Press Release
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For Immediate Release

S P SETIA BERHAD RECORDED RM108 MILLION PROFIT BEFORE TAX, AND REDUCED BORROWINGS AMIDST A MODERATING MARKET IN Q1 FY2026

KEY HIGHLIGHTS:

- **Revenue** stood at **RM826 million**: Contributed primarily by local development revenue
- **Pre-Tax Profit** of **RM108 million**: Driven mainly by domestic developments from Central and Southern regions including strategic land transactions
- **Reduced borrowings and net gearing ratio of 0.31x**: Improved year-on-year, in alignment with Setia's ongoing commitment in debt reduction

KUALA LUMPUR - S P Setia Berhad ("Setia" or "the Group") is pleased to announce its financial results for **Q1 FY2026**, reflecting sustained financial resilience and commitment to delivering sustainable shareholder value. For the period, the Group recorded revenue of RM826 million.

For the first quarter ended 31 March 2026, the Group recorded a profit before tax of RM108 million and a net profit after tax of RM58 million, lower quarter-on-quarter, mainly due to fewer land sale transactions and unrealised foreign exchange losses.

In Q1 FY2026, the Group recorded secured sales of RM555 million, comprising RM500 million (90%) from domestic development and RM55 million (10%) from international development. Within the domestic segment, the Central region led with RM317 million, followed by the Southern region at RM174 million. Overall performance was impacted by lower land sale transactions on a quarter-on-quarter basis.

During the same review period, the Group further reduced borrowings by RM500 million, improving its net gearing ratio of 0.31x from 0.33x at the end of 2025 in alignment with the Group's ongoing deleveraging strategy.

Commenting on the results, Setia President & Chief Executive Officer Datuk Zaini Yusoff said, "This quarter underscores the strength of Setia's operating model and disciplined execution, supported by prudent financial management and continued focus on cost and cash efficiency. As we navigate a dynamic external environment, we remain focused on delivering quality developments, progressing our long-term growth strategy in catalytic townships and eco-industrial parks, and advancing key initiatives in Penang and Vietnam."

Setia intends to maintain its plans for new launches of property development over the course of FY2026 across the central, southern, and northern regions, as well as at the international front. Property development remains at the core of S P Setia Berhad, leveraging on residential and commercial product mix optimisation to drive enhanced profitability. The Group will continue to advance its strategic growth initiatives across key segments. Within the industrial expansion segment, progress is being made on its plans at Setia Fontaines industrial park development in Penang following rezoning approval on 30 October 2025.

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.

The Malaysia MADANI Economic Outlook projects GDP growth of 4.0% to 4.5% in 2026, while Bank Negara Malaysia expects inflation to remain moderate at 1.5% to 2.5%, above the government's forecast range of 1.3% to 2.0%, as outlined in its Economic and Monetary Review released on 31 March 2026. This indicates a stable macroeconomic outlook with moderate cost pressures.

Against this backdrop, the Group continues to monitor the US–Iran conflict since late February 2026, with potential cost and market impacts remaining uncertain. Near term exposure is manageable, supported by limited exposure from existing construction contracts, alongside steady project execution, while no significant slowdown in underlying demand observed. While rising construction costs may influence the timing and structuring of new project launches, the Group remains focused on execution through proactive cost management and operational discipline. This includes prioritising cost efficiency and value optimisation, maintaining prudent cash management, strengthening liquidity buffers, and preserving financial flexibility amid ongoing uncertainties. The Group continues to engage with industry stakeholders and regulators to strike a balance between timely project delivery and the preservation of market stability.

Anchored by its long-term strategy, Setia will continue to accelerate catalytic township developments and eco-industrial parks, while strengthening high impact strategic partnerships and optimising value creation across key growth corridors. Supported by these fundamentals, the Group remains committed to its FY2026 sales target of RM4.6 billion, reflecting sustained execution discipline and a measured growth trajectory aimed at delivering long-term shareholder value.

This marks a strategic shift for Setia, from a traditional owner-developer to an integrated real estate player aimed at building more resilient and sustainable income over the long term.

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