Setia Eco Glades, Cyberjaya, Selangor

Building trust through accountability, integrity and clear oversight.

Governance

Corporate Governance Overview Statement

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

Dear Valued Stakeholders,

Corporate governance plays a fundamental role in shaping S P Setia Berhad's ability to deliver consistent performance and sustain long term value creation. In an increasingly complex and dynamic operating environment, strong governance remains essential in reinforcing the Group's resilience, accountability and strategic continuity.

The Board of Directors ("Board") of S P Setia Berhad ("S P Setia" or "Setia") and its group of companies ("Group") remain firmly committed to upholding highest standards of corporate governance. Guided by integrity, responsibility and a strong focus on sustainability, the Board continues to embed sound governance principles into the Group's strategic direction and decision-making processes. These principles underpin effective stewardship and reinforce the trust placed in the Group by its shareholders and wider stakeholders.

During the financial year ended 31 December 2025 ("FY2025"), the Board continued to review and enhance its governance frameworks, policies and practices to ensure their robustness, relevance and alignment with evolving regulatory expectations.

The Board further reinforced its governance agenda through focused discussions at the Sustainability Committee and the Risk Management Committee on climate related risks and opportunities, with key insights elevated to the Board, while transitioning towards adoption of the International Sustainability Standards Board (ISSB) IFRS Sustainability Disclosure Standards S1 and S2 for FY2025. Digital governance processes were reinforced to support more effective oversight, while key policies covering areas such as whistleblowing, risk management and internal controls continued to be reviewed and refined, where needed, to ensure their effectiveness in a rapidly evolving landscape.

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This Corporate Governance Overview Statement has been prepared in accordance with statutory requirements, regulatory guidelines and recognised best practices. The Statement outlines the governance structures and mechanisms that supported the Group's performance during the year, with reference to the three key principles of the Malaysian Code on Corporate Governance ("MCCG"). In addition to the MCCG, the Board continues to integrate Bursa Malaysia's Corporate Governance Guide 4th Edition, the Companies Act 2016, and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), together with the International Sustainability Standards Board (ISSB) Standards – IFRS S1 and IFRS S2, to strengthen oversight, enhance transparency, and reinforce accountability across the Group.

The Board remains focused on continuously enhancing its governance practices to support the Group's long-term objectives, safeguard stakeholder interests and reinforce confidence in S P Setia's leadership. These ongoing efforts are integral to sustaining Board effectiveness and ensuring that governance continues to provide a strong foundation for the Group's future growth.

COMPLIANCE WITH THE MCCG

For FY2025, the Company has complied with the MCCG. The Board is pleased to confirm that a majority of the Practices outlined in the MCCG were applied throughout FY2025, as detailed in the Corporate Governance Report.

This Corporate Governance Overview Statement provides the narrative disclosures required under the MCCG and the MMLR. It outlines the governance structures, policies and processes established by the Board to ensure effective oversight, accountability and ethical conduct across the Group.

Stakeholders are encouraged to read this Statement together with the Corporate Governance Report, which sets out the Company's detailed application of the MCCG Practices and explanations where applicable. The Corporate Governance Report is available on the Company's website at https://spsetia.com/integrated-report-2025.

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Corporate Governance Overview Statement

A BOARD LEADERSHIP, STRUCTURE AND EFFECTIVENESS

BOARD LEADERSHIP

S P Setia operates under the direction of a Board that is responsible for guiding the Group's strategic direction and overseeing its business affairs in a manner that promotes sustainable value creation. Acting on behalf of shareholders, the Board provides leadership and stewardship while balancing the interests of a wide range of stakeholders, including employees, partners, regulators, communities and the public at large.

While shareholders retain ultimate authority over significant corporate matters at the Annual General Meeting, the Board remains accountable for the Company's performance and governance oversight. Its responsibilities include setting strategic priorities, monitoring execution and ensuring that appropriate frameworks are in place to support sound decision making and effective risk management. These responsibilities are supported by clearly defined governance instruments, including the Board Charter and the Group's Discretionary Authority Limits.

The Board Charter serves as a foundational governance document, setting out the Board's role, authority and responsibilities, as well as those of its Committees and individual Directors. It also provides clarity for induction purposes and ongoing reference. To ensure continued relevance, the Charter is subject to periodic review, with the most recent update undertaken in 2023. The Charter is publicly available on the Company's website.

In discharging its duties, the Board provides oversight of the Group's strategy, performance and sustainability agenda. Responsibility for specific areas is delegated to Board Committees where appropriate, without diminishing the Board's overall accountability. Strategic evaluations incorporate long term business considerations, financial discipline and environmental, social and governance factors, reinforcing an integrated approach to value creation. The Board undertakes an annual review of the Group's strategic direction to ensure continued alignment with its purpose and evolving market and societal expectations.

The effectiveness of Board oversight is supported by a disciplined agenda setting process and regular review of priorities to facilitate timely discussion of material issues. In working closely with Management, the Board promotes a culture of ethical conduct, professionalism and prudent business practices across the Group.

The composition of the Board reflects a broad range of experience, competencies and perspectives, enabling balanced judgement and constructive challenge. Independent character and objectivity remain key considerations, particularly amongst Non-Executive Directors. The Board is satisfied that all Directors have committed sufficient time and attention to fulfil their responsibilities effectively.

While operational execution rests with the President and Chief Executive Officer ("PCEO"), the Board retains overall responsibility for governance and strategic oversight. Delegation to Board Committees is structured to enhance effectiveness in decision making, while preserving collective accountability at the Board level.

BOARD COMPOSITION AND EVALUATION

The Board's composition exceeds the minimum independence requirements under Paragraph 15.02 of the MMLR, with more than one-third of Directors serving as Independent Non-Executive Directors ("INEDs"). In addition, the Board acknowledges and adheres to Principle 5.2 of the MCCG which advocates for boards of large companies to maintain a majority of independent directors.

Directors are appointed based on merit, skills and the value they bring to Board deliberations. The Board remains committed to maintaining an appropriate balance of experience, expertise and diversity to support effective governance, objective evaluation of Management's proposals and sound decision making in the interests of the Group.

Board size and structure are reviewed at least once a year to ensure they remain fit for purpose. This balance supports robust discussion, encourages diverse viewpoints and fosters collective responsibility in driving the Group's strategic priorities.

BOARD CONDUCT AND ETHICAL STANDARDS

All Directors are expected to observe the highest standards of conduct and ethical behaviour in carrying out their fiduciary duties. They act in good faith, with due care and diligence, and in the best interests of the Company at all times. Directors are guided by principles of integrity, accountability and transparency, and are required to remain informed of developments affecting the Group and their governance responsibilities.

In fulfilling their oversight role, Directors apply their experience and judgement conscientiously, contributing to a governance culture that supports responsible leadership and sustainable business practices.

BOARD MEETINGS AND ACCESS TO INFORMATION

The Board operates under a formal schedule of matters reserved for its consideration, including approval of strategic plans, budgets, major investments, material transactions, financial results and dividend recommendations. Board papers are distributed in advance through a secure digital platform to facilitate timely access and informed deliberation.

In addition to scheduled meetings, special meetings are convened as necessary to address urgent or significant matters. Proceedings are properly documented, with clear records of decisions, rationale and action items including action points for Management. Draft minutes are reviewed and confirmed at subsequent meeting, after which they are signed by the Chairman as an accurate record of the proceedings.

The Board is supported by six principal Committees, each with defined terms of reference. Committee Chairmen regularly report to the Board on key matters, recommendations and actions, ensuring transparency and coordinated oversight. Senior Management attends Board meetings to present proposals and provide operational insights, supporting effective and informed decision making.

All Directors have unrestricted access to the Company Secretary and may seek independent professional advice at the Company's expense where required, in accordance with established procedures.

BOARD DIVERSITY

In reinforcing its approach to diversity, the Board adopts a structured and transparent process when considering appointments and re-elections. Diversity considerations are embedded within the evaluation process to support objective decision making and to ensure that Board renewal aligns with the Group's evolving strategic and governance needs.

Candidate selection is guided by clearly defined appointment criteria, with emphasis placed on identifying individuals who bring complementary skills, experience and perspectives to the Board. The recruitment process is designed to broaden the pool of potential candidates and avoid unintended bias, allowing for a thorough and balanced assessment of suitability. Consideration is given to the overall composition of the Board, including gender representation, generational diversity and the range of professional and industry expertise, with a view to addressing any identified gaps.

Oversight of Board composition and succession matters rests with the Nomination and Remuneration Committee ("NRC"), which works closely with the Board to review effectiveness and future requirements. An annual assessment is undertaken to evaluate the composition of the Board and its Committees, taking into account factors such as tenure, competencies, experience, cultural background, age, gender and independence. This structured review supports informed succession planning and ensures that the Board continues to function with the appropriate mix of skills and perspectives.

Through this disciplined approach, the Board seeks to maintain a composition that remains fit for purpose, forward looking and responsive to emerging challenges, while continuing to support sound governance and long term value creation.

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A BOARD LEADERSHIP, STRUCTURE AND EFFECTIVENESS

DIRECTORS' INDEPENDENCE

INEDs play a central role in reinforcing objective oversight and sound governance across the Board. Their presence supports balanced decision making by providing independent perspectives that contribute to rigorous evaluation of Management proposals and strategic initiatives.

Directors' Independence is maintained through open and constructive engagement, where Directors are encouraged to express differing views and challenge assumptions in the interests of the Company and its stakeholders. Independent Directors play an especially important role in matters requiring heightened objectivity, including oversight of related party transactions and areas where the interests of minority shareholders must be carefully safeguarded.

During FY2025, the Board was satisfied that its overall composition provided an appropriate balance between Independent and Non-Independent Directors. The mix of skills, experience and backgrounds supported productive discussions and effective deliberation, with meetings characterised by active participation and robust exchange of views.

As part of the Board Effectiveness Evaluation ("BEE") carried out for FY2025, the performance of the INEDs was reviewed. The result of the BEE showed that the INEDs continued to demonstrate independence in character and judgement in the Board decision making. This assessment was supported by their consistent objectivity, meaningful contributions and demonstrated commitment to acting in the best interests of the Group throughout Board and Committee deliberations.

A Director's tenure is subject to clear limits to preserve independence and support progressive refreshing of the Board. In accordance with the Board Charter, the cumulative term of a Non-Executive Director is capped at nine years from the date of first appointment. As at the date of this Statement, no Director has exceeded this tenure threshold.

In addition to ongoing evaluations, prospective candidates for appointment as Non-Executive Directors are required to provide declarations relating to fitness and propriety and independence if applicable, in line with the MMLR and the Company's Fit and Proper Policy. These declarations form part of the Board's comprehensive assessment process prior to any appointment.

DIVISION OF RESPONSIBILITIES

A clear separation of leadership roles supports effective governance and accountability. The positions of Chairman and PCEO are held by separate individuals, ensuring appropriate balance between oversight and operational management. The Chairman leads the Board and facilitates effective governance, while the PCEO is responsible for the execution of strategy and the day-to-day management of the Group's business.

This separation reinforces the distinction between governance oversight and executive authority, enabling the Board to discharge its responsibilities independently and effectively. The roles and responsibilities of the Chairman, PCEO, Senior INED and INEDs are clearly defined within the Board Charter.

These role definitions are reviewed periodically to ensure continued relevance and alignment with evolving governance practices. The Board Charter, which sets out these responsibilities in detail, is available on the Company's website under the Corporate Governance section.

Chairman

- Leads the Board in setting the Group's key policies and direction.
- Chairs and conducts meetings of the Board and shareholders and ensures that they are properly briefed at their respective meetings.
- Facilitates meetings of the Board and ensures that no Board member, whether Executive or Non-Executive, dominates the discussion, and that healthy debate takes place.
- Instils good corporate governance practices, leadership and effectiveness of the Board.
- Ensures the provision of information to Directors in a timely manner.

PCEO

- Manages the day-to-day business affairs.
- Responsible for the overall management of the Group, ensuring that strategies, policies and matters set by the Board are effectively implemented in line with the Board's direction.
- Regularly reviews the performance of the heads of divisions and departments who are responsible for all functions contributing to the success of the Group.
- Serves as the conduit between the Board and Management in ensuring the success of the Group's governance and management functions.

INED/NON-INED

- Ensures that business and investment proposals presented by Management, key transactions or critical decisions are fully deliberated, examined and decided on by the Board in a meeting.
- Plays a key role by providing unbiased and independent views, advice and judgement, which take into account the interests of the Group and all its stakeholders including shareholders, employees, customers, business associates and the community as a whole.

Senior INED

- Designated contact to whom concerns pertaining to the Group may be conveyed to by shareholders and other stakeholders.
- Chairs meetings of the Board and shareholders in the absence of the Chairman.
- All queries which require SID's attention can be emailed to khairil.anwar@spsetia.com

Company Secretary

- Plays an advisory role to the Board, particularly with regard to the Company's Constitution and Board policies and procedures as well as compliance with relevant rules and regulations.
- Ensures that the discussions and deliberations at Board and Board Committee meetings are well documented and subsequently communicated to the relevant Management for appropriate action.
- Updates the Board and Board Committees on the follow-up of their decisions and recommendations by Management.
- Supports the Board in maintaining the highest standards of probity and corporate governance.
- Primary point of contact for institutional and other shareholders, especially with regard to matters of corporate governance.

GOVERNANCE STRUCTURE

The Group's governance structure is designed to support clear accountability, strong controls and effective supervision across all levels of the organisation. It provides a structured framework through which strategic direction is set, performance is monitored and risks are managed in a manner that is consistent with the Company's values and regulatory obligations.

Oversight flows from the Board to its Committees and Management through well defined reporting lines and delegated authorities. This structure enables informed decision making while preserving appropriate checks and balances. Matters requiring Board consideration are clearly distinguished from those delegated to Management, ensuring consistency in governance application and operational discipline.

The framework is supported by comprehensive policies, procedures and internal controls that guide conduct and decision making across the Group. These instruments are reviewed periodically to ensure continued relevance and alignment with changing business conditions, regulatory expectations and stakeholder requirements.

Through this governance structure, the Board is able to exercise effective oversight, promote ethical behaviour and support the Group's strategic objectives, while maintaining transparency and accountability in the conduct of its business activities.

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A BOARD LEADERSHIP, STRUCTURE AND EFFECTIVENESS

GOVERNANCE STRUCTURE

• BOARD

Collectively responsible for effective oversight of the Company and the helming of the Company's strategic direction and objectives, business plan, viability, and governance structure that will help achieve strategic growth and deliver sustainable shareholders value.

• AUDIT COMMITTEE ("AC")

Monitors and reviews the integrity of financial statements, relationship with the external auditors, related party transactions and the Group's system of internal controls.

• FINANCE AND INVESTMENT COMMITTEE ("FIC")

Reviews investment and divestment proposals and strategies including fund raising exercises and annual budget.

• NOMINATION AND REMUNERATION COMMITTEE ("NRC")

Reviews the composition and balance of the Board to ensure the right structure and skills are in place to deliver the Group's strategy.

Reviews overall Remuneration policy and strategy implementation of the Board and Senior Management.

• RISK MANAGEMENT COMMITTEE ("RMC")

Reviews the effectiveness of the Group's risk management framework to identify, assess, manage and monitor risks and oversees the implementation of the initiatives by Integrity and Governance.

• SUSTAINABILITY COMMITTEE ("SC")

Oversees the ESG related framework, strategy, priorities, targets, policies and the production of the annual report.

• TENDER AND PROJECTS COMMITTEE ("TPC")

Oversees execution of projects, approval of contracts based on approved limits of authority as well as the Group's operational health, safety and environment performance and culture.

BOARD MEETING ATTENDANCE FOR 2025

Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	12/12
Datuk Zaini Bin Yusoff [(1)]	3/3
Datuk Ir. Khairil Anwar Bin Ahmad	12/12
Dato' Merina Binti Abu Tahir	12/12

BOARD COMMITTEE MEETING ATTENDANCE 2025

AC

	Meetings Attended
Chairman	
Dato' Merina Binti Abu Tahir	10/10
Member	
Datin Wan Daneena Liza Binti Wan Abdul Rahman	10/10
Encik Mohamad Abdul Halim Bin Ahmad	10/10

RMC

	Meetings Attended
Chairman	
Dato' Sheranjiv Sammanthan	4/4
Member	
Mr Lim Fu Yen	4/4
Dato' Merina Binti Abu Tahir	4/4
Datuk Ir. Khairil Anwar Bin Ahmad	4/4
Dato' Tengku Marina Binti Tunku Annuar [(2)]	3/3

Dato' Tengku Marina Binti Tunku Annuar	12/12
Dato' Sheranjiv Sammanthan	12/12
Datin Wan Daneea Liza Binti Wan Abdul Rahman	12/12
Mr Lim Fu Yen	11/12
Datin Grace Yeoh Cheng Geok	12/12
Encik Mohamad Abdul Halim Bin Ahmad	12/12
Puan Aida Hazrina Binti Mohd Tazaai (2)	12/12
Dato' Azmi Bin Mohd Ali (3)	1/1
Datuk Choong Kai Wai (4)	8/9

Total Meetings Attended

NRC	Meetings Attended
Chairman	
Datuk Ir. Khairil Anwar Bin Ahmad (5)	8/8
Member	
Dato' Tengku Marina Binti Tunku Annuar	8/8
Datin Grace Yeoh Cheng Geok	8/8
Puan Aida Hazrina Binti Mohd Tazaai (2)	7/7

FIC	Meetings Attended
Chairman	
Mr Lim Fu Yen	10/10
Member	
Dato' Sheranjiv Sammanthan	10/10
Datin Wan Daneena Liza Binti Wan Abdul Rahman	10/10
Datin Grace Yeoh Cheng Geok	10/10
Encik Mohamad Abdul Halim Bin Ahmad (2)	8/8
Dato' Azmi Bin Mohd Ali (3)	2/2

Joint AC - RMC	Meetings Attended
Member	
Dato' Merina Binti Abu Tahir	2/2
Datin Wan Daneena Liza Binti Wan Abdul Rahman	2/2
Encik Mohamad Abdul Halim Bin Ahmad	1/2
Dato' Sheranjiv Sammanthan	2/2
Mr Lim Fu Yen	2/2
Datuk Ir. Khairil Anwar Bin Ahmad	2/2
Dato' Tengku Marina Binti Tunku Annuar (2)	0/0

TPC	Meetings Attended
Chairman	
Datuk Ir. Khairil Anwar Bin Ahmad	12/12
Member	
Encik Mohamad Abdul Halim Bin Ahmad	12/12
Puan Aida Hazrina Binti Mohd Tazaai (2)	10/10
Datuk Zaini Bin Yusoff (1)	3/3
Dato' Sheranjiv Sammanthan (6)	2/2
Datuk Choong Kai Wai (4)	9/9

SC	Meetings Attended
Chairman	
Dato' Tengku Marina Binti Tunku Annuar	4/4
Member	
Dato' Sheranjiv Sammanthan	3/4
Mr Lim Fu Yen	4/4
Datin Wan Daneena Liza Binti Wan Abdul Rahman (5)	4/4

(1) Appointed on 1 October 2025
(2) Appointed on 3 March 2025
(3) Resigned on 2 March 2025
(4) Resigned on 30 September 2025
(5) Appointed on 2 January 2025
(6) Resigned on 3 March 2025

Corporate Governance Overview Statement

A BOARD LEADERSHIP, STRUCTURE AND EFFECTIVENESS

SUSTAINABILITY GOVERNANCE

Sustainability oversight within the Group is anchored by a governance framework that connects strategic ambition with operational execution. This framework provides clear roles, accountability and decision making pathways to ensure sustainability considerations are addressed consistently across business functions and projects.

Environmental, social and governance considerations are embedded into the Group's planning and investment processes to support balanced growth and risk awareness. Sustainability objectives are integrated into business strategies, enabling the Group to respond effectively to regulatory developments, market expectations and emerging risks, while pursuing opportunities for long term value creation.

Oversight of sustainability matters rests with the Board, supported by the Sustainability Committee, which monitors progress, reviews performance and provides strategic guidance on material sustainability priorities. Working closely with Management, the Committee facilitates the translation of sustainability objectives into actionable plans, measurable targets and performance indicators in line with applicable regulatory requirements and international frameworks.

The Group's sustainability practices and performance are guided by relevant provisions of the MMLR, recognised global reporting standards and the United Nations Sustainable Development Goals. These reference points provide a consistent basis for governance, disclosure and continuous improvement.

Further details on the Group's sustainability approach, initiatives and performance for the financial year are presented in the Sustainability Statement, which can be found on pages 128 – 238 of the Integrated Report 2025.

DIRECTORS' INDEMNITY

The Company has in place appropriate arrangements to protect its Directors and Officers in the discharge of their duties. In accordance with the Companies Act 2016, indemnification is provided to the extent permitted by law and is complemented by Directors' and Officers' Liability insurance. This coverage offers protection against liabilities arising from the proper performance of responsibilities on behalf of the Group, reinforcing the Board's ability to exercise independent judgement.

PRINCIPAL BOARD ACTIVITIES

The Board maintains active oversight of the Group's affairs through regular engagement with Senior Management and the Company Secretary. At each scheduled meeting, Directors are provided with comprehensive updates on financial performance, operational matters, strategic initiatives and governance developments.

Throughout the year, the Board deliberated on significant matters affecting the Group's direction, performance and risk profile. These discussions enabled informed decision making and ensured that key issues were addressed with appropriate depth and rigour. Selected examples of principal matters considered by the Board during the financial year are summarised in the table below.

