

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

Condensed Financial Report
31 December 2023

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Condensed Financial Report - 31 December 2023

	Page No.
Condensed Consolidated Statement of Financial Position	1
Condensed Consolidated Statement of Comprehensive Income	2
Condensed Consolidated Statement of Changes In Equity	3
Condensed Consolidated Statement of Cash Flows	4 - 5
Notes to the Condensed Financial Report	6 - 13
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad	14 - 23

S P SETIA BERHAD
(Company No: 197401002663 (19698-X))
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023
(The figures have been audited)

	As At 31/12/2023 RM'000	As At 31/12/2022 RM'000 Restated
ASSETS		
Non-current assets		
Property, plant and equipment	808,271	789,465
Right-of-use - property, plant and equipment	3,860	1,415
Investment properties	1,979,668	1,972,456
Right-of-use - investment properties	46,755	60,372
Inventories - land held for property development	12,356,946	12,522,729
Intangible asset	14,285	12,954
Investments in joint ventures	3,138,074	3,022,189
Investments in associated companies	583,116	555,383
Other investments	96	96
Amounts owing by joint ventures	69,785	69,785
Trade receivables	26,015	61,634
Other receivables, deposits and prepayments	90,258	85,105
Deferred tax assets	361,997	364,910
	<u>19,479,126</u>	<u>19,518,493</u>
Current assets		
Trade receivables	926,137	613,491
Contract assets	971,601	1,506,744
Other receivables, deposits and prepayments	220,386	208,964
Inventories - land held for sales	340,303	144,600
Inventories - property development costs	2,159,019	2,676,654
Inventories - completed properties and others	1,766,143	1,238,554
Contract cost assets	480,770	1,096,668
Amounts owing by joint ventures	133,732	94,722
Amounts owing by related parties	579	319
Current tax assets	32,943	49,631
Short-term deposits	441,237	774,206
Cash and bank balances	2,054,402	1,858,702
	<u>9,527,252</u>	<u>10,263,255</u>
TOTAL ASSETS	<u>29,006,378</u>	<u>29,781,748</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	8,722,775	8,499,642
Share capital - RCPS-i A	1,087,363	1,087,363
Share capital - RCPS-i C	718,748	937,201
Reserves		
Share-based payment reserve	-	57,888
Reserve on acquisition arising from common control	(1,295,884)	(1,295,884)
Exchange translation reserve	222,158	(11,649)
Retained earnings	4,994,999	4,803,896
Equity attributable to owners of the Company	<u>14,450,159</u>	<u>14,078,457</u>
Non-controlling interests	1,212,622	1,239,044
Total equity	<u>15,662,781</u>	<u>15,317,501</u>
LIABILITIES		
Non-current liabilities		
Redeemable cumulative preference shares	38,268	17,113
Other payables and accruals	73,698	68,078
Long-term borrowings	7,101,911	6,959,185
Lease liabilities	2,962	302
Deferred tax liabilities	473,794	497,506
	<u>7,690,633</u>	<u>7,542,184</u>
Current liabilities		
Redeemable cumulative preference shares	-	21,000
Trade payables	1,452,286	1,423,286
Contract liabilities	112,083	118,807
Other payables and accruals	939,268	886,592
Short-term borrowings	3,043,226	4,420,411
Lease liabilities	963	1,129
Current tax liabilities	104,762	50,458
Amounts owing to related parties	376	380
	<u>5,652,964</u>	<u>6,922,063</u>
Total liabilities	<u>13,343,597</u>	<u>14,464,247</u>
TOTAL EQUITY AND LIABILITIES	<u>29,006,378</u>	<u>29,781,748</u>
Net assets per share attributable to owners of the Company	<u>2.90</u>	<u>2.96</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes in this report.)

S P SETIA BERHAD
 (Company No.: 197401002663 (19698-X))
 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(The figures have been audited)

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2023 RM'000	31/12/2022 RM'000 Restated	31/12/2023 RM'000	31/12/2022 RM'000 Restated
Revenue	1,383,815	1,707,964	4,373,642	4,454,447
Cost of sales	(912,153)	(1,365,567)	(3,032,345)	(3,389,125)
Gross profit	<u>471,662</u>	<u>342,397</u>	<u>1,341,297</u>	<u>1,065,322</u>
Other income	74,659	51,954	247,057	181,972
Selling and marketing expenses	(23,134)	(20,035)	(63,524)	(59,178)
Administrative and general expenses	(156,261)	(116,862)	(462,023)	(378,585)
Gain/(loss) on foreign exchange				
- Realised	2,072	(192)	2,385	(200)
- Unrealised	(9,661)	3,209	(14,098)	30,769
Share of results of joint ventures	(17,208)	3,906	(83,568)	(36,711)
Share of results of associated companies	25,146	6,604	37,273	15,580
Finance costs	(83,315)	(82,353)	(349,080)	(260,348)
Profit before tax	<u>283,960</u>	<u>188,628</u>	<u>655,719</u>	<u>558,621</u>
Taxation	(110,781)	(90,647)	(298,606)	(200,006)
Profit for the period/year	<u>173,179</u>	<u>97,981</u>	<u>357,113</u>	<u>358,615</u>
Other comprehensive income, net of tax:				
Item that may be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	98,257	21,264	280,705	(118,730)
- Net loss on net investment hedge	(10,383)	-	(47,970)	-
Total comprehensive income for the period/year	<u>261,053</u>	<u>119,245</u>	<u>589,848</u>	<u>239,885</u>
Profit attributable to:				
Owners of the Company	148,238	86,627	298,573	304,403
Non-controlling interests	24,941	11,354	58,540	54,212
	<u>173,179</u>	<u>97,981</u>	<u>357,113</u>	<u>358,615</u>
Total comprehensive income attributable to:				
Owners of the Company	236,719	108,007	532,380	185,597
Non-controlling interests	24,334	11,238	57,468	54,288
	<u>261,053</u>	<u>119,245</u>	<u>589,848</u>	<u>239,885</u>
Earnings per share attributable to owners of the Company				
- Basic earnings per share (sen)	<u>3.53</u>	<u>1.37</u>	<u>4.80</u>	<u>3.48</u>
- Diluted earnings per share (sen)	<u>3.53</u>	<u>1.37</u>	<u>4.80</u>	<u>3.47</u>

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes in this report.)

