

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

Interim Financial Report
30 September 2025

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Interim Financial Report - 30 September 2025

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S P SETIA BERHAD
 (Company No: 197401002663 (19698-X))
 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2025
(The figures have not been audited)

	Unaudited As At 30/09/2025 RM'000	Audited As At 31/12/2024 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	725,851	751,792
Right-of-use - property, plant and equipment	2,701	2,709
Investment properties	2,010,176	2,000,932
Right-of-use - investment properties	27,431	38,000
Inventories - land held for property development	12,527,173	12,278,601
Intangible assets	17,637	15,480
Investments in joint ventures	2,744,220	2,842,942
Investments in associated companies	538,852	619,728
Other investments	96	96
Amounts owing by joint ventures	141,895	69,785
Trade receivables	5,676	6,202
Other receivables, deposits and prepayments	87,952	88,232
Deferred tax assets	283,906	263,291
	<u>19,113,566</u>	<u>18,977,790</u>
Current assets		
Trade receivables	490,286	499,803
Contract assets	406,328	628,074
Other receivables, deposits and prepayments	217,857	228,391
Inventories - land held for sales	695	14,483
Inventories - property development costs	2,447,989	2,436,899
Inventories - completed properties and others	1,221,220	1,315,821
Contract cost assets	277,294	172,093
Amounts owing by joint ventures	89,410	130,141
Amounts owing by related parties	-	1,080
Current tax assets	93,352	57,759
Short-term deposits	772,884	733,400
Cash and bank balances	1,859,686	2,408,076
	<u>7,877,001</u>	<u>8,626,020</u>
TOTAL ASSETS	<u>26,990,567</u>	<u>27,603,810</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	9,238,566	9,238,060
Share capital - RCPS-i A	1,087,363	1,087,363
Share capital - RCPS-i C	202,957	203,463
Reserves		
Reserve on acquisition arising from common control	(1,295,884)	(1,295,884)
Exchange translation reserve	(48,465)	(33,637)
Retained earnings	5,423,463	5,414,491
Equity attributable to owners of the Company	<u>14,608,000</u>	<u>14,613,856</u>
Non-controlling interests	1,294,454	1,229,895
Total equity	<u>15,902,454</u>	<u>15,843,751</u>
LIABILITIES		
Non-current liabilities		
Redeemable cumulative preference shares	38,388	38,432
Other payables and accruals	82,016	80,522
Long-term borrowings	4,928,513	6,382,707
Lease liabilities	2,483	2,021
Deferred tax liabilities	454,744	461,501
	<u>5,506,144</u>	<u>6,965,183</u>
Current liabilities		
Trade payables	1,388,610	1,550,858
Contract liabilities	125,036	57,642
Other payables and accruals	771,820	887,195
Short-term borrowings	3,182,780	2,203,749
Lease liabilities	343	806
Current tax liabilities	112,730	94,252
Amounts owing to related parties	650	374
	<u>5,581,969</u>	<u>4,794,876</u>
Total liabilities	<u>11,088,113</u>	<u>11,760,059</u>
TOTAL EQUITY AND LIABILITIES	<u>26,990,567</u>	<u>27,603,810</u>
Net assets per share attributable to owners of the Company	<u>2.66</u>	<u>2.66</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 2024 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 PERIOD ENDED 30 SEPTEMBER 2025
(The figures have not been audited)