Topic	Activity and Outcome
Strategic Growth and Sustainability Agenda	• Reviewed the Group's 5-year strategic plan (from year 2026 to 2030) • Kept abreast of updates of the Group's Sustainability Roadmap • Kept abreast of achievement of Material Matters via ESG Performance Scorecard on a quarterly basis and approved enhancement to S P Setia's ESG Performance Scorecard for FY2025 • Approved Scope 3 Emission Reduction Target for Highrise Development

Topic	Activity and Outcome
	• Monitored progress towards achieving the targets set in the Group's Green Roadmap towards Net Zero Carbon Emissions by 2050 • Approved the Company's S P Setia's Biodiversity Policy • Approved the proposed Sustainability Risks & Opportunities for International Financial Reporting Standards Sustainability Disclosure Standards Requirements
Financial and Business Performance	• Approved the Quarterly Results and Quarterly Press Releases for announcement to Bursa Securities • Approved the Group's Business Plan and Budget for FY2026 • Approved dividends paid in FY2025 • Approved report/contents of the Integrated Report for FY2024 • Approved the Group's funding plan and fund raising exercises • Approved disposal of lands as part of land bank management
Governance, Integrity and Risks	• Received the Group's quarterly risk reports as well as updates on whistleblowing cases • Approved half-yearly reports for submission to MACC • Approved the approach for the annual BEE for FY2025 and the appointment of Willis Towers Watson to facilitate the BEE for FY2025 • Approved amendments and updates to ToR of Board Committee(s) • Noted Minutes of Board Committee Meetings and received updates from Chairman of respective Board Committees • Noted quarterly declaration of interest by Directors and time commitment • Received report on issues relating to alleged misconduct and approved appropriate action plans
Board and Management Succession Planning	• Received updates on Management transition as well as approved the Organisational Restructuring based on Management Succession Plan
People and Leadership	• Reviewed the retirement of Directors by rotation and eligibility for re-election and recommended their re-election at the 50th AGM held on 24 April 2025 • Reviewed the trainings attended by Directors on a half yearly basis and identified training needs for the Board for FY2025 • Received report on People Pulse Survey for FY2025 • Reviewed the composition of the Board and Board Committees to ensure their continued relevance and effectiveness to meeting the Group's business needs • Approved KPIs for FY2026 for the Group Company Secretary, Chief Internal Auditor and Chief Risk, Integrity & Governance Officer • Approved KPIs for FY2026 for the Group and PCEO • Approved appointments of key senior management
Remuneration Matters	• Reviewed and recommended the Directors' Fees and Other Remuneration and Benefits for shareholders' approval at the 50th AGM • Reviewed the Non-Executive Directors Remuneration Framework benchmarked against peers and other public listed companies • Approved bonus, salary increment and promotions for the Group's employees
Regulatory Updates	• Kept abreast of changes in regulations and laws affecting the Group

Corporate Governance Overview Statement

A BOARD LEADERSHIP, STRUCTURE AND EFFECTIVENESS

CONTINUING DEVELOPMENT AND TRAINING

The Board places emphasis on equipping Directors with the knowledge and perspective required to discharge their responsibilities effectively. Structured orientation programmes are provided for newly appointed Directors to facilitate a smooth transition into their roles. These sessions introduce Directors to the Group's business model, strategic priorities, operating landscape and key risk areas, together with an overview of governance expectations and oversight responsibilities.

Professional development remains an ongoing focus for the Board. Directors are encouraged to undertake continuous learning through participation in relevant programmes, briefings and industry forums that enhance their understanding of emerging trends, regulatory developments and matters affecting the Group's business environment. This ongoing exposure supports informed decision making and strengthens the Board's collective capability.

Compliance with Paragraph 15.08 of the Main Market Listing Requirements is maintained through regular training and upskilling initiatives undertaken by Directors during the financial year. These programmes address topics relevant to governance, sustainability, financial reporting, regulatory updates and industry specific developments.

Information on the training programmes, conferences and seminars attended by Directors during the financial year is set out in the Corporate Governance Report and is available for reference on the Company's website.

	Key Focus Area					
Directors	SGS	RIC	IAG	FAT	LR	PDR
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	✓	✓	✓	✓	✓	✓
Datuk Zaini Bin Yusoff	✓	✓	✓	✓	✓	✓
Datuk Choong Kai Wai	✓	✓	✓	✓	✓	✓
Dato' Azmi Bin Mohd Ali	✓	✓	✓	✓	✓	✓
Dato' Merina Binti Abu Tahir	✓	✓	✓	✓	✓	✓
Dato' Tengku Marina Binti Tunku Annuar	✓			✓	✓	✓
Dato' Sheranjiv Sammanthan	✓	✓	✓	✓	✓	✓
Datuk Ir. Khairil Anwar Bin Ahmad	✓	✓	✓	✓	✓	✓
Datin Wan Daneena Liza Binti Wan Abdul Rahman	✓			✓	✓	✓
Mr Lim Fu Yen	✓	✓	✓	✓	✓	✓
Datin Grace Yeoh Cheng Geok	✓	✓	✓	✓	✓	✓
Encik Mohamad Abdul Halim Bin Ahmad	✓	✓	✓	✓	✓	✓
Puan Aida Hazrina Binti Mohd Tazaai	✓	✓	✓	✓	✓	✓

SGS Strategic Growth, Sustainability Agenda and Digital Transformation

RIC Risks and Internal Controls

IAG Integrity and Governance

FAT Finance, Accounting and/or Tax Related

LR Legal/ Regulatory

PDR Property Development Related

NOMINATION AND REMUNERATION COMMITTEE REPORT

Dear Stakeholders,

The Board remains focused on ensuring leadership continuity as a cornerstone of effective governance and long-term organisational sustainability. In 2025, the Group ensured a smooth and well-managed senior leadership transition, underpinned by a robust and deliberate succession planning framework. This was strengthened through clearer accountability, deeper visibility of leadership talent, and closer alignment with the Group's strategic direction across both Board and management levels.

The Group's has in place a robust succession plan approach that supports orderly leadership transitions and reinforces business continuity, while reducing execution risk during periods of change. By embedding succession considerations into ongoing governance processes, the Group continues to build resilience and institutional stability.

Ongoing reviews and talent assessments have provided the Board with greater confidence in the depth and readiness of the Group's leadership pipeline. This reinforces the Board's assurance that the Group is well-equipped to navigate evolving market conditions, manage growth responsibly, and uphold sustainable value creation.

DATUK IR. KHAIRIL ANWAR BIN AHMAD
Chairman &
Senior Independent Non-Executive Director

OVERVIEW

The primary objective of the NRC is to assist the Board in proposing new nominees for the Board and Board Committees, as well as evaluating overall performance of the Board and all the individual Directors and key management personnel on an on-going basis. The NRC also regularly reviews the Board composition and ensures that any Board appointment brings with it the right balance and mix of skills, experience and diversity to the Board. The NRC is additionally entrusted with the responsibility of developing and establishing competitive remuneration policies and packages for recommendation to the Board for approval.

In addition to the above, the NRC plays an oversight role of monitoring the status of the Company's application of the Practices under each of the Principles set out in the MCCG to ensure that the Company upholds best governance practices throughout the Group.

Terms of Reference

The Terms of Reference ("TOR") of the NRC are available online for reference in the Board of Directors' section of the Company's website at www.spsetia.com.

Members of the NRC

During FY2025, the NRC comprises solely Non-Executive Directors ("NEDs") with a majority being Independent Directors and includes a Senior Independent NED. The NRC is chaired by Senior Independent NED, Datuk Ir. Khairil Anwar Bin Ahmad.

Corporate Governance Overview Statement

A BOARD LEADERSHIP, STRUCTURE AND EFFECTIVENESS

The members of the NRC as at the date of this report are as follows:

Datuk Ir. Khairil Anwar Bin Ahmad
Chairman and Senior Independent Non-Executive Director

Appointed as Chairman: 2 January 2025
Tenure: 1 year and 2 months

Appointed on: 1 June 2023
Tenure: 2 years and 9 months

Datin Grace Yeoh Cheng Geok
Independent Non-Executive Director

Appointed on: 11 September 2024
Tenure: 1 year and 6 months

Dato' Tengku Marina Binti Tunku Annuar
Independent Non-Executive Director

Appointed on: 1 September 2022
Tenure: 3 years and 6 months

Puan Aida Hazrina Binti Mohd Tazaai
Non-Independent Non-Executive Director

Appointed on: 3 March 2025
Tenure: 1 year

Involvement of Senior Management in NRC Meetings

The PCEO attends the meetings of the NRC upon invitation. Other members of Senior Management are invited to meetings of the NRC when necessary to provide support to the discussion on matters related to the agenda of the meeting.

Company Secretary's Support to the NRC

The Company Secretary of the Company is the secretary of the NRC who is in attendance at all NRC Meetings and records the proceedings thereat. The NRC has direct and unrestricted access to the advice and services of the Company Secretary and Senior Management. The NRC may, either collectively or as individual members seek independent professional advice, at the Company's expense, if required, in furtherance of their duties.

Appointment/Re-Election Of Directors

S P Setia adopts a formal and transparent process for the appointment of new Directors. The NRC applies a structured selection process based on specific competencies and attributes required to strengthen the Board's composition. All nominees are first assessed by the NRC, with due consideration given to diversity in terms of skills, experience, age, and gender, as guided by the Board's Diversity Policy. The time commitment required to effectively fulfil the role of a Director is also taken into account.

The NRC is responsible for recommending Directors for re-election at the AGM in accordance with the Company's Constitution. Directors due for re-election or re-appointment are assessed in the same manner as other Directors, with evaluations based on their performance during their term if applicable.

NRC HIGHLIGHTS FOR FY2025

The NRC met eight (8) times during FY2025, as follows:

2025 17 February	2025 21 April	2025 14 May	2025 3 July
2025 16 July	2025 11 August	2025 23 September	2025 3 December

Details of the NRC members' attendance at the NRC meetings held during FY2025 are disclosed on page 277 of the Integrated Report 2025. The summary of activities of the NRC during FY2025 is as follows:

With regard to nomination and related matters

1. The performance of Directors subject to re-election at the 50th AGM held on 24 April 2025 was reviewed. Based on this assessment, the NRC recommended to the Board the re-election and re-appointment of Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail, Datuk Choong Kai Wai, Dato' Tengku Marina Binti Tunku Annuar, Datin Grace Yeoh Cheng Geok, Encik Mohamad Abdul Halim Bin Ahmad and Puan Aida Hazrina Binti Mohd Tazaai in accordance with Clauses 102 and 107 of the Company's Constitution, where applicable.

   Each Director was evaluated against the Board's expectations for high performance, with assessments based on individual contributions and, where applicable, the findings of the BEE.

2. Informed of the progress of the management succession plan and updated on proposed changes to the organisational structure aimed at enhancing operational efficiency. Additionally, the NRC received updates on manpower resources across the S P Setia Group.

3. Assessed the performance of the Board, its Committees, and individual Directors through a BEE. For BEE 2025, the Company appointed Willis Towers Watson to facilitate the process. The NRC reviewed the evaluation approach and recommended it to the Board for approval.

   The scope of the BEE 2025 covered Corporate Strategy & Direction Setting, Board Governance & Oversight, Board Composition, Boardroom Conduct & Dynamics, Board Management & Operations.

   The results of the BEE were presented to the NRC and subsequently to the Board. The outcomes indicated that the Directors were satisfied with the Board and Board Committees' effectiveness in fulfilling their responsibilities, the composition of the Board, and the effectiveness of current processes and administration. The Board was viewed as well-balanced, taking into account gender diversity, the mix of skills, qualifications, experiences, and the level of contribution from each member to their respective committees.

   The BEE 2025 also highlighted areas for further improvement in the Board's administration and processes, composition, and management reporting. Action plans from the BEE 2025 would be developed based on these constructive feedback points to strengthen the Board's activities in governing the S P Setia Group. Each Board Committee also received its own performance score and took note of the constructive feedback provided.

   The Directors expressed satisfaction with the value added by the Board Committees to the Company's governance system and confirmed that the business of the Company is conducted effectively and efficiently.

4. The results of the People Pulse Survey and the corresponding management action plans to address identified gaps were reviewed. This annual survey serves as a key tool for measuring the overall climate within the Company, identifying key issues and concerns raised by employees. The findings enable Management to develop targeted action plans aimed at addressing these concerns and improving the overall work environment.

A BOARD LEADERSHIP, STRUCTURE AND EFFECTIVENESS

5. Reviewed the training programmes attended by Directors on a half-yearly basis, recommending relevant areas for further development where necessary.

   During FY2025, all Directors attended the necessary training programmes and seminars to further broaden their perspectives, skills, knowledge and were kept abreast of the relevant changes in the law, regulations and the business environment. Summary of the trainings attended by the Directors is set out on page 280 of this Integrated Report 2025.

6. An annual assessment of the composition of the Board and its Committees was conducted, considering the mix of skills, experience, tenure of service, and practices outlined in the MCCG. This ensures that the Board and Committees remain effective and relevant in fulfilling their roles and responsibilities in an efficient and effective manner.

7. The Key Performance Indicators ("KPIs") for FY2026 for the Group, PCEO, Chief Internal Auditor, Chief Risk, Integrity and Governance Officer, and Group Company Secretary were reviewed, with recommendations made to the Board for approval. The NRC also reviewed the KPIs for other members of the Senior Management team.

8. Involved in the selection and interview process for key management namely shortlisted candidates for the position of PCEO, Deputy CEO, Chief Operating Officer and certain key positions and, where applicable, made recommendations to the Board for approval.

With regard to remuneration and related matters

1. Reviewed and recommended to the Board the payment of bonuses and salary increments for the PCEO and eligible employees, based on their KPIs and the Group's performance.

2. Benchmarked the remuneration practices of industry peers to ensure the remuneration policy for the NEDs remains competitive, effectively attracting, retaining, and motivating Directors, and commensurate with the level of responsibility expected of them.

The Remuneration Framework of the NEDs for FY2025 was as follows:

Directors' Fees	
Chairman of the Board	RM50,000 per month
Member of the Board	RM12,000 per month
Fixed Allowance	
Chairman of Audit Committee	RM5,000 per month
Chairman of other Board Committee	RM3,000 per month
Membership per Board Committee	RM2,000 per month
Meeting Allowance	
Board Member	RM2,000 per meeting
Board Committee Member	RM2,000 per meeting
Others	
Allowance for membership on the Board of Directors of significant project/ investment as appointed by the Board of the Company	RM5,000 per month
Other Benefits	Car, petrol and driver for Chairman, security services, Directors and Officers Liability Insurance, medical, hospitalisation and travel insurance, medical expenses for critical illness, professional membership fee and other claimable benefits

The details of the remuneration (excluding Sales and Services Tax) of each Director of the Company who served during the FY2025 are as follows:

		Basic Salary (RM'000)	Bonus (RM'000)	Fees* (RM'000)	Other Emoluments (RM'000)	Benefits -in-Kind (RM'000)	Total (RM'000)
President and CEO							
1.	Datuk Zaini Bin Yusoff[(1)]	441	-	-	38	8	487
2.	Datuk Choong Kai Wai[(2)]	1,847	1,714	-	1,431	311	5,303
Non-Executive Directors							
1.	Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	-	-	600	126	296	1,022
2.	Datuk Ir. Khairil Anwar Bin Ahmad	-	-	144	174	17	335
3.	Dato' Merina Binti Abu Tahir	-	-	144	142	11	297
4.	Dato' Tengku Marina Binti Tunku Annuar	-	-	144	196	13	353
5.	Dato' Sheranjiv Sammanthan	-	-	144	216	11	371
6.	Datin Wan Daneena Liza Binti Wan Abdul Rahman	-	-	144	150	11	305
7.	Mr Lim Fu Yen	-	-	144	208	10	362
8.	Datin Grace Yeoh Cheng Geok	-	-	144	110	13	267
9.	Encik Mohamad Abdul Halim Bin Ahmad	-	-	144	156	13	313
10.	Puan Aida Hazrina Binti Mohd Tazaai[(3)]	-	-	119[+]	98[+]	9	225
11.	Dato' Azmi Bin Mohd Ali[(4)]	-	-	25	10	2	37

Note:
(1) *Appointed on 1 October 2025*
(2) *Resigned on 30 September 2025*
(3) *Appointed on 3 March 2025*
(4) *Resigned on 2 March 2025*
\+ *Includes amount paid to Permodalan Nasional Berhad*

For the year 2026, the Company will maintain the existing Remuneration Framework for the NEDs. The remuneration of the top five Senior Management members for FY2025 has not been disclosed in the Integrated Report 2025. The Board will assess the appropriateness of such disclosure in the future.

Corporate Governance Overview Statement

B EFFECTIVE AUDIT AND RISK MANAGEMENT

Risk Management Framework

Oversight of risk management is a core component of the Board's governance responsibilities. Through established governance arrangements, the Board ensures that risk considerations are integrated into strategic planning and decision making, enabling the Group to pursue its objectives within defined risk parameters.

Management is tasked with implementing and maintaining risk management and internal control processes across the Group's operations. These processes support the identification and evaluation of key risks including sustainability risks arising from business activities, regulatory requirements and external conditions, allowing appropriate response strategies to be developed and monitored. Regular reporting enables the Board to assess the adequacy and effectiveness of these arrangements.

The Group's control environment spans a range of functions, including financial reporting, operational activities and compliance obligations. Together, these controls support disciplined execution and accountability across the organisation. While the systems in place are structured to mitigate exposure and enhance resilience, they are inherently designed to provide assurance at a reasonable level and are not intended to prevent all potential risks or outcomes entirely.

Further details on the Group's risk governance approach and principal risks are set out in the Risk Management section of this Integrated Report on pages 301 – 317.

To uphold the Board's commitment to maintaining a robust control framework and ensuring the proper conduct of the the Group's business operations.

Internal Control

Group's business operations, the Group's internal control system is underpinned by the following key elements:

Organisational Structure

- A well-defined structure with clear lines of responsibility, approval thresholds, and delegated authorities.

Disciplined Management and Committees

- A structured management and committee framework that facilitates regular performance reviews and informed decision-making.

Performance Reviews

- Monthly Group Action Committee ("GAC") meetings to review and assess the Group's financial performance.

Risk Management and Internal Audit

- Dedicated functions that operate across the Group to identify, assess and address risks and assurance ensuring effective governance.

Comprehensive Policies and Procedures

- Established policies, procedures, and guidelines governing business operations, including development, asset management, financing, and core operational activities, supported by professional services in legal, human resources, information systems, tax, company secretarial, and health, safety, and security matters.

Information Management Systems

- Integrated financial and property information systems to support data-driven decision-making.

These elements collectively form the foundation of the Group's internal control environment, ensuring the effective management of risks and the integrity of its operations.

Enterprise Risk Governance

Risk governance within the Group is supported by a structured oversight model that promotes consistency, accountability and timely escalation. Responsibility for risk oversight is shared between the Board and the Risk Management Committee, which together provide direction on the Group's risk appetite, governance approach and reporting arrangements.

Operational risk management is coordinated by Management through the Management Risk Team. Regular reporting is provided to both the Committee and the Board on a quarterly basis, enabling ongoing monitoring of the Group's risk profile. These updates include assessments of key risk exposures, identification of emerging risk themes and progress tracking against mitigation initiatives agreed during previous reporting cycles.

The risk reporting process supports informed decision making by providing visibility over changes in the Group's risk landscape and the effectiveness of actions taken to address identified exposures. This allows the Board and the Committee to evaluate whether risks continue to be managed within acceptable thresholds.

In addition to formal risk management processes, the Group reinforces sound risk behaviour through clear conduct and governance policies. Ethical standards and expected behaviours are set out in the Code of Conduct and Business Ethics, supported by a Whistleblowing Policy that enables concerns to be raised responsibly and without fear of retaliation. Decision making authority across the organisation is governed by established Discretionary Authority Limits, which provide clarity on approval thresholds and accountability, reinforcing disciplined and transparent governance practices.


Taman Rinting, Johor

Corporate Governance Overview Statement

B EFFECTIVE AUDIT AND RISK MANAGEMENT

AUDIT COMMITTEE REPORT

Dear Stakeholders,

As Audit Committee, we remain committed to maintaining a robust and well-structured control environment that supports responsible decision-making and upholds the integrity of the organisation. Sound governance and effective oversight remain central to our role in safeguarding the Group's financial reporting processes, internal controls and overall accountability framework.

Enhancing financial and business controls continues to be a key priority, supported by clearly defined governance structures, regular reviews and assurance processes. These measures are designed to strengthen operational efficiency, reinforce compliance with applicable laws and regulations, and ensure that risks are appropriately identified, assessed and managed in a timely manner.

Through diligent oversight of financial reporting and risk management, the Committee aims to promote transparency, reliability and trust across all areas of the business. Clear mechanisms are in place to address potential conflicts of interest, uphold ethical conduct and safeguard the independence of assurance functions, thereby supporting the highest standards of governance and maintaining stakeholder confidence.

DATO' MERINA BINTI ABU TAHIR
Chairman & Independent Non-Executive Director

MEMBERSHIP

The members of the AC as at the date of this report are as follows:

Dato' Merina Binti Abu Tahir
Chairman & Independent Non-Executive Director

Appointed as Chairman: 17 August 2023 — **Tenure:** 2 years and 7 months

Appointed on: 17 November 2021 — **Tenure:** 4 years and 4 months

Datin Wan Daneena Liza Binti Abdul Rahman
Independent Non-Executive Director

Appointed on: 17 August 2023 — **Tenure:** 2 years and 7 months

Encik Mohamad Abdul Halim Bin Ahmad
Independent Non-Executive Director

Appointed on: 1 October 2024 — **Tenure:** 1 year and 6 months

The composition of the AC is in compliance with Paragraph 15.09 of the MMLR and Step-up Practice 9.4 of the MCCG.

