

For those interest expense incurred and capitalised as part of the expenditure on property, plant and equipment under construction, investment property under construction, land held for property development and property development costs during the financial year, if the interest rates were to increase or decrease by 50 basis points with all other variables held constant, those assets of the Group would increase or decrease by RM17,790,000 (2020: RM33,035,000).

## (b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities.

The Group and the Company minimise and monitor its credit risk by dealing with creditworthy counter-parties and applying credit approval controls for material contracts. If necessary, the Group may obtain collaterals from counter-parties as a means of mitigating losses in the event of default.

In respect of trade receivables arising from the sale of development properties, the Group mitigates its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchasers or the purchasers' end-financiers.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

## (b) Credit risk (Cont'd)

At the reporting date, the Group did not have any significant concentration of credit risk that may arise from exposure to a single debtor or to group of debtors.

The ageing analysis of receivables which are trade in nature is disclosed in Note 17. Short-term funds, short-term deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable banks and financial institutions with high credit ratings and no history of default.

## (c) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group operates internationally and is exposed to various currencies, mainly Great British Pound, Australian Dollar, Singapore Dollar, Vietnamese Dong, United States Dollar, Chinese Yuan and Japanese Yen.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located. As at reporting date, the Group and the Company have entered into forward currency contracts with a nominal amount of GBP23,000,000 (equivalent to approximately RM129,600,000 (2020: Nil) to manage currency exposures in respect of investment in its foreign investee. The Group and the Company does not apply hedge accounting as at 31 December 2021.

The material unhedged financial assets/liabilities of the Group that are not denominated in their functional currencies are as follows:

	Balance denominated in	2021 RM'000	2020 RM'000
Functional currencies of the companies within the Group			
<u>Borrowings</u>			
Ringgit Malaysia	GBP	729,875	707,756
	AUD	1,116,150	599,382
Great British Pound	USD	140,460	102,111

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) before tax to a reasonably possible change in the GBP, AUD and USD exchange rates against the respective major functional currencies of the entities within the Group, with all other variables remaining constant:

(Decrease)/increase to		2021	2020
		RM'000	RM'000
		Profit before tax	Loss before tax
GBP/RM	strengthened by 10%	(72,988)	70,776
	weakened by 10%	72,988	(70,776)
AUD/RM	strengthened by 10%	(111,615)	59,938
	weakened by 10%	111,615	(59,938)
USD/GBP	strengthened by 10%	(14,046)	10,211
	weakened by 10%	14,046	(10,211)

The impact of sensitivity analysis of the rest of the foreign currencies is not material to the Group.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

## (d) Liquidity and cash flow risks

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet its financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group and the Company seek to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of its businesses, the Group and the Company always maintain sufficient credit lines available to meet their liquidity requirements while ensuring an effective working capital management within the Group and the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

2021 Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Financial liabilities:</b>				
Trade payables	1,495,050	-	-	1,495,050
Other payables and accruals	804,019	-	90,510	894,529
Amounts owing to related parties	516	-	-	516
Borrowings	3,515,401	8,668,617	1,633,823	13,817,841
Lease liabilities	1,221	850	-	2,071
Redeemable cumulative preference shares	1,734	41,886	-	43,620
Total undiscounted financial liabilities	5,817,941	8,711,353	1,724,333	16,253,627
<b>Company</b>				
<b>Financial liabilities:</b>				
Amounts owing to subsidiary companies	681,797	-	-	681,797
Other payables and accruals	24,182	-	-	24,182
Borrowings	1,445,748	3,345,564	319,332	5,110,644
Total undiscounted financial liabilities	2,151,727	3,345,564	319,332	5,816,623

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

## (d) Liquidity and cash flow risks (Cont'd)

2020 Group Restated	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
<b>Financial liabilities:</b>				
Trade payables	1,495,462	-	-	1,495,462
Other payables and accruals	760,348	10,000	90,510	860,858
Amounts owing to related parties	1,012	-	-	1,012
Borrowings	2,877,162	8,743,122	1,467,068	13,087,352
Lease liabilities	1,378	1,215	-	2,593
Redeemable cumulative preference shares	1,734	25,836	17,784	45,354
Total undiscounted financial liabilities	5,137,096	8,780,173	1,575,362	15,492,631
<b>Company</b>				
<b>Financial liabilities:</b>				
Amounts owing to subsidiary companies	609,746	-	-	609,746
Other payables and accruals	14,528	-	-	14,528
Borrowings	1,493,778	3,035,262	-	4,529,040
Total undiscounted financial liabilities	2,118,052	3,035,262	-	5,153,314

## 46. FINANCIAL INSTRUMENT

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The principal accounting policies in Note 1 describe how the classes of financial instruments are measured, and how income and expense, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

2021 Group	At amortised cost RM'000	At fair value through profit or loss RM'000	Total RM'000
<b>Financial assets:</b>			
Other investments	-	96	96
Other receivables and deposits	186,013	-	186,013
Trade receivables	803,532	-	803,532
Amounts owing by joint ventures	154,299	-	154,299
Amounts owing by associated companies	2,464	-	2,464
Amounts owing by related parties	276	-	276
Short-term funds	-	1,401,604	1,401,604
Short-term deposits	206,190	-	206,190
Cash and bank balances	1,463,422	-	1,463,422
Total financial assets	2,816,196	1,401,700	4,217,896

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 46. FINANCIAL INSTRUMENT (CONT'D)

2021 Group	At amortised cost RM'000	At fair value through profit or loss RM'000	Total RM'000
<b>Financial liabilities:</b>			
Trade payables	1,495,050	-	1,495,050
Other payables and accruals	865,869	-	865,869
Amounts owing to related parties	516	-	516
Long-term borrowings	9,308,641	-	9,308,641
Short-term borrowings	3,247,231	-	3,247,231
Long-term lease liabilities	823	-	823
Short-term lease liabilities	1,155	-	1,155
Redeemable cumulative preference shares	37,965	-	37,965
Total financial liabilities	14,957,250	-	14,957,250

2020 Group Restated	At amortised cost RM'000	At fair value through profit or loss RM'000	Total RM'000
<b>Financial assets:</b>			
Other investments	-	96	96
Other receivables and deposits	170,375	-	170,375
Trade receivables	878,327	-	878,327
Amounts owing by joint ventures	152,374	-	152,374
Amounts owing by associated companies	4,336	-	4,336
Amounts owing by related parties	458	-	458
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
Total financial assets	2,639,411	1,485,791	4,125,202

<b>Financial liabilities:</b>			
Trade payables	1,495,462	-	1,495,462
Other payables and accruals	829,147	-	829,147
Amounts owing to related parties	1,012	-	1,012
Long-term borrowings	9,357,935	-	9,357,935
Short-term borrowings	2,583,271	-	2,583,271
Long-term lease liabilities	1,167	-	1,167
Short-term lease liabilities	1,290	-	1,290
Redeemable cumulative preference shares	37,140	-	37,140
Total financial liabilities	14,306,424	-	14,306,424

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 46. FINANCIAL INSTRUMENT (CONT'D)

2021 Company	At amortised cost RM'000	At fair value through profit or loss RM'000	Total RM'000
<b>Financial assets:</b>			
Other receivables and deposits	1,883	-	1,883
Amounts owing by subsidiary companies	3,616,662	-	3,616,662
Amounts owing by joint ventures	59,179	-	59,179
Short-term funds	-	304,467	304,467
Short-term deposits	86,875	-	86,875
Cash and bank balances	141,669	-	141,669
Total financial assets	3,906,268	304,467	4,210,735

<b>Financial liabilities:</b>			
Amounts owing to subsidiary companies	681,797	-	681,797
Other payables and accruals	24,182	-	24,182
Long-term borrowings	3,388,146	-	3,388,146
Short-term borrowings	1,357,797	-	1,357,797
Total financial liabilities	5,451,922	-	5,451,922

2020 Company	At amortised cost RM'000	At fair value through profit or loss RM'000	Total RM'000
<b>Financial assets:</b>			
Other receivables and deposits	1,883	-	1,883
Amounts owing by subsidiary companies	6,124,778	-	6,124,778
Amounts owing by joint ventures	58,836	-	58,836
Amounts owing by associated companies	647	-	647
Short-term funds	-	781,020	781,020
Cash and bank balances	75,199	-	75,199
Total financial assets	6,261,343	781,020	7,042,363

<b>Financial liabilities:</b>			
Amounts owing to subsidiary companies	609,746	-	609,746
Other payables and accruals	14,528	-	14,528
Long-term borrowings	2,853,431	-	2,853,431
Short-term borrowings	1,436,403	-	1,436,403
Total financial liabilities	4,914,108	-	4,914,108

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 47. FAIR VALUE MEASUREMENT

The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

## (a) Non-financial assets that are measured at fair value

- (i) The table below analyses the Group's and the Company's non-financial assets measured at fair value at the reporting date, according to the levels in the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<u>Investment Properties</u>				
<b>Group</b>				
<b>2021</b>				
Commercial properties	-	20,037	1,932,765	1,952,802
<b>2020</b>				
Commercial properties	-	43,965	1,922,843	1,966,808
<b>Company</b>				
<b>2021</b>				
Commercial properties	-	-	3,438	3,438
<b>2020</b>				
Commercial properties	-	-	3,438	3,438
<u>Right-of-use - Investment Properties</u>				
<b>Group</b>				
<b>2021</b>				
Commercial properties	-	-	46,940	46,940
<b>2020</b>				
Commercial properties	-	-	69,054	69,054

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 47. FAIR VALUE MEASUREMENT (CONT'D)

## (a) Non-financial assets that are measured at fair value (Cont'd)

(ii) Description of valuation techniques used and key inputs to valuation on non-financial assets

The fair value of the investment properties was substantially arrived at via valuations performed by certified external valuers based on the following valuation techniques depending on the location and types of properties:

## (a) Comparison method

The market comparison approach is a method whereby the property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. Investment properties valued under the comparison method, with insignificant adjustments factors, are categorised as Level 2 in the fair value hierarchy. Certain other investment properties valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors") are categorised as Level 3 in the fair value hierarchy.

## (b) Investment method

The investment method entails determining the net annual income by deducting the annual ongongings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of the investment to arrive at the market value of the subject property.

The investment properties valued using this method is categorised as Level 3 in the fair value hierarchy.

## (c) Comparison/Depreciable Replacement Cost method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in the surrounding areas with appropriate adjustments made for differences in the relevant characteristics of the land. Completed buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar buildings in terms of size, construction, finishes, contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

The investment properties valued using this method is categorised as Level 3 in the fair value hierarchy.

Description of valuation techniques used and key inputs to valuation on investment properties are as below:

	Valuation techniques	Significant unobservable inputs	Range
Land	Comparison method	Adjustment factors to prices of comparable properties	-50% to 30%
Building	Investment method	Estimated rental value per square foot per month	RM2.00 to RM40.00
		Capitalisation/Discount rate	4.75% to 8.00%
		Void allowance	5.00% to 10.00%
Building	Depreciable replacement cost method	Construction cost per square foot Depreciation rate	RM110.00 to RM542.00 1% to 55%

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 47. FAIR VALUE MEASUREMENT (CONT'D)

(a) Non-financial assets that are measured at fair value (Cont'd)

(iii) Fair value reconciliation of non-financial assets measured at Level 3

## Investment Properties

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At beginning of the year	1,922,843	1,910,774	3,438	3,243
Additions	7	33,035	-	-
Disposals	(2,800)	(8,340)	-	-
Transfer from property, plant and equipment (see Note 2)	6,119	-	-	-
Transfer from inventory	6,620	-	-	-
Changes in fair value	(24)	(12,626)	-	195
At end of the year	1,932,765	1,922,843	3,438	3,438

## Right-of-use - Investment Properties

Refer to fair value reconciliation disclosed in Note 5.