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	RM'000	RM'000	RM'000	RM'000
Revenue	872,256	1,258,804	2,586,684	4,229,316
Cost of sales	(547,467)	(869,061)	(1,598,621)	(2,844,521)
Gross profit	<u>324,789</u>	<u>389,743</u>	<u>988,063</u>	<u>1,384,795</u>
Other operating income	62,461	65,728	185,453	197,344
Selling and marketing expenses	(6,847)	(9,059)	(22,790)	(29,800)
Administrative and general expenses	(111,197)	(107,248)	(335,588)	(336,944)
Operating profit	<u>269,206</u>	<u>339,164</u>	<u>815,138</u>	<u>1,215,395</u>
Gain/(loss) on foreign exchange				
- Realised	(32)	4,809	(205)	5,197
- Unrealised	(6,306)	14,574	1,526	10,421
Share of results of joint ventures	(36,119)	(56,295)	(101,163)	(178,062)
Share of results of associated companies	6,277	4,390	20,868	16,483
Finance costs	(80,514)	(101,302)	(246,515)	(272,415)
Other gains	8,479	-	8,479	56,346
Profit before tax	<u>160,991</u>	<u>205,340</u>	<u>498,128</u>	<u>853,365</u>
Taxation	(62,416)	(89,465)	(189,056)	(333,345)
Profit for the period	<u>98,575</u>	<u>115,875</u>	<u>309,072</u>	<u>520,020</u>
Other comprehensive income/(loss), net of tax:				
Item that may be reclassified to profit or loss in subsequent periods:				
- Exchange differences on translation of foreign operations	(20,441)	(310,430)	(7,720)	(280,772)
- Net gain/(loss) on net investment hedge	4,191	28,496	(7,178)	19,609
Total comprehensive income/(loss) for the period	<u>82,325</u>	<u>(166,059)</u>	<u>294,174</u>	<u>258,857</u>
Profit attributable to:				
Owners of the Company	68,031	100,020	234,855	472,380
Non-controlling interests	30,544	15,855	74,217	47,640
	<u>98,575</u>	<u>115,875</u>	<u>309,072</u>	<u>520,020</u>
Total comprehensive income/(loss) attributable to:				
Owners of the Company	51,816	(182,080)	220,027	211,235
Non-controlling interests	30,509	16,021	74,147	47,622
	<u>82,325</u>	<u>(166,059)</u>	<u>294,174</u>	<u>258,857</u>
Earnings per share attributable to owners of the Company				
- Basic earnings per share (sen)	<u>0.54</u>	<u>1.16</u>	<u>3.06</u>	<u>8.10</u>
- Diluted earnings per share (sen)	<u>0.52</u>	<u>1.07</u>	<u>2.91</u>	<u>7.45</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 2024 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 PERIOD ENDED 30 SEPTEMBER 2025
(The figures have not 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 C 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 01.01.2025	9,238,060	1,087,363	203,463	(1,295,884)	(33,637)	5,414,491	14,613,856	1,229,895	15,843,751
Total other comprehensive income/(loss) for the period represented									
by exchange differences on translation of foreign operations	-	-	-	-	(7,650)	-	(7,650)	(70)	(7,720)
Net change on hedge of net investments	-	-	-	-	(7,178)	-	(7,178)	-	(7,178)
Profit for the period	-	-	-	-	-	234,855	234,855	74,217	309,072
Transactions with owners:									
Conversion of RCPS-i C into ordinary shares	506	-	(506)	-	-	-	-	-	-
RCPS-i A preferential dividends paid and payable	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i C preferential dividends paid and payable	-	-	-	-	-	(11,141)	(11,141)	-	(11,141)
Dividends paid	-	-	-	-	-	(144,088)	(144,088)	(9,588)	(153,676)
Balance at 30.09.2025	<u>9,238,566</u>	<u>1,087,363</u>	<u>202,957</u>	<u>(1,295,884)</u>	<u>(48,465)</u>	<u>5,423,463</u>	<u>14,608,000</u>	<u>1,294,454</u>	<u>15,902,454</u>
Balance at 01.01.2024	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
Total other comprehensive income/(loss) for the period represented									
by exchange differences on translation of foreign operations	-	-	-	-	(280,754)	-	(280,754)	(18)	(280,772)
Net change on hedge of net investments	-	-	-	-	19,609	-	19,609	-	19,609
Profit for the period	-	-	-	-	-	472,380	472,380	47,640	520,020
Transactions with owners:									
Conversion of RCPS-i C into ordinary shares	400,895	-	(400,895)	-	-	-	-	-	-
RCPS-i A preferential dividends paid and payable	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i C preferential dividends paid and payable	-	-	-	-	-	(26,135)	(26,135)	-	(26,135)
Dividends paid and payable	-	-	-	-	-	(59,674)	(59,674)	(15,556)	(75,230)
Balance at 30.09.2024	<u>9,123,670</u>	<u>1,087,363</u>	<u>317,853</u>	<u>(1,295,884)</u>	<u>(38,987)</u>	<u>5,310,916</u>	<u>14,504,931</u>	<u>1,244,688</u>	<u>15,749,619</u>