The AC is currently chaired by Dato' Merina Binti Abu Tahir, who is not the Chairman of the Board of S P Setia. She possesses the necessary skills, capabilities, and attributes in ensuring AC Meetings are efficiently conducted by fostering open discussions with all members of the AC on the agenda items during meetings so as to facilitate thorough considerations to be given to all the subject matters presented to the AC. The AC Chairman together with the AC members play an active role in engaging with the Management, Chief Financial Officer ("CFO"), Chief Internal Auditor ("CIA"), and the External Auditors.

Dato' Merina Binti Abu Tahir is a member of the Malaysian Institute of Accountants (MIA), Association of Chartered Certified Accountants ("ACCA"), Malaysian Institute of Certified Public Accountants ("MICPA"), Asean Chartered Professional Accountants ("ACPA"), Institute of Corporate Directors of Malaysia ("ICDM") and Institute of Internal Auditors Malaysia ("IIAM").

TERMS OF REFERENCE

The AC's objectives, authorisations and functions are governed by the Terms of Reference ("TOR").

Following the adoption of the Internal Audit Policy in March 2024, the TOR will now be reviewed every two years from the date of the last approval or review or at any other time if there are material changes to be made. The latest review was conducted in November 2025.

The TOR of the AC is available online for reference in the Board of Directors' section of the Company's website at: www.spsetia.com.

MAIN RESPONSIBILITIES

- Compliance with financial reporting standards and relevant financial reporting requirements.
- Oversight of the financial, internal control environment, related party transactions and conflict of interests.
- Consideration of the internal and external audit programme and results.
- Review of the external audit relationship and provision of audit and non-audit services.

SUMMARY OF ACTIVITIES OF THE AC DURING THE YEAR

The AC met ten (10) times during FY2025, as follows:

2025 10 February	2025 24 February	2025 15 April	2025 15 May	2025 19 May
2025 18 August	2025 18 August	2025 11 November	2025 11 November	2025 27 November

Details of the AC members' attendance at the AC meetings held during FY2025 are disclosed on pages 276 of the Integrated Report 2025. The summary of activities of the AC during FY2025 is as follows:

Financial Reporting

1. Reviewed the quarterly unaudited financial results, including its related Bursa Securities' announcements and other key accounting matters. Also, reviewed the audited financial statements of the Group and the Company for FY2025 to ensure it was prepared in accordance with relevant standards and regulatory requirements so as to give a true and fair view of the Group's financial performance prior to recommending the same to the Board for approval.

2. Discussed significant accounting and audit issues in respect of the financial statements for FY2025 with the External Auditors and assessed the actions and procedures taken by the External Auditors in respect of those areas.

3. Reviewed the External Auditors' management observations/points about assessment of the Group's internal control environment and other significant issues arising from the External Auditors' substantive procedures. Subsequently, the AC assessed the management responses vide the Management Letter issued by the External Auditors.

4. Reviewed and kept informed of the periodic status update on the Group's tax matters, update on latest tax changes, compliance with relevant tax regulations, the results of the Group's Tax Health Check by the external tax consultant and the action plans undertaken by the Management.

5. Reviewed and deliberated on the solvency test on dividend payment to ensure it demonstrated the Company's ability to meet its financial obligations pursuant to the Companies Act 2016.

6. Reviewed the revisions to the discretionary authority limits to ensure its comprehensiveness in facilitating informed decision-making while upholding strong governance and accord operational flexibility within the organisation.

7. Kept abreast of developments and changes to the accounting standards with the External Auditors and updated on new regulatory and statutory requirements affecting the industry via in-house training programmes, discussion with External Auditors, and attending relevant conferences and seminars. Details of the trainings attended by the AC members are set out on page 280 of the Integrated Report 2025 and the Corporate Governance Report.

External Audit

1. Reviewed the External Auditors' performance and their independence, guided by the Group External Auditor Policy. Areas of performance review included the quality of service rendered, sufficiency of resources, level of communication, interaction by the audit team, independence, objectivity, and professionalism vide the report of the yearly audit results submitted to the AC and the External Auditors' Annual Transparency Report which set out the steps undertaken by the External Auditors to uphold audit quality and manage risks.

2. Recommended to the Board for the reappointment of the External Auditors. The Board had recommended the re-appointment of Messrs. Ernst & Young PLT as the External Auditors of the Company for FY2025 at the Company's 50th Annual General Meeting held on 24 April 2025, which was approved by the shareholders.

3. Reviewed and approved the External Auditors' scope of work and the audit planning memorandum for FY2025.

Corporate Governance Overview Statement

B EFFECTIVE AUDIT AND RISK MANAGEMENT

4. Reviewed the amount of audit and non-audit fees paid or payable by the Group and its subsidiaries to the External Auditors for FY2025. The accumulated fees quoted for non-audit services were within the allowable limit defined under the External Auditor Policy.

5. Held two (2) private sessions with the External Auditors on 24 February 2025 and 11 November 2025 without the presence of the President and CEO and Management to discuss relevant issues and obtain feedback for improvements. Material issues that arose from the private sessions were brought to the Board's attention.

Internal Audit

1. Reviewed the internal audit reports prepared by Group Internal Audit ("GIA") and provided constructive feedback in ensuring the adequacy and effectiveness of governance, risk management and internal control systems of the Group. Where appropriate, the AC directed the Management to rectify and improve internal control procedures. Monitored the progress of follow-up audits on the implementation of agreed recommended action plans taken by Management.

2. Reviewed the scheduled and special internal audit engagements on areas of concern and assessed the outcome of the review on the effectiveness of internal controls and recommending improvements. These reviews were carried out through five (5) special additional meetings in addition to the quarterly AC meetings to focus on assessing, evaluating, and strengthening the system of internal controls, to ensure the soundness of the Group's system of internal controls and that appropriate action plans are taken to address audit findings.

3. Reviewed and recommended the KPIs of the CIA for the year 2026 to the Nomination and Remuneration Committee and the Board for approval.

4. Reviewed and recommended the Audit Committee Report for inclusion in the Integrated Report 2025 to the Board for approval.

5. Jointly reviewed with the Risk Management Committee and recommend the Statement on Risk Management and Internal Controls for inclusion in the Company's Annual Report 2025 to the Board for approval.

6. Reviewed the 3-year Internal Audit Plan Memorandum and approved the Internal Audit Plan for 2026 including the resource requirement, manpower sufficiency, department budget and adequacy of internal audit scoping. Approved GIA's revised Annual Plan 2026 to align with the current resources and organisational priorities.

7. Reviewed the status of implementation of the recommendations proposed by IIAM based on the Quality Assessment Review performed as part of GIA's initiatives.

8. Reviewed the proposed Internal Audit Charter and Internal Audit Policy for recommendation to the Board for approval. The Board subsequently approved both documents on 10 February 2025. These documents establish Internal Audit mandate, define the terms of reference for GIA functions and set out policies and procedures that provide essential guidelines for the Internal Audit staff in performing the internal auditing activities within the Company, its subsidiaries and jointly controlled entities.

9. Held two (2) private sessions with the CIA on 15 May 2025 and 11 November 2025 without the presence of the President and CEO and Management to discuss relevant issues.

   GIA, which is the Group's independent in-house internal audit function carried out all internal audit functions. GIA provides the Board, through the AC, reasonable assurance on the effectiveness and adequacy of risk management, internal control and governance processes within the Group.

   GIA is headed by Puan Nathrah Binti Mohamed Kalam, who was appointed as CIA on 16 October 2024. She is a Bachelor of Science graduate in Accountancy from University of East Anglia, United Kingdom and is a member of MICPA, IIAM and an associate member of Institute of Corporate Directors Malaysia (ICDM).

GIA carries out risk-based audits and provides objective assurance, which are governed by the Global Internal Audit Standard ("GIAS") in which International Professional Practices Framework ("IPPF") is a subset of. Key summary of internal audit activities carried out during the FY2025 were as follows:

No.	Internal Audit Activities	Descriptions	Reporting Frequency
1.	**Internal Audit Reports**	Performed internal audit engagements in accordance with the approved plan and carried out additional assignments that covered reviews of internal control systems, policies and processes, observations, improvement opportunities, management information systems, risk management and governance compliances. Internal audit reports were issued and tabled to the AC where significant risks and key areas of concern were identified together with recommendations for improvements.	Quarterly
2.	**Follow-up Reports**	Performed follow-up procedures on previous Internal Audit Reports on the implementation of agreed upon action plans to ensure that necessary actions had been taken/were being timely and adequately implemented as recommended.	Quarterly
3.	**Conflict of Interests ("COI")**	Reported to the AC on review of the potential COI and COI situations related to certain Director and Key Senior Management for FY2025, along with the measures taken to address the COIs.	Quarterly
4.	**Recurring Related Party Transactions ("RRPT")**	Reported to the AC on review of the adequacy, appropriateness and compliance with the procedures established in relation to recurring related party transactions in accordance with the guidelines set out in the Circular to Shareholders dated 26 March 2025.	Quarterly
5.	**Unbilled Sales**	Reported to the AC on the review of unbilled sales amount to ensure compliance with the procedures established in relation to these figures.	Quarterly
6.	**Bahagian Pengurusan Integrity Agensi ("BPIA")**	Reported to the AC on the review of the information updated in the BPIA report to ensure compliance with the relevant legislation requirements and procedures are in place and supported with relevant documents.	Biannually
7.	**Special Reviews**	Assisted the Integrity and Governance Unit and performed specific reviews on allegations received through the whistleblowing channel. Special Reviews completed during the year: 4	Ad hoc

Corporate Governance Overview Statement

B EFFECTIVE AUDIT AND RISK MANAGEMENT

No.	Internal Audit Activities	Descriptions	Reporting Frequency
8.	**Review Assignments**	Reviewed key concern areas that affected financial reporting, internal controls and governance. To provide value added services, GIA also performed additional assurance and gave advisory services to Business Units upon request by the AC and/or Management in relation to compliance, governance, risk management and internal controls.	Ad hoc
9.	**GIA Governance Matters**	• Reported the status of implementation of the recommendations proposed by IIAM based on the Quality Assessment Review.	Quarterly
		• Reported the status of budget utilisation of GIA function.	Quarterly
		• Proposed revision the Internal Audit Policy for the AC and was approved by Board on 27th January 2025.	Biennially
		• Proposed revision to the Internal Audit Charter and was approved by Board on 27th January 2025.	Ad hoc
		• Reported the status updates of the approved 3-year Strategic Plan developed in alignment with the GIAS (in which IPPF is a subset of) ie IPPF Practice Guide, ensuring continuous conformance with the Standards.	Annually
		• Proposed succession planning for CIA position.	Annually
10.	**Other Initiatives**	• Participated in ESG related activities and attended trainings in accordance with the Bursa Securities disclosure requirements.	Continuous activities
		• Rolled out data analytics software i.e. Arbutus which helped the internal auditors to conduct data driven audit of which RPT and COI have been piloted successfully.	Continuous activities
		• Knowledge sharing and insights on the special review practices with Petronas on 26th February, 2025.	Ad hoc
		• Jointly organised the Setia Governance Risk and Audit Forum and Integrity Day with Group Risk, Integrity and Governance Department on 1st October 2025 to broaden knowledge for internal auditors as well as S P Setia staff on the importance of governance, risk and control in facing global challenges in order to enhance value creation. Speakers from CIMB, Deutsche Bank, Asian Institute of Chartered Bankers & Yayasan Khazanah and Hatta Hash Consultancy were invited to share their knowledge.	Ad hoc

No.	Internal Audit Activities	Descriptions	Reporting Frequency
10.	**Other Initiatives**	• Inter-departmental dialogue session with the following Corporate Units to facilitate collaboration among support functions. The objective is to foster synergy within the Group through regular communication on key concerns and the sharing of updates, activities, and insights gathered through our respective functions: • Group Risk, Integrity & Governance – held on 19 March 2025, 6 August 2025, 20 November and 2 December • Group Digital – held on 20 March 2025, 1 August 2025 • Group Quality Management – held on 1 August 2025 and 2 December 2025	Quarterly
		• Observer and witness in the tender negotiation conducted by the Group Contracts and Procurement ("GCP") Manager with the following attendees based on the following tender value: From January 2025 to 31 December 2025, GIA attended a total of 247 tender negotiations, with approximately 21 man-days spent during the period. • ≥ RM 20 million: GM of GCP, GIA Senior Manager and Vendor Management Unit("VMU") • < RM 20 million: GIA Manager and VMU ("VMU")	Continuous
		• Trainings aimed at strengthening audit skills and enhancing audit effectiveness among the internal auditors: • Audit Management System (TeamMate) by TeamMate consultant_ Wolters Kluwer Malaysia • Root Cause Analysis for Enhancing Internal Audit Effectiveness by The Institute of Internal Auditors Malaysia ("IIAM") • Stamp Duty Self Assessment System Implementation by Deloitte & Touche • Procurement Fraud: Third Party Due Diligence, Internal Control and Reporting Mechanism by IIAM	Ad hoc

GIA is resourced with a total of 15 internal auditors and assisted by a senior office executive and during the year, on average was manned by 12 staff due to staff movements. All internal auditors are equipped with a diverse range of experience and qualifications. To perform their functions effectively, GIA underwent continuous internal and external learning and development programs to equip themselves with the required skills, competencies and business acumen.

Discipline	No. of auditors
Accounting and Finance (6 auditors possesses professional qualifications (ACCA, CPA, CIA etc)	11
Engineering/Technical experience (Board of Engineers Malaysia)	1
Total	**12**

The total cost incurred for the internal audit function for FY2025 was approximately RM3.3 million, comprising mainly staff cost and other related audit work expenditure.

B EFFECTIVE AUDIT AND RISK MANAGEMENT

Related Party Transactions & Conflict of Interests

10. Reviewed the proposed Policy and Standard Operating Procedures ("SOP") on Conflict of Interest ("COI"), Related Party Transactions ("RPT") and Recurring Related Party Transactions ("RRPT") to ensure that there is a comprehensive framework and that the processes and controls are in place for the identification, evaluation, approval, reporting and monitoring of COI and RPT. The review specifically considered:

    i) the nature and underlying details of the transactions, to establish that the transactions were on normal commercial terms and not to the detriment of the minority shareholders.

    ii) reasonableness of the COI situations to ensure that certain parties do not abuse powers

11. Reviewed and monitored potential COI and COI situations involving the Board of Directors ("Director") and Key Senior Management. Details of potential COI and COI related to certain Directors and Key Senior Management for FY2025, along with the measures taken to address COIs, are disclosed in Table 1 below. These COI situations have been addressed in accordance with the established COI Policy and COCBE Policy.

Table 1: Details of potential COIs and COI situations

No.	Nature of COI	Nature and Extent of Interest of Conflicted Board of Directors/Key Senior Management	Measures Taken to Address COI
1.	Permodalan Nasional Berhad ("PNB") is a major shareholder of S P Setia. PNB also holds a majority stake in Maybank Banking Berhad ("Maybank"). Both S P Setia and Maybank are strategic companies of PNB. There are Directors nominated by PNB on the Board of S P Setia.	PNB's Nominee Directors are as below: i. Tan Sri Dato' Seri Syed Anwar Jamalullail ii. Mr. Lim Fu Yen iii. Pn. Aida Hazrina Binti Mohd Tazaai S P Setia, along with its subsidiaries and joint ventures (namely, Bandar Eco-Setia Sdn Bhd, I & P Group Sdn Berhad, Setia Federal Hill Sdn Bhd, Syarikat Perumahan Pegawai Kerajaan Sdn Bhd, Perumahan Kinrara Berhad, Battersea Project Holding Company Limited, Gita Kasturi Sdn Bhd, Petaling Garden Sdn Bhd, Setia Alamsari Sdn Bhd, Greenhill Resources Sdn Bhd, Setia Fontaines Sdn Bhd, Setia Promenade Sdn Bhd and Setia MF SFH Development Sdn Bhd) maintain banking facilities with Malayan Banking Berhad and Maybank Islamic Berhad. The appointment of Maybank Investment Bank as the Principal Advisor for S P Setia Real Estate Investment Trust ("Setia REIT") was approved by Board on 27 February 2025.	These Directors have abstained and did not participate in or influence any deliberation and decisions for transactions entered by the subsidiaries and joint venture companies.

No.	Nature of COI	Nature and Extent of Interest of Conflicted Board of Directors/Key Senior Management	Measures Taken to Address COI
2.	A Director serves on the Board of Directors of Tenaga Nasional Berhad ("TNB"), which provides power supply to the nation.	(a) Dato' Merina Binti Abu Tahir is a member of TNB's Board of Directors. Gsparx Sdn Bhd, a subsidiary of TNB, has been appointed as a Nominated Sub-Contractor for Solar Photovoltaic Works on Landed Residential Building Projects in Setia. The project encompasses the installation of Solar Photovoltaic system across a total of 1,000 units of landed residential houses.	Dato' Merina did not participate in any deliberation and approval as she is not a member of the Tender & Projects Committee of S P Setia that approved this transaction.
3.	A Director serves on the Board of Directors of AEON Co. (M) Berhad ("AEON"), which operates in the retail business.	(b) Dato' Merina Binti Abu Tahir is a member of AEON's Board of Directors. AEON is currently a tenant at Setia City Mall, which is owned by Greenhill Resources Sdn Bhd ("GRSB"), a jointly controlled entity of which 50% of GRSB's equity interest is held by Bandar Setia Alam Sdn Bhd (a wholly-owned subsidiary of S P Setia). (c) Letter of Offer for AEON's tenancy at Setia EcoHill Mall (Setia EcoHill Sdn Bhd, a subsidiary of Setia) was signed on 21 July 2025, and subsequently Tenancy Agreement was signed on 25 November 2025.	Dato' Merina did not participate in any deliberation and decision making on AEON's tenancy made by S P Setia Berhad, its subsidiaries and the joint venture companies.
4.	A Director's spouse is the Chief Executive Officer of Affin Bank Berhad.	The spouse of a Director, Datin Wan Daneena Liza Binti Wan Abdul Rahman is the Chief Executive Officer of Affin Bank Berhad. (a) S P Setia and Kesas Kenangan Sdn Bhd maintain banking facilities with Affin Bank Berhad and Affin Islamic Bank Berhad. (b) During the year, Affin Hwang Investment Bank ("Affin Hwang") was shortlisted for the proposed Principal Advisor appointment for Setia REIT.	Datin Wan Daneena Liza Binti Wan Abdul Rahman duly recused herself and abstained from both deliberation and voting on these transactions. Additionally, she did not participate in or influence any deliberation and decisions for transactions entered by the subsidiaries and joint venture companies.

Corporate Governance Overview Statement

B EFFECTIVE AUDIT AND RISK MANAGEMENT

No.	Nature of COI	Nature and Extent of Interest of Conflicted Board of Directors/Key Senior Management	Measures Taken to Address COI
5.	A Director who is a Partner and Shareholder of Shearn Delamore & Co.	Datin Grace Yeoh Cheng Geok is a Partner and Shareholder of Shearn Delamore & Co. S P Setia, along with its subsidiary and joint ventures (namely KL Eco City Sdn Bhd, Ganda Anggun Sdn Bhd, Kewira Jaya Sdn Bhd, Setia Promenade Sdn Bhd, Bandar Setia Alam Sdn Bhd, Setiawood-Industries Sdn Bhd and Intra Hillside Sdn Bhd) engage Shearn Delamore & Co. for legal services related to loan processes, industrial relations, litigation and real estate transactions.	Datin Grace Yeoh Cheng Geok duly recused herself and abstained from both deliberation and voting on these transactions. Datin Grace Yeoh Cheng Geok was not personally involved in providing legal advice for the said transactions.
6.	A Director's brother is the Chairman of CIMB Investment Bank Berhad.	The brother of a Director, Datin Grace Yeoh Cheng Geok, is the Chairman of CIMB Investment Bank Berhad. (a) Setia Federal Hill Sdn Bhd, a wholly owned subsidiary of S P Setia has appointed CIMB Investment Bank Berhad as the Facility and Security Agent for its Syndicated Loan Facilities. (b) During the year, CIMB Investment Bank was shortlisted as the Principal Advisor for Setia REIT.	Datin Grace Yeoh Cheng Geok duly recused herself and abstained from both deliberation and voting on this transaction.
7.	President and CEO's daughter is a partner in T. Thavalingam & Co. (legal firm).	Datuk Zaini Bin Yusoff's daughter is Partner of T. Thavalingam & Co. The firm has been appointed to perform legal advisory on reviewing the Company's draft letters.	Datuk Zaini Bin Yusoff did not participate in or influence any deliberation and decisions for transactions entered by S P Setia Berhad, its subsidiaries and the joint venture companies that may raise potential COI.
8.	A Director serves as a Chief Business Officer of UEM Sunrise, which is in property development business.	Encik Azmy bin Mahbot holds a Key Senior Management position at UEM Sunrise Bhd as the Chief Business Office. He held the following positions within S P Setia Group: (a) Director of Setia Eco Glades Sdn Bhd (b) Alternate Director to Tuan Haji Ahmad Khalif Bin Tan Sri Datuk (Dr) Haji Mustapha Kamal in Setia Safiro Sdn Bhd	To be excluded from all forms of decision making, discussion and/or deliberation on matters relating to the related companies that may raise potential COI.
9.	Key Senior Management's spouse is a Key Senior Management member of Eco World Development Group Berhad, which is in property development business.	The spouse of Datuk Stanley Saw Kim Suan holds a Key Senior Management position at Eco World Development Group Bhd.	Datuk Stanley Saw Kim Suan oversees the Northern and Eastern Regions of S P Setia Bhd Group, which are in different geographical locations from his spouse's portfolio.