S P SETIA BERHAD
(Company No.: 197401002663 (19698-X))
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(The figures have been audited)

	← Attributable to owners of the Company →										
	← Non-Distributable →					Distributable					
	Share Capital RM'000	Share Capital - RCPS-i A RM'000	Share Capital - RCPS-i B RM'000	Share Capital - RCPS-i C RM'000	Share- Based Payment Reserve RM'000	Reserve on Acquisition Arising from Common Control RM'000	Exchange Translation Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 01.01.2023 (Restated)	8,499,642	1,087,363	-	937,201	57,888	(1,295,884)	(11,649)	4,803,896	14,078,457	1,239,044	15,317,501
Total other comprehensive income for the year represented											
by exchange differences on translation of foreign operations	-	-	-	-	-	281,777	-	281,777	(1,072)	280,705	
Net change on hedge of net investments	-	-	-	-	-	(47,970)	-	(47,970)	-	(47,970)	
Profit for the year	-	-	-	-	-	-	298,573	298,573	58,540	357,113	
Transactions with owners:											
Issuance of ordinary shares											
- Vesting of Employee Share Grant Plan ("ESGP")	4,680	-	-	-	(4,680)	-	-	-	-	-	
Conversion of RCPS-i C into ordinary shares	218,453	-	-	(218,453)	-	-	-	-	-	-	
Liquidation of subsidiary companies	-	-	-	-	-	-	-	-	(1)	(1)	
RCPS-i A preferential dividends paid	-	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)	
RCPS-i C preferential dividends paid	-	-	-	-	-	-	(30,800)	(30,800)	-	(30,800)	
Dividends paid	-	-	-	-	-	-	(59,910)	(59,910)	(83,889)	(143,799)	
Share-based payment under Employee Long Term Incentive Plan ("LTIP")	-	-	-	-	(53,208)*	-	-	53,894	686	686	
Balance at 31.12.2023	8,722,775	1,087,363	-	718,748	-	(1,295,884)	222,158	4,994,999	14,450,159	1,212,622	15,662,781
Balance at 01.01.2022	8,490,225	1,087,363	1,035,218	-	86,927	(1,295,884)	107,157	4,664,527	14,175,533	1,456,206	15,631,739
Prior year adjustments	-	-	-	-	-	-	-	(371)	(371)	(23,609)	(23,980)
Balance at 01.01.2022 (Restated)	8,490,225	1,087,363	1,035,218	-	86,927	(1,295,884)	107,157	4,664,156	14,175,162	1,432,597	15,607,759
Total other comprehensive income for the year represented											
by exchange differences on translation of foreign operations	-	-	-	-	-	(118,806)	-	(118,806)	76	(118,730)	
Profit for the year	-	-	-	-	-	-	304,403	304,403	54,212	358,615	
Transactions with owners:											
Issuance of ordinary shares											
- Vesting of ESGP	9,277	-	-	-	(9,277)	-	-	-	-	-	
- Exercise of Employee Share Options Scheme ("ESOS")	140	-	-	-	(37)	-	-	103	-	103	
Redemption of RCPS-i B	-	-	(1,035,218)	-	-	-	-	(1,035,218)	-	(1,035,218)	
Issuance of RCPS-i C	-	-	-	939,364	-	-	-	939,364	-	939,364	
Share issuance expenses	-	-	-	(2,163)	-	-	-	-	(2,163)	(2,163)	
RCPS-i A preferential dividends paid	-	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)	
RCPS-i B preferential dividends paid	-	-	-	-	-	-	(92,209)	(92,209)	-	(92,209)	
Dividends paid	-	-	-	-	-	-	(26,443)	(26,443)	(247,841)	(274,284)	
Share-based payment under LTIP	-	-	-	-	(19,725)*	-	-	24,643	4,918	4,918	
Balance at 31.12.2022 (Restated)	8,499,642	1,087,363	-	937,201	57,888	(1,295,884)	(11,649)	4,803,896	14,078,457	1,239,044	15,317,501

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes in this report)

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

S P SETIA BERHAD
(Company No.: 197401002663 (19698-X))
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(The figures have been audited)