(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 2024 and the accompanying explanatory notes in this report)

S P SETIA BERHAD
 (Company No.: 197401002663 (19698-X))
 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025
(The figures have not been audited)

	9 MONTHS ENDED	
	30/09/2025	30/09/2024
	RM'000	RM'000
Operating Activities		
Profit before tax	498,128	853,365
Adjustments for:-		
Non-cash items	138,865	120,780
Non-operating items	98,116	147,357
Operating profit before changes in working capital	<u>735,109</u>	<u>1,121,502</u>
Changes in inventories - property development costs		
land held for sales and contract cost assets	254,537	1,145,301
Changes in inventories - completed properties and others	209,485	446,635
Changes in contract assets/liabilities	290,434	401,519
Changes in receivables	25,488	452,340
Changes in payables	<u>(299,395)</u>	<u>(189,557)</u>
Cash generated from operations	1,215,658	3,377,740
Rental received	15,612	11,674
Interest received	44,691	46,720
Interest paid on lease liabilities	(92)	(120)
Net tax paid	<u>(233,425)</u>	<u>(205,605)</u>
Net cash generated from operating activities	<u>1,042,444</u>	<u>3,230,409</u>
Investing Activities		
Additions to inventories - land held for property development	(699,503)	(831,569)
Deposits and part consideration paid for acquisition of development land	-	(32,448)
Additions to property, plant and equipment	(3,251)	(7,465)
Additions to investment properties	(9,244)	(8,479)
Additions to intangible assets	(3,119)	(973)
Proceeds from disposal of property, plant and equipment	112	22,737
Proceeds from disposal of investment properties	-	8,448
Proceeds from disposal of associate company	94,971	-
Proceeds from disposal of joint ventures	-	59,071
(Advances to)/Repayment from joint ventures	(41,089)	4,580
Withdrawal of sinking fund, debt service reserve, escrow accounts and short-term deposits	37,871	61,872
Dividends received from associated companies	10,620	8,170
Interest received	20,892	18,088
Rental received	51,814	39,282
Net cash used in investing activities	<u>(526,974)</u>	<u>(656,283)</u>

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 (Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 SEPTEMBER 2025
(The figures have not been audited)

	9 MONTHS ENDED	
	30/09/2025	30/09/2024
	RM'000	RM'000
Financing Activities		
Drawdown of bank borrowings	972,995	1,164,994
Repayment of bank borrowings	(1,445,822)	(2,346,659)
Repayment of lease liabilities	(689)	(697)
Interest paid	(286,818)	(346,362)
Redeemable cumulative preference share dividends paid to non-controlling interests	(1,734)	(1,734)
Dividends paid to non-controlling interests	(9,588)	(45,798)
Dividends paid	(144,086)	(59,674)
RCPS-i A preferential dividends paid	(35,327)	(35,327)
RCPS-i C preferential dividends paid	(5,572)	(17,446)
Net cash used in financing activities	<u>(956,641)</u>	<u>(1,694,966)</u>
Net changes in cash and cash equivalents	(441,171)	879,160
Effect of exchange rate changes	(5,655)	(27,703)
Cash and cash equivalents at beginning of the period	<u>2,938,212</u>	<u>2,254,652</u>
Cash and cash equivalents at end of the period	<u><u>2,491,386</u></u>	<u><u>3,106,109</u></u>
Cash and cash equivalents comprise the following:		
Short-term deposits	772,884	1,213,649
Cash and bank balances	1,859,686	2,062,736
Bank overdrafts	(6,565)	-
	<u>2,626,005</u>	<u>3,276,385</u>
Less: Amount restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	(134,619)	(170,276)
	<u><u>2,491,386</u></u>	<u><u>3,106,109</u></u>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2024 and the accompanying explanatory notes in this report.)

NOTES TO THE INTERIM FINANCIAL REPORT

1. Basis of Preparation

The interim 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 interim financial report is unaudited and should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2024.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial period ended 31 December 2024 except for the adoption of the following MFRS and amendments to MFRSs:

Amendments to MFRS 121	The effects of changes in Foreign Exchange Rates - Lack of exchangeability
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The adoption of the above amendments to MFRSs do not have significant financial impact to the Group in this interim financial period.