(b) Financial instruments that are measured or disclosed at fair value

The carrying amounts and fair values of the non-current financial assets and liabilities of the Group and the Company at the reporting date are as follows:

	Group			Company		
	Carrying amount RM'000	Fair Value RM'000 Level 2	Fair Value RM'000 Level 3	Carrying amount RM'000	Fair Value RM'000 Level 2	Fair Value RM'000 Level 3
<b>2021</b>						
<b>Financial assets:</b>						
Other investments	96	-	96 <sup>^</sup>	-	-	-
Amounts owing by subsidiary companies	-	-	-	1,769,088	-	#
Amounts owing by joint ventures	69,785	-	#	-	-	-
Trade receivables	64,891	-	#	-	-	-
<b>Financial liabilities:</b>						
Redeemable cumulative preference shares	37,965	-	38,936	-	-	-
Other payables and accruals	61,850	-	#	-	-	-
Floating rate long term borrowings	8,511,406	*	-	2,590,911	*	-
Fixed rate long term borrowings	797,235	-	+	797,235	-	+
Lease liabilities	823	-	#	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 47. FAIR VALUE MEASUREMENT (CONT'D)

(b) Financial instruments that are measured or disclosed at fair value (Cont'd)

	Group			Company		
	Carrying amount RM'000	Fair Value RM'000 Level 2	Fair Value RM'000 Level 3	Carrying amount RM'000	Fair Value RM'000 Level 2	Fair Value RM'000 Level 3
<b>2020</b>						
<b>Financial assets:</b>						
Other investments	96	-	96 <sup>^</sup>	-	-	-
Amounts owing by subsidiary companies	-	-	-	4,899,505	-	#
Amounts owing by joint ventures	69,785	-	#	-	-	-
Trade receivables	28,824	-	#	-	-	-
<b>Financial liabilities:</b>						
Redeemable cumulative preference shares	37,140	-	37,493	-	-	-
Other payables and accruals	69,267	-	#	-	-	-
Floating rate long term borrowings	9,357,935	*	-	2,853,431	*	-
Lease liabilities	1,167	-	#	-	-	-

\* The carrying amounts are reasonable approximation of fair values because they are floating rate instruments which are repriced to market interest rates at regular intervals.

+ The carrying amounts are reasonable approximation of fair values because the fixed rate instruments are discounted at interest rates that approximates market interest rates of similar instruments.

# The carrying amounts are reasonable approximation of fair value.

<sup>^</sup> Other investments are measured at fair value through profit or loss.

The short-term funds of the Group and the Company are measured at fair value through profit or loss.

The carrying amounts of all other financial assets and liabilities of the Group and the Company at the reporting date approximated or were at their fair values due either to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date. The fair values of the financial assets and financial liabilities above are determined using discounted cash flow method. The most significant input being the discount rate that reflects the credit risk of the counterparties.

There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 48. CAPITAL MANAGEMENT

The primary objectives of the Group's and the Company's capital management are to ensure that it maintains a strong capital base and healthy capital ratios in order to support its existing business operations and enable future development of the businesses as well as maximise shareholders' value.

The capital structure of the Group and the Company consists of equity attributable to the shareholders of the Company (i.e. share capital, RCPS-i A, RCPS-i B, reserves and retained earnings), and total debts, which include borrowings.

Management reviews and manages the capital structure regularly and makes adjustments to address changes in the economic environment and risk characteristics inherent in its business operations. These initiatives may include equity capital raising exercises and adjustments to the amount of dividends distributed to shareholders. No changes were made in the objectives, policies and processes during the financial year ended 31 December 2021 and 31 December 2020.

	Note	Group		Company	
		2021 RM'000	2020 RM'000 Restated	2021 RM'000	2020 RM'000
<b>Debt:</b>					
Redeemable cumulative preference shares	27	37,965	37,140	-	-
Long-term borrowings	29	9,308,641	9,357,935	3,388,146	2,853,431
Short-term borrowings	29	3,247,231	2,583,271	1,357,797	1,436,403
		<b>12,593,837</b>	11,978,346	<b>4,745,943</b>	4,289,834
<b>Short-term funds and deposits, cash and bank balances:</b>					
Short-term funds	21	1,401,604	1,485,695	304,467	781,020
Short-term deposits	22	206,190	208,725	86,875	-
Cash and bank balances	23	1,463,422	1,224,816	141,669	75,199
		<b>3,071,216</b>	2,919,236	<b>533,011</b>	856,219
<b>Net debt</b>		<b>(9,522,621)</b>	(9,059,110)	<b>(4,212,932)</b>	(3,433,615)
<b>Total equity</b>		<b>15,631,739</b>	15,399,609	<b>11,228,976</b>	11,283,494
<b>Gross gearing ratio</b>		<b>0.81</b>	0.78	<b>0.42</b>	0.38
<b>Net gearing ratio</b>		<b>0.61</b>	0.59	<b>0.38</b>	0.30

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 49. SEGMENTAL ANALYSIS

Primary reporting format - business segment

The operations of the Group are primarily organised into three main segments:

- (i) Property development - Property development
- (ii) Construction - Building construction
- (iii) Others - Manufacturing, trading and investing

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

The operations of the Group are primarily carried out in Malaysia. Group income taxes are presented on a group basis and are not allocated to operating segments.

(a) Segment results

	Property Development RM'000	Construction RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
<b>2021</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	<b>3,751,344</b>	<b>232,059</b>	<b>204,228</b>	<b>(424,883)</b>	<b>3,762,748</b>
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	<b>612,208</b>	<b>(38,932)</b>	<b>(30,812)</b>	-	<b>542,464</b>
Taxation					(195,119)
Profit for the year					<b>347,345</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 49. SEGMENTAL ANALYSIS (CONT'D)

(a) Segment results (Cont'd)

2020 Restated	Property Development RM'000	Construction RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	3,047,272	26,094	154,751	-	3,228,117
Inter-segment revenue	142,492	284,091	26,323	(452,906)	-
Total revenue	3,189,764	310,185	181,074	(452,906)	3,228,117
Gross profit/(loss)	717,470	(21,031)	(99)	-	696,340
Other income	143,958	538	8,551	-	153,047
Operating expenses	(382,619)	(7,523)	(32,620)	-	(422,762)
Share of results of joint ventures	(377,708)	-	5,158	-	(372,550)
Share of results of associated companies	1,097	-	-	-	1,097
Finance costs	(185,195)	(2,333)	(24,160)	-	(211,688)
Loss before tax	(82,997)	(30,349)	(43,170)	-	(156,516)
Taxation					(88,029)
Loss for the year					(244,545)

(b) Segment assets, liabilities and other information

2021	Property Development RM'000	Construction RM'000	Others RM'000	Consolidated RM'000
Segment assets	24,804,766	32,717	1,959,745	26,797,228
Investments in joint ventures	3,241,134	-	214,051	3,455,185
Investments in associated companies	565,362	-	-	565,362
Current and deferred tax assets				366,605
Consolidated total assets				31,184,380
Segment liabilities	8,217,898	150,079	6,708,548	15,076,525
Current and deferred tax liabilities				476,116
Consolidated total liabilities				15,552,641
Additions to non-current assets* (other than financial instruments and deferred tax assets)	583,738	899	27,810	612,447
Interest income	63,234	184	1,885	65,303
Depreciation and amortisation	(25,004)	(47)	(5,285)	(30,336)
Other material non-cash items	(8,570)	(737)	(33,080)	(42,387)

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 49. SEGMENTAL ANALYSIS (CONT'D)

(b) Segment assets, liabilities and other information (Cont'd)

2020 Restated	Property Development RM'000	Construction RM'000	Others RM'000	Consolidated RM'000
Segment assets	24,320,145	55,780	2,296,645	26,672,570
Investments in joint ventures	2,522,279	-	181,423	2,703,702
Investments in associated companies	559,857	-	-	559,857
Current and deferred tax assets				414,655
Consolidated total assets				30,350,784
Segment liabilities	8,318,354	183,547	5,956,990	14,458,891
Current and deferred tax liabilities				492,284
Consolidated total liabilities				14,951,175
Additions to non-current assets* (other than financial instruments and deferred tax assets)	771,343	346	60,016	831,705
Interest income	73,388	122	2,472	75,982
Depreciation and amortisation	(23,808)	(77)	(6,338)	(30,223)
Other material non-cash items	(169,897)	(2,024)	(12,105)	(184,026)

\* Non-current assets comprise property, plant and equipment, right-of-use - property, plant and equipment, investment properties, right of use - investment properties, intangible asset and inventory - land held for property development.

(c) Segment by geographical location

Revenue and non-current assets other than financial instruments and deferred tax assets, by location of the Group's operations are analysed as follows:

	Revenue		Non-current assets (other than financial instruments and deferred tax assets)	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Malaysia	2,993,316	2,886,835	16,191,000	16,220,151
Singapore	620,041	224,281	1,480	2,320
Australia	38,794	93,036	30,709	55,402
Vietnam	110,597	23,965	106,544	104,716
United Kingdom	-	-	3,071,584	2,366,471
Japan	-	-	67,823	72,095
	3,762,748	3,228,117	19,469,140	18,821,155

(d) Information about major customers

There is no significant concentration of revenue from any major customers as the Group mainly sells its development properties to individual end purchasers.

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 50. SIGNIFICANT EVENT SUBSEQUENT TO THE FINANCIAL YEAR END

Setia A' Beckett (Melbourne) Pty Ltd, is a wholly owned subsidiary of S P Setia Berhad and is currently developing the 65-storey UNO Residential Tower project ("UNO Development") in Melbourne, Australia. Probuild Constructions (Aust) Pty Ltd ("Probuild") was appointed as the main contractor for this development. On 23 February 2022, Probuild was notified that its South African ultimate parent company, Wilson Bayly Holmes-Ovcon Limited, would no longer provide financial assistance to Probuild. This has subsequently led to the commencement of voluntary administration arrangement and the appointment of Deloitte Australia as the administrator to oversee all Probuild's construction projects in Australia, which includes the UNO Development.

Whilst the site works have been temporarily halted, the Group expects that this would recommence in due course. Presently, the Group has assessed that the UNO Development is approximately four weeks ahead of its construction schedule. The Group considers that based on all known facts and circumstances, the UNO Development will not be materially impacted at this juncture. As at the date of the financial statements, the Group continues to monitor the situation in Probuild. This is considered a non-adjusting event and hence no adjustments have been made to the financial statements for the current year ended 31 December 2021.

## 51. CHANGE IN ACCOUNTING POLICY, PRIOR YEAR ADJUSTMENT AND CHANGES IN COMPARATIVES

In the current financial year, the Group has effected the following change in accounting policy and prior year adjustment:

- (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 changes in accounting policy and prior year adjustment and the change in certain comparative amounts to conform to the current year's financial statements presentation of the Group are as follows:

Statement of Financial Position  
As at 1 January 2020

Group	As previously stated RM'000	Adjustment (a) RM'000	Adjustment (b) RM'000	As restated RM'000
<b>Non-current assets</b>				
Property, plant and equipment	639,630	-	-	639,630
Right-of-use - property, plant and equipment	3,613	-	-	3,613
Investment properties	2,006,439	-	-	2,006,439
Right-of-use - investment properties	75,853	-	-	75,853
Inventories - land held for property development	12,315,617	-	-	12,315,617
Intangible asset	14,089	-	-	14,089
Investments in joint ventures	2,979,178	-	-	2,979,178
Investments in associated companies	560,090	-	-	560,090
Other investments	96	-	-	96
Amounts owing by joint ventures	69,785	-	-	69,785
Trade receivables	30,249	-	-	30,249
Other receivables, deposits and prepayments	66,017	-	-	66,017
Deferred tax assets	256,074	5,894	-	261,968
	19,016,730	5,894	-	19,022,624

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 51. CHANGE IN ACCOUNTING POLICY, PRIOR YEAR ADJUSTMENT AND CHANGES IN COMPARATIVES (CONT'D)

Statement of Financial Position  
As at 1 January 2020 (Cont'd)