No.	Nature of COI	Nature and Extent of Interest of Conflicted Board of Directors/Key Senior Management	Measures Taken to Address COI
10.	Deputy CEO and his family have interest in hotel chains locally and internationally.	Tan Hwa Min and his family collectively own majority shares and controlling interest in Grand Central Enterprises Berhad, Malaysia and Hotel Grand Central Limited, Singapore which have hotel chains in Malaysia and internationally including Singapore, Australia, New Zealand and China.	To be excluded from all forms of discussion and/or deliberation on matters relating to the hotel chains both locally and internationally that may raise potential COI.
11.	Director for Kesas Kenangan Sdn Bhd. (a subsidiary of Futurecrest (M) Sdn Bhd which in turn is a subsidiary of S P Setia Berhad).	Gan Hua Tiong is common director of: i. Kesas Kenangan Sdn Bhd; ii. Evershine Trading Limited (holds 15% of Kesas Kenangan Sdn Bhd); and iii. Topasia Projects Sdn Bhd (holds 15% of Kesas Kenangan Sdn Bhd). Kesas Kenangan Sdn Bhd. has dividend payable to Evershine Trading Limited and Topasia Projects Sdn Bhd, of which Gan Hua Tiong is a common director for all 3 companies.	To be excluded from all forms of discussion and/or deliberation on matters relating to the related companies that may raise potential COI.
12.	Key Senior Management's brother in law is a Tax Partner in KPMG.	Chow Yin See holds a position as a Group Financial Controller and her brother-in-law is a Tax Partner in KPMG. S P Setia Bhd has engaged KPMG for tax services throughout the year.	Chow Yin See is not involved in the discussion and/or deliberation on the transactions as tax is no longer under her purview.

12. Reviewed the report of whistleblowing and special reviews or investigations jointly with the Risk Management Committee and monitored the progress of implementation of recommendations as mandated by the Board.

13. Reviewed the internal audit reports of the audit conducted on joint venture and associate companies of the Group.

14. Reviewed the Internal Quality Assurance Report completed through self-assessment.

Corporate Governance Overview Statement

C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

STAKEHOLDER ENGAGEMENT

The Group prioritises constructive relationships with its stakeholders. As a major participant in the property development sector, careful consideration is given to the views of shareholders, customers, employees, regulators and surrounding communities when business decisions may have economic, environmental or social implications.

Engagement activities carried out during the year provided meaningful insights into stakeholder expectations and areas of concern. Feedback received through both formal and informal platforms informed improvements to business practices, customer offerings and operational approaches. This continuous dialogue enables the Group to respond proactively to emerging matters while aligning business activities with stakeholder priorities.

A range of communication channels is utilised to promote open and effective engagement. These interactions support ongoing enhancements across the organisation and reinforce responsible business conduct and sustainable value creation.

Further details on the Group's stakeholder engagement initiatives and outcomes are presented in the Stakeholder Engagement and Value Creation section on pages 64 – 68 and 74 – 75 respectively, of this Integrated Report.

INVESTOR RELATIONS

The Group maintains active and transparent engagement with the investment community. Regular interactions with shareholders, institutional investors, analysts and fund managers provide insight into the Group's financial performance, strategy and key corporate developments.

The Investor Relations team facilitates these engagements by ensuring the timely dissemination of accurate and balanced information beyond statutory disclosures. Through briefings, meetings and other engagement forums, the team supports Senior Management in communicating the Group's direction, business updates and significant milestones, enabling investors to make well informed decisions.

These engagement efforts strengthen confidence within the investment community and support clear, consistent communication across all stakeholder groups.

EFFECTIVE SHAREHOLDER COMMUNICATION

Clear and open communication with shareholders and the investment community is a core aspect of the Group's governance approach. Engagement activities are guided by principles of transparency, consistency and accessibility, with information conveyed in a manner that is accurate, relevant and timely.

Key corporate developments and disclosures are communicated through established channels, including regulatory announcements to Bursa Malaysia Securities, media releases, press briefings and public disclosures. These platforms enable shareholders, stakeholders and the public to remain informed of material developments affecting the Group.

Investor engagement is supported by the Group's Investor Relations function, which facilitates continuous interaction with shareholders, fund managers, financial analysts and media representatives. Through briefings, meetings and project site visits, the Investor Relations team, together with Senior Management, provides insights into operational progress, strategic direction and financial performance. Where appropriate, feedback obtained through these engagements is considered in the Group's decision making processes.

The Group continues to receive coverage from 14 local and international research houses and brokerages and maintains an active presence at investor conferences and roadshows. Quarterly analyst briefings are held following the release of financial results, providing a structured forum for engagement and updates on the Group's performance. Digital platforms were also utilised during the year to supplement physical engagements with analysts and the media.

Queries from the investment community are facilitated through the Investor Relations team and the dedicated IR mailbox at ir@spsetia.com, in addition to information made available on the Company's website.

GENERAL MEETING

Annual General Meetings and Extraordinary General Meetings provide an important platform for direct engagement between the Company and its shareholders. These meetings enable shareholders, particularly retail investors, to seek clarification on matters presented for approval, raise questions on the Group's performance and communicate their views directly to the Board and Management.

At each Annual General Meeting, the President and Chief Executive Officer presents updates on the Group's operations, projects and proposals requiring shareholder approval. Members of the Board, Senior Management, external auditors and advisers are present to address shareholders' questions and facilitate informed discussion.

The Integrated Report 2024 and the Notice of the 50th AGM were issued on 26 March 2025 in accordance with the requirements of the Company's Constitution and MMLR. Where relevant, explanatory notes were provided to assist shareholders in understanding the resolutions tabled.

The 50th AGM held on 24 April 2025 was conducted in person at the AGM venue. In line with the Company's Constitution, shareholders registered the Record of Depositors as at the stipulated date were entitled to attend, speak and vote at the 50th AGM. Shareholders who were unable to participate personally exercised their rights through duly appointed proxies.

The Directors' attendance at the 50th AGM is set out below:

Directors	50th AGM
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	✓
Datuk Choong Kai Wai	✓
Datuk Ir. Khairil Anwar Bin Ahmad	✓
Dato' Merina Binti Abu Tahir	✓
Dato' Tengku Marina Binti Tunku Annuar	✓
Dato' Sheranjiv Sammanthan	✓
Datin Wan Daneena Liza Binti Wan Abdul Rahman	✓
Mr Lim Fu Yen	✓
Datin Grace Yeoh Cheng Geok	✓
Encik Mohamad Abdul Halim Bin Ahmad	✓
Puan Aida Hazrina Binti Mohd Tazaai	✓
Datuk Zaini Bin Yusoff (attended in the capacity of Chief Operating Officer)	✓

Corporate Governance Overview Statement

C INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

CORPORATE DISCLOSURE POLICY

Disclosure practices across the Group are guided by principles of accuracy, consistency and accountability. Information made available to the market is prepared with due care to ensure it is factual, meaningful and aligned with applicable regulatory requirements. Clear oversight by the Board reinforces confidence in the integrity of disclosures issued by the Company.

Financial results are released on a regular and disciplined basis, with interim and annual audited results issued within the prescribed timelines. Beyond statutory announcements, the Integrated Report serves as a consolidated communication platform that presents a holistic view of the Group's performance, strategy and governance. Through integrated reporting, shareholders and investors are provided with insights into how financial outcomes are linked to operational execution and broader strategic priorities.

By presenting contextual and forward looking information alongside historical data, the Company supports informed assessment of performance and prospects, enabling stakeholders to evaluate developments in a balanced and transparent manner.

INFORMATION TECHNOLOGY

Use of Digital Platforms to Enable Information Access

Digital platforms support the timely and efficient dissemination of information to shareholders and the wider public. The Company's corporate website functions as a central repository for key disclosures and reference materials, allowing stakeholders to access information conveniently and consistently.

Materials published on the website include annual and integrated reports, regulatory announcements, corporate presentations and financial information shared during analyst and investor briefings. This approach enhances accessibility, supports transparency and facilitates ongoing engagement with stakeholders through readily available and up to date information at www.spsetia.com.

COMPLIANCE STATEMENT

The Board has deliberated, reviewed and approved this Statement and is satisfied that the Company has substantially complied with and applied the three key Principles of the MCCG for the FY2025. Details of how the Company has applied the MCCG Principles and complied with its Practices are set out in the CG Report. Departures are further explained in the CG Report which is available on the Company's website at www.spsetia.com. The Board is further satisfied that the Company has fulfilled its obligations under the relevant paragraphs of the MMLR, MCCG, CA 2016 and other applicable laws and regulations throughout the FY2025.

Statement on Risk Management and Internal Control

The Board of Directors ("Board") of S P Setia recognises that effective risk management and a sound system of internal control are essential to safeguarding the Group's assets, supporting sustainable performance and maintaining stakeholder confidence. Across the Group, Business Units operate defined control processes overseen by Management, with executive accountability resting with the President and Chief Executive Officer ("PCEO"), who is responsible for the effective governance of business conduct and regulatory compliance.

This Statement on Risk Management and Internal Control ("Statement") has been prepared in accordance with paragraph 15.26(b) of the Bursa Malaysia Securities Berhad ("Bursa Securities") Main Market Listing Requirements ("Main LR") and with reference to the Institute of Internal Auditors Malaysia's ("IIAM") Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers ("the Guidelines"). It describes the principal features of the Group's risk management and internal control systems for the financial year ended 31 December 2025.

BOARD RESPONSIBILITY

The Board is committed to maintaining a sound and effective system of risk management and internal control to safeguard shareholders' interests and support the achievement of the Group's strategic objectives.

The Board retains overall responsibility for defining the Group's risk governance framework, including determining the nature and extent of risks that the Group is prepared to accept in pursuing its strategies. In discharging this responsibility, the Board approves the risk appetite, oversees the adequacy of internal control systems and ensures that risk considerations are embedded into strategic planning and decision-making.

The Board delegates the oversight of risk management and internal control matters to its Board Committees, primarily the Risk Management Committee ("RMC") and the Audit Committee ("AC").

The RMC and AC are established with clearly defined charters and terms of reference and are predominantly comprised of independent directors. This governance structure ensures independence in oversight, reinforces accountability, and reflects S P Setia's commitment to effective corporate governance.

Day-to-day responsibilities for identifying, assessing and managing risks are delegated to Management within established authority limits, while ensuring that accountability and reporting lines remain clear.

RISK MANAGEMENT FRAMEWORK

The Group has adopted a structured Enterprise Risk Management ("ERM") framework that is applied consistently across all Business Units and operations. The framework is aligned with internationally recognised risk management principles under ISO 31000:2018 and provides a systematic approach to identifying, assessing, monitoring and managing risks at both strategic and operational levels.

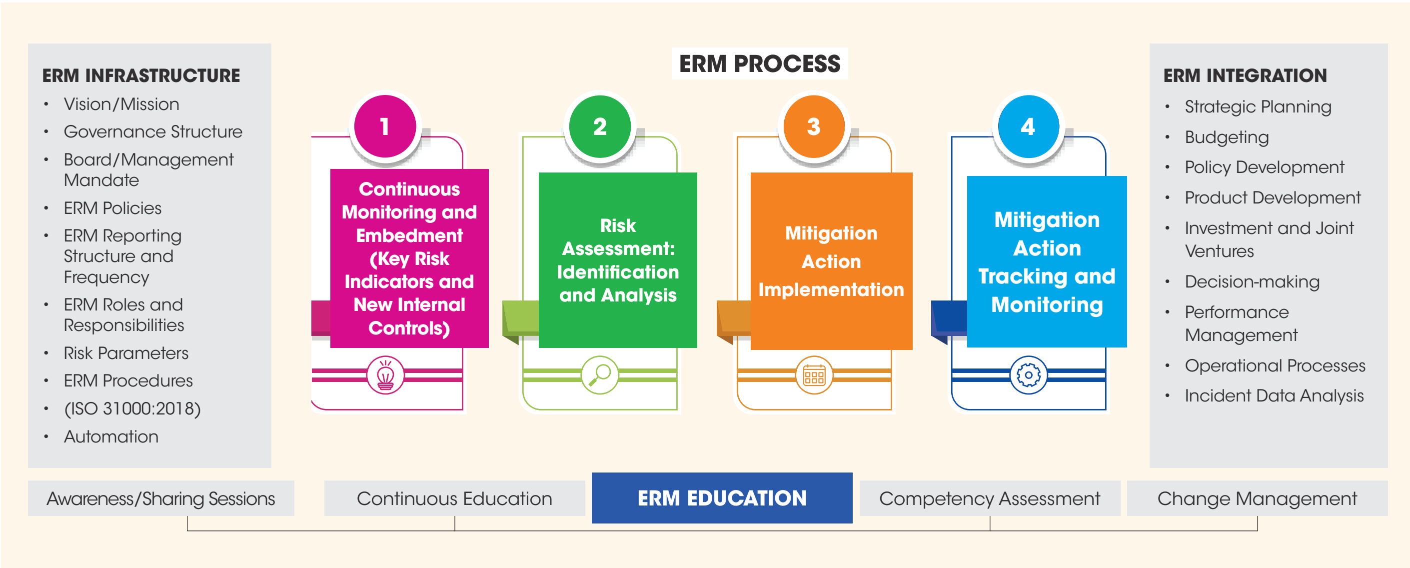
Under the ERM framework:

The Board defines the overall risk appetite and tolerance levels in line with strategic priorities	The RMC oversees the effectiveness of the ERM framework and reviews significant and emerging risks	Management, supported by the Management Risk Team, maintains the Group Risk Register and implements mitigation actions

Periodic risk assessments are conducted to evaluate changes in the external and internal environment, ensuring that emerging risks are identified on a timely basis and escalated to the Board where appropriate.

Statement on Risk Management and Internal Control

ENTERPRISE RISK MANAGEMENT FRAMEWORK



ENTERPRISE RISK MANAGEMENT OVERSIGHT

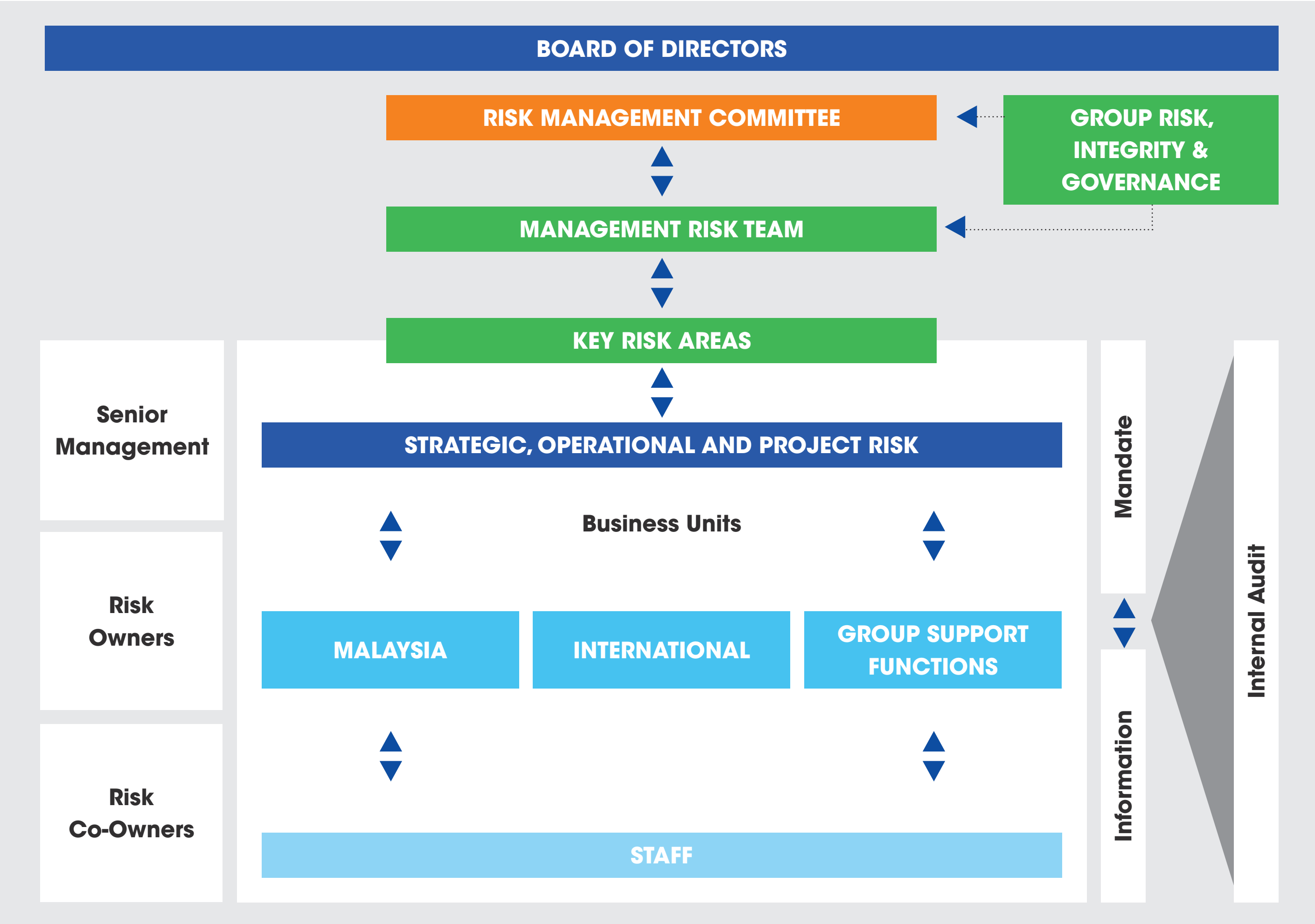
Risk governance within the Group is anchored at Board level, with oversight exercised through the Board and the Risk Management Committee ("RMC"). Collectively, these bodies provide leadership and direction for the Group's enterprise risk management framework, reinforcing its role as an integral component of corporate governance and strategic execution.

The RMC and the Board guide the development and application of risk-related policies, articulate expectations relating to risk ownership and accountability and approve the structure through which risk information is escalated and reported. Their sustained leadership and engagement underpin the effectiveness of enterprise risk management initiatives across the Group.

The Management Risk Team ("MRT") serves as the coordinating function for enterprise risk activities and provides regular updates to the RMC and the Board. These updates cover the Group's significant risk exposures, the status of risk mitigation measures and the identification of emerging risks and trends that may affect the Group's operations or strategic objectives. This reporting enables timely oversight and informed deliberation at the highest governance levels.

Supporting the MRT is the Group Risk, Integrity and Governance ("GRIG") function, which plays a key role in strengthening the execution of the enterprise risk management and business continuity management frameworks. GRIG supports implementation efforts, promotes consistency in risk practices and drives ongoing risk awareness through training and engagement initiatives across the organisation.

In addition, GRIG contributes an independent perspective by providing objective assessments of key risks and relevant developments. These assessments are communicated to Management, the RMC and the Board to support robust challenge and effective oversight. The combined efforts of the Board, Management and GRIG reinforce a coordinated and disciplined approach to risk management and business continuity, enhancing the Group's resilience and preparedness.



ENTERPRISE RISK MANAGEMENT POLICY

The Board recognises that operating in the Group's core businesses inevitably involves exposure to a range of risks that may influence performance, resilience and value creation. These risks may manifest as potential challenges or, where appropriately managed, opportunities to enhance outcomes. The Group's Enterprise Risk Management ("ERM") Policy was therefore established to provide a structured basis for applying its ERM framework in support of strategic objectives and shareholder interests.

The ERM Policy articulates the principles that guide how risks are identified, evaluated and managed throughout the Group. It applies uniformly across all Business Units and promotes a disciplined approach to risk ownership and decision-making. Under this policy, the Group adopts a forward-looking approach to risk management, considering both downside exposures and potential upside implications in assessing uncertainty.

Risk responses are calibrated according to the nature and materiality of each risk, with the objective of balancing prudent control with business effectiveness. Risk assessments are embedded within organisational processes to promote consistency and transparency, supported by governance practices that reinforce accountability at all levels. Through this policy, the Group seeks to sustain a coherent and formalised ERM framework that enables risks to be managed in line with approved risk tolerance parameters.

Statement on Risk Management and Internal Control

RISK REPORTING

Risk monitoring and reporting form an integral part of the Group's ERM framework. Structured reporting mechanisms are in place to support regular review of the Group's risk landscape, including updates on principal risks, mitigating actions and changes in risk exposure.

During the financial year under review, risk management reports were prepared and submitted on a quarterly basis. These reports were reviewed by the MRT and subsequently escalated to the RMC and the Board for deliberation and approval. This reporting cycle supports ongoing oversight, facilitates timely intervention where necessary and enables the Board to maintain sight over the effectiveness of risk management efforts across the Group.

For more information on our key risks, opportunities and mitigation measures, please refer to pages 89 - 94.

INTEGRATION OF ESG RISKS

In recognition of evolving regulatory expectations and stakeholder priorities, the Group's risk management framework incorporates environmental, social and governance ("ESG") considerations as integral components of enterprise risk management with integration to the overall business strategies. Key sustainability and ESG-related risks, including climate-related risks, changes in regulatory landscapes, social responsibilities and workforce requirements; and business ethics, are identified at both Business Units and Corporate level, assessed for potential financial and operational impact, consolidated, closely tracked and monitored. Board oversight is supported by both the RMC and the Sustainability Committee, ensuring alignment between risk management and sustainability strategies.

This integrated approach enables the Group to anticipate emerging risks and proactively manage the consequences and build resilience across the Group. Further details on the Group's sustainability-related risks and opportunities ("SRO"), including climate-related considerations, are set out in the Sustainability Statement on page 128.

RISK MANAGEMENT INITIATIVES

As part of the Group's ongoing efforts to strengthen risk culture, several initiatives were undertaken during the year, including ERM awareness sessions, site visits, Setia Governance Risk and Audit Forum ("SGRAF"), and peer benchmarking exercises. These activities aim to enhance risk management practices, reinforce governance frameworks, and embed accountability across all levels.