	12 MONTHS ENDED	
	31/12/2023 RM'000	31/12/2022 RM'000 (Restated)
Operating Activities		
Profit before tax	655,719	558,621
Adjustments for:-		
Non-cash items	104,970	17,347
Non-operating items	198,652	135,385
Operating profit before changes in working capital	<u>959,341</u>	<u>711,353</u>
Changes in inventories - property development costs and contract cost assets	926,005	698,459
Changes in inventories - completed properties and others	347,094	399,410
Changes in contract assets/liabilities	553,571	(193,625)
Changes in receivables	(254,117)	158,916
Changes in payables	(37,494)	47,741
Cash generated from operations	<u>2,494,400</u>	<u>1,822,254</u>
Rental received	14,800	12,232
Interest received	44,147	25,066
Interest paid on lease liabilities	(152)	(39)
Net tax paid	(251,880)	(167,136)
Net cash generated from operating activities	<u>2,301,315</u>	<u>1,692,377</u>
Investing Activities		
Additions to inventories - land held for property development	(329,750)	(305,562)
Deposits and part consideration paid for acquisition of development land	(36,455)	-
Additions to property, plant and equipment	(57,942)	(98,434)
Additions to investment properties	(13,651)	(19,644)
Additions to intangible asset	(1,959)	-
Proceeds from disposal of property, plant and equipment	1,901	1,315
Proceeds from disposal of investment properties	-	15,574
Net cash outflow from liquidation of subsidiary companies	7,118	-
Acquisition of additional shares in joint ventures	(127)	(215,942)
Proceeds from repatriation of capital from joint ventures	43,737	485,608
Repayment from an associated company	1,135	793
Advances to joint ventures	(26,046)	(11,487)
Placement of sinking fund, debt service reserve, escrow accounts and short-term deposits	(58,579)	(73,393)
Dividends received from associated companies	11,035	22,870
Interest received	28,328	30,993
Rental received	49,615	44,999
Net cash used in investing activities	<u>(381,640)</u>	<u>(122,310)</u>
Financing Activities		
Proceeds from issuance of RCPS-i C	-	939,364
Redemption of RCPS-i B	-	(1,035,218)
Proceeds from issuance of ordinary shares pursuant to the exercise of ESOS	-	103
Payment of share issuance expenses	-	(2,163)
Proceeds from issuance of Sukuk Wakalah	1,000,000	1,200,000
Drawdown of bank borrowings	1,777,274	1,951,125
Repayment of bank borrowings	(4,173,137)	(4,198,121)
Repayment of lease liabilities	(900)	(1,420)
Interest paid	(543,136)	(463,034)
Payment of transaction cost on borrowings	(15,604)	(4,007)
Redeemable cumulative preference share dividends paid to non-controlling interests	(1,734)	(1,734)
Dividends paid to non-controlling interests	(44,432)	(247,298)
Dividends paid	(59,910)	(26,443)
RCPS-i A preferential dividends paid	(70,654)	(70,654)
RCPS-i B preferential dividends paid	-	(92,209)
RCPS-i C preferential dividends paid	(30,800)	-
Net cash used in financing activities	<u>(2,163,033)</u>	<u>(2,051,709)</u>

S P SETIA BERHAD
 (Company No.: 197401002663 (19698-X))
 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(The figures have been audited)

	12 MONTHS ENDED	
	31/12/2023 RM'000	31/12/2022 RM'000 (Restated)
Net changes in cash and cash equivalents	(243,358)	(481,642)
Effect of exchange rate changes	38,671	(640)
Cash and cash equivalents at beginning of the year	2,459,338	2,941,620
Cash and cash equivalents at end of the year	<u>2,254,651</u>	<u>2,459,338</u>
Cash and cash equivalents comprise the following:		
Short-term deposits	441,237	774,206
Cash and bank balances	2,054,402	1,858,702
Bank overdrafts	(8,839)	-
	<u>2,486,800</u>	<u>2,632,908</u>
Less: Amount restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	(232,149)	(173,570)
	<u>2,254,651</u>	<u>2,459,338</u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2022 and the accompanying explanatory notes in this report.)

NOTES TO THE CONDENSED FINANCIAL REPORT

1. Basis of Preparation

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

The condensed financial report is audited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2022.

The accounting policies adopted by the Group in this condensed financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2022 except for the adoption of the following MFRS and amendments to MFRSs:

Amendments to MFRS 17	Insurance Contracts Initial Application of MFRS 17 and MFRS 9 – Comparative Information (Amendments to MFRS 17)
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112) International Tax Reform—Pillar Two Model Rules (Amendments to MFRS 112)
Amendments to MFRS 101	Disclosure of Accounting Policies (Amendments to MFRS 101 and MFRS Practice Statement 2)
Amendments to MFRS 108	Definition of Accounting Estimates (Amendments to MFRS 108)

The adoption of the above amendments to MFRSs do not have significant financial impact to the Group in this financial year ended 31 December 2023.

MFRS 9 Financial Instruments – Hedge Accounting

The Group has used foreign currency borrowings to hedge foreign currency risk on certain investments in foreign operation.

Effective 1 January 2023, the Group had prospectively applied MFRS 9 Financial Instruments – Hedge Accounting in respect of relevant foreign operation. The accounting policy applicable when net investment hedge is applied is as follows:

In transaction where hedge accounting is applied, gain or losses on the hedging instrument relating to the effective portion of the hedge are recognised as other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the statement of profit or loss. On disposal of the foreign operations, the cumulative value of any such gain or losses recorded in equity is transferred to the statement of profit or loss.

There is no change in the accounting treatment on the foreign currency translation on the net investment, which is recorded in other comprehensive income and deferred in the exchange translation reserve until it is disposed.

1. Basis of Preparation (continued)

In the current financial year, the Group has effected the following prior year adjustments in relation to the fair value model measurement basis for its investment properties:

- a) The Group has reassessed and made an adjustment to the carrying value of certain of its investment properties for which accrued lease income have been separately recognised in the statement of financial position. This adjustment is made in accordance with the requirements of MFRS 140: Investment Properties to reflect the carrying amounts of these investment properties at fair value. The effect of this adjustment is accounted for retrospectively as shown below.
- b) In prior financial years, the Group has sold a parcel of land to its joint venture, which had then accounted for the land as an investment property. At that point in time, the Group's policy was to recognise its investment properties at cost, and hence an unrecognised gain was recorded based on the Group's equity interest in the said joint venture. The Group subsequently changed the accounting policy for its investment properties from the cost model to fair value model. Under the fair value model, the Group was to have made an adjustment for the realisation of the unrealised gain mentioned above. The effect of this adjustment is adjusted for retrospectively as illustrated below.

