

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

Interim Financial Report
30 June 2026

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Interim Financial Report - 30 June 2026

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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 JUNE 2026
(The figures have not been audited)

	Unaudited As At 30/06/2026 RM'000	Audited As At 31/12/2025 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	692,596	719,114
Right-of-use - property, plant and equipment	613	748
Investment properties	2,022,453	2,060,083
Right-of-use - investment properties	43,963	48,203
Inventories - land held for property development	11,620,358	11,696,127
Intangible assets	17,432	17,872
Investments in joint ventures	2,465,470	2,547,128
Investments in associated companies	632,304	624,505
Other investments	96	96
Amounts owing by joint ventures	212,435	210,714
Trade receivables	-	669
Other receivables, deposits and prepayments	87,653	88,514
Deferred tax assets	267,567	278,582
	<u>18,062,940</u>	<u>18,292,355</u>
Current assets		
Trade receivables	716,271	1,032,788
Contract assets	323,690	469,095
Other receivables, deposits and prepayments	233,004	258,645
Inventories - land held for sales	-	40,356
Inventories - property development costs	2,806,646	2,818,825
Inventories - completed properties and others	1,188,945	1,228,137
Contract cost assets	198,000	188,577
Amounts owing by joint ventures	106,857	104,948
Amounts owing by associated companies	56	-
Current tax assets	80,236	77,525
Short-term deposits	1,079,989	511,072
Cash and bank balances	1,714,689	2,061,074
	<u>8,448,383</u>	<u>8,791,042</u>
TOTAL ASSETS	<u>26,511,323</u>	<u>27,083,397</u>
EQUITY AND LIABILITIES		
EQUITY		
Share capital	9,277,622	9,239,169
Share capital - RCPS-i A	1,086,743	1,086,760
Share capital - RCPS-i C	164,521	202,957
Reserves		
Reserve on acquisition arising from common control	(1,295,884)	(1,295,884)
Exchange translation reserve	(116,277)	(133,724)
Retained earnings	5,659,286	5,698,564
Equity attributable to owners of the Company	<u>14,776,011</u>	<u>14,797,842</u>
Non-controlling interests	1,294,638	1,290,833
Total equity	<u>16,070,649</u>	<u>16,088,675</u>
LIABILITIES		
Non-current liabilities		
Redeemable cumulative preference shares	21,000	21,000
Other payables and accruals	76,039	86,188
Long-term borrowings	5,830,830	4,887,043
Lease liabilities	9,341	9,353
Deferred tax liabilities	421,095	412,167
	<u>6,358,305</u>	<u>5,415,751</u>
Current liabilities		
Redeemable cumulative preference shares	17,348	17,603
Trade payables	1,293,654	1,472,374
Contract liabilities	140,378	97,645
Other payables and accruals	698,887	815,040
Short-term borrowings	1,830,723	3,031,162
Lease liabilities	5,223	5,126
Current tax liabilities	95,507	139,373
Amounts owing to related parties	649	648
	<u>4,082,369</u>	<u>5,578,971</u>
Total liabilities	<u>10,440,674</u>	<u>10,994,722</u>
TOTAL EQUITY AND LIABILITIES	<u>26,511,323</u>	<u>27,083,397</u>
Net assets per share attributable to owners of the Company	<u>2.68</u>	<u>2.70</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 2025 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 JUNE 2026
(The figures have not been audited)