Series of continuous ERM Culture and Education Programmes which include ERM technical briefings/trainings, site visits, awareness and refresher sessions.

RISK MATURITY ASSESSMENT

Risk Maturity Assessment conducted by an independent consultant, to evaluate the effectiveness and robustness of S P Setia's risk management framework against best practices. This assessment measured key dimensions such as governance, risk culture, processes, and integration with strategic decision-making. By benchmarking against industry standards, the exercise provided valuable insights into current strengths and areas for enhancement. For the year 2025, S P Setia has scored a rating of 4.08 over 5.00 (overall marks), which indicates a sound ERM framework, integrated processes, and proactiveness in building resilience—aligned with ISO 31000.

National Corporate Governance & Sustainability Awards 2025

Statement on Risk Management and Internal Control

RISK HUNT – UNLOCK THE RISK CODE

On 27 May 2025, the Group introduced "Risk Hunt", a gamified learning initiative designed to make risk management education engaging and impactful. The event, themed "Unlock the Risk Code", transformed traditional training into an interactive adventure where participants solved clues, navigated checkpoints, and tackled risk scenarios. This approach reinforced understanding of S P Setia's ERM processes through teamwork and competition, improving knowledge retention and proactive risk thinking.

SEMBANG NASI LEMAK (SNL 3.0)

On 26 August 2025, the Group hosted Sembang Nasi Lemak ("SNL 3.0") as part of its ongoing efforts to strengthen risk culture through open dialogue and knowledge sharing for Team Setia. This initiative provided a relaxed platform for meaningful discussions on governance and risk, connecting participants with risk experts and industry practitioners. By transforming informal conversations into impactful learning experiences, SNL 3.0 fostered collaboration, enhanced understanding of emerging risks, and reinforced a culture of accountability across Setia.

SETIA GOVERNANCE RISK AND AUDIT FORUM 2025 ("SGRAF")

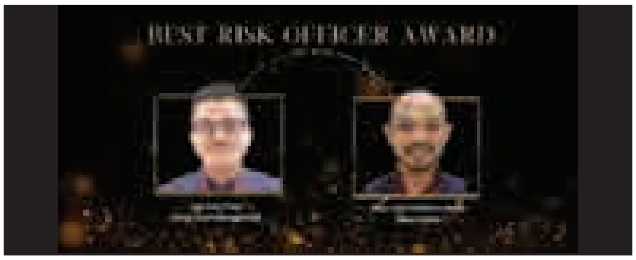
Setia Governance Risk and Audit Forum ("SGRAF") 2025, held on 1 October 2025, convened the Board, Senior Management, and Team Setia for an engaging day of knowledge-sharing with leading risk and governance experts and industry practitioners. The forum served as a strategic platform to deepen understanding of governance principles, emerging geopolitical risks, and evolving regulatory landscapes.

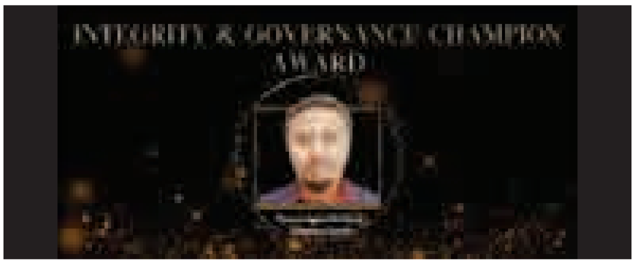
Statement on Risk Management and Internal Control

PEER BENCHMARKING SESSION

On 1 December 2025, GRIG conducted a benchmarking session with other Government-Linked Companies ("GLCs") to compare governance, risk management, and compliance practices. The session provided valuable insights into industry standards and emerging best practices as well as improvement opportunities moving forward. This initiative supports continuous upskilling of the GRIG team and reinforces S P Setia's commitment to adopting robust frameworks that align with leading practices in the market.

CELEBRATING RISK, AUDIT AND INTEGRITY EXCELLENCE: ANNUAL RISK AND AUDIT AWARDS





As part of S P Setia's commitment to fostering a strong risk culture and governance excellence, the Annual Risk and Audit Awards were presented during the Annual Dinner on 13 December 2025 to recognise outstanding contributions and achievements in risk management, audit and integrity across the Group. These awards celebrate individuals, teams, and Business Units that have demonstrated proactiveness in identifying, assessing, and mitigating risks, effective control environment, strong integrity culture while promoting accountability, compliance, and resilience.

By acknowledging these efforts, S P Setia reinforces its dedication to continuous improvement and encourages active engagement and embedment of good risk management practices throughout the organisation.

CELEBRATING RISK, AUDIT AND INTEGRITY EXCELLENCE: MALAYSIAN ASSOCIATION OF RISK AND INSURANCE MANAGEMENT ("MARIM") AWARDS 2025

MARIM Risk Culture Excellence Award

As testament to all the efforts and initiatives, S P Setia was recently recognised at the Malaysian Association of Risk and Insurance Management ("MARIM") Awards 2025 held on 15 July 2025 for its strong commitment to risk management excellence. S P Setia was awarded the esteemed Corporate Risk Leadership Award and ranked top five (5) for the Risk Culture Excellence Award, reflecting its leadership in embedding effective risk management practices and fostering a proactive risk-aware culture across the organisation. These accolades affirm S P Setia's dedication to strengthening governance, resilience, and continuous improvement in risk management.


MARIM: Risk Leadership Award 2025

Statement on Risk Management and Internal Control

INTEGRITY AND GOVERNANCE

Ethical conduct and sound governance remain fundamental to the way the Group operates and conducts its business. Consistent with national initiatives to strengthen integrity standards within the corporate sector, S P Setia has developed a structured framework supported by targeted initiatives to promote ethical behaviour and reinforce responsible governance across the organisation.

To formalise these efforts, S P Setia established a Group Integrity and Governance Unit ("IGU") following the Prime Minister's directive issued to Government-Linked Companies in October 2018. The formation of the IGU supports the Group's compliance with the corporate liability provisions under Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, which has been in effect since 1 June 2020.

The IGU operates in accordance with the Directive and the Guidelines for the Establishment of Integrity and Governance Units issued by the MACC. Its responsibilities span several key areas, including the management of complaints and disclosures relating to suspected misconduct, the assessment and verification of potential breaches involving unethical or unlawful behaviour, and the reporting of corruption-related matters to the relevant authorities where warranted. The IGU also undertakes initiatives to promote integrity awareness and conducts periodic reviews of governance-related policies to reflect regulatory developments and emerging best practices.

The IGU maintains a direct reporting line to the RMC, with ultimate oversight by the Board. This structure reinforces independent supervision and underscores the importance of integrity and governance considerations within the Group's overall risk governance framework.

To strengthen implementation at the operational level, Integrity and Governance Champions ("IGCs") have been appointed across Business Units and Corporate Functions. These representatives support the promotion of ethical conduct within their respective areas and assist in reinforcing the effective application of anti-bribery and anti-corruption policies and procedures throughout the Group.

Integrity and Governance Framework

The Group's integrity and governance framework has been approved by the Board and is grounded in recognised national and international standards. It draws guidance from the National Anti-Corruption Plan, the Guidelines on Adequate Procedures issued by the Prime Minister's Department, and international standards including ISO 37001 on Anti-Bribery Management Systems and ISO 37002 on Whistleblowing Management Systems. The framework is further guided by the Group's core values, which define expected standards of conduct across the organisation.

In developing the framework, due consideration was given to the Group's operating environment, risk exposure and preparedness to address the implications arising from the enforcement of corporate liability requirements. Measures adopted under the framework are aligned with the TRUST principles set out in the Guidelines on Adequate Procedures, serving both preventive and defensive functions in managing integrity-related risks.

As part of its ongoing enhancement efforts, the Board has approved a three-year Strategic Anti-Corruption Plan covering the period from 2024 to 2026. This plan reflects clear leadership oversight at the highest level and provides a structured roadmap for strengthening anti-corruption measures across the Group. It reinforces S P Setia's position on zero tolerance towards bribery and corruption, supported by continuous monitoring and improvement of integrity and governance practices.

INTEGRITY & GOVERNANCE FRAMEWORK

Statement on Risk Management and Internal Control

IGU REPORTING LINE

BOD

- To shape the tone and climate of integrity in Setia
- To endorse biannual report to Bahagian Pengurusan Integrasi Agensi ("BPIA")

RMC

- To monitor the effective functions of the IGU and to assist the BOD in overseeing the overall issues of corruption, fraud, malpractice and unethical conduct

CRIGO

- To ensure timeliness, expertise and efficiency in managing the risks of corruption, abuse of power and malpractice
- To ensure the IGU is functioning effectively

BUSINESS ASSOCIATES

- To ensure compliance and adherence to the applicable laws and Setia's suites of Anti-Bribery and Corruption related policies
- To come forward and report any genuine concern within Setia's business environment in strictest confidence without fear of retaliation

IGU

- To carry out the IGU's core functions:
- Complaints management
- Detection and verification
- Integrity enhancement
- Governance

Board of Directors

↑

Risk Management Committee ("RMC")

↑

IGU

S P Setia
Corporate Functions

BUs:
Central Region
Northern Region
Southern Region
Eastern Region
Other Subsidiaries
International Projects

Business Associates
Joint-Venture Partners

The following policies have been approved by the Board for implementation and compliance by Team Setia and Setia's Business Associates:

i. Anti-Bribery and Corruption ("ABC") Policy;
ii. Code of Conduct and Business Ethics;
iii. Whistleblowing Policy;
iv. Gifts and Hospitality Policy;
v. Donations and Sponsorship Policy; and
vi. Third-Party Engagement Policy.

As per the Bursa Securities' Main LR, these policies are accessible by the Public, Business Associates and Team Setia either via Setia's corporate website or Setia Intranet platforms. The IGU has the responsibility to facilitate and oversee the enforcement of these policies, ensure awareness and effectiveness of its implementation.

The IGU also facilitates the Corruption Risk Assessment ("CRA") workshops which are being conducted at both Setia Group and Business Unit levels. The Corruption Risk Profiles will be reassessed and reported to the RMC on a periodic basis. During the year under review, various initiatives were implemented to accomplish the objectives which covers Team Setia, active Business Associates ("BAs") and relevant authorities. A series of structured integrity and governance roadshows were conducted targeting Team Setia and BAs in Malaysia, Vietnam and Australia. We continued our engagements with the relevant authorities in areas where our Business Units operate to strengthen ties and to facilitate effective communication on any potential corruption and bribery issues.

FEATURES OF KEY INTERNAL CONTROLS IN SETIA

Internal Control Environment

The Group's internal control system is designed to provide reasonable assurance regarding the achievement of business objectives, the reliability of financial reporting and compliance with applicable laws and regulations. While the system aims to manage risk effectively, it acknowledges inherent limitations and is not intended to eliminate all risks.

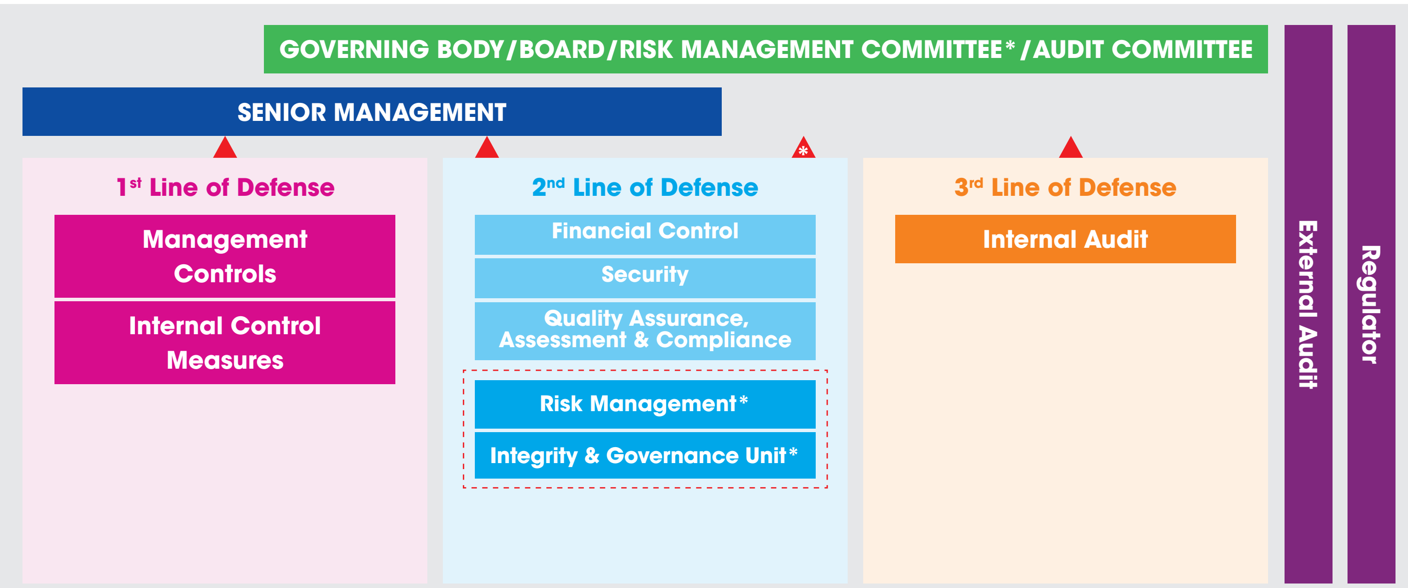
The internal control framework is supported by:

- A defined organisational structure with clear roles, responsibilities and delegated authority limits
- Comprehensive policies, procedures and guidelines governing operational, financial and compliance activities
- Disciplined management and committee structures to support oversight and accountability
- Integrated information systems that enable timely and accurate reporting
- Dedicated risk management and internal audit functions operating independently across the Group

These elements collectively reinforce a control environment that promotes ethical conduct, transparency and accountability across all levels of the organisation.

Lines of defence

The Group applies a three lines of defence model to support effective risk management and internal control.



Note: **Risk Management & IGU functions are directly reporting to the Risk Management Committee*

Statement on Risk Management and Internal Control

1st Line of Defence

The first line of defence is provided by senior management and the heads of business units, as process owners who are accountable for managing risks and maintaining effective internal controls within their respective areas. Senior management is also responsible for promoting a strong risk culture and embedding risk management principles in key operational processes, including project evaluation and monitoring.

The Group's internal control systems do not apply to associate companies and jointly controlled entities where the Group does not have full management control. However, the Group's interests are safeguarded through representation on the boards of the respective associate companies and jointly controlled entities.

2nd Line of Defence

The second line of defence is provided by the GRIG, Group Quality Assurance ("GQM") and other corporate control functions. GRIG facilitates the ERM processes based on the approved ERM framework, while GQM is responsible for ensuring effective implementation of, and compliance with, the Group's safety and health and quality-related policies and procedures.

3rd Line of Defence

The third line of defence is provided by the Group Internal Audit ("GIA") function, which delivers independent assurance over the adequacy and effectiveness of the Group's governance, risk management and internal control processes. The internal control system is reinforced by key internal assurance mechanisms and enabling functions, including:

Key Internal Control System	Assurance Mechanism/Enabler
Policies, Guidelines and Procedures	**Group Quality Management ("GQM")** GQM ensures excellence across our property development lifecycle through three integrated pillars: Quality Management System ("QMS"), Product Quality and Service Quality. QMS embeds standardised, compliant processes from design to delivery; Product Quality ensures structurally sound, well-crafted developments that meet market and sustainability expectations; and Service Quality delivers responsive, customer-centric experiences-from sales to after handover support. Together, they uphold our commitment to building trust, value, and long-term satisfaction for residents and stakeholders. (The details of GQM initiatives have been described in the ESG Report under Customer Satisfaction section on page 228). **Group Health, Security & Environment ("GHSE")** GHSE is central to our commitment to responsible property development, safeguarding people, communities, and the environment. GHSE establishes rigorous standards and proactive practices across all project phases – ensuring a safe working environment for employees and contractors, protecting the wellbeing of future residents and minimising environmental impacts through sustainable design and construction. By embedding health, safety and environment stewardship into our operations, we not only comply with regulations but uphold our duty of care and reinforce our vision for resilient, liveable and environmentally-responsible developments. (The details of GHSE initiatives have been described in the ESG Report under Occupational Safety & Health section on pages 209 - 214). **Group Finance Discretionary Authority Limits ("DAL")** The DAL document is crucial to ensure there is an optimal balance between strong corporate governance practices and operational efficiency. It is a written delegation of authority by the Board to the respective Board Committees and Management within the S P Setia Group. Its key objectives are to provide a holistic view of the authority limits set, to encourage delegation, empowerment and accountability, and to eliminate guesswork, confusion and to provide clarity. The DAL document is subject to periodical review to incorporate any changes that affect the authority limits.

Key Internal Control System	Assurance Mechanism/Enabler
Financial Performance Tracking and Monitoring	**Group Finance** Group financial planning and budgeting, monitoring, reviewing, and reporting of the Group financial performance via periodic reviews of actual performance versus targets, and ensures initiatives and mitigating action are taken. The review and deliberation of financial performance of the Business Units in the Group are conducted on a monthly basis during the Group Action Committee ("GAC") meeting. Quarterly updates will be made in the Audit Committee, Finance & Investment Committee ("FIC") and the Board of Directors meeting, as appropriate.
ICT and Digital Transformation	**Group Digital** GDI leads the Group's digital transformation and innovation agenda by leveraging emerging technologies, artificial intelligence ("AI"), and automation to enhance workplace productivity, resilience, and ESG compliance. The team incubates innovative solutions, optimises information technology ("IT") and digital services, and strengthens cybersecurity and data privacy whilst aligning with the Information Security Policy and Data Governance Guideline. Initiatives focus on unlocking new value through advanced analytics, enabling personalized, delighted customer experiences, and fostering sustainable, future-ready business models aligned with enterprise risk management. (The details of Digital Transformation initiatives have been described in the ESG Report under Innovation section on pages 172 - 176).
Manpower & Talent Management	**Group Human Capital ("GHC")** GHC plays a strategic role in ensuring that our People Agendas are aligned with business objectives. It involves a series of actions and policies aimed at attracting, developing, retaining, and engaging employees to contribute to the company's success. The scope covers the entire employee life cycle, including Workforce Planning, Talent Acquisition, Performance Management, Employee Engagement, Talent Development, Succession Planning and Compliance. By integrating these components, the strategy helps organisations effectively manage their workforce, drive performance, and achieve long-term business success. (The details of GHC initiatives i.e. employee engagement, development focus, etc have been described in the ESG Report under Business Model Resilience section on page 215).
Governance & Compliance	**Group Internal Audit ("GIA")** GIA is an internal audit function which provides independent and objective assurance on the adequacy and effectiveness of the internal control systems implemented by the Group. GIA processes and activities are guided by the following: • The Global Internal Audit Standard ("GIAS") including International Professional Practices Framework ("IPPF") • Committee of Sponsoring Organisations of the Treadway Commission ("COSO") Internal Control Framework • Internal Audit Charter GIA plays an integral part of the Group's governance, internal control system and risk management processes and is headed by a Chief Internal Auditor. GIA ensures its impartiality and objectivity by having its plans and reports directly under the purview of the Audit Committee ("AC"). Audit reviews are conducted in accordance with risk based annual audit plan approved by the AC. GIA employs a systematic and disciplined approach to evaluate and improve the design and effectiveness of the Group's governance, risk and internal control within the auditable entity. Each internal audit report includes key observations, recommendations and action plans aimed at strengthening the Group's internal controls. The AC reviews GIA audit reports, which include opinions on the adequacy and effectiveness of governance, risk management and internal controls and recommendation of corrective actions to be undertaken by the management. The status of the recommendations and action plans are reported to the AC on a quarterly basis. GIA proactively engages and contributes to the Group's effort to create awareness on the importance of upholding high standards of governance culture within the Group.

Statement on Risk Management and Internal Control

Key Internal Control System	Assurance Mechanism/Enabler
Corporate Investment & Divestment	**Group Strategy & Business Development ("GSBD")** GSBD oversees the Group's corporate investment and divestment policy, framework, requirements and practices to achieve the desired investment returns and goals, thus achievements of the overall corporate objectives as per the approved business plan. The corporate investment and divestment framework reinforces S P Setia's commitment to comply with the continuous investment disciplines imposed by the Malaysian securities law and regulations and the Main LR of Bursa Securities.
Vendor Pre- Qualification and Registrations	**Vendor Management Unit ("VMU")** VMU conducts a comprehensive due diligence process to ensure potential vendors comply with S P Setia's policies and requirements, including Anti-Bribery and Corruption policies, its financial robustness and operational resilience. • Risk Assessment & Compliance – Evaluating vendors against regulatory and internal compliance standards. • Due Diligence – Conducting thorough background checks to mitigate risks related to integrity, financial stability, and operational capacity. • Performance Monitoring – Continuously assessing vendor reliability, adherence to contract terms and its performance.
Procurement Process	**Group Contract and Procurement ("GCP")** GCP roles in internal control relates to establishing governance frameworks for tenders and contracts, implementing robust procurement policies for conducting tender exercise. It manages contract risk, ensures alignment with S P Setia's legal and regulatory standards, and enforces ethical sourcing practices. GCP presents the following key matters for Tender and Projects Committee ("TPC") approval, including but not limited to: • Award of Construction Contracts (RM1.5 Million and above) – Managing the procurement process and awarding process recommending the award of construction contracts within the Group. • Variation Orders (RM1.5 Million and above) – Managing and reviewing all variation orders to ensure they are justified, necessary, and aligned with project objectives and budget constraints.