Group	As previously stated RM'000	Adjustment (a) RM'000	Adjustment (b) RM'000	As restated RM'000
<b>Current assets</b>				
Trade receivables	722,003	-	-	722,003
Contract assets	1,077,886	-	-	1,077,886
Other receivables, deposits and prepayments	212,277	-	-	212,277
Inventories - property development costs	3,072,270	(35,635)	-	3,036,635
Inventories - completed properties and others	1,469,217	(19,767)	-	1,449,450
Contract cost assets	1,196,405	20,217	-	1,216,622
Amounts owing by joint ventures	85,104	-	-	85,104
Amounts owing by associated companies	590	-	-	590
Amounts owing by related parties	930	-	-	930
Current tax assets	69,421	-	-	69,421
Short-term funds	1,676,226	-	-	1,676,226
Short-term deposits	179,503	-	-	179,503
Cash and bank balances	1,204,348	-	-	1,204,348
	10,966,180	(35,185)	-	10,930,995
<b>Total assets</b>	29,982,910	(29,291)	-	29,953,619
<b>Equity</b>				
Share capital	8,432,321	-	-	8,432,321
Share capital - RCPS-i A	1,087,363	-	-	1,087,363
Share capital - RCPS-i B	1,035,304	-	-	1,035,304
Share based payment reserve	144,721	-	-	144,721
Reserve on acquisition arising from common control	(1,295,884)	-	-	(1,295,884)
Exchange translation reserve	(27,162)	(5)	-	(27,167)
Retained earnings	4,912,727	(25,928)	85,237	4,972,036
Equity attributable to owners of the Company	14,289,390	(25,933)	85,237	14,348,694
Non-controlling interests	1,432,647	(1,052)	861	1,432,456
<b>Total equity</b>	15,722,037	(26,985)	86,098	15,781,150
<b>Non-current liabilities</b>				
Redeemable cumulative preference shares	37,006	-	-	37,006
Other payables and accruals	90,874	-	-	90,874
Long-term borrowings	8,838,769	-	-	8,838,769
Lease liabilities	2,404	-	-	2,404
Deferred tax liabilities	455,575	(2,306)	-	453,269
	9,424,628	(2,306)	-	9,422,322

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 51. CHANGE IN ACCOUNTING POLICY, PRIOR YEAR ADJUSTMENT AND CHANGES IN COMPARATIVES (CONT'D)

Statement of Financial Position  
As at 1 January 2020 (Cont'd)

Group	As previously stated RM'000	Adjustment (a) RM'000	Adjustment (b) RM'000	As restated RM'000
<b>Current liabilities</b>				
Redeemable cumulative preference shares	32,413	-	-	32,413
Trade payables	1,592,878	-	(86,098)	1,506,780
Contract liabilities	158,966	-	-	158,966
Other payables and accruals	688,592	-	-	688,592
Short-term borrowings	2,330,399	-	-	2,330,399
Lease liabilities	1,288	-	-	1,288
Current tax liabilities	30,591	-	-	30,591
Amounts owing to related parties	1,118	-	-	1,118
	4,836,245	-	(86,098)	4,750,147
<b>Total liabilities</b>	14,260,873	(2,306)	(86,098)	14,172,469
<b>Total equity and liabilities</b>	29,982,910	(29,291)	-	29,953,619

Statement of Financial Position  
As at 31 December 2020

<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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 51. CHANGE IN ACCOUNTING POLICY, PRIOR YEAR ADJUSTMENT AND CHANGES IN COMPARATIVES (CONT'D)

Statement of Financial Position  
As at 31 December 2020 (Cont'd)

Group	As previously stated RM'000	Adjustment (a) RM'000	Adjustment (b) RM'000	As restated RM'000
<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>	30,380,559	(29,775)	-	30,350,784
<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
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	(25,649)	85,237	4,478,816
Equity attributable to owners of the Company	13,921,640	(25,635)	85,237	13,981,242
Non-controlling interests	1,418,860	(1,354)	861	1,418,367
<b>Total equity</b>	15,340,500	(26,989)	86,098	15,399,609
<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

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 51. CHANGE IN ACCOUNTING POLICY, PRIOR YEAR ADJUSTMENT AND CHANGES IN COMPARATIVES (CONT'D)

Statement of Financial Position  
As at 31 December 2020 (Cont'd)

Group	As previously stated RM'000	Adjustment (a) RM'000	Adjustment (b) RM'000	As restated RM'000
<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>	15,040,059	(2,786)	(86,098)	14,951,175
<b>Total equity and liabilities</b>	30,380,559	(29,775)	-	30,350,784

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

Group	As previously stated RM'000	Adjustment (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
<b>Total comprehensive loss for the year</b>	<b>(142,361)</b>	<b>(4)</b>	<b>(142,365)</b>

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

## 51. CHANGE IN ACCOUNTING POLICY, PRIOR YEAR ADJUSTMENT AND CHANGES IN COMPARATIVES (CONT'D)

Statement of Comprehensive Income  
For the financial year ended 31 December 2020 (Cont'd)

Group	As previously stated RM'000	Adjustment (a) RM'000	As restated RM'000
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:	(218,836)	298	(218,538)
Owners of the Company	76,475	(302)	76,173
Non-controlling interests	(142,361)	(4)	(142,365)

## 52. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 28 February 2022 by the Board of Directors.

## STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT, 2016

We, Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail and Datuk Choong Kai Wai, being two of the Directors of S P Setia Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 218 to 339 are drawn up in accordance with the Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a Directors' resolution dated 28 February 2022

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

**DATUK CHOONG KAI WAI**  
Director

Shah Alam, Malaysia

## STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT, 2016

I, Datuk Choy Kah Yew, being the officer primarily responsible for the financial management of S P Setia Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 218 to 339 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by )  
the abovenamed Datuk Choy Kah Yew )  
at Shah Alam )  
on 28 February 2022 )  
)  
)  
)

**DATUK CHOY KAH YEW**  
[MIA 10950]

Before me:

Commissioner for Oaths

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF S P SETIA BERHAD (INCORPORATED IN MALAYSIA)

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### Opinion

We have audited the financial statements of S P Setia Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 218 to 339.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

#### Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

#### Key audit matters in respect of the financial statements of the Group

##### (a) Revenue and cost of sales from property development activities recognised on percentage of completion method

For the financial year ended 31 December 2021, revenue of RM3,577.11 million and cost of sales of RM2,552.43 million from property development activities account for approximately 95% and 93% of the total Group's revenue and cost of sales respectively.

Where the Group uses percentage of completion method to recognise revenue and profit from its property development activities, the amount of revenue and profit recognised are dependent on, amongst others, the extent of costs incurred to the total estimated costs of construction to derive at the percentage of completion, the actual sales value of units sold and the estimated total revenue for each of the respective projects.

We identified revenue and cost of sales recognised on percentage of completion method or over time from property development activities as matters requiring audit focus as these areas involved significant management's judgement and estimates in estimating the total property development costs (which is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group).

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF S P SETIA BERHAD (INCORPORATED IN MALAYSIA)

**Key Audit Matters (cont'd)****Key audit matters in respect of the financial statements of the Group (Cont'd)****(a) Revenue and cost of sales from property development activities recognised on percentage of completion method (Cont'd)**

In assessing the appropriateness of the extent of costs incurred, total estimated costs of construction and total estimated revenue collectively, we have:

- Obtained an understanding of the process in deriving the stage of completion which includes verifying the certified work done such as examining the progress claims from contractors, architect certification, and performing site visits on a sampling basis;
- Evaluated the assumptions applied in estimating the property development costs for property development phases on a sampling basis by examining documentary evidence such as letter of award issued to contractors and for amount not contracted for to consider the historical accuracy of management's forecasts for the similar property development projects to support the budgeted costs;
- Verified the gross development value against the signed sales and purchase agreements and estimated selling prices of unsold development to transacted selling price on sampling basis;
- Considered the expected handover date of ongoing development projects on a sampling basis to determine the adequacy of provision for liquidated ascertained damages, if any; and
- Checked the mathematical accuracy of the revenue and profit based on the percentage of completion calculations and considered the implications of identified errors and changes in estimates.

The Group's accounting policies and disclosures on property development activities based on percentage of completion method are disclosed in Notes 1(b)(ii), 1(t)(i), 6, 32 and 33 respectively to the financial statements.

**(b) Net realisable value of completed properties**

As at 31 December 2021, the carrying amount of completed properties stood at RM1,034.7 million, which represents 9% of the Group's total current assets. Completed properties are classified as inventories and are carried at the lower of cost or net realisable value. Management's annual assessment of realisable value of completed properties is significant to our audit because it is based on assumptions that are affected by expected future market and economic conditions as well as the saleable condition of the property units which are slow moving, for which significant judgement is required.

Our procedures in relation to management assessment of the net realisable value of completed properties include:

- Comparing the recent transacted prices of comparable completed properties, after taking into consideration the discount given. We focused our evaluation on those completed properties that are slow moving;
- Evaluated the appropriateness of the data used by the management as input into their determination of net realizable value. We interviewed the management, discussed and challenged the significant estimates and assumptions applied in their determination of net realizable value; and
- Physical sighting of completed properties on a sampling basis and assessed the related cost of maintenance to determine any potential write down due to physical obsolescence.

The Group's accounting policies and disclosures on completed properties are disclosed in Notes 1(b)(ii), 1(k) and 6 respectively to the financial statements.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF S P SETIA BERHAD (INCORPORATED IN MALAYSIA)

**Key Audit Matters (cont'd)****Key audit matters in respect of the financial statements of the Group (Cont'd)****(c) Valuation of investment properties**

As at 31 December 2021, the carrying amount of investment properties amounted to RM2,093.43 million, representing approximately 11% and 7% of the Group's total non-current assets and total assets respectively. The Group had recognised a net fair value loss on its investment properties of RM22.14 million during the financial year.

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge, estimated rental value per square foot, expected market rental growth, yield rate, outgoings rate, void rate, reversion rate and discount rate.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant judgement and estimates that are highly subjective.

Our procedures to address this area of focus include, amongst others, the following:

- Assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;
- As part of our evaluations of the fair values of investment properties, we had discussions with the independent valuers to obtain an understanding of their valuation process which included assessment of the comparability of historical transactions used and property related data used as input to the valuation models;
- We obtained an understanding of the adjustments factors made by the valuers to account for differences in, amongst others, the occupancy rate, property's location, property's size, the physical conditions of the subject property, tenure between the subject property and the comparable properties, and where applicable, the estimated construction costs to erect equivalent buildings;
- We also assessed whether the capitalisation rate used in the valuation models reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and
- Reviewed the methodology adopted by the independent valuers in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry.

The Group's accounting policies and disclosures on investment properties are disclosed in Notes 1(b)(ii), 1(g), 4 respectively to the financial statements.

**Key audit matter in respect of the financial statements of the Company****(d) Impairment assessment of investment in subsidiary companies**

As at 31 December 2021, the carrying amount of the investment in subsidiary companies of the Company amounted to RM12,324.24 million, representing 87% and 74% of the Company's total non-current assets and total assets respectively. The Company had recognised impairment loss of investment in subsidiaries of RM87.18 million during the financial year.

At the reporting date, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective cash generating units ("CGU"s) based on their fair value less cost to sell or their respective value-in-use ("VIU") whichever is higher. Estimating the recoverable amounts based on VIU involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGU and discounting them at the appropriate rate. The cash flow forecasts included a number of significant judgements and estimates such as the timing of project launches and sales, product pricing and costing, and discount rate.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF S P SETIA BERHAD (INCORPORATED IN MALAYSIA)

**Key Audit Matters (cont'd)****Key audit matter in respect of the financial statements of the Company (cont'd)****(d) Impairment assessment of investment in subsidiary companies (cont'd)**

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management's judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the investment in subsidiary companies.

Our procedures to address this area of focus included, amongst others, the following:

- Obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- Evaluated the appropriateness of the methodology and approach applied;
- For impairment assessment based on VIU, we have:
  - Checked the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy; and
  - Evaluated whether key assumptions which comprised the timing of project launches and sales, product pricing and costing, and discount rate were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of the economic growth.
- For impairment assessment based on fair value less cost to sell, where applicable, we have:
  - Where applicable, if the management obtain valuation reports provided by independent valuers, assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;
  - Reviewed the methodology adopted in estimating the fair value of the assets and assessed whether such methodology is consistent with those used in the industry; and
  - Evaluated the appropriateness of the data used as input of the valuations. We interviewed the management or independent valuers where applicable, discussed and challenged the significant estimates and assumptions applied in their valuation process
- Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amount.

We also reviewed and assessed the Company's disclosures relating to the impairment of assessment of investment in subsidiary companies in Note 1(b)(ii), 1(p) and 8.

**Information other than the financial statements and auditors' report thereon**

The directors of the Company are responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF S P SETIA BERHAD (INCORPORATED IN MALAYSIA)

**Information other than the financial statements and auditors' report thereon (Cont'd)**

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

**Responsibilities of the directors for the financial statements**

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

## INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF S P SETIA BERHAD (INCORPORATED IN MALAYSIA)

**Auditors' responsibilities for the audit of the financial statements (cont'd)**

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statement.