2. Seasonal or Cyclical Factors

The business operations of the Group during the financial period 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 period ended 30 September 2025 other than as disclosed in this report.

4. Material Changes in Estimates

There were no material changes in estimates for the financial period ended 30 September 2025.

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 period-to-date:

- Conversion of 1,332,675 RCPS-i C to 636,501 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

i) Dividend in respect of the financial year ended 31 December 2024

A single-tier dividend, in respect of the financial year ended 31 December 2024 of 2.88 sen per ordinary share amounting to RM144,086,446 was paid in cash on 15 April 2025.

ii) Islamic Redeemable Convertible Preference Shares (“RCPS-i A”) preferential dividend in respect of the financial period from 1 July 2024 to 30 June 2025

A semi-annual RCPS-i A preferential dividend of RM35,326,946, in respect of the financial period from 1 July 2024 to 31 December 2024 and another semi-annual RCPS-i A preferential dividend of RM35,326,946 in respect of the financial period from 1 January 2025 to 30 June 2025 were paid in cash on 15 April 2025 and 16 October 2025 respectively.

iii) Islamic Redeemable Convertible Preference Shares (“RCPS-i C”) preferential dividend in respect of the financial period from 1 July 2024 to 30 June 2025

A semi-annual RCPS-i C preferential dividend of RM5,571,569 in respect of the financial period from 1 July 2024 to 31 December 2024 and another semi-annual RCPS-i C preferential dividend of RM5,569,004 in respect of the financial period from 1 January 2025 to 30 June 2025 were paid in cash on 15 April 2025 and 16 October 2025 respectively.

7. Segmental Reporting

The segmental analysis are as follows:

Period ended 30 September 2025	Property Development RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	2,422,868	163,816	-	2,586,684
Inter-segment revenue	131,853	9,201	(141,054)	-
Total revenue	2,554,721	173,017	(141,054)	2,586,684
Gross profit	934,511	53,552	-	988,063
Other income	164,997	20,456	-	185,453
Operating expenses	(326,844)	(31,534)	-	(358,378)
Gain/(loss) on foreign exchange				
- Realised	(181)	(24)	-	(205)
- Unrealised	1,663	(137)	-	1,526
Share of results of joint ventures	(108,477)	7,314	-	(101,163)
Share of results of associated companies	20,855	13	-	20,868
Finance costs	(218,992)	(27,523)	-	(246,515)
Other gains	-	8,479	-	8,479
Profit before tax	467,532	30,596	-	498,128
Taxation				(189,056)
Profit for the period				309,072

7. Segmental Reporting (continued)

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

Geographical Segment	Revenue RM'000	Profit before tax RM'000	Profit after tax RM'000
Domestic	2,521,628	643,442	443,517
International	65,056	(145,314)	(134,445)
	2,586,684	498,128	309,072

Period ended 30 September 2024	Property Development RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	4,026,998	202,318	-	4,229,316
Inter-segment revenue	146,819	5,020	(151,839)	-
Total revenue	4,173,817	207,338	(151,839)	4,229,316
Gross profit	1,344,591	40,204	-	1,384,795
Other income	195,774	1,570	-	197,344
Operating expenses	(331,305)	(35,439)	-	(366,744)
Gain/(loss) on foreign exchange				
- Realised	197	5,000	-	5,197
- Unrealised	(3,548)	13,969	-	10,421
Share of results of joint ventures	(179,688)	1,626	-	(178,062)
Share of results of associated companies	16,483	-	-	16,483
Finance costs	(242,697)	(29,718)	-	(272,415)
Other gains	-	56,346	-	56,346
Profit before tax	799,807	53,558	-	853,365
Taxation				(333,345)
Profit for the period				520,020

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

Geographical Segment	Revenue RM'000	Profit before tax RM'000	Profit after tax RM'000
Domestic	3,753,821	965,552	647,759
International	475,495	(112,187)	(127,739)
	4,229,316	853,365	520,020

8. Material Events Subsequent to the End of Financial Period

There were no other material transactions or events between the financial period ended 30 September 2025 and 6 November 2025, being the latest practicable date not earlier than seven days from the issuance of this interim financial report.