MONITORING, REPORTING AND REVIEWING

The Group's system of risk management and internal control are subject to continuous oversight through structured monitoring and review of financial and operational performance, business processes, the state of internal controls and business risk profile across the Group including both Corporate and Business Units and reported to the GAC.

In addition, the Board is updated on the Group's performance on a quarterly basis and reviews are undertaken by GIA on the effectiveness of controls implementation at each individual business unit. Reports on the reviews carried out by GIA are submitted on a regular basis to Management and the AC. In addition, updates on the risk profiles and key mitigations are also tabled to the RMC and the Board on quarterly basis.

BOARD COMMENTARY AND OPINION

For the year under review, the Board has received a written assurance from the President and CEO, COO as well as CFO that the Group's enterprise risk management and internal control systems, in all material aspects, are operating adequately and effectively. There were no material control failures or adverse compliance events that directly resulted in any material loss to the Group.

Taking into consideration the information and assurance given by the President and CEO, COO and CFO, the Board is satisfied that the enterprise risk management and internal control systems in place for the year under review and up to the date of approval of this Statement are sound and effective to safeguard the interest of all shareholders, the Group's assets, and other stakeholders.

The Board has deliberated and approved the recommendations brought forth by the RMC and the AC.

REVIEW OF THE STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL BY THE EXTERNAL AUDITORS

The External Auditors, Messrs. Ernst & Young PLT have performed limited assurance procedures on the Statement in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagement Other Than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide ("AAPG") 3 – Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control as issued by the Malaysia Institute of Accountants, included in this Annual Report of the Group for the year ended 31 December 2025. Messrs. Ernst & Young PLT have reported to the Board that nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control included in this annual report is not prepared, in all material respects, in accordance with the disclosures required by Section 7 of the Statement on Risk Management and Internal Control ("SORMIC"): Guidelines for Directors of Listed Companies ("SORMIC Guide 2025"), nor is the SORMIC factually inaccurate. Principles of AAPG 3 does not require the External Auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment conducted by the Directors and management thereon. This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 2nd March 2026.

Additional Compliance Information

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid or payable by the Company and its subsidiaries to the external auditors and their affiliated companies for financial year ended 31 December 2025 are as follows:

	Group (RM'000)	Company (RM'000)
Fees for statutory audits – current year		
- Ernst & Young Malaysia	2,294	213
- Member firms of Ernst & Young Global	639	-
Other non-audit services		
- Ernst & Young Malaysia	379	13

The amount of non-audit fees incurred for the services rendered to the Company and the Group by its external auditors, Messrs Ernst & Young and its member firms of Ernst & Young Global for the financial year ended 31 December 2025 are RM13,000 and RM379,000 respectively.

Services rendered by Messrs Ernst & Young were not prohibited by regulatory and other professional requirements, and are based on globally practised guidelines on auditors independence. Messrs Ernst & Young was engaged in these non-audit services based on their expertise and experience on the subject matter.

MATERIAL CONTRACTS

There were no material contracts entered into by the Company and its subsidiaries involving Directors' and major shareholders' interest which were still subsisting as at the end of the financial year under review or which were entered into since the end of the previous financial year.

RECURRENT RELATED PARTY TRANSACTIONS

At the 50th AGM of the Company held on 24 April 2025, the Company had obtained the approval from its shareholders for the renewal of the shareholders' mandate to enter into recurrent related party transactions of a revenue or trading nature, which are necessary for its day-to-day operations and in the ordinary course of its business, with related parties.

The said mandate took effect on 24 April 2025 and will continue until the conclusion of the forthcoming AGM of the Company.

At the forthcoming AGM to be held on 23 April 2026, the Company intends to seek its shareholders' approval to renew the existing mandate for recurrent related party transactions of a revenue or trading nature. The details of the shareholders' mandate to be sought will be furnished in the Circular to Shareholders dated 25 March 2026 issued together with the Integrated Report 2025.

The details of Recurrent Related Party Transactions entered into during the financial year ended 31 December 2025 pursuant to Paragraph 3.1.5 of Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad are as follows:

No.	Related Party	Nature of Recurrent Transactions	Value of Transactions (RM'000)	Nature of relationship between S P Setia Berhad Group and the Related Party
1.	Tan Siow Chung	Purchase of properties	2,055	Tan Siow Chung is the director of subsidiary companies of S P Setia Berhad.
2.	Koh Sooi Meng	Purchase of properties	1,852	Koh Sooi Meng is the director of subsidiary companies of S P Setia Berhad.
3.	Chan Ching Hiong	Purchase of properties	544	Chan Ching Hiong is the director of subsidiary companies of S P Setia Berhad.
4.	Datin Paduka Kartini Binti Hj Abdul Manaf	Purchase of properties	1,578	Datin Paduka Kartini Binti Hj Abdul Manaf is the director of subsidiary companies of S P Setia Berhad.
5.	Datuk Choong Kai Wai	Purchase of properties	4,097	Datuk Choong Kai Wai is the former director of S P Setia Berhad.
6.	Nawal Binti Khairil Anwar	Purchase of properties	270	Datuk Ir. Khairil Anwar bin Ahmad is the director of S P Setia Berhad. Nawal Binti Khairil Anwar is the daughter of Datuk Ir. Khairil Anwar bin Ahmad.

DISCLOSURE OF FINANCIAL DATA FOR SHARIAH SCREENING

Pursuant to Paragraph 9.25A of the MAIN Market Listing Requirements, below are the financial data that are relevant for purpose of Shariah screening by the Shariah Advisory Council of the Securities Commission Malaysia. These include financial data on Shariah non-permissible income arising from the Group's business activities and interest-based financial position.

(a) Group Total Income and Total Assets

		Group	
Total Income	**Remarks**	**2024 RM'000**	**2025 RM'000**
Revenue		5,293,568	**4,217,843**
Other Income		286,648	**226,049**
Interest/Finance income		91,476	**86,776**
Share of profit of associates^		55,079	**112,771**
Share of profit of ventures^		25,412	**9,139**
Total		5,752,183	**4,652,578**
Total Assets		27,603,810	**27,083,397**

^ *Share of loss of associates and ventures are excluded.*

Additional Compliance Information

(b) Business Activities

Shariah Non-Compliant Activities	Remarks	Group 2024 RM'000	Group 2025 RM'000
Rental income received from tenant involved in Shariah non-compliant activities	Investment properties	8,774	**12,342**
Interest income	Conventional	46,262	**47,374**
Liquor/alcoholic beverages and related products and activities	Hotel/ Recreation Club operations	247	**915**
Pork, non-halal food and related products and activities	Hotel/ Recreation Club operations	658	**666**
Cosmetic/healthcare/beauty care/ personal care and related product	Hotel/ Recreation Club operations	426	**437**
Others	Share of profit of associates/ventures*	33,739	**14,567**
Total		90,106	**76,301**

* *The amount disclosed represents the Shariah non-permissible income that can be reasonably ascertained based on information presently available.*

(c) Component of Financial Position

(i) Cash Component

Islamic Account / Instruments	Group 2024 RM'000	Group 2025 RM'000
Short-term deposits	229,231	**193,380**
Cash held under Housing Development Accounts	647,434	**620,072**
Cash and bank balances (exclude cash in hand)	1,103,899	**887,606**
Total Cash	1,980,564	**1,701,058**

Conventional Account / Instruments	Group 2024 RM'000	Group 2025 RM'000
Short-term deposits	504,169	**317,692**
Cash held under Housing Development Accounts	119,531	**102,156**
Cash and bank balances (exclude cash in hand)	536,921	**450,981**
Total Cash	1,160,621	**870,829**

(c) Component of Financial Position (cont'd)

(ii) Debts Component

	Group	
Islamic Financing	**2024 RM'000**	**2025 RM'000**
Current		
Term loans	855,283	**248,322**
Bridging loans	17,107	**-**
Bank overdrafts	20,891	**-**
Revolving credit	259,000	**207,000**
Medium term notes and commercial paper	73,530	**223,425**
Sukuk Wakalah	-	**649,733**
Hire purchase and finance lease	36	**-**
Non-Current		
Term loans	742,814	**535,540**
Bridging loans	-	**8,000**
Medium term notes and commercial paper	722,084	**800,447**
Sukuk Wakalah	2,995,122	**2,346,869**
Hire purchase and finance lease	96	**-**
Total Financing	5,685,963	**5,019,336**

	Group	
Conventional Borrowing	**2024 RM'000**	**2025 RM'000**
Current		
Term loans	171,685	**1,024,664**
Bridging loans	173,447	**167,324**
Bank overdrafts	9,885	**-**
Revolving credit	622,790	**510,563**
Hire purchase and finance lease	95	**131**
Non-Current		
Term loans	1,792,255	**1,068,716**
Bridging loans	130,153	**127,323**
Hire purchase and finance lease	183	**148**
Total Debt	2,900,493	**2,898,869**

Financial Statements

For The Financial Year Ended
31 December 2025

Directors' Report

For The Financial Year Ended 31 December 2025

The Directors have pleasure in presenting their report and the audited financial statements of the Group and of S P Setia Berhad ("the Company" or "S P Setia") for the financial year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company. The principal activities and other information relating to the subsidiary companies are provided in Note 8 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Net profit for the financial year	603,582	432,914
Attributable to:		
Owners of the Company	509,955	432,914
Non-controlling interests	93,627	-
	603,582	432,914

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

At the Extraordinary General Meeting of the Company held on 20 March 2014, the shareholders of the Company resolved to approve the Company's Dividend Reinvestment Plan ("DRP"). The authority granted to the Company to allot and issue new shares of the Company pursuant to the DRP was renewed by the shareholders at the 50th Annual General Meeting ("AGM") of the Company held on 24 April 2025.

The DRP provides an option to the shareholders to reinvest either all or a portion of the declared dividends in new shares in lieu of receiving cash. Shareholders who elect not to participate in the option to reinvest, will receive the entire dividend wholly in cash.

During the financial year, the Company paid a single-tier dividend of 2.88 sen per ordinary share each amounting to RM144,086,446 in respect of the financial year ended 31 December 2024 on 15 April 2025. The Company did not offer the DRP for this single-tier ordinary dividend.

Subsequent to 31 December 2025, the Directors declared a single-tier dividend of 2.55 sen per share for the financial year ended 31 December 2025. The financial statements for the current financial year do not reflect this proposed dividend. It will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2026.

PREFERENTIAL DIVIDENDS

During the financial year, the Company paid the following preferential dividends:

(a) a semi-annual preferential dividend of 6.49% per annum in respect of the RCPS-i A and 5.43% per annum in respect of the RCPS-i C for financial period from 1 July 2024 to 31 December 2024. A total of RM40,898,515 was paid in cash on 15 April 2025; and

(b) a semi-annual preferential dividend of 6.49% per annum in respect of the RCPS-i A and 5.43% per annum in respect of the RCPS-i C for financial period from 1 January 2025 to 30 June 2025. A total of RM40,895,950 was paid in cash on 16 October 2025.

Subsequent to 31 December 2025, the Directors declared a semi-annual preferential dividend of 6.49% per annum in respect of the RCPS-i A and 5.43% per annum in respect of the RCPS-i C for financial period from 1 July 2025 to 31 December 2025. The financial statements for the current financial year do not reflect this proposed dividend. It will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2026.

ISSUE OF SHARES AND DEBENTURES

During the financial year, the Company increased its issued and paid-up share capital by way of following:

- Conversion of 603,236 RCPS-i A to 208,012 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 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.

DIRECTORS

The Directors in office since the beginning of the financial year to the date of this report are:

Y.A.M Tan Sri Dato' Seri Syed Anwar Jamalullail	
Dato' Merina Binti Abu Tahir	
Dato' Tengku Marina Binti Tunku Annuar	
Datuk Ir Khairil Anwar Bin Ahmad	
Datin Wan Daneena Liza Binti Wan Abdul Rahman	
Lim Fu Yen	
Datin Grace Yeoh Cheng Geok	
Mohamad Abdul Halim Bin Ahmad	
Datuk Zaini Bin Yusoff	(appointed on 1 October 2025)
Aida Hazrina Binti Mohd Tazaai	(appointed on 3 March 2025)
Aida Hazrina Binti Mohd Tazaai	(ceased as Alternate Director to Lim Fu Yen on 3 March 2025)
Datuk Choong Kai Wai	(resigned on 30 September 2025)
Dato' Azmi Bin Mohd Ali	(resigned on 2 March 2025)
Dato' Sheranjiv A/L M Sammanthan	(resigned on 3 March 2026)

Directors' Report

For The Financial Year Ended 31 December 2025

DIRECTORS (CONT'D.)

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Datuk Yuslina Binti Mohd. Yunus	
Datuk Saw Kim Suan	
Neo Keng Hoe	
Tan Mui Hiang	
Saniman Bin Amat Yusof	
Tan Siow Chung	
See Hunt Soon	
Razly Bin Mohammad Rus	
Chan Ching Hiong	
Annuar Marzuki Bin Abdul Aziz	
Koh Sooi Meng	
Dato' Muhamad Zaili Bin Muhammad Yusof	
Li Wai Chee	
Tuan Hj Ahmad Khalif Bin Tan Sri Datuk (Dr) Hj Mustapha Kamal	
Gan Hwa Leong	
Gan Hua Tiong	
Nasleena Binti Mohamad Shariff	
Zizi Binti Alias	
Dato' Beh Hang Kong	
Datin Paduka Kartini Binti Hj. Abdul Manaf	
Ahmad Shahriman Bin Joharl	
Tan Sri Dato' Sri Rodzali Bin Daud	
Lt. Gen. (retired) Datuk Dr. William Rangit Stevenson	
Azmy Bin Mahbot	(appointed on 23 June 2025)
Shahril Bin Ramli	(appointed on 15 July 2025)
Tan Hwa Min	(appointed on 17 November 2025)
Farizal Bin Zainudin	(appointed on 25 November 2025)
Johari Shukri Bin Jamil	(appointed on 16 May 2025 and resigned on 16 December 2025)
Azrudyn Bin Rashid	(Alternate Director to Johari Shukri Bin Jamil, appointed on 1 December 2025 and ceased on 16 December 2025)
Azrudyn Bin Rashid	(appointed on 16 December 2025)
Liong Kok Kit	(ceased as Alternate Director to Tuan Hj Ahmad Khalif Bin Tan Sri Datuk (Dr) Hj Mustapha Kamal on 23 June 2025)
Liong Kok Kit	(resigned on 23 June 2025 and appointed on 28 July 2025)
Chow Yin See	(resigned on 1 October 2025)
Lim Yen Wah	(resigned on 12 March 2025)
Mohamad Azhar Bin Aripin	(resigned on 15 July 2025)
Zahrin Bin Zakaria	(resigned on 24 October 2025)

DIRECTORS' INTEREST IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiary companies during the financial year except for the following:

	No. of ordinary shares			
	At 1.10.2025	**Addition**	**Disposal**	**At 31.12.2025**
Datuk Zaini Bin Yusoff				
- direct	283,000	-	-	283,000

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown below by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest except for any benefit which may be deemed to have arisen from the transactions disclosed in Note 39 to the financial statements.

	Group		**Company**	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Directors				
Fees, salaries, bonuses and other emoluments	**7,771**	6,547	**7,771**	6,547
Estimated monetary value of benefits-in-kind	**726**	697	**726**	697
Total short-term employee benefits	**8,497**	7,244	**8,497**	7,244
Post-employment benefits - EPF	**361**	389	**361**	389
	8,858	7,633	**8,858**	7,633

Neither during nor at the end of the financial year was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The Directors and officers of the Group and of the Company are covered by Directors and Officers liability insurance for any liability incurred in the discharge of their duties while holding office. During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and officers of the Group and the Company are RM75,000,000 and RM188,000 respectively. The Directors and officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them.

Directors' Report

For The Financial Year Ended 31 December 2025

OTHER STATUTORY INFORMATION

(a) Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets which were unlikely to realise their values in the ordinary course of business as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(c) At the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(d) At the date of this report, the Directors are not aware of any circumstances, not otherwise dealt with in this report or the financial statements of the Group and of the Company which would render any amount stated in the respective financial statements misleading.

(e) In the opinion of the Directors:

(i) no contingent or other liability of the Group or of the Company has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, will or may affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration is as follows:

	Group RM'000	Company RM'000
Total statutory audit fees	3,609	213

SIGNIFICANT SUBSEQUENT EVENT

Included in Note 48 to the financial statements is the significant subsequent event for the Group and the Company.

This report is approved by the Board of Directors on 6 March 2026.

Signed on behalf of the Board of Directors

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

DATUK ZAINI BIN YUSOFF
Director

Statements of Financial Position

31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	2	**719,114**	751,792	**3,109**	4,033
Right-of-use - property, plant and equipment	3	**748**	2,709	**-**	-
Investment properties	4	**2,060,083**	2,000,932	**4,030**	4,030
Right-of-use - investment properties	5	**48,203**	38,000	**-**	-
Inventories - land held for property development	6	**11,696,127**	12,278,601	**-**	-
Intangible assets	7	**17,872**	15,480	**6,520**	3,594
Investments in subsidiary companies	8	**-**	-	**10,714,595**	11,307,824
Investments in joint ventures	9	**2,547,128**	2,842,942	**32,751**	32,751
Investments in associated companies	10	**624,505**	619,728	**91,058**	91,058
Other investments	11	**96**	96	**-**	-
Amounts owing by subsidiary companies	12	**-**	-	**3,502,818**	3,234,303
Amounts owing by joint ventures	13	**210,714**	69,785	**-**	-
Trade receivables	16	**669**	6,202	**-**	-
Other receivables, deposits and prepayments	18	**88,514**	88,232	**-**	-
Deferred tax assets	15	**278,582**	263,291	**4,605**	3,629
		18,292,355	18,977,790	**14,359,486**	14,681,222
Current assets					
Trade receivables	16	**1,032,788**	499,803	**-**	-
Contract assets	17	**469,095**	628,074	**-**	-
Other receivables, deposits and prepayments	18	**258,645**	228,391	**13,039**	3,613
Inventories - land held for sales	6	**40,356**	14,483	**-**	-
Inventories - property development costs	6	**2,818,825**	2,436,899	**-**	-
Inventories - completed properties and others	6	**1,228,137**	1,315,821	**-**	-
Contract cost assets	19	**188,577**	172,093	**-**	-
Amounts owing by subsidiary companies	12	**-**	-	**1,418,398**	1,024,350
Amounts owing by joint ventures	13	**104,948**	130,141	**73**	212
Amounts owing by related parties	14	**-**	1,080	**-**	-
Current tax assets		**77,525**	57,759	**-**	1,125
Short-term deposits	20	**511,072**	733,400	**399**	150,099
Cash and bank balances	21	**2,061,074**	2,408,076	**351,124**	516,048
		8,791,042	8,626,020	**1,783,033**	1,695,447
TOTAL ASSETS		**27,083,397**	27,603,810	**16,142,519**	16,376,669

Statements of Financial Position

31 December 2025

	Note	Group 2025 RM'000	Group 2024 RM'000	Company 2025 RM'000	Company 2024 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	22	**9,239,169**	9,238,060	**9,239,169**	9,238,060
Share capital - RCPS-i A	23	**1,086,760**	1,087,363	**1,086,760**	1,087,363
Share capital - RCPS-i C	23	**202,957**	203,463	**202,957**	203,463
Reserve on acquisition arising from common control	24	**(1,295,884)**	(1,295,884)	**-**	-
Exchange translation reserve	24	**(133,724)**	(33,637)	**-**	-
Retained earnings		**5,698,564**	5,414,491	**991,486**	784,453
Equity attributable to owners of the Company		**14,797,842**	14,613,856	**11,520,372**	11,313,339
Non-controlling interests		**1,290,833**	1,229,895	**-**	-
Total equity		**16,088,675**	15,843,751	**11,520,372**	11,313,339
Non-current liabilities					
Redeemable cumulative preference shares	25	**21,000**	38,432	**-**	-
Other payables and accruals	26	**86,188**	80,522	**-**	-
Long-term borrowings	27	**4,887,043**	6,382,707	**2,346,869**	2,995,122
Lease liabilities	28	**9,353**	2,021	**-**	-
Deferred tax liabilities	15	**412,167**	461,501	**-**	-
Amounts owing to subsidiary companies	12	**-**	-	**830,972**	730,838
		5,415,751	6,965,183	**3,177,841**	3,725,960
Current liabilities					
Redeemable cumulative preference shares	25	**17,603**	-	**-**	-
Trade payables	29	**1,472,374**	1,550,858	**-**	-
Contract liabilities	17	**97,645**	57,642	**-**	-
Other payables and accruals	26	**815,040**	887,195	**46,098**	38,449
Short-term borrowings	27	**3,031,162**	2,203,749	**1,324,733**	1,175,606
Lease liabilities	28	**5,126**	806	**-**	-
Current tax liabilities		**139,373**	94,252	**6,143**	-
Amounts owing to subsidiary companies	12	**-**	-	**67,332**	123,315
Amounts owing to related parties	14	**648**	374	**-**	-
		5,578,971	4,794,876	**1,444,306**	1,337,370
Total liabilities		**10,994,722**	11,760,059	**4,622,147**	5,063,330
TOTAL EQUITY AND LIABILITIES		**27,083,397**	27,603,810	**16,142,519**	16,376,669

The accompanying notes form an integral part of the financial statements.