**Other matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT  
202006000003 (LLP0022760-LCA) & AF 0039  
Chartered Accountants

Kuala Lumpur, Malaysia  
28 February 2022

Elina Chan Su Yin  
No. 03508/07/2022 J  
Chartered Accountant

**ANALYSIS OF SHAREHOLDINGS**

AS AT 17 FEBRUARY 2022

Issued and Paid-Up Share Capital	:	RM10,572,050,858.55 divided into 4,068,003,866 ordinary shares ("Ordinary Shares") and 1,088,657,886 Islamic redeemable convertible preference shares ("RCPS-i-A") and 1,176,383,600 Class B Islamic redeemable convertible preference shares ("RCPS-i B")
Class of Shares	:	Ordinary Shares, RCPS-i A and RCPS-i B
Voting Rights	:	One Vote per Ordinary Share or RCPS-i A or RCPS-i B

**DISTRIBUTION OF SHAREHOLDINGS OF ORDINARY SHARES**

Size of Shareholdings	No. of Ordinary Shareholders	%	No. of Ordinary Shares	%
less than 100	1,240	10.94	46,198	0.00
101 - 1,000	2,075	18.30	1,221,229	0.03
1,001 - 10,000	5,117	45.14	22,583,313	0.56
10,001 - 100,000	2,302	20.31	75,019,776	1.84
100,001 to less than 5% of issued shares	599	5.28	1,544,104,280	37.96
5% and above of issued shares	3	0.03	2,425,029,070	59.61
<b>Total</b>	<b>11,336</b>	<b>100.00</b>	<b>4,068,003,866</b>	<b>100.00</b>

**LIST OF THIRTY LARGEST SHAREHOLDERS**

Name of Ordinary Shareholders	No. of Ordinary Shares	%
1. Permodalan Nasional Berhad	1,060,092,558	26.06
2. Amanahraya Trustees Berhad Amanah Saham Bumiputera	1,007,602,404	24.77
3. Kumpulan Wang Persaraan (Diperbadankan)	357,334,108	8.78
4. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	169,011,978	4.15
5. Amanahraya Trustees Berhad Amanah Saham Malaysia	150,785,827	3.71
6. Amanahraya Trustees Berhad Amanah Saham Malaysia 3	101,501,763	2.50
7. Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	74,901,886	1.84
8. Amanahraya Trustees Berhad Public Ittikal Sequel Fund	45,974,333	1.13
9. Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	44,926,792	1.10
10. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	43,800,000	1.08
11. Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	41,526,059	1.02
12. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Long Value Fund	37,500,000	0.92
13. Cartaban Nominees (Tempatan) Sdn Bhd PAMB For Prulink Equity Fund	34,335,542	0.84
14. Citigroup Nominees (Asing) Sdn Bhd CBNY For Norges Bank (FI 17)	21,759,200	0.53

ANALYSIS OF  
SHAREHOLDINGS

AS AT 17 FEBRUARY 2022

## LIST OF THIRTY LARGEST SHAREHOLDERS (CONT'D)

Name of Ordinary Shareholders	No. of Ordinary Shares	%
15. Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	21,395,133	0.53
16. Cartaban Nominees (Asing) Sdn Bhd Exempt AN For State Street Bank & Trust Company (West CLT OD67)	21,271,600	0.52
17. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AsianIslamic)	19,131,100	0.47
18. DB (Malaysia) Nominee (Tempatan) Sendirian Berhad Deutsche Trustees Malaysia Berhad for Hong Leong Balanced Fund	18,453,000	0.45
19. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 19)	17,605,200	0.43
20. HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	17,561,845	0.43
21. Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 14)	17,349,500	0.43
22. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (AHAM Equity Fund)	16,844,909	0.41
23. HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund)	16,371,278	0.40
24. Guoline (Singapore) Pte Ltd	12,800,000	0.31
25. Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	12,793,137	0.31
26. Cartaban Nominees (Tempatan) Sdn Bhd PBTB For Takafulink Dana Ekuiti	11,610,880	0.29
27. Maybank Nominees (Tempatan) Sdn Bhd Etiqa Life Insurance Berhad (Growth)	9,771,200	0.24
28. Pertubuhan Keselamatan Sosial	9,635,570	0.24
29. Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-Dali) (419455)	9,347,900	0.23
30. Quek Leng Chan	8,600,000	0.21
	<b>3,431,594,702</b>	<b>84.36</b>

## DISTRIBUTION OF SHAREHOLDINGS OF RCPS-i A

Size of Shareholdings	No. of Holders of RCPS-i A		No. of RCPS-i A	
	No. of Holders of RCPS-i A	%	No. of RCPS-i A	%
less than 100	50	4.24	1,804	0.00
100 - 1,000	353	29.91	193,460	0.02
1,001 - 10,000	490	41.53	1,767,982	0.16
10,001 - 100,000	183	15.51	6,234,005	0.57
100,001 to less than 5% of issued shares	100	8.47	268,189,429	24.64
5% and above of issued shares	4	0.34	812,271,206	74.61
<b>Total</b>	<b>1,180</b>	<b>100.00</b>	<b>1,088,657,886</b>	<b>100.00</b>

ANALYSIS OF  
SHAREHOLDINGS

AS AT 17 FEBRUARY 2022

## LIST OF THIRTY LARGEST HOLDERS OF RCPS-i A

Name of Holders of RCPS-i A	No. of RCPS-i A	%
1. Amanahraya Trustees Berhad Amanah Saham Bumiputera	372,483,700	34.21
2. Permodalan Nasional Berhad	273,400,432	25.11
3. Kumpulan Wang Persaraan (Diperbadankan)	108,006,374	9.92
4. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	58,380,700	5.36
5. Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	42,745,400	3.93
6. Amanahraya Trustees Berhad Amanah Saham Malaysia	32,071,600	2.95
7. Lembaga Tabung Haji	32,000,000	2.94
8. Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	27,737,200	2.55
9. Amanahraya Trustees Berhad Amanah Saham Malaysia 3	24,046,800	2.21
10. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Affin-Hwg)	16,673,800	1.53
11. Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	15,000,000	1.38
12. CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad For Affin Hwang Select Dividend Fund	6,763,800	0.62
13. HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd For Maybank Malaysia Dividend Fund	5,282,233	0.49
14. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Manulife Investment - HW Flexi Fund (270519)	4,599,100	0.42
15. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AberIslamic)	4,533,304	0.42
16. Amanahraya Trustees Berhad Public Ittikal Sequel Fund	3,605,132	0.33
17. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	3,325,537	0.31
18. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	2,883,653	0.26
19. Maybank Nominees (Tempatan) Sdn Bhd Affin Hwang Asset Management Berhad For MSIG Insurance (Malaysia) Bhd (210236)	2,663,667	0.24
20. Maybank Nominees (Tempatan) Sdn Bhd Affin Hwang Asset Management Berhad For Hong Leong Assurance Berhad (PAR-220082)	2,647,800	0.24
21. Universal Trustee (Malaysia) Berhad KAF Dana Adib	2,410,000	0.22
22. Universal Trustee (Malaysia) Berhad KAF Tactical Fund	2,339,500	0.21
23. Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	2,182,515	0.20
24. Ng Ho Fatt	1,802,000	0.17
25. KAF Trustee Berhad KIFB For The Institute Of Strategic And International Studies Malaysia	1,770,700	0.16

ANALYSIS OF  
SHAREHOLDINGS

AS AT 17 FEBRUARY 2022

## LIST OF THIRTY LARGEST HOLDERS OF RCPS-i A (CONT'D)

Name of Holders of RCPS-i A	No. of RCPS-i A	%
26. Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Ng Paik Pheng (PB)	1,724,100	0.16
27. CIMB Islamic Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad - Amanah Saham Kedah	1,361,000	0.13
28. Ng Ho Fatt	1,325,000	0.12
29. Yeap Choe Hoon	1,142,300	0.10
30. Lim Bun Hwa	903,100	0.08
	<b>1,055,810,447</b>	<b>96.98</b>

## DISTRIBUTION OF SHAREHOLDINGS OF RCPS-i B

Size of Shareholdings	No. of Holders of RCPS-i B	%	No. of RCPS-i B	%
less than 100	65	6.22	2,213	0.00
100 - 1,000	308	29.47	170,685	0.02
1,001 - 10,000	451	43.16	1,653,711	0.14
10,001 - 100,000	137	13.11	4,312,729	0.37
100,001 to less than 5% of issued shares	81	7.75	335,659,488	28.53
5% and above of issued shares	3	0.29	834,584,774	70.94
<b>Total</b>	<b>1,045</b>	<b>100.00</b>	<b>1,176,383,600</b>	<b>100.00</b>

## LIST OF THIRTY LARGEST HOLDERS OF RCPS-i B

Name of Holders of RCPS-i B	No. of RCPS-i B	%
1. Amanahraya Trustees Berhad Amanah Saham Bumiputera	407,156,800	34.61
2. Permodalan Nasional Berhad	339,173,422	28.83
3. Kumpulan Wang Persaraan (Diperbadankan)	88,254,552	7.50
4. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	56,358,156	4.79
5. Amanahraya Trustees Berhad Amanah Saham Malaysia	55,424,100	4.71
6. Amanahraya Trustees Berhad Amanah Saham Malaysia 3	43,164,000	3.66
7. Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	38,737,800	3.29
8. Lembaga Tabung Haji	29,232,643	2.48
9. Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	17,126,400	1.45
10. Cimsec Nominees (Tempatan) Sdn Bhd CIMB For Ng Paik Pheng (PB)	16,754,300	1.42

ANALYSIS OF  
SHAREHOLDINGS

AS AT 17 FEBRUARY 2022

## LIST OF THIRTY LARGEST HOLDERS OF RCPS-i B (CONT'D)

Name of Holders of RCPS-i B	No. of RCPS-i B	%
11. Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	13,410,500	1.13
12. Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn Bhd (Aberdeen 2)	9,716,900	0.82
13. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Affin-Hwg)	7,808,426	0.66
14. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AberIslamic)	6,154,540	0.52
15. Amanahraya Trustees Berhad Amanah Saham Nasional	5,275,900	0.45
16. HSBC Nominees (Asing) Sdn Bhd BNP Paribas Secs Svs Jersey for Aberdeen Asian Income Fund Limited	3,040,000	0.25
17. Hong Leong Assurance Berhad As Beneficial Owner (Life Par)	2,316,453	0.20
18. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	2,044,984	0.17
19. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	1,884,048	0.16
20. Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad For Saham Amanah Sabah (Acc 2-940410)	1,631,462	0.14
21. Lim Bun Hwa	1,272,900	0.18
22. Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aham Equity Fund)	1,217,042	0.10
23. Maybank Securities Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Ong Kan Bin	978,400	0.08
24. Maybank Nominees (Tempatan) Sdn Bhd Ng Wei King	889,100	0.08
25. Maybank Nominees (Tempatan) Sdn Bhd National Trust Fund (IFM Kenanga) (410196)	867,774	0.07
26. Ng Ho Fatt	860,000	0.07
27. Tan Lai Ming	850,000	0.07
28. Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AsianIslamic)	806,640	0.07
29. Maybank Nominees (Tempatan) Sdn Bhd Ting Poi Ling	805,900	0.07
30. Yeap Choe Hoon	737,600	0.06
	<b>1,153,950,742</b>	<b>98.09</b>

ANALYSIS OF  
SHAREHOLDINGS

AS AT 17 FEBRUARY 2022

## SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Permodalan Nasional Berhad	1,060,092,558	26.06	-	-
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	1,007,602,404	24.77	-	-
Employees Provident Fund Board	243,327,678	5.98	-	-
Kumpulan Wang Persaraan (Diperbadankan)	357,986,850	8.80	47,137,814	1.16
Yayasan Pelaburan Bumiputra	-	-	1,060,092,558	26.06

## DIRECTORS AND THEIR SHAREHOLDINGS

Name	No. of Ordinary Shares Held				No. of RCPS-i A Held	No. of RCPS-i B Held	No. of shares under the Employee Share Grant Plan	No. of share options under the Share Option Scheme
	Direct	%	Indirect	%				
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	-	-	-	-	-	-	-	-
Datuk Choong Kai Wai	411,250	0.01	-	-	-	-	67,750	11,771,706
Dato' Halipah Binti Esa	-	-	-	-	-	-	-	-
Dato' Ahmad Pardas Bin Senin	-	-	-	-	-	-	-	-
Dato' Seri Ir. Hj. Mohd Noor Bin Yaacob	-	-	-	-	-	-	-	-
Dato' Zuraidah Binti Atan	-	-	-	-	-	-	-	-
Tengku Dato' Ab. Aziz Bin Tengku Mahmud	-	-	-	-	-	-	-	-
Philip Tan Puay Koon	-	-	-	-	-	-	-	-
Dato' Azmi Bin Mohd Ali	-	-	-	-	-	-	-	-
Dato' Merina Binti Abu Tahir	-	-	-	-	-	-	-	-