The financial effects of the above mentioned 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:

Consolidated Statement of Financial Position (Extracted)
As at 31 December 2022

	As previously stated RM'000	Adjustment (a) and (b) RM'000	As restated RM'000
Assets			
Non-current assets			
Investment properties	2,057,561	(85,105)	1,972,456
Investments in joint ventures	2,974,523	47,666	3,022,189
<hr/>			
Equity and liabilities			
Equity			
Retained earnings	4,807,957	(4,061)	4,803,896
Non-controlling interests	1,263,912	(24,868)	1,239,044
<hr/>			
Non-current liabilities			
Deferred tax liabilities	506,016	(8,510)	497,506
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1. Basis of Preparation (continued)

**Consolidated Statement of Comprehensive Income (Extracted)
For the financial year ended 31 December 2022**

	As previously stated RM'000	Adjustment (a) and (b) RM'000	As restated RM'000
Other income	218,240	(5,499)	212,741
Profit before tax	564,120	(5,499)	558,621
Taxation	(200,556)	550	(200,006)
Profit for the year	363,564	(4,949)	358,615
Other comprehensive income, net of tax:			
Exchange differences on translation of foreign operations	(118,730)	-	(118,730)
Total comprehensive income for the year	244,834	(4,949)	239,885
Profit attributable to:			
Owners of the Company	308,093	(3,690)	304,403
Non-controlling interests	55,471	(1,259)	54,212
	363,564	(4,949)	358,615
Total comprehensive income attributable to:			
Owners of the Company	189,287	(3,690)	185,597
Non-controlling interests	55,547	(1,259)	54,288
	244,834	(4,949)	239,885

2. Seasonal or Cyclical Factors

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

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

There were no unusual items for the financial year ended 31 December 2023.

4. Material Changes in Estimates

There were no material changes in estimates for the financial year ended 31 December 2023.

5. Debts and Equity Securities

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

- (a) Allotment of 4,781,049 new ordinary shares pursuant to the vesting of Employee Share Grant Plan (“ESGP”) at the price of RM0.61 per share;
- (b) Issuance of the following tranches of Sukuk Wakalah from the Islamic Medium Term Notes Programme with the programme limit of up to RM3.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar (“Sukuk Wakalah Programme”):

Tranche	Issuance Date	Amount (RM Million)	Tenure	Periodic Distribution Rate (p.a.)
6	23 June 2023	150.0	3 Years	4.30%
7	23 June 2023	450.0	5 Years	4.41%
8	23 June 2023	400.0	7 Years	4.56%

- (c) Conversion of 574,876,281 RCPS-i C to 274,567,771 ordinary shares with the conversion ratio of thirty-two (32) new S P Setia Berhad shares for sixty-seven (67) RCPS-i C held.

6. Dividends Paid

a) Dividend in respect of the financial year ended 31 December 2022

A single-tier dividend, in respect of the financial year ended 31 December 2022 of 1.47 sen per ordinary share amounting to RM59,909,656 was paid in cash on 20 April 2023.

b) Islamic Redeemable Convertible Preference Shares (“RCPS-i A”) preferential dividend in respect of the financial period from 1 July 2022 to 30 June 2023

A semi-annual RCPS-i A preferential dividend of RM35,326,945, in respect of the financial period from 1 July 2022 to 31 December 2022 and another semi-annual RCPS-i A preferential dividend of RM35,326,945 in respect of the financial period from 1 January 2023 to 30 June 2023 were paid in cash on 20 April 2023 and 29 September 2023 respectively.

c) Islamic Redeemable Convertible Preference Shares (“RCPS-i C”) preferential dividend in respect of the financial period from 24 November 2022 to 30 June 2023

A semi-annual RCPS-i C preferential dividend of RM5,309,870 in respect of the financial period from 24 November 2022 to 31 December 2022 and another semi-annual RCPS-i C preferential dividend of RM25,490,241 in respect of the financial period from 1 January 2023 to 30 June 2023 were paid in cash on 20 April 2023 and 29 September 2023 respectively.

7. Segmental Reporting

The segmental analysis are as follows:

Year ended 31 December 2023	Property Development RM'000	Construction RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	4,064,703	16,221	292,718	-	4,373,642
Inter-segment revenue	179,002	115,122	22,941	(317,065)	-
Total revenue	4,243,705	131,343	315,659	(317,065)	4,373,642
Gross profit/(loss)	1,310,114	(26,867)	58,050	-	1,341,297
Other income	228,375	4,410	14,272	-	247,057
Operating expenses	(468,484)	(9,503)	(47,560)	-	(525,547)
Gain/(loss) on foreign exchange					
- Realised	1,055	-	1,330	-	2,385
- Unrealised	6,249	-	(20,347)	-	(14,098)
Share of results of joint ventures	(97,625)	-	14,057	-	(83,568)
Share of results of associated companies	37,273	-	-	-	37,273
Finance costs	(306,764)	(49)	(42,267)	-	(349,080)
Profit/(Loss) before tax	710,193	(32,009)	(22,465)	-	655,719
Taxation	(267,152)	45	(31,499)	-	(298,606)
Profit/(Loss) for the year	443,041	(31,964)	(53,964)	-	357,113

Geographical segmentation analysis of the Group for the current financial year is as follows:

Geographical Segment	Revenue RM'000	Profit before tax RM'000	Profit after tax RM'000
Domestic	3,258,410	491,014	269,271
International	1,115,232	164,705	87,842
	4,373,642	655,719	357,113

7. Segmental Reporting (continued)

Year ended 31 December 2022 (Restated)	Property Development RM'000	Construction RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	4,240,596	15,990	197,861	-	4,454,447
Inter-segment revenue	165,548	131,018	50,313	(346,879)	-
Total revenue	4,406,144	147,008	248,174	(346,879)	4,454,447
Gross profit/(loss)	1,076,278	(32,818)	21,862	-	1,065,322
Other income	166,519	2,006	13,447	-	181,972
Operating expenses	(403,710)	(6,013)	(28,040)	-	(437,763)
Gain/(loss) on foreign exchange					
- Realised	(32)	-	(168)	-	(200)
- Unrealised	35,556	-	(4,787)	-	30,769
Share of results of joint ventures	(35,187)	-	(1,524)	-	(36,711)
Share of results of associated companies	15,580	-	-	-	15,580
Finance costs	(231,161)	(119)	(29,068)	-	(260,348)
Profit/(Loss) before tax	623,843	(36,944)	(28,278)	-	558,621
Taxation	(176,996)	(282)	(22,728)	-	(200,006)
Profit/(Loss) for the year	446,847	(37,226)	(51,006)	-	358,615

Geographical segmentation analysis of the Group for the preceding financial year is as follows:

Geographical Segment	Revenue RM'000	Profit before tax RM'000	Profit after tax RM'000
Domestic	2,961,117	377,055	235,760
International	1,493,330	181,566	122,855
	4,454,447	558,621	358,615

8. Material Events Subsequent to the End of Financial Year

There were no material transactions or events subsequent to the financial year ended 31 December 2023 until 22 February 2024 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this condensed financial report).

9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial year ended 31 December 2023 except for the following:

- a) Incorporation of Setia SFH Ventures Sdn Bhd, a wholly-owned subsidiary of S P Setia Berhad, on 23 October 2023 with a capital contribution of RM2, which in turn, subscribed for a 51% equity stake in a joint venture, Setia MF SFH Development Sdn Bhd, on 2 November 2023 with a capital contribution of RM127,500;
- b) Incorporation of Setia International (Australia) Limited, a wholly-owned subsidiary of S P Setia Berhad, on 18 December 2023 with a capital contribution of AUD2;
- c) Incorporation of Setia Carlton Pty Ltd, a wholly-owned subsidiary of Setia International (Australia) Limited, on 20 December 2023 with a capital contribution of AUD2;
- d) Incorporation of Setia Sydney Pty Ltd, a wholly-owned subsidiary of Setia International (Australia) Limited, on 20 December 2023 with a capital contribution of AUD2;
- e) Incorporation of Setia La Trobe Pty Ltd, a wholly-owned subsidiary of Setia International (Australia) Limited, on 20 December 2023 with a capital contribution of AUD2;
- f) Dissolution of Manih System Construction Sdn Bhd, S P Setia (Indonesia) Sdn Bhd, Eng Lee Knitting Factory Sdn. Bhd, Petaling Garden Industrial Estate Sdn. Bhd., all wholly owned subsidiaries of S P Setia Berhad;
- g) Dissolution of Kenari Kayangan Sdn Bhd, a 99.99% owned subsidiary of S P Setia Berhad.
- h) Members' voluntarily winding up of inactive subsidiaries of S P Setia, namely Setia Hicon Sdn Bhd, Tenaga Raya Sdn Bhd, Setia Ventures Excellence Sdn Bhd, Setia Eco Heights Sdn Bhd and Setia EM (Central) Sdn Bhd on 12 December 2023; and
- i) Members' voluntarily winding up of inactive indirect subsidiaries of S P Setia, namely Kinrara Golf Club Sdn Bhd and Kinrara Urusharta Sdn Bhd on 10 January 2024.

10. Contingent Liabilities

There were no contingent liabilities in respect of the Group for the financial year ended 31 December 2023.

11. Capital Commitments

	As at 31 December 2023 RM'000
<i>Commitments of subsidiary companies:</i>	
Contractual commitments for construction of investment properties	7,925
Contractual commitments for construction and acquisition of property, plant and equipment	2,275
Contractual commitments for acquisition of development lands - Australia	466,244

11. Capital Commitments (continued)

In addition, the Group's estimated commitment to joint ventures pursuant to the respective shareholders' agreements on joint venture, and/or as approved by the Board of Directors are as follows:

	As at 31 December 2023 RM'000
<i>Joint venture:</i>	
Setia City Healthcare Sdn Bhd	980
Setia MF SFH Development Sdn Bhd	164,640
	164,640

12. Significant Related Party Transactions

	1 January 2023 To 31 December 2023 RM'000
<i>Transactions with joint ventures:</i>	
(i) Management fee received and receivable	960
(ii) Event and marketing fee received and receivable	219
(iii) Staff secondment fee received and receivable	408
(iv) Interest received and receivable	6,709
(v) Contractor claim received or receivable	2,011
	2,011
<i>Transactions with related company:</i>	
(i) Management fee received and receivable	1,732
	1,732
<i>Transactions with associated companies:</i>	
(i) Dividend received and receivable	11,035
	11,035
<i>Transactions with directors of the Company and subsidiary companies:</i>	
(i) Sale of development property to a director of the company	3,732
(ii) Sale of development properties to directors of the subsidiary companies	12,882
	12,882