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	RM'000	RM'000	RM'000	RM'000
Revenue	821,385	943,732	1,647,927	1,714,428
Cost of sales	(501,306)	(561,952)	(1,084,579)	(1,051,154)
Gross profit	320,079	381,780	563,348	663,274
Other operating income	80,505	61,486	141,812	122,992
Selling and marketing expenses	(10,395)	(7,019)	(20,070)	(15,943)
Administrative and general expenses	(111,741)	(125,615)	(180,869)	(224,391)
Operating profit	278,448	310,632	504,221	545,932
Gain/(loss) on foreign exchange:				
- Realised	142	(146)	(5,729)	(173)
- Unrealised	7,849	2,997	(6,570)	7,832
Share of results of joint ventures	(32,073)	(46,455)	(50,913)	(65,044)
Share of results of associated companies	10,335	8,797	15,974	14,591
Finance costs	(74,298)	(80,156)	(158,800)	(166,001)
Profit before tax	190,403	195,669	298,183	337,137
Taxation	(68,366)	(74,530)	(118,498)	(126,640)
Profit for the period	122,037	121,139	179,685	210,497
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	31,876	(22,434)	17,034	12,721
- Net loss on net investment hedge	-	(3,444)	-	(11,369)
Total comprehensive income for the period	153,913	95,261	196,719	211,849
Profit attributable to:				
Owners of the Company	98,059	99,801	129,183	166,824
Non-controlling interests	23,978	21,338	50,502	43,673
	122,037	121,139	179,685	210,497
Total comprehensive income attributable to:				
Owners of the Company	129,938	73,951	146,630	168,211
Non-controlling interests	23,975	21,310	50,089	43,638
	153,913	95,261	196,719	211,849
Earnings per share attributable to owners of the Company				
- Basic earnings per share (sen)	1.95	1.99	2.58	3.33
- Diluted earnings per share (sen)	1.87	1.90	2.47	3.17

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2025 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 JUNE 2026
(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 01.01.2026	9,239,169	1,086,760	202,957	(1,295,884)	(133,724)	5,698,564	14,797,842	1,290,833	16,088,675
Total other comprehensive income for the period represented									
by exchange differences on translation of foreign operations	-	-	-	-	17,447	-	17,447	(413)	17,034
Profit for the period	-	-	-	-	-	129,183	129,183	50,502	179,685
Transactions with owners:									
Conversion of RCPS-i A into ordinary shares	17	(17)	-	-	-	-	-	-	-
Conversion of RCPS-i C into ordinary shares	38,436	-	(38,436)	-	-	-	-	-	-
RCPS-i A preferential dividends paid	-	-	-	-	-	(35,307)	(35,307)	-	(35,307)
RCPS-i C preferential dividends paid	-	-	-	-	-	(5,569)	(5,569)	-	(5,569)
Dividends paid	-	-	-	-	-	(127,585)	(127,585)	(46,284)	(173,869)
Balance at 30.06.2026	<u>9,277,622</u>	<u>1,086,743</u>	<u>164,521</u>	<u>(1,295,884)</u>	<u>(116,277)</u>	<u>5,659,286</u>	<u>14,776,011</u>	<u>1,294,638</u>	<u>16,070,649</u>
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 for the period represented									
by exchange differences on translation of foreign operations	-	-	-	-	12,756	-	12,756	(35)	12,721
Net change on hedge of net investments	-	-	-	-	(11,369)	-	(11,369)	-	(11,369)
Profit for the period	-	-	-	-	-	166,824	166,824	43,673	210,497
Transactions with owners:									
Conversion of RCPS-i C into ordinary shares	481	-	(481)	-	-	-	-	-	-
RCPS-i A preferential dividends paid	-	-	-	-	-	(35,327)	(35,327)	-	(35,327)
RCPS-i C preferential dividends paid	-	-	-	-	-	(5,572)	(5,572)	-	(5,572)
Dividends paid	-	-	-	-	-	(144,086)	(144,086)	-	(144,086)
Balance at 30.06.2025	<u>9,238,541</u>	<u>1,087,363</u>	<u>202,982</u>	<u>(1,295,884)</u>	<u>(32,250)</u>	<u>5,396,330</u>	<u>14,597,082</u>	<u>1,273,533</u>	<u>15,870,615</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 2025 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 JUNE 2026
(The figures have not been audited)