## LIST OF MATERIAL PROPERTIES HELD BY THE GROUP

AS AT 31 DECEMBER 2021

No.	Location	Description	Date of Acquisition	Land Area (sq. ft.)	Tenure	Net Book Value (RM'000)
1	HSD120100, HSD120110 & HSD120820, Bandar Kuala Lumpur	Land held for development	29/11/2002 13/04/2018	2,250,430	Leasehold	2,718,667
2	308, Exhibition St, Melbourne VIC 3000, Australia	Land under development	29/04/2016	44,563	Freehold	1,636,504
3	Seksyen 95A & 98, Kampung Haji Abdullah Hukum, Kuala Lumpur	Land use right	24/10/2011	-	Leasehold	1,115,637
4	Mukim 06, Daerah Seberang Perai Utara, Pulau Pinang	Land under development and held for development	22/12/2016 28/07/2020	73,659,960	Freehold	908,801
5	Daerah Kelang, Mukim of Klang, Selangor Darul Ehsan	Land under development and held for development	24/10/2001	19,017,860	Freehold	889,033
6	Lot 39 GRN 45874 Mukim Beranang, Daerah Hulu Langat, Selangor Darul Ehsan	Land under development and held for development	28/11/2012	33,008,764	Freehold	688,655
7	HSD184053 & HSD184054 Mukim Beranang, Daerah Ulu Langat, Selangor Darul Ehsan	Land held for development	21/12/2018	14,919,300	Freehold	621,294
8	Mukim Beranang, Daerah Ulu Langat, Selangor Darul Ehsan	Land held for development	05/10/2016	35,065,800	Freehold	524,928
9	111-125 A'Beckett Street, Melbourne, VIC	Land under development	16/07/2017	18,740	Freehold	500,633
10	Mukim Bukit Raja, Daerah Petaling, Selangor Darul Ehsan	Land under development and held for development	30/03/2002	8,595,832	Freehold	481,675

\* Amount is inclusive of land held for property development, property development cost and contract cost assets

## GROUP DIRECTORY

## HEAD OFFICE

**S P SETIA BERHAD**  
197401002663 (19698-X)  
**S P SETIA PROJECT MANAGEMENT SDN BHD**

199201015192 (246695-X)

**SETIA IP HOLDINGS SDN BHD**

201401046540 (1122728-W)

**SETIA PRECAST SDN BHD**

199501017974 (347177-A)

S P Setia Bhd Corporate HQ 12, Persiaran Setia Dagang Setia Alam, Seksyen U13  
40170 Shah Alam

Selangor Darul Ehsan, Malaysia

T +603 3348 2255

F +603 3348 3232

E corp@spsetia.com

**S P SETIA FOUNDATION**

T +603 3348 2530

E setiacare@spsetia.com

## CENTRAL REGION

**ALAM DAMAI**  
**SYARIKAT PERUMAHAN PEGAWAI**  
**KERAJAAN SDN BHD**

197101000199 (10586-D)

Alam Damai Sales Gallery

20, Lingkungan Alam Damai

Alam Damai, 56000 Cheras

Kuala Lumpur, Malaysia

T +603 9107 6858 / 8895 / 8819

F +603 9100 3845

E alamdamai@spsetia.com

**SETIA ALAMIMPIAN**  
**I & P ALAM IMPIAN SDN BHD**

199601021892 (394244-M)

LakePoint Gallerie

(Alam Impian Welcome Centre)

1, Jalan Panglima Hitam 35/26

Alam Impian, Seksyen 35 40470 Shah Alam

Selangor Darul Ehsan, Malaysia

T +603 5162 7600

F +603 5162 1478

E alamimpian@spsetia.com

**ALAM SUTERA**  
**SYARIKAT PERUMAHAN PEGAWAI**  
**KERAJAAN SDN BHD**

197101000199 (10586-D)

**BANDAR KINRARA****PERUMAHAN KINRARA BERHAD**

192001000029 (305-P)

Bandar Kinrara Welcome Centre

Eight Kinrara - Block B, Jalan BK 5A/1

Bandar Kinrara, 47180 Puchong

Selangor Darul Ehsan, Malaysia

T +603 8082 9549

F +603 8082 9500

E alamsutera@spsetia.com

**SETIA BAYUEMAS**  
**I & P KOTA BAYUEMAS SDN BHD**

200201000854 (568517-V)

Bayuemas Sales Gallery

4, Jalan Bayu Impian 10/KS9

Kota Bayuemas, 41200 Klang

Selangor Darul Ehsan, Malaysia

T +603 3325 1700

F +603 3325 1800

E bayuemas@spsetia.com

**KL ECO CITY**  
**KL ECO CITY SDN BHD**

198901007838 (185140-X)

Setia International Centre

Lot 215, Pantai Baru, Jalan Bangsar

59200 Kuala Lumpur, Malaysia

T +603 2287 5522

F +603 2287 5225

E kleccocity@spsetia.com

**SETIA ALAM**  
**BANDAR SETIA ALAM SDN BHD**

200101030381 (566140-D)

**SETIA ALAMAN****PETALING GARDEN SDN BHD**

195701000208 (3113-T)

Setia Alam Welcome Centre

2, Jalan Setia Indah AD U13/AD

Setia Alam, Seksyen U13

40170 Shah Alam

Selangor Darul Ehsan, Malaysia

T +603 3343 2255

F +603 3345 2255

E bsa-sales@spsetia.com

**SETIA ALAMSARI**  
**I & P MENARA SDN BHD**

198301002001 (97237-W)

Setia Alamsari Welcome Centre

1, Persiaran Alam Sari 2

Alam Sari, 43000 Kajang

Selangor Darul Ehsan, Malaysia

T +603 8736 2255

F +603 8741 2251

E setiaalamsari-sales@spsetia.com

**Customer Relations Department**  
T +603 8737 2255  
F +603 8739 2255  
E setiaalamsari-crd@spsetia.com**SETIA CITY CONVENTION CENTRE**  
**S P SETIA PROPERTY SERVICES SDN BHD**

201201023163 (1007655-H)

1 &amp; 3, Jalan Setia Dagang AG U13/AG

Setia Alam, Seksyen U13

40170 Shah Alam

Selangor Darul Ehsan, Malaysia

T +603 3359 5252

F +603 3359 2552

E setiacitycc@spsetia.com

**SETIA ECO GLADES**  
**SETIA ECO GLADES SDN BHD**

200701009474 (767476-H)

**SETIA SAFIRO****SETIA SAFIRO SDN BHD**

201801012245 (1274261-M)

Setia Eco Glades Lifestyle Gallery

1, Persiaran Setia Eco Glades

Setia Eco Glades, Cyber 1

63000 Cyberjaya

Selangor Darul Ehsan, Malaysia

T +603 8008 2228

F +603 8008 2233

E eco-glades@spsetia.com safiro-

sales@spsetia.com

**SETIA ECOHILL**  
**SETIA ECOHILL SDN BHD**

201001019878 (903607-T)

**SETIA ECOHILL 2****SETIA ECOHILL 2 SDN BHD**

199801010090 (466218-P)

Setia Ecohill Welcome Centre Kelab 360

1, Persiaran Ecohill Barat

Setia Ecohill, 43500 Semenyih

Selangor Darul Ehsan, Malaysia

T +603 8724 2255

F +603 8724 2525

E ecohill@spsetia.com

**SETIA MAYURI**  
**SETIA MAYURI SDN BHD**

198801006642 (174000-U)

Setia Mayuri Welcome Centre

6, Jalan 3/1A, Setia Mayuri

43500 Semenyih

Selangor Darul Ehsan, Malaysia

T +603 8925 2255

F +603 8727 5525

E setiamayuri@spsetia.com

**SETIA ECO PARK**  
**BANDAR ECO-SETIA SDN BHD**

200101030379 (566138-A)

**S P SETIA ECO-PROJECTS****MANAGEMENT SDN BHD**

199401003986 (289665-V)

Setia Eco Park Sales Gallery

5A, Jalan Setia Nusantara U13/17

Setia Eco Park, Seksyen U13

40170 Shah Alam

Selangor Darul Ehsan, Malaysia

T +603 3343 2228

F +603 3343 7228

E eco-sales@spsetia.com

**SETIA ECO TEMPLER**  
**SETIA ECO TEMPLER SDN BHD**

201201036071 (1020553-T)

Setia Eco Templer Sales Gallery

1, Jalan Ipoh-Rawang, KM-20

Taman Rekreasi Templer

48000 Rawang

Selangor Darul Ehsan, Malaysia

T +603 6092 2288

F +603 6092 2289

E eco-templer@spsetia.com

**SETIA PUTRAJAYA**  
**SETIA PUTRAJAYA SDN BHD**

199601029380 (401732-X)

Customer Relations Department

5, Jalan P15H, Presint 15

62050 Putrajaya

Wilayah Persekutuan Putrajaya, Malaysia

T +603 8893 0006/0008

F +603 8893 0301

E spj-ccd@spsetia.com

**SETIA SERAYA RESIDENCES**  
**SETIA PUTRAJAYA DEVELOPMENT****SDN BHD**

199701009459 (424955-P)

Setia Putrajaya Galleria

5, Jalan P15H, Presint 15 62050 Putrajaya

Wilayah Persekutuan Putrajaya, Malaysia

T +603 8861 6500

F +603 8861 7900

E spj-sales@spsetia.com

**SETIA SKY SEPUTEH**  
**GITA KASTURI SDN BHD**

201101025499 (953635-X)

Setia Sky Seputeh Sales Galleria

1, Jalan Taman Seputeh Satu

Taman Seputeh

58000 Kuala Lumpur, Malaysia

T +603 2276 5252

F +603 2276 3232

E skyseputeh-sales@spsetia.com

**SETIA WARISAN TROPIKA**  
**PETALING GARDEN SDN BHD**

195701000208 (3113-T)

**BAYU LAKEHOMES****S P SETIA ECO-PROJECTS****MANAGEMENT SDN BHD**

199401003986 (289665-V)

Setia Warisan Tropika Welcome Centre

41, Jalan Warisan Sentral 1

43900 Sepang

Selangor Darul Ehsan, Malaysia

T +603 8706 2552

F +603 8706 2255

E sales@setiawarisanthropika.com

**TEMASYAGLENMARIE TEMASYA**  
**DEVELOPMENT CO. SDN BHD**

197401002695 (19753-K)

TemasyaGlenmarie Welcome Centre

6 &amp; 8, Jalan Kurator U1/61

Temasya Glenmarie, Seksyen U1

40150 Shah Alam

Selangor Darul Ehsan, Malaysia

T +603 5569 6100

F +603 5569 6700

E temasyaglenmarie@spsetia.com

**TRIO BY SETIA**  
**GANDA ANGGUN SDN BHD**

200101001750 (537506-W)

Trio Sales Galleria

Lot 82623, Jalan Langat/ KS06

Bandar Bukit Tinggi 1

41200 Klang Bandar Diraja

Selangor Darul Ehsan, Malaysia

T +603 3162 3322

F +603 3162 3323

E trio\_sales@spsetia.com

**SETIA WOOD**  
**SETIA-WOOD INDUSTRIES SDN BHD**

197501001985 (23725-V)

**S P SETIA MARKETING SDN BHD**

198801007841 (175198-P)

Lot 5 &amp; 6, Jalan Indah 1/3

Taman Industri Rawang Indah

48000 Rawang

Selangor Darul Ehsan, Malaysia

T +603 6092 8022

F +603 6092 0322/1805

E setiawood@spsetia.com

## SOUTHERN REGION

**BUKIT INDAH**  
**BUKIT INDAH (JOHOR) SDN BHD**

199401021581 (307260-V)

**TAMAN PERLING****PELANGI SDN BHD**

197201001814 (13509-H)

Wisma S P Setia

S3-0111, Laman Indah 3, Jalan Indah 15

Taman Bukit Indah, 79100 Iskandar Puteri

Johor Darul Takzim, Malaysia

T +607 241 2255

F +607 241 5955

E bij-sales@spsetia.com

**SETIA INDAH**  
**SETIA ECO CASCADIA****SETIA INDAH SDN BHD**

198901008253 (185555-H)