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

1. Review of Group Performance

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

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM’000	RM’000	RM’000	RM’000
		Restated		Restated
Revenue				
Property Development	1,303,826	1,639,229	4,064,703	4,240,596
Construction	3,238	4,384	16,221	15,990
Investment Holding & Others	76,751	64,351	292,718	197,861
	<u>1,383,815</u>	<u>1,707,964</u>	<u>4,373,642</u>	<u>4,454,447</u>
Profit/(Loss) before tax				
(“PBT/LBT”)				
Property Development	313,401	228,352	710,193	623,843
Construction	(16,371)	(30,107)	(32,009)	(36,944)
Investment Holding & Others	(13,070)	(9,617)	(22,465)	(28,278)
	<u>283,960</u>	<u>188,628</u>	<u>655,719</u>	<u>558,621</u>

(a) Performance of the current quarter against the same quarter in the preceding year (Q4 2023 vs Q4 2022)

Property Development

The Group’s property development segment achieved revenue of RM1.30 billion in Q4 2023 which is RM335.4 million or 20.5% lower than Q4 2022 mainly due to the completion of Daintree Residence in Singapore in the prior year, mitigated by higher contribution from Australia with the handover of UNO Melbourne Stage 2 and higher domestic property development revenue during the current quarter. The land sale revenue in Q4 2023 amounted to RM73.0 million (Q4 2022: RM43.0 million).

PBT of RM313.4 million achieved in Q4 2023 is, however, higher than Q4 2022 by RM85.0 million or 37.2% mainly contributed by higher margin from the sale of land, cost savings upon project accounts finalisation and higher share of results from associates arising from fair value gains on investment properties. However, the increase in PBT was reduced by higher loss from a joint venture arising from write-down on its properties.

Under construction and completed projects which contributed to the results include *Setia Alam*, *Setia Eco Park*, *Precinct Arundina*, *Setia AlamImpian* and *Temasya Glenmarie* in Shah Alam, *Setia EcoHill*, *Setia EcoHill 2* and *Setia Mayuri* in Semenyih, *Setia Eco Glades* and *Setia Safiro* in Cyberjaya, *Setia Eco Templer* in Rawang, *Setia Warisan Tropika* in Sepang, *Setia Alamsari North and South* in Bangi, *Bandar Kinrara* in Puchong, *Setia Bayuemas* and *Trio by Setia* in Klang, *Setia Sky Seputeh* in Seputeh, *KL Eco City* at Jalan Bangsar, *Bukit Indah*, *Setia Indah*, *Setia Tropika*, *Setia Eco Cascadia*, *Setia Business Park I & II*, *Setia Eco Gardens*, *Setia Sky 88*, *Taman Rinting*, *Taman Pelangi*, *Taman Pelangi Indah* and *Taman Industri Jaya* in Johor, *Setia Sky Vista*, *Setia V Residences*, *Setia Sky Ville*, *Setia Greens* and *Setia Fontaines* in Penang and *UNO Melbourne* in Australia.

1. Review of Group Performance (continued)

(a) Performance of the current quarter against the same quarter in the preceding year (Q4 2023 vs Q4 2022) (continued)

Construction

The Group's construction arm largely provides intercompany construction services to certain property development companies in the Group. Revenue from these intercompany services is eliminated on consolidation. Additionally, revenue from construction segment is also derived from supply of ready-mix concrete to some external contractors who serve the property development arm of the Group.

The Group's construction segment achieved revenue of RM3.2 million and loss before tax of RM16.4 million in Q4 2023. The loss before tax was attributable to irrecoverable costs incurred on some intercompany construction jobs.

Investment Holding and Others

Revenue from other operations comprise mainly manufacturing and investment properties such as hotels, retail malls and convention centres.

This segment achieved revenue of RM76.8 million in Q4 2023, 19.3% higher than Q4 2022 with improved hotel performance since its commencement in September 2022.

Loss before tax of RM13.1 million in Q4 2023 was higher than Q4 2022 by RM3.5 million primarily due to unfavourable foreign exchange movement mitigated by higher contribution from share of results from joint ventures and associates.

(b) Performance of the twelve (12) months ended 31 December 2023 ("FY2023") vs twelve (12) months ended 31 December 2022 ("FY2022")

Property Development

The Group's property development segment achieved revenue of RM4.06 billion in FY2023, lower than that achieved in FY2022 of RM4.24 billion primarily due to the completion of Daintree Residence in Singapore in the prior year, mitigated by higher contribution from Australia with the handover of UNO Melbourne Stage 2 and domestic property development revenue.

PBT achieved of RM710.2 million was RM86.4 million or 13.8% higher than FY2022 mainly due to higher margin from land sale, cost savings from project accounts finalisations, higher interest income, reduced by higher financing cost from hikes in interest rates and higher share of loss from a joint venture.

Construction

The Group's construction segment recorded revenue of RM16.2 million and RM16.0 million in FY2023 and FY2022 respectively. Loss before tax of RM32.0 million in FY2023 was a result of irrecoverable additional costs incurred on the intercompany construction jobs.

1. Review of Group Performance (continued)

(b) Performance of the twelve (12) months ended 31 December 2023 (“FY2023”) vs twelve (12) months ended 31 December 2022 (“FY2022”) (continued)

Investment Holding and Others

Revenue from other operations of RM292.7 million in FY2023 was higher than FY2022 by RM94.9 million, largely contributed by higher manufacturing revenue and hotel operations with twelve (12) months operations in 2023 as compared to less than four (4) months in 2022. Consequently, the higher operating expenditure was also mainly due to the hotel operations.

The segment registered a LBT of RM22.5 million, negatively affected by finance costs and unrealised loss on foreign exchange.