9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the financial period ended 30 September 2025 except for the following:

- (i) Dissolution of Tenaga Raya Sdn Bhd, a wholly owned dormant subsidiary of S P Setia Berhad on 25 April 2025; and
- (ii) Disposal of Merit Properties Sdn Bhd, a 20% owned associate of I&P Multi Resources Sdn Bhd on 10 July 2025.

10. Contingent Liabilities

There were no contingent liabilities in respect of the Group for the financial period ended 30 September 2025.

11. Capital Commitments

	As at 30 September 2025 RM'000
<i>Commitments of subsidiary companies:</i>	
Contractual commitment for construction of investment properties	14,152
Contractual commitment for acquisition of property, plant and equipment, and intangible assets	1,898
	1,898

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 30 September 2025 RM'000
<i>Joint venture:</i>	
Contractual commitment for operation	80,581
Contractual commitment to purchase development land	9,752
	9,752

12. Significant Related Party Transactions

**1 January 2025
To
30 September
2025
RM'000**

Transactions with joint ventures:

i) Management fee received and receivable	3,055
ii) Event and marketing fee received and receivable	11
iii) Staff secondment fee received and receivable	281
iv) Rental paid and payable	441
v) Interest received and receivable	6,747
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Transactions with associates:

i) Dividend received and receivable	10,620
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Transactions with director(s) of the subsidiary companies and key senior management:

i) Sale of properties to Directors of the subsidiary companies	2,396
ii) Sale of properties to key senior management	2,299
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**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 (“Q3”) are analysed as follows:

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	RM'000	RM'000	RM'000	RM'000
Revenue				
Property Development	810,842	1,193,526	2,422,868	4,026,998
Investment Holding and Others	61,414	65,278	163,816	202,318
	<u>872,256</u>	<u>1,258,804</u>	<u>2,586,684</u>	<u>4,229,316</u>
Profit before tax (“PBT”)				
Property Development	147,937	192,935	467,532	799,807
Investment Holding and Others	13,054	12,405	30,596	53,558
	<u>160,991</u>	<u>205,340</u>	<u>498,128</u>	<u>853,365</u>

(a) Performance of the current quarter against the same quarter in the preceding year (Q3 2025 vs Q3 2024)

Property Development

In Q3 2025, the property development segment recorded revenue of RM811 million and PBT of RM148 million, down by 32% and 23%, respectively from Q3 2024. The decrease was mainly due to lower land sale contributions of RM234 million and reduced revenue from Australia projects after substantial handovers in 2024.

The lower PBT in Q3 2025 was in line with the decrease in revenue.

Investment Holding and Others

Contributions from other operations consist of trading and investment properties such as office towers, retail malls, convention centres, and hotels, and are relatively stable quarter on quarter.

1. Review of Group Performance (continued)

(b) Performance of the nine (9) months ended 30 September 2025 against the nine (9) months ended 30 September 2024

Property Development

The Group's property development segment recorded revenue of RM2.42 billion and PBT of RM468 million, both lower than the corresponding period in the previous year. The decline was mainly attributable to major land sale transactions and higher contributions from Australia and Vietnam in the prior year, following substantial handovers of completed projects. Revenue from land sales during the current period was almost RM1 billion lower than in the previous period.

The lower PBT in the current period was consistent with the decrease in revenue.

Investment Holding and Others

The lower PBT was mainly due to the gain on disposal of shares in Retro Highlands Sdn Bhd and stronger contributions from investment properties and hotel operations in the previous year.

2. Material Changes in the Quarterly Results ("Q3 2025") compared to the results of the Preceding Quarter ("Q2 2025")

The Group recorded a PBT of RM161 million in Q3 2025, a decrease from RM196 million in the preceding quarter, mainly due to the recognition of a land sale during Q2 2025.

3. Prospects for the Current Financial Year

For the last nine months this year, sales totalled RM3.49 billion for FY2025 compared to RM3.20 billion in the same corresponding period of last year. Domestic projects contributed RM2.91 billion, representing approximately 83% of total sales driven by contributions from Southern and Central Regions amounting to RM1.25 billion and RM1.48 billion respectively. The Group's international projects contributed RM577 million or 17% of the total sales.

The Group posted revenue of RM2.59 billion and recorded a Profit Before Tax (PBT) of RM498 million, contributed by mostly local developments. The Group has continued to reduce its borrowings, with a current net-gearing ratio of 0.35x, aligning with the Group's debt reduction strategies.