Wisma S P Setia

1, Jalan Setia 3/6, Taman Setia Indah

81100, Johor Bahru

Johor Darul Takzim, Malaysia

T +607 351 2255

F +607 357 9923

E sec-sales@spsetia.com

**SETIA ECO GARDENS**  
**SETIA BUSINESS PARK****KESAS KENANGAN SDN BHD**

200601026062 (745817-H)

Pejabat Tapak, Lot 2110, KM 5.5

Jalan Gelang Patah-Ulu Choh

81550 Johor Bahru

Johor Darul Takzim, Malaysia

T +607 555 2525

F +607 555 2552

E seg-sales@spsetia.com

**SETIA SKY 88**  
**SETIA CITY DEVELOPMENT SDN BHD**

201101005745 (933887-K)

**TAMAN PELANGI****PELANGI SDN BHD**

197201001814 (13509-H)

03 &amp; 05, Jalan Sri Pelangi 3

Taman Pelangi, 80400 Johor Bahru

Johor Darul Takzim, Malaysia

T +607 333 2255

F +607 333 2552

E sky88-sales@spsetia.com

**SETIA TROPIKA**  
**SETIA INDAH SDN BHD**

198901008253 (185555-H)

Tropika Welcome Centre

Level 3A, No.10, Jalan Setia Tropika 1/21

Taman Setia Tropika

81200 Kempas, Johor Bahru

Johor Darul Takzim, Malaysia

T +607 237 2255

F +607 237 2225&lt;/

**TAMAN INDUSTRI JAYA BILTMORE (M) SDN BHD**  
198401012737 (125293-X)  
Taman Industri Jaya  
Satellite Sales Gallery  
6, Jalan Bistari 13, Taman Industri Jaya  
81300 Skudai, Johor Darul Takzim,  
Malaysia  
T +607 241 2255  
F +607 241 5955  
E tij-sales@spsetia.com

**TAMAN PELANGI INDAH YUKONG DEVELOPMENT (PTE) LIMITED**  
195102000014 (991872-U)  
**SETIA BUSINESS PARK II SETIA INDAH SDN BHD**  
198901008253 (185555-H)  
PLO 12062, Jalan Persiaran Pelangi Indah  
Taman Pelangi Indah  
81800 Ulu Tiram, Johor Bahru  
Johor Darul Takzim, Malaysia  
T +607 861 0555  
F +607 861 9235  
E tpi-sales@spsetia.com

**TAMAN RINTING TAMAN GUNONG HIJAU SDN BHD**  
197301002956 (16420-U)  
PTD 46378, Jalan Balau, Taman Rinting  
81750 Masai, Johor Darul Takzim, Malaysia  
T +607 382 9188  
F +607 386 1697  
E tr-sales@spsetia.com

**NORTHERN REGION**

**SETIA SPICE ECO MERIDIAN SDN BHD**  
201001025513 (909427-K)  
Setia SPICE Convention Centre  
SPICE, 108C, Jalan Tun Dr. Awang  
11900 Bayan Lepas, Penang, Malaysia  
T +604 643 2525  
F +604 641 2250  
E setiaspice@spsetia.com

**SETIA FONTAINES SETIA FONTAINES SDN BHD**  
200001002967 (505572-T)  
Setia Experience Centre  
2296, 13200 Kepala Batas  
Penang, Malaysia  
T +604 576 2255  
F +604 575 0055  
E sf-sales@spsetia.com

**Satellite Gallery**  
(Correspondence address)  
108-B-01-18, SPICE Canopy  
Jalan Tun Dr. Awang  
11900 Penang, Malaysia  
T +604 618 0225  
F +604 638 3055  
E sf-sales@spsetia.com

**SETIA PEARL ISLAND SETIA VISTA SETIA PROMENADE SDN BHD**  
199601016034 (388384-W)  
**SETIA GREENS 11 BROOK RESIDENCES KEWIRA JAYA SDN BHD**  
200001002246 (504851-V)  
**SETIA V RESIDENCES SETIA SKY VILLE KAY PRIDE SDN BHD**  
198901000466 (177772-V)  
Setia Welcome Centre, SPICE  
108, Jalan Tun Dr. Awang  
11900 Penang, Malaysia  
T +604 641 2255  
F +604 642 2255  
E spi-sales@spsetia.com

**EASTERN REGION**

**AEROPOD AEROPOD SDN BHD**  
200701009762 (767765-P)  
Setia Welcome Centre  
I-1-1, Block I, Level 1  
Aeropod Commercial Square Jalan  
Aeropod Off Jalan Kepayan  
88200 Kota Kinabalu, Sabah, Malaysia  
T +608 821 8255  
F +608 821 9255  
E aeropod-sales@spsetia.com

**BATTERSEA POWER STATION DEVELOPMENT COMPANY**  
The Marketing Suite  
21 Circus Road West  
Battersea Power Station  
London, SW11 8EZ  
T +44 20 7501 0678  
F +44 20 7501 0699  
E sales@bpsdc.co.uk

**SAPPHIRE BY THE GARDENS SETIA (MELBOURNE) DEVELOPMENT COMPANY PTY LTD**  
(ACN 143 464 804)  
Level 1, 155 Franklin Street  
Melbourne, VIC 3000, Australia  
T +613 9616 2525  
F +613 9616 2552  
E melbourne@spsetia.com

**UNO MELBOURNE SETIA A'BECKETT (MELBOURNE) PTY LTD**  
(ABN 83 619 935 723)  
120 A'Beckett Street, Melbourne,  
VIC 3000, Australia  
T +613 9616 2525  
F +613 9616 2552  
E melbourne@spsetia.com

**SINGAPORE**

**DAINTREE RESIDENCE SETIA (BUKIT TIMAH) PTE LTD**  
(201711451R)  
11A, Toh Tuck Road, Singapore 596157  
T +65 8368 2255  
E sg-sales@spsetia.com

**S P SETIA INTERNATIONAL (S) PTE LTD**  
(200906303E)  
1, Harbourfront Place #01-06  
Harbourfront Tower One  
Singapore 098633  
T +65 6271 2255  
F +65 6271 3522  
E sg-sales@spsetia.com

**VIETNAM**

**ECOLAKES, MY PHUOC SETIABECAMEX JOINT STOCK COMPANY**  
Sales Gallery  
R11-1 Street, EcoLakes My Phuoc  
Block 6, Thoi Hoa Ward, Ben Cat Town  
Binh Duong Province, Vietnam  
T +84 274 3577 255  
F +84 274 3577 225  
E ecolakes-sales@setiabecamex.vn

**ECOXUAN, LAI THIEU SETIA LAI THIEU ONE MEMBER COMPANY LIMITED**  
1A, NB-N1 Street, EcoXuan Lai Thieu Lai  
Thieu Ward, Thuan An Town  
Binh Duong Province, Vietnam  
T +84 274 366 2255  
F +84 274 377 2255  
E ecouxuan@spsetia.com.vn

**JAPAN**

**SETIA IZUMISANO CITY CENTRE (SICC) SETIA OSAKA TOKUTEI MOKUTEKI KAISHA**  
(0100-05-029392)  
Setia Eco Tower  
5A, Jalan Setia Nusantara U13/17  
Setia Eco Park, Setia Alam  
40170 Shah Alam  
Selangor Darul Ehsan, Malaysia  
T +603 3343 2228  
F +603 3343 2555  
E setiaosaka@spsetia.com

**MEMBERSHIP IN ASSOCIATIONS**

ORGANISATION	S P SETIA BERHAD REPRESENTATION	
<b>Property</b>	Real Estate Housing Developer Association ("REHDA")	<ul style="list-style-type: none"> <li>Setia EcoHill</li> <li>Setia Trio</li> <li>Setia Putrajaya Development (Niche Development)</li> <li>Setia AlamImpian</li> <li>Property North Island</li> <li>Setia Precast</li> </ul>
	International Real Estate Federation ("FIABCI")	<ul style="list-style-type: none"> <li>S P Setia Berhad (Vice President)</li> <li>Property North Island</li> </ul>
	Malaysian Developers Council of Australia ("MDCA")	<ul style="list-style-type: none"> <li>Setia International Australia (President)</li> </ul>
	Sabah Housing and Real Estate Developers Association ("SHAREDA")	<ul style="list-style-type: none"> <li>Aeropod</li> </ul>
<b>Construction</b>	Master Builders Association Malaysia ("MBAM")	<ul style="list-style-type: none"> <li>Setia Precast</li> <li>Setia Wood</li> </ul>
	Construction Industry Development Board ("CIDB")	<ul style="list-style-type: none"> <li>Setia Wood</li> </ul>
	Malaysian Timber Council ("MTC")	<ul style="list-style-type: none"> <li>Setia Wood</li> </ul>
	Malaysian Wood Moulding & Joinery Council ("MWMJC")	<ul style="list-style-type: none"> <li>Setia Wood</li> </ul>
<b>Commercial</b>	Malaysian Association of Convention and Exhibition Organisers and Suppliers ("MACEOS")	<ul style="list-style-type: none"> <li>Setia City Convention Centre</li> <li>Setia SPICE Convention Centre</li> </ul>
	Malaysian International Chamber of Commerce & Industry ("MICCI")	<ul style="list-style-type: none"> <li>Aeropod</li> </ul>
	Malaysia Retail Chain Association ("MRCA")	<ul style="list-style-type: none"> <li>Setia EcoHill</li> </ul>
	Malaysian Agricultural Research and Development Institute ("MARDI")	<ul style="list-style-type: none"> <li>Setia Eco Templer</li> </ul>
<b>Corporate</b>	Association Certified Integrity Officer Malaysia ("ACeIO")	<ul style="list-style-type: none"> <li>S P Setia Berhad's Integrity &amp; Governance Unit</li> </ul>
	Malaysian Association Risk & Insurance Management ("MARIM")	<ul style="list-style-type: none"> <li>S P Setia Berhad</li> </ul>

# NOTICE OF ANNUAL GENERAL MEETING

# Setia

**S P SETIA BERHAD**  
(197401002663 (19698-X))  
(Incorporated in Malaysia)

**NOTICE IS HEREBY GIVEN** that the Forty Seventh (47th) Annual General Meeting of the Company will be conducted entirely through live streaming from the broadcast venue at **Annex, Level 1, S P Setia Berhad Corporate HQ, No. 12, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Wednesday, 27 April 2022 at 10.00 a.m.** for the following purposes:

## AGENDA

- |  |  |
|--|--|
| <p>1. To receive the audited financial statements of the Company for the financial year ended 31 December 2021 together with the reports of the Directors and auditors thereon.</p>  | <p><b>Please refer to Explanatory Note A</b></p>   |
| <p>2. To re-elect the following Directors who retire in accordance with Clause 102 of the Company's Constitution and, being eligible, offer themselves for re-election:</p> <p>(1) Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail<br/>(2) Philip Tan Puay Koon<br/>(3) Dato' Azmi Bin Mohd Ali</p> | <p><b>Resolution 1</b><br/><b>Resolution 2</b><br/><b>Resolution 3</b><br/><i>[Explanatory Note 1]</i></p> |
| <p>3. To re-elect the following Directors who retire in accordance with Clause 107 of the Company's Constitution and, being eligible, offer themselves for re-election:</p> <p>(1) Datuk Choong Kai Wai<br/>(2) Dato' Merina Binti Abu Tahir</p>   | <p><b>Resolution 4</b><br/><b>Resolution 5</b><br/><i>[Explanatory Note 1]</i></p>                         |
| <p>4. To approve the payment of Directors' fees amounting to RM50,000 per month for the Non-Executive Chairman and RM12,000 per month for each of the Non-Executive Directors for the period from 28 April 2022 up to the date of the next Annual General Meeting.</p>                               | <p><b>Resolution 6</b></p>   |
| <p>5. To approve the payment of Directors' other remuneration and benefits to the Non-Executive Directors for the period from 28 April 2022 up to the date of the next Annual General Meeting amounting up to approximately RM2,200,000.</p>   | <p><b>Resolution 7</b><br/><i>[Explanatory Note 2]</i></p>   |
| <p>6. To re-appoint Messrs Ernst &amp; Young PLT, Chartered Accountants, the retiring auditors, as the auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.</p>  | <p><b>Resolution 8</b></p>   |

# NOTICE OF ANNUAL GENERAL MEETING

## AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions:

### 7. ORDINARY RESOLUTION

**PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SPECIFIED IN SECTION 2.3.1 OF THE CIRCULAR TO SHAREHOLDERS DATED 29 MARCH 2022**

**Resolution 9**  
*[Explanatory Note 3]*

"**THAT**, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("S P Setia Group") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of the S P Setia Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as specified in Section 2.3.1 of the Circular to Shareholders dated 29 March 2022) which are necessary for the day to day operations in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of the S P Setia Group and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to minority shareholders of the Company and such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

**AND THAT** authority be and is hereby given to the Directors of the Company to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

### 8. ORDINARY RESOLUTION

**PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY ("S P SETIA SHARES"), FOR THE PURPOSE OF THE COMPANY'S DIVIDEND REINVESTMENT PLAN ("DRP") THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY ("SHAREHOLDERS") THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW S P SETIA SHARES**

**Resolution 10**  
*[Explanatory Note 4]*

"**THAT** pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting held on 20 March 2014 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new S P Setia Shares from time to time as may be required to be allotted and issued pursuant to the DRP upon such terms and conditions and to such persons as the Directors of the Company at their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new S P Setia Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5) market days volume weighted average market price ("VWAP") of S P Setia Shares immediately prior to the price-fixing date, of which VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of S P Setia Shares;

**AND THAT** the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company."

## NOTICE OF ANNUAL GENERAL MEETING

### 9. ORDINARY RESOLUTION

#### PROPOSED PAYMENT TO THE FORMER INDEPENDENT NON-EXECUTIVE DIRECTOR ("INED") OF THE COMPANY ("PROPOSED PAYMENT")

"THAT approval be and is hereby given for the payment of RM50,000 to the late Puan Noraini Binti Che Dan, former INED of the Company based on compassionate grounds due to COVID-19.