2. Material Changes in the Quarterly Results (“Q4 2023”) compared to the results of the Preceding Quarter (“Q3 2023”)

The Group’s PBT for Q4 2023 of RM284.0 million is higher than the preceding quarter of RM135.7 million, mainly from higher contributions from UNO Melbourne (Stage 2) and certain development townships in Klang Valley.

3. Prospects for the Financial Year Ending 31 December 2024 (“FY2024”)

S P Setia achieved total sales of RM5.10 billion, surpassing the FY2023 target of RM4.2 billion despite the challenging economic environment marked by rising interest rates and inflationary pressure. Local projects contributed RM4.41 billion (~86% of sales), while international projects contributed RM693.0 million (~14% of sales). On the local front, the sales secured were largely from Central region with RM3.30 billion, followed by RM860.0 million contributed by Southern region. Additionally, the Northern and Eastern regions contributed RM247.0 million to the Group.

The Group’s sales success is supported by multiple factors, including its robust sales pipeline anchored by 41 ongoing projects, with a remaining land bank of 6,311 acres, and an effective remaining GDV of RM119.74 billion.

Moving forward, the Group’s key focuses will continue towards accelerating township developments, large-scale industrial developments and strengthening our international presence.

The Group is optimistic about the real estate sector, fuelled by catalysts such as the Malaysia My Second Home (MM2H) Visa Liberalisation Plan and Stamp Duty Exemption for first-time buyers, with the country's GDP expected to grow between 4% and 5% this year.

In FY2024, S P Setia will continue with its development plans in Vietnam and Australia, where for the latter, the Group expects to maintain the momentum of its existing presence in Australia, which will be strengthened through the development of the newly-acquired Sydney land.

Among other key developments that will contribute and propel the Group’s growth include the Central region – industrial offerings in Setia Alaman Industrial Park, Klang, Selangor, and the two residential towers by Setia Federal Hill in Jalan Bangsar, Kuala Lumpur.

3. Prospects for the Financial Year Ending 31 December 2024 (“FY2024”) (continued)

In the Southern region, S P Setia is banking on its growth momentum with positive spillover effects from the Special Economic Zone incentives, Johor-Singapore RTS link, the KL-Singapore High Speed Rail integrated infrastructure projects, and strategic collaborations and optimisation of the Group’s overall landbank.

S P Setia remains positive in its outlook for FY2024, leveraging its strength and diversified portfolio to achieve a sales target of RM4.40 billion.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Income Tax

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	RM’000	RM’000	RM’000	RM’000
		Restated		Restated
Taxation				
- under/(over) provision in prior year	(10,571)	1,657	(4,626)	(14,857)
- current taxation	99,464	54,896	301,629	181,787
- deferred taxation	21,888	34,094	1,603	33,076
	<u>110,781</u>	<u>90,647</u>	<u>298,606</u>	<u>200,006</u>

Excluding the net provision in prior year, the Group’s effective tax rate (excluding share of results of joint ventures and associated companies) for the financial period/year is higher than the statutory tax rate mainly due to certain non-tax deductible expenses and non-recognition of deferred tax assets arising from certain loss-making entities.

6. Status of Corporate Proposals

The following corporate proposals as announced by the Company have not been completed as at 29th February 2024 (being the latest practicable date which is not earlier than 7 days from the announcement date of this Condensed Financial Report):

- (a) On 19 June 2023, the Company's indirect wholly-owned subsidiary, Petaling Garden Sdn Bhd entered into three (3) inter-conditional sale and purchase agreements ("**SPAs**") with the following three (3) wholly-owned subsidiaries of Mah Sing Group Berhad to dispose approximately 500 acres of freehold land situated in Mukim Beranang, Daerah Ulu Langat, Selangor for a sale consideration of RM392,040,000.00:
- (i) Mestika Bistari Sdn Bhd to dispose approximately 110 acres of land forming part of Lot 41 Land held under GRN 46222;
 - (ii) Grand Prestige Development Sdn Bhd to dispose approximately 93 acres of land forming part of Lot 41 Land held under GRN 46222; and
 - (iii) Elite Park Development Sdn Bhd to dispose approximately 237 acres of land forming part of Lot 41 Land held under GRN 46222 and the entire land of Lot 1807 Land measuring approximately 60 acres in area.

The completion of the SPAs are pending fulfilment of the conditions precedent of the SPAs. The estimated timeframe for completion will be by the 2nd quarter of 2024.

- (b) On 23 November 2023, the Company announced that Bandar Setia Alam Sdn Bhd ("**BSA**"), its direct wholly-owned subsidiary, entered into a conditional sale and purchase agreement ("**SPA**") with KSL Bestari Sdn Bhd ("**KSL Bestari**") to dispose approximately 17.99 acres of freehold land in Mukim of Bukit Raja, District of Petaling, Selangor for a cash consideration of RM228,800,000.00.

The completion of the SPA is pending the fulfilment of the conditions precedent in the SPA. The estimated timeframe for the completion will be by the 2nd quarter of 2024.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 December 2023 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings – Islamic	560,884	951,832	1,512,716
Short-term borrowings – Conventional	1,005,548	524,962	1,530,510
Long-term borrowings – Islamic	1,645,005	3,729,312	5,374,317
Long-term borrowings – Conventional	748,963	978,631	1,727,594
Redeemable cumulative preference shares	-	38,268	38,268
	3,960,400	6,223,005	10,183,405

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Malaysian Ringgit	3,567,300	4,572,303	8,139,603
Great British Pound	-	1,299,995	1,299,995
Australian Dollar	357,724	313,975	671,699
United States Dollar	-	36,732	36,732
Japanese Yen	35,376	-	35,376
	3,960,400	6,223,005	10,183,405

8. Material Litigation

The Group was not engaged in any material litigation as at 22 February 2024 (being the latest practicable date which is not earlier than 7 days from the date of issuance of this condensed financial report).