	6 MONTHS ENDED	
	30/06/2026	30/06/2025
	RM'000	RM'000
Operating Activities		
Profit before tax	298,183	337,137
Adjustments for:-		
Non-cash items	37,732	88,331
Non-operating items	49,665	66,922
Operating profit before changes in working capital	385,580	492,390
Changes in inventories - property development costs, land held for sales and contract cost assets	228,416	149,496
Changes in inventories - completed properties and others	131,188	128,492
Changes in contract assets/liabilities	188,534	361,503
Changes in receivables	370,997	(54,299)
Changes in payables	(285,771)	(314,083)
Cash generated from operations	1,018,944	763,499
Rental received	11,820	10,264
Interest received	32,769	30,825
Interest paid on lease liabilities	(17)	(64)
Net tax paid	(144,678)	(145,003)
Net cash generated from operating activities	918,838	659,521
Investing Activities		
Additions to inventories - land held for property development	(215,787)	(204,909)
Additions to property, plant and equipment	(2,155)	(1,864)
Additions to investment properties	(75)	(7,321)
Additions to intangible assets	(390)	(2,121)
Proceeds from disposal of property, plant and equipment	15,569	99
Proceeds from disposal of investment properties	36,972	-
Advances to an associated company	(56)	-
Advances to joint ventures	(5,403)	(13,416)
Withdrawal of sinking fund, debt service reserve, escrow accounts and short-term deposits	48,484	61,771
Dividends received from associated companies	12,250	10,620
Interest received	17,511	13,447
Rental received	36,624	34,557
Net cash used in investing activities	(56,456)	(109,137)

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(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2026
(The figures have not been audited)

	6 MONTHS ENDED	
	30/06/2026	30/06/2025
	RM'000	RM'000
Financing Activities		
Net proceeds from issuance of Sukuk Wakalah	850,000	-
Drawdown of bank borrowings	351,401	222,500
Repayment of bank borrowings	(1,582,367)	(686,237)
Repayment of lease liabilities	(145)	(480)
Interest paid	(116,796)	(213,910)
Redeemable cumulative preference share dividends paid to non-controlling interests	(684)	(684)
Dividends paid to non-controlling interests	(46,284)	-
Dividends paid	(127,585)	(144,086)
RCPS-i A preferential dividends paid	(35,307)	(35,327)
RCPS-i C preferential dividends paid	(5,569)	(5,572)
Net issuance of Islamic Commercial Paper	100,000	-
Net cash used in financing activities	<u>(613,336)</u>	<u>(863,796)</u>
Net changes in cash and cash equivalents	249,046	(313,412)
Effect of exchange rate changes	2,022	(5,903)
Cash and cash equivalents at beginning of the period	<u>2,438,288</u>	<u>2,938,212</u>
Cash and cash equivalents at end of the period	<u><u>2,689,356</u></u>	<u><u>2,618,897</u></u>
Cash and cash equivalents comprise the following:		
Short-term deposits	1,079,989	750,712
Cash and bank balances	1,714,689	2,011,371
Bank overdrafts	<u>(19,948)</u>	<u>(32,469)</u>
	2,774,730	2,729,614
Less: Amount restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	<u>(85,374)</u>	<u>(110,717)</u>
	<u><u>2,689,356</u></u>	<u><u>2,618,897</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 2025 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 2025.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 December 2025 except for the adoption of the following MFRS and amendments to MFRSs which are effective for the accounting period beginning 1 January 2026:

Amendments to MFRS 7 & MFRS 9	Amendments to the Classification and Measurement of Financial Instruments (<i>Amendments to MFRS 9 and MFRS 7</i>)
Amendments to MFRS 7 & MFRS 9	Contracts Referencing Nature-dependent Electricity (<i>Amendments to MFRS 9 and MFRS 7</i>)
Amendments to MFRS 1, MFRS 7, MFRS 9, MFRS 10, and MFRS 107	Annual Improvements to MFRS Accounting Standards – <i>Volume 11</i>

The adoption of the above amendments to MFRSs do not have any financial impact to the Group in this interim financial period. The Group has not adopted new or revised standards and amendments to standards that have been issued but not yet effective for the accounting period beginning 1 January 2026.

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 June 2026 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 June 2026.