AND THAT the Directors be authorised to complete and do all such acts and things as they may consider expedient or necessary (including executing such documents as may be required) to give effect to the Proposed Payment."

### 10. ORDINARY RESOLUTION

#### PROPOSED ALLOCATION OF OPTIONS TO DATUK CHOONG KAI WAI UNDER THE COMPANY'S LONG TERM INCENTIVE PLAN ("LTIP") ("LTIP AWARD")

"THAT pursuant to the LTIP as approved by the shareholders of the Company at the Extraordinary General Meeting held on 28 February 2013, the Board (save for the Director for which the LTIP Award is to be awarded to) be and is hereby authorised at any time and from time to time to award and to grant to Datuk Choong Kai Wai, being the executive director of the Company, the LTIP Award which gives the executive director the right to subscribe for new ordinary shares in the Company ("S P Setia Shares") at a prescribed price upon the vesting of the options under the Employee Share Option Scheme under the LTIP, of up to an aggregate of 642,800 new S P Setia Shares, in accordance with the By-Laws of the LTIP.

PROVIDED ALWAYS THAT not more than ten percent (10%) of the new S P Setia Shares available under the LTIP at the point in time when the award is offered, be allocated to any individual employee and executive director of the Company and its subsidiaries (excluding subsidiaries which are dormant) who fulfils the criteria of eligibility for participation in the LTIP and who is awarded by a committee established to administer the LTIP ("Selected Person") who, either singly or collectively through persons connected (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad) with the Selected Person, holds twenty percent (20%) or more of the total number of issued shares of the Company (excluding treasury shares, if any);

AND subject always to such terms and conditions and/or any adjustments which may be made in accordance with the provision of the By-Laws."

11. To transact any other business of which due notice shall have been given.

By Order of the Board

#### LEE WAI KIM

SSM PC No. 202008001422

MAICSA 7036446

Company Secretary

29 March 2022

Selangor Darul Ehsan

#### Resolution 11

[Explanatory Note 5]

#### Resolution 12

[Explanatory Note 6]

### NOTES:

1. A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, subject to the Constitution of the Company. The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 60 of the Company's Constitution** which require the Chairman of the meeting to be present at the main venue of the meeting. Shareholders/proxies/corporate representatives **WILL NOT BE ALLOWED** to attend the 47th AGM of the Company in person at the Broadcast Venue on the day of the meeting.
2. Shareholders are to attend, speak (including posing questions to the Board of Directors of the Company via real time submission of typed texts) and vote (collectively, "participate") remotely at the 47th AGM of the Company via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at <https://tiih.online>.
3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the securities account.
6. The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy duly completed and signed must be deposited at the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof. You may

## NOTICE OF ANNUAL GENERAL MEETING

also submit the Form of Proxy electronically via **TIIH Online** at <https://tiih.online> not less than 48 hours before the time for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Guide for the 47th AGM on the procedures for electronic submission of proxy form via TIIH Online.

8. Only members whose names appear in the Record of Depositors on 20 April 2022 shall be entitled to participate in the 47th AGM of the Company via RPV or appoint proxy/proxies to attend and/or vote on his/her behalf.
9. To participate in the 47th AGM of the Company via RPV and appoint proxy/authorised representative, please follow the Procedures for RPV in the Administrative Guide.

### EXPLANATORY NOTE A

This Agenda item is meant for discussion only as under the provisions of Sections 248(2) and 340(1)(a) of the Act and the Company's Constitution, the audited accounts do not require the formal approval of shareholders. As such, this item is not put forward for voting.

### OTHER EXPLANATORY NOTES

#### 1. Resolutions 1, 2, 3, 4 and 5 - Re-election of Directors

The Board is satisfied that in consideration of their wealth of expertise and experience of the following Directors of the Company, they will continue to bring sound judgment and valuable contribution to board deliberations through active participation in discussions and decision making by the Board:

- (1) Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail
- (2) Philip Tan Puay Koon
- (3) Dato' Azmi Bin Mohd Ali
- (4) Datuk Choong Kai Wai
- (5) Dato' Merina Binti Abu Tahir

Their profiles are set out on page 154 to 163 of the Integrated Report 2021. In view thereof, the Board supports the re-election of the aforesaid Directors at the 47th AGM.

## NOTICE OF ANNUAL GENERAL MEETING

### 2. Resolution 7 - Payment of Other Remuneration and Benefits to Non-Executive Directors of the Company

Based on the Non-Executive Directors' Remuneration Framework, the Non-Executive Directors' remuneration (other than fee) comprised of the following:

Description of Remuneration/Benefits	
Monthly Fixed Allowance	Chairman of Audit Committee – RM5,000 Chairman of other Board Committee – RM3,000 Member of Board Committee – RM2,000
Meeting Allowance	Chairman and Board Member – RM1,500 per meeting Board Committee Chairman and Member – RM1,500 per meeting
Allowance for membership on the board of directors of significant project/investment as appointed by the Board of the Company	RM5,000 per month
Other Benefits	Car, petrol and driver for Chairman, security services, Directors and Officers Liability Insurance, medical, hospitalisation and travel insurance and other claimable benefits

The estimated amount of up to approximately RM2,200,000 is calculated based on the expected number of meetings and other monthly allowances and benefits for the period from 28 April 2022 up to the date of the next AGM of the Company.

### 3. Resolution 9 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolution 9, if approved, will allow the S P Setia Group to enter into recurrent related party transactions of a revenue and trading nature relating to sale of properties by the S P Setia Group to related parties. The details of the proposal are set out in the Circular to Shareholders dated 29 March 2022 which is circulated together with the Notice of 47th AGM.

### 4. Resolution 10 - Proposed Renewal of the Authority to Allot and Issue New S P Setia Shares for the purpose of the Company's DRP that provides the Shareholders the Option to Elect to Reinvest their Cash Dividend in New S P Setia Shares

The proposed Resolution 10, if approved, will re-new the authority given to the Directors to allot and issue new S P Setia Shares pursuant to the DRP under the resolution passed at the 46th AGM held on 22 April 2021, the authority of which will lapse at the conclusion of the 47th AGM.

### 5. Resolution 11 - Proposed Payment to Former INED of the Company

Shareholders' approval is sought for the Proposed Payment in accordance with Section 230(1) of the Act. The proposed Resolution 11, if approved, will authorise the Company to pay a sum of RM50,000 to the late Puan Noraini Binti Che Dan, a former INED of the Company, on compassionate grounds due to COVID-19. The late Puan Noraini Binti Che Dan was appointed as INED and Chairman of Audit Committee of the Company on 11 September 2015 and served in that position up to 26 August 2021.

### 6. Resolution 12 - Proposed Allocation of Options to Datuk Choong Kai Wai under the Company's LTIP

The establishment of the LTIP was approved by the shareholders of the Company at the Extraordinary General Meeting held on 28 February 2013. This LTIP was implemented on 10 April 2013 and will be in force for a period of ten (10) years ie 9 April 2023.

The proposed allocation to Datuk Choong Kai Wai of the above options is pursuant to his entitlement to participate in the LTIP as the President and Chief Executive Officer of the Company. The proposed Resolution 12, if approved, will give authority to the Directors to allot and issue up to an aggregate of 642,800 new S P Setia Shares to Datuk Choong Kai Wai pursuant to the LTIP Award in accordance with the By-Laws of the LTIP.

The LTIP shall be subject to the terms and conditions of the By-Laws and therefore any terms as defined in the By-Laws which are mentioned in the Ordinary Resolution 12 or this explanatory note shall have the same meaning herein.

Datuk Choong Kai Wai has abstained and will continue to abstain from deliberating and voting on any subject matter pertaining to the LTIP and his entitlement under the LTIP at the Board meetings and will continue to abstain from voting in respect of his direct and/or indirect shareholdings in the Company (if any), on the resolution pertaining to proposed allocation to him under the LTIP to be tabled at the forthcoming AGM. Datuk Choong Kai Wai shall also ensure that persons connected to him will abstain from voting in respect of their direct and/or indirect shareholdings in the Company (if any) on the resolution approving the proposed allocation to him under the LTIP to be tabled at the forthcoming AGM.

## GLOSSARY

ACRONYM/ SHORT FORM	FULL FORM
AAPG	Audit and Assurance Practice Guide
ABC	Anti-Bribery and Corruption
ABCP	Associate Business Continuity Professional
ABMS	Anti-Bribery Management System
ABSD	Additional Buyer's Stamp Duty
AC	Audit Committee
ACC	Ambulatory Care Centre
ACCA	Association of Chartered Certified Accountants
AED	Automated External Defibrillator
AGM	Annual General Meeting
AIBB	Alliance Investment Bank Berhad
APF	Auxiliary Police Force
BCI	Building and construction industry
BCM	Business Continuity Management
BEE	Board Effectiveness Evaluation
Board	Board of Directors
BPS	Battersea Power Station
BU	Business Unit
Bursa Securities	Bursa Malaysia Securities Berhad
CA 2016	Companies Act 2016
CCTV	Closed-Circuit Television Camera
CEC	Customer Experience Committee
CeiO	Certified Integrity Officer
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIA	Chief Internal Auditor
CIMA	Chartered Institute of Management Accountants
CIQ	Customs, Immigration and Quarantine
CIDB	Construction Industry Development Board
CITF	COVID-19 Immunisation Task Force
CLQ	Centralised Labour Quarter
CMCO	Conditional Movement Control Order
CMS	Central Monitoring System
Company	S P Setia Berhad or S P Setia
COC	Chain of Custody
COCBE	Code of Conduct and Business Ethics
COE	Centre of Excellence
COO	Chief Operating Officer
CORe	Circle of Respect

ACRONYM/ SHORT FORM	FULL FORM
COVID-19	Coronavirus disease
CPA	Construction Performance Assessment
CPC	Certificate of Practical Completion
CPR	Cardiopulmonary Resuscitation
CRMA	Certification in Risk Management Assurance
DAL	Discretionary Authority Limits
DGM	Deputy General Manager
Div GM	Divisional General Manager
DiVas	Diversity advocates
DOE	Department of Environment
DRI	Disaster Recovery Institute
D&O	Directors' and Officers' Liability Insurance
EAP	Employee Assistance Programme
EDL	Eastern Dispersal Link
EES	Economy, Environmental and Social
EES-19	Employee Support Services for COVID-19
EIA	Environmental Impact Assessment
ELITE	North-South Central Link
EPF	Employees Provident Fund
EPU	Economic Planning Unit
ERM	Enterprise Risk Management
ERT	Emergency Response Team
ESG	Environmental, Social and Corporate Governance
ESGP	Employee Share Grant Plan
ESOS	Employee Share Option Scheme
EV	Electric Vehicle
EVP	Executive Vice President
EXCO	Executive Committee
FACT	Flood Alert Crisis Taskforce
FAQ	Frequently Asked Questions
F&B	Food and Beverage
FELDA	Lembaga Kemajuan Tanah Persekutuan
FIABCI	International Real Estate Federation
FMCO	Full Movement Control Order
FY	Financial Year
GAC	Group Action Committee
GBI	Green Building Index
GCD	Group Creative Design
GDP	Gross Development Product
GDP	Gross Domestic Product