Statements of Comprehensive Income

For The Financial Year Ended 31 December 2025

		Group		Company	
		2025	**2024**	**2025**	**2024**
	Note	**RM'000**	**RM'000**	**RM'000**	**RM'000**
Revenue	30	**4,217,843**	5,293,568	**969,016**	978,469
Cost of sales	31	**(2,554,759)**	(3,492,445)	**-**	-
Gross profit		**1,663,084**	1,801,123	**969,016**	978,469
Other income	32	**312,825**	378,124	**321,631**	379,037
Selling and marketing expenses		**(40,817)**	(43,932)	**-**	-
Administrative and general expenses		**(521,305)**	(503,034)	**(624,316)**	(633,871)
Share of results of joint ventures		**(213,072)**	(181,294)	**-**	-
Share of results of associated companies		**111,419**	55,079	**-**	-
Finance costs	33	**(343,029)**	(384,142)	**(211,389)**	(268,862)
Profit before tax	34	**969,105**	1,121,924	**454,942**	454,773
Taxation	36	**(365,523)**	(491,248)	**(22,028)**	(19,880)
Profit for the year		**603,582**	630,676	**432,914**	434,893
Other comprehensive income, net of tax:					
(Items that may be reclassified subsequently to profit or loss)					
Exchange differences on translation of foreign operations		**(98,708)**	(268,602)	**-**	-
Net (loss)/gain on net investment hedge		**(1,642)**	12,664	**-**	-
Total comprehensive income for the year		**503,232**	374,738	**432,914**	434,893
Profit attributable to:					
Owners of the Company		**509,955**	575,954	**432,914**	434,893
Non-controlling interests		**93,627**	54,722	**-**	-
		603,582	630,676	**432,914**	434,893
Total comprehensive income attributable to:					
Owners of the Company		**409,868**	320,159	**432,914**	434,893
Non-controlling interests		**93,364**	54,579	**-**	-
		503,232	374,738	**432,914**	434,893
Basic earnings per share (sen)	37	**8.56**	10.16		
Diluted earnings per share (sen)	37	**8.14**	9.63		

The accompanying notes form an integral part of the financial statements.

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2025

		Attributable to owners of the Company								
					Non-distributable		Distributable			
	Note	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 1.1.2024		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 for the year, represented by exchange differences on translation of foreign operations		-	-	-	-	(268,459)	-	(268,459)	(143)	(268,602)
Net Change on hedge of net investments		-	-	-	-	12,664	-	12,664	-	12,664
Profit for the year		-	-	-	-	-	575,954	575,954	54,722	630,676
Transactions with owners:										
Conversion of RCPS-i C into ordinary shares		515,285	-	(515,285)	-	-	-	-	-	-
RCPS-i A preferential dividends paid	38	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i C preferential dividends paid	38	-	-	-	-	-	(26,134)	(26,134)	-	(26,134)
Dividends paid and payable	38	-	-	-	-	-	(59,674)	(59,674)	(37,306)	(96,980)
Balance at 31.12.2024		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

Consolidated Statement of Changes in Equity

For The Financial Year Ended 31 December 2025

		Attributable to owners of the Company								
					Non-distributable		Distributable			
	Note	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 1.1.2025		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 year, represented by exchange differences on translation of foreign operations		-	-	-	-	(98,445)	-	(98,445)	(263)	(98,708)
Net Change on hedge of net investments		-	-	-	-	(1,642)	-	(1,642)	-	(1,642)
Profit for the year		-	-	-	-	-	509,955	509,955	93,627	603,582
Transactions with owners:										
Conversion of RCPS-i A into ordinary shares		603	(603)	-		-	-	-	-	-
Conversion of RCPS-i C into ordinary shares		506	-	(506)	-	-	-	-	-	-
RCPS-i A preferential dividends paid	38	-	-	-	-	-	(70,654)	(70,654)	-	(70,654)
RCPS-i C preferential dividends paid	38	-	-	-	-	-	(11,141)	(11,141)	-	(11,141)
Dividends paid and payable	38	-	-	-	-	-	(144,087)	(144,087)	(32,426)	(176,513)
Balance at 31.12.2025		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

The accompanying notes form an integral part of the financial statements.

Statement of Changes In Equity

For The Financial Year Ended 31 December 2025

	Note	Share capital RM'000	Share capital - RCPS-i A RM'000	Share capital - RCPS-i C RM'000	*Distributable* Retained earnings RM'000	Total RM'000
Balance at 1.1.2024		8,722,775	1,087,363	718,748	506,022	11,034,908
Total other comprehensive income for the year, represented by profit for the year		-	-	-	434,893	434,893
Transactions with owners:						
Conversion of RCPS-i C into ordinary shares		515,285	-	(515,285)	-	-
RCPS-i A preferential dividends paid	38	-	-	-	(70,654)	(70,654)
RCPS-i C preferential dividends paid	38	-	-	-	(26,134)	(26,134)
Dividends paid		-	-	-	(59,674)	(59,674)
Balance at 31.12.2024/1.1.2025		**9,238,060**	**1,087,363**	**203,463**	**784,453**	**11,313,339**
Total other comprehensive income for the year, represented by profit for the year		**-**	**-**	**-**	**432,914**	**432,914**
Transactions with owners:						
Conversion of RCPS-i A into ordinary shares		**603**	**(603)**	**-**	**-**	**-**
Conversion of RCPS-i C into ordinary shares		**506**	**-**	**(506)**	**-**	**-**
RCPS-i A preferential dividends paid	38	**-**	**-**	**-**	**(70,654)**	**(70,654)**
RCPS-i C preferential dividends paid	38	**-**	**-**	**-**	**(11,141)**	**(11,141)**
Dividends paid		**-**	**-**	**-**	**(144,086)**	**(144,086)**
Balance at 31.12.2025		**9,239,169**	**1,086,760**	**202,957**	**991,486**	**11,520,372**

The accompanying notes form an integral part of the financial statements.

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	**969,105**	1,121,924	**454,942**	454,773
Amortisation of intangible assets	**1,372**	942	**838**	409
Reversal of allowance for impairment loss	**(168)**	(1,996)	**(11,456)**	-
Bad debts written off	**407**	207	**35**	-
Allowance for impairment loss on receivables and advances to joint venture	**34,061**	21,682	**47,330**	99,828
Depreciation of property, plant and equipment	**37,819**	44,131	**1,508**	1,376
Depreciation of right-of-use - property, plant and equipment	**863**	982	**-**	-
Net gain on disposal of property, plant and equipment	**(2,651)**	(53,484)	**(96)**	(1)
Gain on fair value adjustment of investment properties	**(45,691)**	(2,629)	**-**	(592)
Gain on disposal of investment properties	**(3,929)**	(1,199)	**-**	-
(Gain)/Loss on liquidation of subsidiary companies	**(1,234)**	19	**354**	82
Gain on disposal of a joint venture	**-**	(56,346)	**-**	(53,309)
Gain on disposal of an associated company	**(8,479)**	-	**-**	-
Property, plant and equipment written off	**59**	104	**-**	-
Impairment loss - investment in subsidiary companies	**-**	-	**443,274**	424,406
Share of results of joint ventures	**213,072**	181,294	**-**	-
Share of results of associated companies	**(111,419)**	(55,079)	**-**	-
Interest income from financial assets measured at amortised cost	**-**	-	**(401)**	(381)
Interest expense on financial liabilities measured at amortised cost	**1,199**	1,282	**-**	-
Amortisation of transaction costs on borrowings	**9,485**	2,516	**1,480**	1,447
Interest expense on lease liabilities	**182**	154	**-**	-
Interest income from deferred payment scheme	**(129)**	(6,412)	**-**	-
Fair value adjustment on right-of-use - investment properties	**3,465**	8,755	**-**	-
Unrealised foreign exchange loss/(gain)	**11,545**	(7,497)	**(720)**	(30,819)
Write-down in value of completed inventories	**11,759**	5,991	**-**	-
Write-down of other inventories	**-**	6,363	**-**	-
Write-down of land held for property development	**187,825**	14,606	**-**	-
Reversal of write-down of completed properties	**-**	(25)	**-**	-
Interest expense	**332,163**	380,190	**209,909**	267,415

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES (CONT'D.)				
Dividend income	**-**	-	**(969,016)**	(978,469)
Interest income	**(86,647)**	(85,064)	**(206,454)**	(207,078)
Rental income	**(101,783)**	(87,172)	**-**	-
Operating profit/(loss) before working capital changes	**1,452,251**	1,434,239	**(28,473)**	(20,913)
Changes in inventories - property development costs and contract cost assets	**478,090**	1,053,957	**-**	-
Changes in inventories - completed properties and others	**328,705**	542,639	**-**	-
Changes in contract assets/liabilities	**200,637**	299,082	**-**	-
Changes in receivables	**(571,535)**	419,053	**(9,450)**	(373)
Changes in payables	**(102,579)**	26,375	**(20,151)**	8,578
Net cash generated from/(used in) operations	**1,785,569**	3,775,345	**(58,074)**	(12,708)
Rental received	**18,702**	22,181	**-**	-
Interest received	**59,660**	57,350	**9,450**	6,488
Interest paid on lease liabilities	**(110)**	(172)	**-**	-
Net tax paid	**(405,061)**	(437,400)	**(15,738)**	(21,985)
Net cash generated from/(used in) operating activities	**1,458,760**	3,417,304	**(64,362)**	(28,205)
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to inventories - land held for property development	**(421,875)**	(771,016)	**-**	-
Deposits and part consideration paid for acquisition of development land	**(344,356)**	(31,660)	**-**	-
Additions to property, plant and equipment	**(6,151)**	(11,901)	**(588)**	(1,471)
Additions to investment properties	**(19,222)**	(13,451)	**-**	-
Additions to intangible assets	**(3,764)**	(2,137)	**(3,764)**	(2,137)
Proceeds from disposal of property, plant and equipment	**3,208**	69,800	**100**	1
Proceeds from disposal of investment properties	**9,138**	8,401	**-**	-
Proceeds from disposal of associate company	**94,971**	-	**-**	-
Net cash inflow from disposal of a joint venture	**-**	55,809	**-**	55,809
Net cash inflow from liquidation of subsidiary companies	**-**	-	**-**	50
Acquisition of additional shares in joint ventures	**(128)**	-	**-**	-
Net repayment from subsidiary companies	**-**	-	**108,007**	670,771

Statements of Cash Flows

For The Financial Year Ended 31 December 2025

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
CASH FLOWS FROM INVESTING ACTIVITIES (CONT'D.)				
Net (advances to)/repayment from joint ventures	**(130,498)**	5,874	**140**	59,746
Net withdrawal of sinking fund, debt service reserve, escrow accounts and short-term deposits	**38,630**	59,661	**6,576**	8,610
Dividends received from a joint venture	**12,891**	-	**-**	-
Dividends received from associated companies	**13,070**	11,030	**-**	-
Redeemable cumulative preference share dividends received	**-**	-	**1,596**	1,596
Interest received	**26,988**	27,714	**2,323**	3,691
Dividends received	**-**	-	**541,920**	1,139,128
Rental received	**71,280**	54,996	**-**	-
Net cash (used in)/generated from investing activities	**(655,818)**	(536,880)	**656,310**	1,935,794
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment to non-controlling shareholder of subsidiary companies	**(4,500)**	(4,164)	**-**	-
Drawdown of bank borrowings	**1,193,299**	1,301,103	**395,500**	255,000
Repayment of bank borrowings	**(1,999,704)**	(2,753,306)	**(1,086,459)**	(1,274,343)
Repayment of lease liabilities	**(989)**	(906)	**-**	-
Interest paid	**(419,975)**	(498,199)	**(174,229)**	(258,351)
Transaction cost on borrowings paid	**-**	(6,240)	**-**	-
Redeemable cumulative preference share dividends paid to non-controlling interests	**(1,734)**	(1,734)	**-**	-
Dividends paid to non-controlling interests	**(32,426)**	(37,306)	**-**	-
Dividends paid	**(144,087)**	(59,674)	**(144,086)**	(59,674)
RCPS-i A preferential dividends paid	**(70,654)**	(70,654)	**(70,654)**	(70,654)
RCPS-i C preferential dividends paid	**(11,141)**	(26,134)	**(11,141)**	(26,134)
Issuance of Islamic Commercial Paper	**200,000**	-	**200,000**	-
Net cash used in financing activities	**(1,291,911)**	(2,157,214)	**(891,069)**	(1,434,156)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(488,969)**	723,210	**(299,121)**	473,433
EFFECT OF EXCHANGE RATE CHANGES	**(10,955)**	(39,649)	**720**	4,692
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**2,938,212**	2,254,651	**648,509**	170,384
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**2,438,288**	2,938,212	**350,108**	648,509

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Cash and cash equivalents included in cash flows comprise the following amounts:				
Short-term deposits	**511,072**	733,400	**399**	150,099
Cash and bank balances	**2,061,074**	2,408,076	**351,124**	516,048
Bank overdrafts (Note 27)	**-**	(30,776)	**-**	(9,647)
	2,572,146	3,110,700	**351,523**	656,500
Less: Amounts restricted in sinking fund, debt service reserve, escrow accounts and short-term deposits	**(133,858)**	(172,488)	**(1,415)**	(7,991)
	2,438,288	2,938,212	**350,108**	648,509

The accompanying notes form an integral part of the financial statements.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION

Corporate Information

S P Setia Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Company is principally an investment holding company. The principal activities and other information relating to the subsidiary companies are provided in Note 8.

The registered office and principal place of business of the Company are located at S P Setia Berhad Corporate HQ No.12, Persiaran Setia Dagang, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan.

(a) Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements of the Group and of the Company are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency.

Changes in accounting policies

On 1 January 2025, the Group and the Company adopted the following amendment to MFRSs:

<u>Effective for annual financial periods beginning on or after 1 January 2025:</u>

MFRS 121: Lack of exchangeability (Amendments to MFRS 121)

Adoption of the above amendment to MFRS Accounting Standard did not have any material effect on the financial performance or position of the Group and the Company.

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(a) Basis of preparation (cont'd.)

Changes in accounting policies (cont'd.)

Standards issued but not yet effective

The standards, amendments and interpretations that are issued but not yet effective up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these standards, if applicable, when they become effective.

Description	**Effective for annual periods beginning on or after**
MFRS 7 and MFRS 9: Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 7 and MFRS 9: Contracts Referencing Nature-dependent Electricity (Amendments to MFRS 9 and MFRS 7)	1 January 2026
MFRS 18: Presentation and Disclosure in Financial Statement	1 January 2027
MFRS 19: Subsidiaries without Public Accountability: Disclosures	1 January 2027
MFRS 121: Translation to a Hyperinflationary Presentation Currency (Amendments to MFRS 121)	1 January 2027
MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 and MFRS 128)	Deferred

The new MFRS Accounting Standards and Amendments to MFRS Accounting Standards above are expected to have no significant impact on the financial statements of the Group and the Company upon their initial application except for the changes in presentation and disclosures of financial information arising from the adoption of these new MFRS Accounting Standards and Amendments to MFRS Accounting Standards as discussed below:

MFRS 18 Presentation and Disclosure in Financial Statement

MFRS 18 will replace MFRS 101 *Presentation of Financial Statements*. It preserves the majority requirements of MFRS 101 while introducing additional requirements. In addition, narrow-scope amendments have been made to MFRS 107 *Statement of Cash Flows* and some requirements of MFRS 101 have been moved to MFRS 108 *Basis of Preparation of Financial Statements*.

MFRS 18 additional requirements are as follows:

(i) Statement of Profit or Loss and Other Comprehensive Income

MFRS 18 introduces newly defined "operating profit or loss" and "profit or loss before financing and income tax" subtotal which are to be presented in the statement of profit or loss, while the net profit or loss remains unchanged.

Statement of profit or loss to be presented in five categories: operating, investing, financing, income taxes and discontinued operations.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(a) Basis of preparation (cont'd.)

MFRS 18 Presentation and Disclosure in Financial Statement (cont'd.)

MFRS 18 additional requirements are as follows: (cont'd.)

(ii) Statement of Cash Flows

The standard modifies the starting point for calculating cash flows from operations using the indirect method, shifting from "profit or loss" to "operating profit or loss". It also provides guidance on classification of interest and dividend in statement of cash flows.

(iii) New disclosures of expenses by nature

Entities are required to present expenses in the operating category by nature, function or a mix of both. MFRS 18 includes guidance for entities to assess and determine which approach is most appropriate based on the facts and circumstances.

(iv) Management-defined Performance Measures (MPMs)

The standard requires disclosure of explanations of the entity's company-specific measures that are related to the statement of profit or loss, referred to MPMs. MPMs are required to be reconciled to the most similar specified subtotal in MFRS Accounting Standards.

(iv) Enhanced Guidance on Aggregation and Disaggregation

MFRS 18 provides enhanced guidance on grouping items based on shared characteristics and requires disaggregation when items have dissimilar characteristics or when such disaggregation is materiall.

The Group and the Company are currently assessing the impact of MFRS 18, particularly with respect to the structure of the statement of profit or loss, the statement of cash flows and the additional disclosures required for MPMs. The Group and the Company are also assessing the impact on aggregation and disaggregation on how information is grouped in the financial statements.

(b) Significant accounting judgements and estimates

The preparation of financial statements requires management to exercise judgement in the process of applying the accounting policies. It also requires the use of accounting estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the reporting date, and reported amounts of income and expenses during the financial year.

Although these estimates are based on management's best knowledge of current events and actions, historical experiences and various other factors, including expectations for future events that are believed to be reasonable under the circumstances, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical judgements made in applying the accounting policies and the key sources of estimation uncertainty are disclosed in the respective notes to the financial statements.

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(c) Subsidiary companies

In the Company's separate financial statements, investments in subsidiary companies are stated at cost less impairment losses. Impairment losses are charged to profit or loss.

(d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and of all its subsidiary companies made up to the end of the financial year. The consolidated financial statements are prepared using uniform accounting policies for like transactions in similar circumstances.

The Group reassesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the elements of control.

All subsidiary companies are consolidated using the acquisition method of accounting from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases except for I & P Group Sdn. Berhad, Syarikat Kemajuan Jerai Sdn Bhd and Wawasan Indera Sdn Bhd which are accounted for based on the pooling of interests method.

Business combinations under common control are accounted for using the pooling of interests method, where the results of entities or businesses under common control are accounted for as if the combination had been effected throughout the current and previous financial periods. The assets, liabilities and reserves of these entities are recorded at their pre-combination carrying amounts or existing carrying amounts are accounted for from the perspective of the common shareholder. No adjustments are made to reflect fair values, or recognise any new assets or liabilities, at the date of the combination that would otherwise be done under the acquisition method. No new goodwill is recognised as a result of the combination. Any difference between the consideration paid/transferred and the equity acquired is reflected within equity as reserve on acquisition arising from common control.

(e) Investments in associated companies and joint ventures

The Group holds interest in joint ventures and associated companies as disclosed in Notes 9 and 10.

In the Company's separate financial statements, investments in associated companies and joint ventures are stated at cost less impairment losses.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements by the equity method of accounting based on the latest audited financial statements and supplemented by management accounts of the associated companies and the joint ventures made up to the Group's financial year end. Distribution received from associated companies and joint ventures reduce the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the asset transferred.

The results and reserves of associated companies or joint ventures are accounted for in the consolidated financial statements based on audited and/or unaudited management financial statements made up to the end of the financial year and prepared using accounting policies that conform to those used by the Group for like transactions in similar circumstances.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(f) Property, plant and equipment

(i) Measurement basis

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of an asset.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and to the Company and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised.

(ii) Depreciation

Freehold land and capital work-in-progress are not depreciated.

Depreciation is calculated to write off the depreciable amount of other property, plant and equipment on a straight-line basis over their estimated useful lives. The depreciable amount is determined after deducting residual value from cost.

The principal annual rates used for this purpose are:

Leasehold land	Lease term of 99 years
Buildings	2% - 14%
Plant, machinery, cranes and trucks	5% - 20%
Renovations, computer equipment, office equipment, furniture and fittings	5% - 33%
Motor vehicles	20%

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

(g) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect.

When the fair value of the Investment Property Under Construction ("IPUC") is not reliably determinable, the IPUC is measured at cost until either its fair value has been reliably determinable or construction is complete, whichever is earlier.

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(h) Build-Operate-Transfer ("BOT") agreement

The Group recognises revenue from the construction and upgrading of infrastructure projects under BOT agreement in accordance with the accounting policy for construction contracts set out in Note 1(n) below. Where the Group performs more than one service under the arrangement, consideration received or receivable is allocated to the components by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

The Group recognises the consideration received or receivable as a financial asset to the extent that it has an unconditional right to receive cash or another financial asset for the construction services. Financial assets are accounted for in accordance with the accounting policy set out in Note 1(o) below.

When the consideration receivable does not represent an unconditional right to receive cash or another financial asset, the Group recognises the consideration receivable as either development rights or as intangible assets, based on the allocation of the fair value of the construction services rendered. The accounting policies for the development rights and intangible assets are disclosed in Notes 1(i) and 1(k)(iii) respectively.

Subsequent costs and expenditures related to infrastructure and equipment arising from the Group's commitments to the BOT agreement or that increase future revenue are recognised as additions to the intangible assets and are stated at cost. Capital expenditures necessary to support the Group's operation as a whole are recognised as property, plant and equipment, and accounted for in accordance with the policy stated under property, plant and equipment in Note 1(f) above. When the Group has contractual obligations that it must fulfill as a condition of its license to:

- maintain the infrastructure to a specified standard; or
- restore the infrastructure when the infrastructure has deteriorated below a specified condition,

it recognises and measures these contractual obligations in accordance with the accounting policy for provisions.

Repairs and maintenance and other expenses that are routine in nature are expensed and recognised in profit or loss as incurred.

(i) Intangible assets

Intangible assets comprise computer software and a right (a licence) to charge users for public services, namely the right to operate Subterranean Penang International Convention & Exhibition Centre ("SPICE") for a specified period.

Intangible assets are stated at cost less accumulated amortisation and impairment losses.