5. Debts and Equity Securities

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

- Conversion of 16,367 RCPS-i A to 5,643 ordinary shares with the conversion ratio of ten (10) new S P Setia Berhad shares for twenty-nine (29) RCPS-i A held.
- Conversion of 101,145,885 RCPS-i C to 48,308,482 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 2025

A single-tier dividend, in respect of the financial year ended 31 December 2025 of 2.55 sen per ordinary share amounting to RM127,585,015 was paid in cash on 15 April 2026.

ii) Islamic Redeemable Convertible Preference Shares (“RCPS-i A”) preferential dividend in respect of the financial period from 1 July 2025 to 31 December 2025

A semi-annual RCPS-i A preferential dividend of RM35,306,840, in respect of the financial period from 1 July 2025 to 31 December 2025 was paid in cash on 15 April 2026.

iii) Islamic Redeemable Convertible Preference Shares (“RCPS-i C”) preferential dividend in respect of the financial period from 1 July 2025 to 31 December 2025

A semi-annual RCPS-i C preferential dividend of RM5,569,004 in respect of the financial period from 1 July 2025 to 31 December 2025 was paid in cash on 15 April 2026.

7. Segmental Reporting

The segmental analysis is as follows:

Period ended 30 June 2026	Property Development RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	1,551,847	96,080	-	1,647,927
Inter-segment revenue	92,077	6,403	(98,480)	-
Total revenue	1,643,924	102,483	(98,480)	1,647,927
Gross profit	528,735	34,613	-	563,348
Other income	115,352	26,460	-	141,812
Operating expenses	(167,924)	(33,015)	-	(200,939)
Gain/(loss) on foreign exchange				
- Realised	(193)	(5,536)	-	(5,729)
- Unrealised	99	(6,669)	-	(6,570)
Share of results of joint ventures	(54,603)	3,690	-	(50,913)
Share of results of associated companies	15,974	-	-	15,974
Finance costs	(138,022)	(20,778)	-	(158,800)
Profit/(loss) before tax	299,418	(1,235)	-	298,183
Taxation				(118,498)
Profit for the period				179,685

7. Segmental Reporting (continued)

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

Geographical Segment	Revenue RM'000	Profit/(Loss) before tax RM'000	Profit/(Loss) after tax RM'000
Domestic	1,647,578	385,035	260,223
International	349	(86,852)	(80,538)
	<u>1,647,927</u>	<u>298,183</u>	<u>179,685</u>

Period ended 30 June 2025	Property Development RM'000	Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	1,612,026	102,402	-	1,714,428
Inter-segment revenue	78,429	6,864	(85,293)	-
Total revenue	<u>1,690,455</u>	<u>109,266</u>	<u>(85,293)</u>	<u>1,714,428</u>
Gross profit	631,094	32,180	-	663,274
Other income	108,807	14,185	-	122,992
Operating expenses	(223,844)	(16,490)	-	(240,334)
Gain/(loss) on foreign exchange				
- Realised	(172)	(1)	-	(173)
- Unrealised	7,754	78	-	7,832
Share of results of joint ventures	(71,080)	6,036	-	(65,044)
Share of results of associated companies	14,578	13	-	14,591
Finance costs	(147,542)	(18,459)	-	(166,001)
Profit before tax	<u>319,595</u>	<u>17,542</u>	<u>-</u>	<u>337,137</u>
Taxation				(126,640)
Profit for the period				<u>210,497</u>

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

Geographical Segment	Revenue RM'000	Profit/(Loss) before tax RM'000	Profit/(Loss) after tax RM'000
Domestic	1,664,259	434,212	300,639
International	50,169	(97,075)	(90,142)
	<u>1,714,428</u>	<u>337,137</u>	<u>210,497</u>

8. Material Events Subsequent to the End of Financial Period

There were no material transactions or events between the financial period ended 30 June 2026 and 12 August 2026, 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 June 2026 except for dissolution of Setia Osaka Tokutei Mokuteki Kaisha, an indirect wholly owned subsidiary of S P Setia Berhad on 10 June 2026.