GLOSSARY

ACRONYM/ SHORT FORM	FULL FORM
GDV	Gross Development Value
GFC	Group Financial Controller
GHG	Greenhouse gas
GHR	Group Human Resources
GIA	Group Internal Audit
GIACC	Governance, Integrity and Anti-Corruption
GICT	Group Information & Communication Technology
GM	General Manager
GPS	Global Positioning System
GQM	Group Quality Management
GRESB	Global Real Estate Sustainability Benchmark
GRI	Global Reporting Index
GRIG	Group Risk, Integrity and Governance
Group	S P Setia Berhad and its Subsidiaries
HDB	Housing Development Board
HOC	Home Ownership Campaign
HOD	Head of Department
HR	Human Resources
HSE	Health, Safety and Environment
IBS	Industrialised Building System
ICE	Institution of Civil Engineers
ICQ	In-process Construction Quality
IDP	Individual Development Plan
IGC	Integrity & Governance Champions
IGU	Integrity and Governance Unit
IIA	Institute of Internal Auditors
IIAM	Internal Auditors Malaysia
IIRC	International Integrated Reporting Council
ILAM	Institute of Landscape Architects Malaysia
IMF	International Monetary Fund
INEDs	Independent Non-Executive Directors
IR	Investor Relations
<IR>	Integrated Reporting
IoT	Internet of Things
iVWCs	Intimate Virtual WiN Circles
JV	Joint-venture
KESAS	Shah Alam Expressway
KKIA	Kota Kinabalu International Airport
KKM	Kementerian Kesihatan Malaysia
KLEC	KL Eco City
KLIA	Kuala Lumpur International Airport

ACRONYM/ SHORT FORM	FULL FORM
KPI	Key Performance Indicator
LDP	Damansara-Puchong Highway
LRT	Light Rail Transit
LTI	Lost Time Incident
LTIP	Long Term Incentive Plan
LTV	Loan-to-Value ratio
MACA	Malaysia Anti-Corruption Academy
MACC Act	Malaysian Anti Corruption Commission (Amendment) Act 2018
MACEOS	Malaysian Association of Convention and Exhibition Organisers and Suppliers
MBA	Masters of Business Administration
MBAM	Master Builders Association Malaysia
MCBC	Malaysia-China Business Council
MCCG	Malaysian Code on Corporate Governance
MCO	Movement Control Order
MDCA	Malaysian Developers Council of Australia
MDEC	Malaysia Digital Economy Corporation
MEF	Malaysian Employers Federation
MENA	Middle and North Africa
MEX	Putrajaya Expressway
MFRS	Malaysian Financial Reporting Standards
MIA	Malaysian Institute of Accountants
MICCI	Malaysian International Chamber of Commerce & Industry
MICE	Meetings, Incentives, Conferences and Exhibitions
MITI	Ministry of International Trade and Industry
MKN	Ministry of Malaysian National Security Council
MMLR	Main Market Listing Requirements
MRCA	Malaysia Retail Chain Association
MRT	Management Risk Team
MSC	Multimedia Super Corridor
MTC	Malaysian Timber Council
MTCS	Malaysian Timber Certification Scheme
MWMJC	Malaysian Wood Moulding & Joinery Council
NKVE	New Klang Valley Expressway
NDC	Nationally Determined Contribution
NLE	The Northern Line Extension
NRC	Nomination and Remuneration Committee

ACRONYM/ SHORT FORM	FULL FORM
NRP	National Recovery Plan
NSE	North-South Expressway
OACP	Organisation Anti-Corruption Plan
OHS	Occupational Health and Safety
OSHA	Occupational Safety and Health Administration
PCEO	President and Chief Executive Officer
PDPA	Personal Data Protection Act 2010
PDRM	Polis Diraja Malaysia
PEFC	Programme for the Endorsement of Forest Certification Schemes
PICK	National COVID-19 Immunisation Programme
PIDS	Perimeter Intrusion Detection System
PIKAS	Public-Private Partnership Industrial Immunisation Programme
PLC	Public Listed Company
PLUS	North-South Highway
PNB	Permodalan Nasional Berhad
PPVs	Setia vaccination centres
PV	Photovoltaic
QAQC	Quality Assurance & Quality Control
QEAP	Quality Excellence Award Programme
QLASSIC	Quality Assessment System in Construction
QMS	Quality Management System
RCPS-i A	Class A Islamic redeemable convertible preference shares
RCPS-i B	Class B Islamic redeemable convertible preference shares
REHDA	Real Estate & Housing Developers' Association
RFID	Radio-frequency identification
RM	Ringgit Malaysia
RMC	Risk Management Committee
RMM	Rumah Mampu Milik
RPGT	Real Property Gains Tax
RSKU	Rumah SelangorKu
RTW	Return to Work
SCRIPT	S-Setia's Work Ethics C-Customers R-Responsibilities I-Integrity P-Professionalism T-Team Setia

ACRONYM/ SHORT FORM	FULL FORM
SCSP	Setia Caring School Programme
SET	Strategic Executive Team
Setia SPICE	Setia Subterranean Penang International Convention & Exhibition Centre
SGRAF	Setia Governance, Risk and Audit Forum
SGRAF 2021	Setia, Governance, Risk and Audit Forum 2021
SHAREDADA	Sabah Housing And Real Estate Developers Association
SID	Senior Independent Non-Executive Director
SKVE	South Klang Valley Expressway
SLR	Setia's Leadership Reimagined
SOPs	Standard Operating Procedures
SORMIC	Statement of Risk Management & Internal Control
SOTG	Setia On The Go
SOVO	Small Office Virtual Office
S P Setia	S P Setia Berhad
SPP	Setia Pandemic Plan
SSD	Sustainable and Smart Development
TDSR	Total Debt Servicing Ratio
TEC	Technical Excellence Committee
TNB	Tenaga Nasional Berhad
TOR	Terms of Reference
TPT	The Page Turners
TRC	Talent Review Council
UK	United Kingdom
UKM	University of Malaysia
UN	United Nation
UNSDG	United Nations Sustainable Development Goals
USA	United States of America
UTM	University of Technology Malaysia
VP	Vacant Possession
WCE	West Coast Expressway
WEPs	UN Women Asia-Pacific Women's Empowerment Principles
WEPLS	Water Efficient Product Labelling Scheme
WFH	Working from home
WiN	Women of Inspiration

GLOSSARY

## FORM OF PROXY

S P SETIA BERHAD (197401002663 (19698-X))

For appointment of two (2) proxies, percentage of shareholdings to be represented by each proxy must be indicated below:

No. of Ordinary Shares Held		First proxy:
		Second proxy:
No. of Islamic Redeemable Convertible Preference Shares held		First proxy:
		Second proxy:
No. of Class B Islamic Redeemable Convertible Preference Shares held		First proxy:
		Second proxy:
CDS Account Number		

I/We \_\_\_\_\_ (full name in block letters) NRIC No./Company No. \_\_\_\_\_

of \_\_\_\_\_ (full address)

being a member/members of S P SETIA BERHAD, hereby appoint \_\_\_\_\_ (full name in block letters)

NRIC No. \_\_\_\_\_ of \_\_\_\_\_ (full address)

and/or failing him/her, \_\_\_\_\_ (full name in block letters)

NRIC No. \_\_\_\_\_ of \_\_\_\_\_ (full address)

or failing him/her, the Chairman of the Meeting as \* my/our proxy to attend and vote for \* me/us and on \* my/our behalf at the fully virtual Forty Seventh ("47th") Annual General Meeting ("AGM") of the Company to be conducted entirely through live streaming from the broadcast venue at **Annex, Level 1, S P Setia Berhad Corporate HQ, 12 Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan ("Broadcast Venue") on Wednesday, 27 April 2022** on at **10.00 a.m.** and at any adjournment thereof in the manner as indicated below:-

NO.	RESOLUTION	FOR	AGAINST
1.	Re-election of Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail.		
2.	Re-election of Philip Tan Puay Koon.		
3.	Re-election of Dato' Azmi Bin Mohd Ali.		
4.	Re-election of Datuk Choong Kai Wai.		
5.	Re-election of Dato' Merina Binti Abu Tahir.		
6.	Approval for the Directors' Fees for the period from 28 April 2022 up to the date of the next Annual General Meeting.		
7.	Approval for the Payment of Extra Remuneration and Provision of Benefits to Directors of the Company for the period from 28 April 2022 up to the date of the next Annual General Meeting.		
8.	Re-appointment of Messrs Ernst & Young PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.		
9.	Approval for the Proposed Shareholders' Mandate as specified in Section 2.3.1 of the Circular to Shareholders dated 29 March 2022.		
10.	Approval for the Proposed Authority to Allot and Issue New Ordinary Shares under the Company's Dividend Reinvestment Plan.		
11.	Approval for Payment to the late Puan Noraini Binti Che Dan, former Independent Non-Executive Director of the Company.		
12.	Approval for the Proposed Allocation of Options to Datuk Choong Kai Wai under the Company's Long Term Incentive Plan.		

\* *Strike out whichever is not applicable*

(Please indicate with an "X" in the spaces above how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
Signature of Member(s) or Common Seal

This page is intentionally left blank

**Notes:**

1. A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, subject to the Constitution of the Company. The Broadcast Venue is **strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 and Clause 60 of the Company's Constitution** which require the Chairman of the meeting to be present at the main venue of the meeting. Shareholders/proxies/corporate representatives **WILL NOT BE ALLOWED** to attend the 47th AGM of the Company in person at the Broadcast Venue on the day of the meeting.
2. Shareholders are to attend, speak (including posing questions to the Board of Directors of the Company via real time submission of typed texts) and vote (collectively, "participate") remotely at the 47th AGM of the Company via the Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn. Bhd. via its **TIIH Online** website at <https://tiih.online>.
3. A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the securities account.
6. The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.
7. The Form of Proxy duly completed and signed must be deposited at the Company's share registrar, Tricor Investor & Issuing House Services Sdn. Bhd., Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8 Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Counter at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur not less than 48 hours before the time for holding the meeting or any adjournment thereof. You may also submit the Form of Proxy electronically via **TIIH Online** at <https://tiih.online> not less than 48 hours before the time for holding the meeting or any adjournment thereof. Kindly refer to the Administrative Guide for the 47th AGM on the procedures for electronic submission of proxy form via **TIIH Online**.
8. Only members whose names appear in the Record of Depositors on 20 April 2022 shall be entitled to participate in the 47th AGM of the Company via RPV or appoint proxy/proxies to attend and/or vote on his/her behalf.
9. To participate in the 47th AGM of the Company via RPV and appoint proxy/authorised representative, please follow the Procedures for RPV in the Administrative Guide.

Affix  
Stamp Here

**The Company Secretary**

S P Setia Berhad

c/o Tricor Investor & Issuing House Services Sdn Bhd,  
Unit 32-01, Level 32, Tower A, Vertical Business Suite,  
Avenue 3, Bangsar South, No. 8 Jalan Kerinchi,  
59200 Kuala Lumpur

Stay Together. Stay Setia  
livelearnworkplay

# Setia

**S P Setia Berhad Corporate HQ,**

No. 12, Persiaran Setia Dagang, Setia Alam,  
Seksyen U13, 40170 Shah Alam,  
Selangor Darul Ehsan,  
Malaysia.

Tel: +603 3348 2255      Fax: +603 3344 3232  
Email: corp@spsetia.com

Malaysia | Vietnam | Australia | Singapore | China | United Kingdom | Japan



**Cover**

Printed on FSC® Certified  
Mix Credit 270gsm Rives Sensation Gloss  
Tradition Bright White

**Text**

Printed on FSC® Certified  
Mix Credit 120gsm Brisk Texture Nano Comb

By printing on FSC® Certified Mix Credit paper,  
we have reduced a total of 5,209 KgCO<sub>2</sub>e  
carbon emissions.