Bank Negara Malaysia's cut in the Overnight Policy Rate (OPR) by 25 basis points in July 2025 provides momentum for growth in the property development industry, particularly in the residential segment, by improving buyer affordability, reducing developers' financing costs, and potentially boosting market sentiment amid heightened, prolonged global uncertainty as well as rising construction costs.

The Group welcomes the government's move in the recent Budget 2026 Malaysia Madani to, amongst others, extend stamp duty exemptions to 2027, and enhance financial schemes to help first-time homebuyers, all of which is expected to further stimulate the property market.

The Group will continue to accelerate its catalytic township developments, eco-industrial parks, strategic partnerships and capitalising on value creation across its key growth corridors.

3. Prospects for the Current Financial Year (continued)

In a bid to advance its flagship developments, Setia recently formed a joint-venture with Mitsui Fudosan (Asia) Malaysia Sdn Bhd in October 2025, creating Setia MF EcoHill Sdn Bhd to develop a 113-acre residential project at Setia EcoHill, Semenyih, featuring 683 units of bungalows, semi-detached and cluster homes. With an estimated GDV of RM1.3 billion, the project is set for its maiden launch in 2026, combining both Japanese and Setia's design expertise in delivering sustainable homes.

On the international front, the Setia Edenia in the township of EcoXuan in Ho Chi Minh City, Vietnam, which has a GDV of US\$81 million (RM381.1 million) held its groundbreaking ceremony in July 2025 and is targeted for completion in 2027. The development is poised to emerge as a key landmark in the northern corridor of Ho Chi Minh City.

Setia remains committed to achieving its RM4.8 billion sales target this year.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Taxation

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current period	82,969	93,631	221,570	332,886
- under/(over) provision in prior years	530	(14,013)	(7,006)	(9,129)
Deferred tax:				
- current period	(18,223)	13,822	(21,075)	(1,553)
- under/(over) provision in prior years	(4,760)	(5,991)	(6,333)	9,125
Real property gain tax	-	827	-	827
Capital gain tax	1,900	1,189	1,900	1,189
	<u>62,416</u>	<u>89,465</u>	<u>189,056</u>	<u>333,345</u>

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

6. Status of Corporate Proposal

The following corporate proposal announced but not completed as of 6 November 2025 (being the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report):

On 3 November 2025, the Company's indirect wholly-owned subsidiary, Petaling Garden Sdn Bhd entered into two (2) inter-conditional sale and purchase agreements ("SPAs") with the following two (2) wholly-owned subsidiaries of Mah Sing Group Berhad to dispose approximately 275.40 acres in total area of land located in Mukim Beranang, Daerah Ulu Langat, Negeri Selangor for a cash consideration of RM273,514,214.79.

The completion of the SPAs are pending fulfilment of the conditions precedent as set out in the SPAs. The estimated timeframe for completion is in second half of 2026.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as of 30 September 2025 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings - Islamic	128,076	1,084,599	1,212,675
Short-term borrowings - Conventional	955,436	1,014,669	1,970,105
Long-term borrowings - Islamic	1,497,569	2,346,625	3,844,194
Long-term borrowings - Conventional	945,465	138,854	1,084,319
Redeemable cumulative preference shares	-	38,388	38,388
	<u>3,526,546</u>	<u>4,623,135</u>	<u>8,149,681</u>

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Malaysian Ringgit	2,792,291	3,481,986	6,274,277
Great British Pound	-	968,574	968,574
Australian Dollar	703,342	138,855	842,197
United States Dollar	-	33,720	33,720
Japanese Yen	30,913	-	30,913
	<u>3,526,546</u>	<u>4,623,135</u>	<u>8,149,681</u>

8. Material Litigation

- i) The following are the status updates on the contingent liabilities of the Group as of 18 August 2025 (the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report):

On 27 August 2024, S P Setia and its subsidiaries, Setia Bina Raya Sdn Bhd and Aeropod Sdn Bhd (“Subsidiaries”) filed a civil suit at the Shah Alam High Court (“Court”) against the following defendants:

- 1) Datuk Wong Tuck Wai (1st Defendant)
- 2) Datuk Kow Choong Ming (2nd Defendant)
- 3) Dato’ Khor Chap Jen (3rd Defendant)
- 4) Wilfred Yong Chen Leong (4th Defendant)
- 5) Alan Wong Siew Ong (5th Defendant)
- 6) Pristigo Properties Sdn Bhd (6th Defendant)
- 7) Asia Dream MM2H Sdn Bhd (7th Defendant)
- 8) Optimise Profit Sdn Bhd (8th Defendant)
- 9) Glorywise Century Sdn Bhd (9th Defendant)
- 10) Bigdeal Synergy Sdn Bhd (10th Defendant)
- 11) Siner maju Sdn Bhd (11th Defendant)

The suit concerns primarily the breaches of duties by the former director and senior management of S P Setia Berhad and its Subsidiaries in relation to the acquisition of 6 plots of land located at Jalan Lintas, Kota Kinabalu, and the sale of units under its Aeropod project (Phase 3A). S P Setia Berhad and its Subsidiaries have also brought this action against the defendants for breaches of duties (1st to 3rd Defendants), dishonest assistance, conspiracy, deceit and the breaches of Supplemental Agreement dated 11 March 2021 (which varied the terms of the Master Sale and Purchase Agreement dated 20 July 2017) by the other defendants.

S P Setia Berhad and its Subsidiaries/Plaintiffs seek relief and remedies against the defendants for, among others:

- a) a declaration that Aeropod Sdn Bhd is entitled to the ring-fenced money of RM60,670,305.80 which was retained by Aeropod Sdn Bhd as security towards the performance of Pristigo Properties Sdn Bhd’s obligations under the Supplemental Agreement dated 11 March 2021.
- b) damages or equitable compensation for the additional sum of RM37,592,483.20 after the deduction of the ring-fenced money above.
- c) damages or equitable compensation for late payment interest of RM5,200,000.00 up to 31 December 2020 and further interest from 1 January 2021 until final settlement to be assessed by the court.
- d) other and further damages or equitable compensation to be assessed by the court.
- e) account and inquiry of profits.
- f) general damages; and
- g) costs of investigations, interest and other costs in the action.

On 28 March 2025, the Plaintiffs filed all the Reply to Defence and Defence to Counterclaim (to 6th Defendant’s Counterclaim). On 11 April 2025, the Plaintiffs received the Amended Defence from the 2nd Defendant and consequently, the Plaintiffs filed the Amended Reply to the 2nd Defendant’s Defence on 25 April 2025.

Parties attended the Case Management on 5 May 2025 whereby the Defendants’ solicitors indicated they intend to seek discovery for further documents. The Court directed parties to provide further updates as to the compliance for filing of pre-trial documents during the next Case Management which is fixed on 20 June 2025.

At the Case Management on 20 June 2025, the judge directed parties to exhaust the necessary filing of cause papers in respect of 2 interim applications and Hearing of the same is fixed on 15 August 2025.

8. Material Litigation (continued)

Hearing fixed on 15 August 2025 was vacated in view of the allocation of a new judge. The matter was called up for further Case Managements on 10 September 2025 and 30 September 2025 whereby the trial for this matter is fixed on 1 to 4 February 2027 and 15 to 19 February 2027. The next Case Management is fixed on 10 November 2025 before the Registrar.

- ii) Setia Putrajaya Development Sdn Bhd (“SPD”) and Putrajaya Holdings Sdn Bhd (“PJH”) entered into a Development Agreement dated 18 December 2002 (“DA”) and a Supplemental Development Agreement dated 13 August 2024.

Under the DA, PJH as the registered proprietor of certain lands in Putrajaya, granted SPD the development rights and beneficial use over the Development Area in Precinct 9, Precinct 15 and Precinct Z, in consideration of payment of the Value of the Development Rights as prescribed under the DA.

SPD had made payment of the Value of Development Rights to PJH and incurred cost such as infrastructure cost towards development of the Development Area and other outgoing expenses in relation to the Development Area in the sum of approximately RM69 mil and PJH is in breach of its obligations under the Development Agreement.

On 15 August 2024, SPD commenced arbitration proceedings to claim the sum of RM69,534,082.00 (outstanding as of 31 May 2024) being damages for breach of contract and/or misrepresentation, general damages, interest, cost and other relief the Arbitrator deems fit.