10. Contingent Liabilities

**As at
30 June 2026
RM'000**

Claims pending against the Group (refer to Note 8 Material Litigation (ii))	13,076
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11. Capital Commitments

**As at
30 June 2026
RM'000**

Commitments of subsidiary companies:

Contractual commitment for construction of investment properties	356
Contractual commitment for acquisition of property, plant and equipment, and intangible assets	839

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 June 2026
RM'000**

Joint ventures:

Contractual commitment for operations	80,581
Contractual commitment to purchase development land	9,366

12. Significant Related Party Transactions

**1 January 2026
To
30 June 2026
RM'000**

Transactions with joint ventures:

i) Management fee received and receivable	2,880
ii) Interest received and receivable	4,792
iii) Staff secondment fee received and receivable	197
iv) Rental paid and payable	297
v) Event and marketing fee received and receivable	4

Transaction with associates:

i) Dividend received	12,250

Transactions with Directors of the Company:

i) Sale of property to a Director of the Company	9,036
ii) Sale of property to a close family member of a Director of the Company	5,571
iii) Hall rental and amenities to Directors of the Company	16

Transactions with director(s) of the subsidiary companies and key senior management:

i) Sale of property to a key senior management	2,287

**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 (“Q2”) is analysed as follows:

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	RM'000	RM'000	RM'000	RM'000
Revenue				
Property Development	772,376	892,758	1,551,847	1,612,026
Investment Holding and Others	49,009	50,974	96,080	102,402
	<u>821,385</u>	<u>943,732</u>	<u>1,647,927</u>	<u>1,714,428</u>
Profit/(loss) before tax (“PBT”)				
Property Development	193,246	186,272	299,418	319,595
Investment Holding and Others	(2,843)	9,397	(1,235)	17,542
	<u>190,403</u>	<u>195,669</u>	<u>298,183</u>	<u>337,137</u>

(a) Performance of the current quarter against the same quarter in the preceding year (Q2 2026 vs Q2 2025)

Property Development

In Q2 2026, the Group’s property development segment recorded revenue of RM772 million, 14% lower than RM893 million in Q2 2025, primarily due to lower contribution from land sale revenue by RM115 million. Development revenue remained broadly stable against the same quarter in the preceding year, supported by continued progress across the Group's domestic projects.

PBT increased by 4% to RM193 million in Q2 2026, supported by the one-off reversal of foreseeable loss provisions following the realisation of low cost land disposals which strengthened the segment’s profitability for the current quarter.

Investment Holding and Others

Revenue from other operations consists of trading and investment properties such as office towers, retail malls, convention centres, and hotels.

PBT for Q2 2026 was lower compared to Q2 2025, mainly due to unrealised foreign exchange loss arising from the retranslation of foreign currency advances.

1. Review of Group Performance (continued)

(b) Performance of the six (6) months ended 30 June 2026 against the six (6) months ended 30 June 2025

Property Development

The Group recorded revenue of RM1.55 billion and PBT of RM299 million from the property development segment, both lower than the corresponding period in the previous year. The decline was primarily attributable to the non-recurrence of revenue contribution from Australia projects in the current period following the completion of key project handovers in prior years. Domestic project contributions remained steady overall with stronger performance from the Southern region partly offsetting a moderate contribution from the Central region.

The lower PBT in the current period was mainly due to the absence of material land sale profit contribution, partially offset by the one-off reversals of employee benefits and foreseeable loss provisions, coupled with improved performance from Battersea Power Station.

Investment Holding and Others

The segment's loss before tax was primarily due to unrealised foreign exchange losses arising from the retranslation of foreign currency advances and increased operating expenses partly offset by higher interest income.

2. Material Changes in the Quarterly Results (“Q2 2026”) compared to the results of the Preceding Quarter (“Q1 2026”)

The Group recorded a higher PBT of RM190 million in Q2 2026, compared to RM108 million in the preceding quarter, mainly driven by higher contribution from the industrial park and Southern region, one-off reversals of foreseeable loss provisions and receivables impairment allowances as well as lower unrealised foreign exchange loss arising from the retranslation of foreign currency advances.

3. Prospects for the Current Financial Year

For the six months ended 30 June 2026, the Group secured sales totalling RM1.42 billion. Domestic developments remained the main contributor to the Group's sales, generating RM1.28 billion representing 90% of the total sales, followed by international developments with RM0.14 billion representing 10% of the total sales. The performance reflects continued sales activity amid a more challenging operating environment, with the expected lower contribution from land sale transactions.