9. Dividends Declared

(a) The Board of Directors has declared dividend in respect of the financial year ended 31 December 2023

- | | |
|--|--|
| (i) Amount per share | : Single tier dividend of 1.34 sen per share |
| (ii) Previous corresponding financial year | : Single tier dividend of 1.47 sen per share |
| (iii) Date payable | : To be determined later |
| (iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later. | |

Total dividend for FY2023 : Single tier dividend of 1.34 sen per share

(b) The Board of Directors has declared preferential dividends in respect of the financial period from 1 July 2023 to 31 December 2023, for RCPS-i A and RCPS-i C.

- | | |
|--|--------------------------|
| (i) Preferential dividend rate | |
| - RCPS-i A | : 6.49% per annum |
| - RCPS-i C | : 5.43% per annum |
| (ii) Previous corresponding financial year | |
| - RCPS-i A | : 6.49% per annum |
| - RCPS-i C | : 5.43% per annum |
| (iii) Date payable | |
| - RCPS-i A | : To be determined later |
| - RCPS-i C | : To be determined later |
| (iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later. | |

10. Earnings Per Share Attributable To Owners of The Company

Basic Earnings Per Share

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

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	'000	'000	'000	'000
		Restated		Restated
Profit attributable to owners of the Company (RM)	148,238	86,627	298,573	304,403
- RCPS-i A preferential dividends (RM)	-	-	(70,654)	(70,654)
- RCPS-i B preferential dividends (RM)	-	(30,820)	-	(92,209)
- RCPS-i C preferential dividends (RM)	-	-	(30,800)	-
Adjusted profit attributable to owners of the Company (RM)	<u>148,238</u>	<u>55,807</u>	<u>197,119</u>	<u>141,540</u>
Number of ordinary shares at beginning of the period	4,088,268	4,067,978	4,075,487	4,067,978
Weighted average effect of shares issued pursuant to:				
- Vesting of ESGP	-	14,111	3,458	3,557
- Exercise of ESOS	-	437	-	110
- Conversion of RCPS-i C into ordinary shares	107,914	-	29,518	-
Number of ordinary shares in issue	<u>4,196,182</u>	<u>4,082,526</u>	<u>4,108,463</u>	<u>4,071,645</u>
Basic earnings per share (sen)	<u>3.53</u>	<u>1.37</u>	<u>4.80</u>	<u>3.48</u>

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

Diluted Earnings Per Share

The diluted earnings per share for the period/year is calculated by dividing the Group's profit attributable to owners of the Company adjusted for the effects of RCPS-i A, RCPS-i B and RCPS-i C preferential dividends declared during the period/year, divided by the weighted average number of shares that would have been in issue upon full exercise of the remaining options under the LTIP granted, as follows:

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/12/2023	31/12/2022	31/12/2023	31/12/2022
	'000	'000	'000	'000
		Restated		Restated
Profit attributable to owners of the Company (RM)	148,238	86,627	298,573	304,403
- RCPS-i A preferential dividends (RM)	-	-	(70,654)	(70,654)
- RCPS-i B preferential dividends (RM)	-	(30,820)	-	(92,209)
- RCPS-i C preferential dividends (RM)	-	-	(30,800)	-
Adjusted profit attributable to owners of the Company (RM)	<u>148,238</u>	<u>55,807</u>	<u>197,119</u>	<u>141,540</u>
Weighted average number of ordinary shares as per Basic Earnings Per Share	4,196,182	4,082,526	4,108,463	4,071,645
Effect of potential exercise of LTIP	-	5,121	-	5,517
Weighted average number of ordinary shares	<u>4,196,182</u>	<u>4,087,647</u>	<u>4,108,463</u>	<u>4,077,162</u>
Diluted earnings per share (sen)	<u>3.53</u>	<u>1.37</u>	<u>4.80</u>	<u>3.47</u>

The effects of conversion of RCPS-i A, RCPS-i B and RCPS-i C have not been included in the computation of the dilutive earnings per share of the Group as they do not have a dilutive effect. The final vesting LTIP was completed on 3 April 2023 and the scheme lapsed on 9 April 2023.

11. Notes to the Statement of Comprehensive Income

	3 MONTHS ENDED 31/12/2023 RM'000	12 MONTHS ENDED 31/12/2023 RM'000
Interest income	28,995	98,006
Other income including investment income	45,112	147,342
Interest expense	(83,315)	(349,080)
Depreciation and amortisation	(10,912)	(39,903)
Provision of doubtful debts for trade and other receivables	(4,408)	(4,874)
Write-down in value of completed inventories	(907)	(907)
Write-down in value of manufacturing inventories	(1,272)	(1,272)
Reversal of write-down in value of completed properties	28	28
Reversal of write-down in value of land held for property development	3,111	3,111
Loss on liquidation of subsidiary companies	(2,839)	(2,839)
Gain on disposal of property, plant and equipment	561	1,709
Write off of property, plant and equipment	(70)	(256)
Fair value loss on investment properties	(6,624)	(6,615)
Fair value adjustment of right-of-use - investment properties	(13,617)	(13,617)
Net foreign exchange gain/(loss)	(7,589)	(11,713)

Other than the above, there was no gain or loss on derivatives and exceptional items.

12. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial year ended 31 December 2022 was unqualified.