On 13 September 2024, PJH served its Response to the Notice of Arbitration (“NOA”) to deny all the claims in the NOA.

The case is ongoing.

9. Earnings Per Share Attributable to Owners of The Company

Basic Earnings Per Share

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

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	'000	'000	'000	'000
Profit attributable to owners of the Company (RM)	68,031	100,020	234,855	472,380
- RCPS-i A preferential dividends (RM)	(35,327)	(35,327)	(70,654)	(70,654)
- RCPS-i C preferential dividends (RM)	(5,569)	(8,689)	(11,141)	(26,135)
Adjusted profit attributable to owners of the Company (RM)	<u>27,135</u>	<u>56,044</u>	<u>153,060</u>	<u>375,591</u>
Number of ordinary shares at beginning of the period	5,003,089	4,761,205	5,002,484	4,354,837
Weighted average effect of shares issued pursuant to:				
- Conversion of RCPS i-C into ordinary shares	31	66,011	444	283,559
Number of ordinary shares in issue	<u>5,003,120</u>	<u>4,827,216</u>	<u>5,002,928</u>	<u>4,638,396</u>
Basic earnings per share (sen)	<u>0.54</u>	<u>1.16</u>	<u>3.06</u>	<u>8.10</u>

Diluted Earnings Per Share

The diluted earnings per share for the period is calculated by dividing the Group's profit attributable to owners of the Company adjusted for the effects of RCPS-i A and RCPS-i C preferential dividends declared during the period, divided by the weighted average number of shares upon full conversion of RCPS i-C at the conversion ratio of thirty two (32) ordinary shares for sixty seven (67) RCPS-i C, calculated as follows:

	3 MONTHS ENDED		9 MONTHS ENDED	
	30/09/2025	30/09/2024	30/09/2025	30/09/2024
	'000	'000	'000	'000
Profit attributable to owners of the Company (RM)	68,031	100,020	234,855	472,380
- RCPS-i A preferential dividends (RM)	(35,327)	(35,327)	(70,654)	(70,654)
- RCPS-i C preferential dividends (RM)	(5,569)	(8,689)	(11,141)	(26,135)
Adjusted profit attributable to owners of the Company (RM)	<u>27,135</u>	<u>56,044</u>	<u>153,060</u>	<u>375,591</u>
Weighted average number of ordinary shares as per Basic Earnings Per Share	5,003,120	4,827,216	5,002,928	4,638,396
Effect of potential exercise of RCPS-i C	257,810	402,220	257,810	402,220
Weighted average number of ordinary shares	<u>5,260,930</u>	<u>5,229,436</u>	<u>5,260,738</u>	<u>5,040,616</u>
Diluted earnings per share (sen)	<u>0.52</u>	<u>1.07</u>	<u>2.91</u>	<u>7.45</u>

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

10. Dividends Declared

- (a) The Board of Directors has declared preferential dividends of 6.49% per annum for RCPS-i A and 5.43% per annum for RCPS-i C, both payable semi-annually, in respect of the financial period from 1 January 2025 to 30 June 2025. A total of RM35,326,946 and RM5,569,004 preferential dividends respectively were paid in cash on 16 October 2025.
- (b) No dividend has been declared in respect of ordinary share for the financial period ended 30 September 2025.

11. Notes to the Statement of Comprehensive Income

	3 MONTHS ENDED 30/09/2025 RM'000	9 MONTHS ENDED 30/09/2025 RM'000
Other income including investment income	41,151	119,755
Interest income	21,310	65,698
Interest expense	(80,514)	(246,515)
Depreciation and amortisation	(9,988)	(30,310)
Provision of doubtful debts for trade and other receivables	(7,299)	(9,974)
Write-off property, plant and equipment	(1)	(72)
Write down in value of land held for property development	-	(10,323)
Loss on dissolution of subsidiary company	-	(11)
Gain on disposal of associate company	8,479	8,479
Fair value adjustment of right-of-use - investment properties	(3,257)	(10,569)
Net foreign exchange (loss) / gain	(6,338)	1,321

Other than the above, there were no exceptional items. The gain or loss on derivatives is not applicable to the Group.

12. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the financial period ended 31 December 2024 was unqualified.