Bank Negara Malaysia maintained the Overnight Policy Rate (OPR) at 2.75% in its 9 July 2026 release, signaling a balanced monetary stance to support sustainable growth while preserving price stability. Malaysia's 2026 GDP growth outlook remains at 4%-5%, underpinned by resilient domestic demand, continued investment activity, export recovery and tourism growth. Despite external uncertainties, a stable monetary policy environment and continued investment realisation are expected to support growth momentum, providing a supportive backdrop for construction activity, infrastructure development, industrial expansion and selected property segments.

S P Setia broke ground on the 509-acre Setia Fontaines Industrial Park in Bertam, Penang in June 2026, marking a strategic expansion of its industrial portfolio. The development is targeted at advanced manufacturing, digital infrastructure and high-technology industries, supporting Penang's position as a key investment and industrial hub under the Ekonomi MADANI agenda. Alongside the groundbreaking, Setia signed a Memorandum of Collaboration (MoC) with the Northern Corridor Implementation Authority (NCIA) to explore green electricity supply under the Corporate Renewable Energy Supply Scheme (CRESS), enhancing the park's ESG appeal. The Group also entered into a Memorandum of Agreement (MoA) with the Lembaga Perumahan Negeri Pulau Pinang (LPNPP) to develop 640 affordable homes, complementing the integrated township with workforce housing.

On the international front, Setia Edenia in the township of EcoXuan in Ho Chi Minh City, Vietnam remains on track for completion in 2027. The development is poised to emerge as a key landmark in the northern corridor of Ho Chi Minh City.

With a diversified portfolio spanning established townships, eco-industrial parks and international developments, Setia remains focused on disciplined execution, value creation and the delivery of sustainable long-term growth. This reflects Setia's strategic evolution from a traditional development-led business towards a more balanced and integrated real estate platform, strengthening earnings quality, enhancing resilience across market cycles and creating sustainable long-term value for shareholders.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Taxation

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	RM'000	RM'000	RM'000	RM'000
Income tax:				
- current period	63,530	82,879	102,216	138,601
- under/(over) provision in prior years	1,710	(1,191)	(6,711)	(7,536)
Deferred tax:				
- current period	(694)	(2,774)	489	(2,852)
- under/(over) provision in prior years	662	(4,384)	19,346	(1,573)
Real property gain tax	3,158	-	3,158	-
	<u>68,366</u>	<u>74,530</u>	<u>118,498</u>	<u>126,640</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 under-provision of deferred tax in prior year.

6. Status of Corporate Proposal

The following corporate proposal announced but not completed as of 12 August 2026 (being the latest practicable date which is not earlier than 7 days from the date of issue of this interim financial report):

- (i) 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 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 RM273,514,215.

The parties had on 3 August 2026 mutually agreed to further extend the conditional period for fulfilment of the conditions precedent of the SPAs by three (3) months from 3 August 2026 to 2 November 2026.

In addition, the parties have agreed that the completion of the SPAs shall, in any event, be no later than 28 December 2026.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as of 30 June 2026 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Short-term borrowings - Islamic	193,533	754,846	948,379
Short-term borrowings - Conventional	711,344	171,000	882,344
Long-term borrowings - Islamic	1,288,191	3,492,099	4,780,290
Long-term borrowings - Conventional	910,755	139,785	1,050,540
Redeemable cumulative preference shares	-	38,348	38,348
	<u>3,103,823</u>	<u>4,596,078</u>	<u>7,699,901</u>

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

	Secured RM'000	Unsecured RM'000	Total RM'000
Malaysian Ringgit	2,395,771	4,456,293	6,852,064
Australian Dollar	708,052	139,785	847,837
	<u>3,103,823</u>	<u>4,596,078</u>	<u>7,699,901</u>

8. Material Litigation

- i) The following are the status updates on the contingent liabilities of the Group as of 12 August 2026 (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) Prestigo 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 Prestigo Properties Sdn Bhd’s obligations under the Supplemental Agreement dated 11 March 2021.

8. Material Litigation (continued)

- 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.

Hearing of the Defendants' application for discovery which was fixed on 17 July 2026 did not go on and the application is scheduled to be heard on 27 July 2026 and 19 August 2026. Meanwhile, Setia has filed an application for stay of proceedings and such application is now fixed for Hearing on 5 October 2026.

Full Trial dates remain fixed on 1 to 4 February 2027 and 15 to 19 February 2027.

- ii) With regards the aforementioned ring-fenced money, on 26 October 2022, Pristigo Properties Sdn Bhd ("Pristigo") commenced a civil action against Aeropod Sdn Bhd ("Aeropod") for, among others, RM26,151,574.27 being part of the ring-fenced money which Pristigo alleged is due and payable by Aeropod. The claim is centred on various agreements between the parties involving the sale of plots of lands in Lintas, Sabah and purchase of Aeropod's Phase 3A development in Sabah.

On 31 March 2026, the High Court allowed Pristigo's claim and ordered various interests to be paid, including the contractual interests payable at the agreed rate of 10% per annum from 1 April 2021 to 31 March 2026 i.e. RM13,075,787.09. Statutory interest of 5% per annum from 31 March 2026 to the date of full settlement and costs of RM30,000.00 are also payable.

Aeropod has since filed its appeal to the Court of Appeal on 7 April 2026 against the High Court's decision above, and the appeal is fixed for Case Management on 28 September 2026.

Aeropod also filed an application for stay of execution of the High Court's decision on 23 April 2026. The initial hearing date fixed for the application for stay of execution has been vacated by the court. The new hearing date is being fixed by the court.

Aeropod had previously recorded RM26,151,574 in respect of the ring-fenced money claimed by Pristigo.

- iii) 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 RM69,534,082 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 (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 matter is currently pending appointment of arbitrator as parties are still in discussion on the appointment of the arbitrator.

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 over the weighted average number of shares in issue. The effects of the preferential dividend in respect of the period will be adjusted upon entitlement.

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	'000	'000	'000	'000
Profit attributable to owners of the Company (RM)	98,059	99,801	129,183	166,824
Weighted average number of ordinary shares in issue	5,020,824	5,003,058	5,012,125	5,002,831
Basic earnings per share (sen)	1.95	1.99	2.58	3.33

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 over 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. The effects of the preferential dividend in respect of the period will be adjusted upon entitlement.

	3 MONTHS ENDED		6 MONTHS ENDED	
	30/06/2026	30/06/2025	30/06/2026	30/06/2025
	'000	'000	'000	'000
Profit attributable to owners of the Company (RM)	98,059	99,801	129,183	166,824
Weighted average number of ordinary shares as per Basic Earnings Per Share	5,020,824	5,003,058	5,012,125	5,002,831
Effect of potential exercise of RCPS-i C	209,501	257,842	209,501	257,842
Weighted average number of ordinary shares	5,230,325	5,260,900	5,221,626	5,260,673
Diluted earnings per share (sen)	1.87	1.90	2.47	3.17

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) On 19 August 2026, the Board of Directors has declared preferential dividends in respect of the financial period from 1 January 2026 to 30 June 2026, for the 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 period
 - RCPS-i A: 6.49% per annum
 - RCPS-i C: 5.43% per annum
 - (iii) Date payable: To be determined later
 - (iv) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at a date to be determined later.
- (b) No dividend has been declared in respect of ordinary share for the financial period ended 30 June 2026.

11. Notes to the Statement of Comprehensive Income

	3 MONTHS ENDED 30/06/2026 RM'000	6 MONTHS ENDED 30/06/2026 RM'000
Other income including investment income	44,662	81,001
Interest income	26,030	50,375
Interest expense	(74,298)	(158,800)
Depreciation and amortisation	(9,017)	(18,516)
Reversal of allowance for impairment loss on receivables	17,627	17,627
Gain/(loss) on foreign exchange	7,991	(12,299)
Gain on disposal of investment properties	6,472	6,472
Gain on disposal of property, plant and equipment	5,146	5,246
Gain/(loss) on fair value adjustment on investment properties	233	(633)
Loss on fair value adjustment of right-of-use investment properties	(4,239)	(4,239)
Write-off property, plant and equipment	(1,043)	(1,043)
Allowance for impairment loss on trade and other receivables	(936)	(936)
Bad debt written off	(23)	(23)

Other than as disclosed in this report, 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 year ended 31 December 2025 was unqualified.