The annual amortisation rates are as follows:

Right (Licence) to charge users for public services	30 years
Computer software	20%

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(j) Leases

(i) Group as a Lessor

Leases where the Group retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. When the assets are leased out under an operating lease, the asset is included in the statement of financial position based on the nature of the asset. The accounting policy for lease income is set out in Note 1(r)(ix) below.

(ii) Group as a Lessee

- Right-of-use assets

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Buildings	1 to 3 years
Plant and machinery	5 years

- Lease liabilities

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

- Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(k) Inventories

(i) Inventory properties

Property acquired or being constructed for sale in the ordinary course of business is measured at the lower of cost and net realisable value.

Cost includes:

- Freehold and leasehold rights for land;
- Amounts paid to contractors for construction;
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes, construction overheads and other related costs; and
- Non-refundable commission cost

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(k) Inventories (cont'd.)

(i) Inventory properties (cont'd.)

Inventory properties under construction are referred to as property development costs and comprise the cost of land, direct building costs and a share of development costs common to the entire development project where applicable. Once contracted to be sold, the related costs of these inventories would be transferred to cost to fulfill contracts, and subsequently recognised in profit or loss as and when control passes to the respective purchasers.

Inventory properties where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle are referred to as land held for development and classified within non-current assets. Generally no significant development work would have been undertaken on these lands other than project planning, infrastructure work, earth work and landscape work incurred to prepare the land for development and these inventory properties are stated at cost plus incidental expenditure incurred to put the land in a condition ready for development. These inventory properties are classified to current assets at the point when active development project activities have commenced and when it can be demonstrated that the development activities can be completed within the normal operating cycle.

(ii) Raw materials, consumable goods and others

Cost is determined on the weighted average and first-in, first-out basis. In the case of finished goods and work-in-progress, cost comprises materials, direct labour, other direct charges and an appropriate proportion of factory overheads.

(iii) Development rights

Development rights represent the rights to additional density over and above the maximum permissible density for the Group's development projects within the island of Penang, granted pursuant to a BOT agreement as disclosed in Note 1(h).

Development rights are recognised to the extent that the Group has performed the construction services for the BOT agreement. Development rights are initially measured at cost, which is represented by the allocated fair value of the construction services rendered.

Development rights recognised are included as part of the cost of the land held for property development or the property development costs of the Group, based on the allocation of the expected utilisation of the development rights for the planned property development projects of the Group.

(l) Contract assets and contract liabilities

Contract asset is presented as the excess of cumulative revenue earned or recognised in profit or loss over the billings to date to the customer. Contract assets are subject to impairment assessment in accordance of *MFRS 9: Financial Instruments.*

Contract liabilities are recognised as revenue when the Group or the Company performs its obligation under the contract. Contract liability is the excess of the billings to date to the customer over the cumulative revenue earned or recognised in profit or loss. Contract liabilities include advance payment and down payments received from customers and other amounts where the Group or the Company has billed before the goods are delivered or services are provided to the customers.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(m) Contract cost assets

(i) Incremental costs of obtaining a contract

The incremental costs of obtaining a contract with customers of the Group mainly relate to commission payable on sales of properties.

(ii) Costs to fulfill a contract

The costs incurred to fulfill contracts with customers of the Group mainly comprise of costs incurred for the development and construction of its property development projects.

Contract cost assets are amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates as disclosed in Note 1(r).

(n) Long-term construction contracts

The Group's long-term construction contracts are all fixed price contracts and where their outcome can be reasonably estimated, revenue is recognised on the percentage of completion method. The stage of completion is determined by the proportion that costs incurred to-date bear to the estimated total costs, and for this purpose, only those costs that reflect actual contract work performed are included as costs incurred.

Where the outcome of a long-term construction contract cannot be reasonably estimated, revenue is recognised only to the extent of contract costs incurred that are expected to be recoverable. At the same time, all contract costs incurred are recognised as an expense in the period in which they are incurred.

Costs that relate directly to a contract and which are incurred in securing the contract are also included as part of contract costs if they can be separately identified and measured reliably and it is probable that the contract will be secured.

When it is probable that total costs will exceed total revenue, the foreseeable loss is immediately recognised in profit or loss irrespective of whether contract work has commenced or not, or of the stage of completion of contract activity, or of the amounts of profits expected to arise on other unrelated contracts.

On the statement of financial position, contracts in progress are reflected either as contract assets which is the surplus of (i) work performed to date recognised under the percentage of completion method or over time, or (ii) the billings made to date. A contract liability would represent the surplus of (ii) over (i).

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(o) Financial instruments - initial recognition and subsequent measurement

(i) Financial assets

Initial recognition and measurement

Financial assets of the Group are classified, at initial recognition, and subsequently measured at amortised cost and fair value through profit or loss whilst all financial assets of the Company are measured at amortised cost.

The Group's and the Company's financial assets at amortised cost and fair value through profit and loss are disclosed in Note 44(a).

The Group's financial assets at fair value through profit or loss includes investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group has performed its assessment based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. In making this assessment, the Group also takes into consideration that it would maintain its name as the registered owner of the properties until full settlement is made by the purchasers or the purchasers' end-financiers.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities of the Group and the Company are classified, at initial recognition, as financial liabilities at amortised cost.

The Group's and the Company's financial liabilities at amortised cost are disclosed in Note 44(a).

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(p) Share capital and Islamic redeemable convertible preference shares ("RCPS-i A" and "RCPS-i C")

Ordinary shares, RCPS-i A and RCPS-i C are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or liabilities with another person or entity that are potentially unfavourable to the issuer.

Ordinary shares, RCPS-i A and RCPS-i C are recorded at nominal value.

The proceeds received net of any directly attributable transaction costs are credited to share capital.

Dividends on ordinary shares, RCPS-i A and RCPS-i C are recognised in equity in the period in which they are declared.

(q) Redeemable cumulative preference shares ("RCPS")

Redeemable cumulative preference shares are classified as financial liabilities in accordance with the substance of the contractual arrangement of the RCPS.

Dividends to shareholders of the RCPS are recognised as finance costs, on an accrual basis.

RCPS are measured at amortised cost.

(r) Revenue recognition

(i) Revenue from property development

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer.

Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(r) Revenue recognition (cont'd.)

(i) Revenue from property development (cont'd.)

This is generally established when:

- the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan, and the purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised residential property for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group; and

- the Group has the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise revenue over time using the input method, which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it will be entitled to in exchange for the assets sold.

The Group has determined that it has a significant financing component related to the sales of its property units being developed under the deferred payment scheme (10:90 scheme). As a result of this the amount of the promised consideration is adjusted for the significant financing component and the related interest income is recognised using the effective interest method over the term of the deferment.

(ii) Revenue from construction contracts

Under such contracts, the Group is engaged to construct buildings and related infrastructure and in certain instances to supply equipments. These contracts may include multiple promises to the customers and therefore accounted for as separate performance obligations. The fair value of the revenue, which is based on fixed price under the agreement will be allocated based on relative stand-alone selling price of the considerations of each of the separate performance obligations.

The Group recognises construction revenue over time as the project being constructed has no alternative use to the Group and it has an enforceable right to the payment for performance completed to date. The stage of completion is measured using the input method, which is based on the total actual construction cost incurred to date as compared to the total budgeted costs for the respective construction projects.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(r) Revenue recognition (cont'd.)

(iii) Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration receivable and is recognised in profit or loss when the significant risks and rewards of ownership and control of the goods have been transferred to the buyer.

(iv) Management fees

Management fees are recognised when services are rendered.

(v) Hotel operations

Revenue from hotel operations is recognised net of service taxes and discounts upon rendering of the relevant services or sales of goods.

(vi) Recreational club operations

Revenue from recreational club activities including club membership fees and banqueting income are recognised when the services are rendered. The payment of the transaction price is due immediately upon delivery of the services. Recreational club membership fees which are received upfront are recognised on a straight-line basis over the tenure of the respective memberships.

The recognition of other classes of revenue/income are set out below:

(vii) Dividend income

Dividend income is recognised when the Group's and the Company's right to receive payment is established.

(viii) Interest income

Interest income is recognised based on the effective interest method.

(ix) Lease income

Lease income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of lease income over the lease term on a straight-line basis.

Other than the above, all other income are recognised on an accrual basis.

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(s) Foreign currencies

(i) Functional currency

The financial statements of each entity within the Group are measured using their respective functional currencies.

(ii) Transactions and balances in foreign currencies

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in a hedge of the Group's net investment in a foreign operation.

(iii) Translation of foreign operations

For consolidation purposes, all assets and liabilities of foreign operations that have a functional currency other than RM (including goodwill and fair value adjustments arising from the acquisition of the foreign operations) are translated at the exchange rates ruling at the reporting date. Income and expense items are translated at exchange rates approximating those ruling on transactions dates. All exchange differences arising from the translation of the financial statements of foreign operations are dealt with through the exchange translation reserve account within equity. Upon disposal of a foreign operation, the related exchange translation differences will be recognised in profit or loss as part of gain or loss on disposal.

(t) Employee benefits

(i) Short-term employee benefits

Wages, salaries, paid annual leave, paid sick leave, maternity leave, bonuses and non-monetary benefits are recognised as an expense in the period in which the associated services are rendered by employees other than those that are attributable to property development activities or construction contract in which case such expenses are capitalised as part of the costs of the relevant assets.

(ii) Post-employment benefits

The Company and its subsidiary companies incorporated in Malaysia make contributions to the Employees Provident Fund ("EPF") and foreign subsidiary companies make contributions to their respective countries' statutory pension schemes. The contributions are recognised as a liability after deducting any contributions already paid and as expenses in the period in which the employees render their services.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(u) Borrowing costs

The interest capitalised is calculated using the Group's weighted average cost of borrowings after adjusting for borrowings associated with specific developments. Where borrowings are associated with specific developments, the amount capitalised is the gross interest incurred on those borrowings less any investment income arising on their temporary investment. Borrowing costs are capitalised until the asset is substantially completed for its intended use or sale.

(v) Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances, short-term deposits with licensed banks and other financial institutions which are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purposes of the statements of cash flows, cash and cash equivalents are presented net of bank overdrafts and exclude sinking fund, debt service reserve, escrow accounts and short-term deposits pledged to secure banking facilities.

(w) Operating segments

Segment reporting in the financial statements is presented on the same basis as it is used by management internally for evaluating operating segment performance and in deciding how to allocate resources to each operating segment. Operating segments are distinguishable components of the Group that engage in business activities from which they may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components.

Segment revenues, expenses, assets and liabilities are those amounts resulting from operating activities of a segment that are directly attributable to the segment and a relevant portion that can be allocated on a reasonable basis to the segment.

Segment revenues, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment.

(x) Fair value measurement

The Group measures financial instruments, such as quoted and unquoted securities and non-financial assets such as investment properties at fair value at each reporting date.

The Group's management determines the policies and procedures for both recurring and non-recurring fair value measurement.

External valuers are involved for valuation of significant assets, such as investment properties. Involvement of external valuers is decided upon annually by the management. Selection criteria of external valuers include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(x) Fair value measurement (cont'd.)

At each reporting date, the management analyses the movement in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(y) Income tax

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, based on at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(z) Derivative financial instrument and hedge accounting

The Group applies hedge accounting by way of hedge of a net investment in a foreign operation.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

Notes to the Financial Statements
For The Financial Year Ended 31 December 2025

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(z) Derivative financial instrument and hedge accounting (cont'd.)

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains 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 operation, the cumulative value of any such gains or losses recorded in equity is transferred to the statement of profit or loss.

On disposal of the foreign operation, the cumulative amount recognised in equity relating to the hedge is reclassified to profit or loss.

During the financial year ended 31 December 2025, the Group fully repaid the foreign currency borrowing that had previously been designated as a hedge of its net investment in a foreign joint venture. Accordingly, hedge accounting for that relationship was discontinued upon repayment. Any cumulative foreign currency translation differences recognised in equity remain in the foreign currency translation reserve and will be reclassified to profit or loss upon disposal of the foreign operation. Further details are disclosed in Note 44(b).

(aa) Insurance contract

MFRS 17 Insurance Contracts is a comprehensive accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. MFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entity that issues them, as well as certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of MFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. MFRS 17 is based on a general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

1. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D.)

(ab) Climate- related matters

The Group considers climate-related matters in estimates and assumptions, where appropriate. This assessment includes a wide range of possible impacts on the group due to both physical and transition risks. Even though the Group believes its business model and products will still be viable after the transition to a low-carbon economy, climate-related matters increase the uncertainty in estimates and assumptions underpinning several items in the financial statements. Even though climate-related risks might not currently have a significant impact on measurement, the Group is closely monitoring relevant changes and developments, such as new climate-related legislation. The items and considerations that are most directly impacted by climate-related matters are:

- Profitability of property development projects, considering physical risks (e.g. flooding) and transition risks such as carbon pricing, evolving building standards and supply chain requirements that may affect timelines and project economics. Demand for sustainable and low-carbon solutions may also affect margins, with related costs incorporated into project budgets.

- Useful life of property, plant and equipment. When reviewing the residual values and expected useful lives of assets, the Group considers climate-related matters, such as climate-related legislation and regulations that may restrict the use of assets or require significant capital expenditures.

- Impairment of non-financial assets. The value-in-use may be impacted by several different ways by transition risk in particular, such as climate-related legislation and regulations and changes in demand for the Group's products.

- For investment properties, the Group considers physical and transition risks in its valuation assessment. The Group is not currently exposed to significant physical risks, while transition risks including stricter energy efficiency requirements and growing demand for low-emission buildings — are, to some extent, reflected in valuations.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

2. PROPERTY, PLANT AND EQUIPMENT

Group 2025	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, cranes and trucks RM'000	Computer equipment, office equipment, renovations, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost								
At 1.1.2025	31,293	14,242	757,100	21,949	204,440	30,823	3,009	1,062,856
Additions	-	-	63	-	4,926	156	1,006	6,151
Disposals	-	-	(122)	(8,848)	(2,953)	(3,703)	-	(15,626)
Write-offs	-	-	-	(101)	(2,711)	(45)	-	(2,857)
Reclassification	-	-	-	-	100	-	(100)	-
Exchange differences	-	-	(610)	-	(268)	(5)	-	(883)
At 31.12.2025	31,293	14,242	756,431	13,000	203,534	27,226	3,915	1,049,641
Accumulated depreciation								
At 1.1.2025	-	1,351	108,895	20,813	152,603	27,163	-	310,825
Charge for the year	-	146	22,877	284	13,315	1,197	-	37,819
Disposals	-	-	(106)	(8,715)	(2,735)	(3,513)	-	(15,069)
Write-offs	-	-	-	(101)	(2,652)	(45)	-	(2,798)
Exchange differences	-	-	(224)	-	(259)	(6)	-	(489)
At 31.12.2025	-	1,497	131,442	12,281	160,272	24,796	-	330,288
Accumulated impairment losses								
At 1.1.2025/31.12.2025	-	-	202	-	37	-	-	239
Net carrying amount At 31.12.2025	31,293	12,745	624,787	719	43,225	2,430	3,915	719,114

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Group 2024	Freehold land RM'000	Leasehold land RM'000	Buildings RM'000	Plant, machinery, cranes and trucks RM'000	Computer equipment, office equipment, renovations, furniture and fittings RM'000	Motor vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost								
At 1.1.2024	34,960	14,242	787,310	35,846	201,441	34,849	7,661	1,116,309
Additions	-	-	294	2	5,683	1,094	4,828	11,901
Disposals	(2,237)	-	(29,200)	(13,851)	(3,973)	(3,414)	-	(52,675)
Write-offs	-	-	-	(46)	(1,866)	(1,677)	-	(3,589)
Transfer to investment properties (see Note 4)	(1,430)	-	(5,481)	-	-	-	-	(6,911)
Reclassification	-	-	5,709	-	3,771	-	(9,480)	-
Exchange differences	-	-	(1,532)	(2)	(616)	(29)	-	(2,179)
At 31.12.2024	31,293	14,242	757,100	21,949	204,440	30,823	3,009	1,062,856
Accumulated depreciation								
At 1.1.2024	-	1,205	101,626	32,745	141,712	30,511	-	307,799
Charge for the year	-	146	24,972	647	17,070	1,749	-	44,584
Disposals	-	-	(16,587)	(12,533)	(3,849)	(3,390)	-	(36,359)
Write-offs	-	-	-	(46)	(1,762)	(1,677)	-	(3,485)
Transfer to investment properties (see Note 4)	-	-	(809)	-	-	-	-	(809)
Exchange differences	-	-	(307)	-	(568)	(30)	-	(905)
At 31.12.2024	-	1,351	108,895	20,813	152,603	27,163	-	310,825
Accumulated impairment losses								
At 1.1.2024/31.12.2024	-	-	202	-	37	-	-	239
Net carrying amount At 31.12.2024	31,293	12,891	648,003	1,136	51,800	3,660	3,009	751,792

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

2. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company **2025**	**Computer equipment, office equipment, renovations, furniture and fittings** **RM'000**	**Motor vehicles** **RM'000**	**Capital work-in-progress** **RM'000**	**Total** **RM'000**
Cost				
At 1.1.2025	**5,758**	**1,442**	**100**	**7,300**
Additions	**588**	**-**	**-**	**588**
Disposals	**(4)**	**(547)**	**-**	**(551)**
Reclassification	**100**	**-**	**(100)**	**-**
At 31.12.2025	**6,442**	**895**	**-**	**7,337**
Accumulated depreciation				
At 1.1.2025	**2,592**	**675**	**-**	**3,267**
Charge for the year	**1,329**	**179**	**-**	**1,508**
Disposals	**(1)**	**(546)**	**-**	**(547)**
At 31.12.2025	**3,920**	**308**	**-**	**4,228**
Net carrying amount At 31.12.2025	**2,522**	**587**	**-**	**3,109**
2024				
Cost				
At 1.1.2024	5,007	781	50	5,838
Additions	760	661	50	1,471
Disposals	(9)	-	-	(9)
At 31.12.2024	5,758	1,442	100	7,300
Accumulated depreciation				
At 1.1.2024	1,347	553	-	1,900
Charge for the year	1,254	122	-	1,376
Disposals	(9)	-	-	(9)
At 31.12.2024	2,592	675	-	3,267
Net carrying amount At 31.12.2024	3,166	767	100	4,033

Land and buildings of the Group included above at a net carrying amount of RM314,990,000 (2024: RM377,299,000) have been charged to banks to partially secure the long-term borrowings and revolving credits referred to in Note 27 below.

3. RIGHT-OF-USE - PROPERTY, PLANT AND EQUIPMENT

Group	2025 Buildings RM'000	2025 Plant and machinery RM'000	2025 Total RM'000	2024 Buildings RM'000
Cost				
At beginning of the year	**9,097**	**-**	**9,097**	9,543
Additions	**781**	**148**	**929**	-
Early termination of lease contracts	**(7,402)**	**-**	**(7,402)**	(18)
Exchange differences	**(46)**	**-**	**(46)**	(428)
At end of the year	**2,430**	**148**	**2,578**	9,097
Accumulated depreciation				
At beginning of the year	**6,388**	**-**	**6,388**	5,683
Charge for the year	**856**	**7**	**863**	982
Early termination of lease contracts	**(5,391)**	**-**	**(5,391)**	(18)
Exchange differences	**(30)**	**-**	**(30)**	(259)
At end of the year	**1,823**	**7**	**1,830**	6,388
Net carrying amount				
At end of the year	**607**	**141**	**748**	2,709

The Group has leases of buildings used as office premises and storage facilities as well as leases of plant and machinery. Leases are generally entered into a fixed period ranging from 3 to 5 years.

The details of the related lease liabilities are as disclosed in Note 28.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

4. INVESTMENT PROPERTIES

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Valuation per valuers' reports	**2,151,876**	2,092,623	**4,030**	4,030
Less: Accrued rental income	**(94,324)**	(94,335)	**-**	-
Add: Prepaid rental received in advance	**2,531**	2,644	**-**	-
	2,060,083	2,000,932	**4,030**	4,030
At beginning of the year	**2,000,932**	1,979,668	**4,030**	3,438
Additions	**19,222**	13,451	**-**	-
Disposals	**(5,209)**	(7,202)	**-**	-
Transfer from property, plant and equipment *(see Note 2)*	**-**	6,102	**-**	-
Transfer from inventories - completed properties	**-**	12,450	**-**	-
Transfer to inventories - land held for property development *(see Note 6)*	**-**	(4,966)	**-**	-
Changes in fair value *(see Note 32)*	**45,691**	2,629	**-**	592
Exchange differences	**(553)**	(1,200)	**-**	-
At end of the year	**2,060,083**	2,000,932	**4,030**	4,030
Included in the above are:				
At fair value:				
Freehold land and building	**1,259,981**	1,207,732	**1,473**	1,473
Leasehold land and building	**800,102**	785,406	**2,557**	2,557
	2,060,083	1,993,138	**4,030**	4,030
At cost:				
Investment properties under construction	**-**	7,794	**-**	-
	2,060,083	2,000,932	**4,030**	4,030

The Group's investment properties at a net carrying amount of RM1,044,052,000 (2024: RM1,273,413,000) have been charged to banks to secure the borrowings referred to in Note 27 below.

The fair value of the investment properties as at 31 December 2025 was substantially arrived at via valuations performed by certified external valuers.

Investment properties of the Group are measured at fair value except for investment properties under construction which are measured at cost until either the fair value becomes reliably determinable or when construction is completed, whichever is earlier.

The fair value hierarchy of the investment properties are disclosed in Note 45.

4. INVESTMENT PROPERTIES (CONT'D.)

The Group has no restriction on the realisability of its investment properties and no contractual obligation to either purchase, construct or develop the investment properties or for repairs, maintenance and enhancements.

Significant judgement - Classification between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property and has developed certain criteria based on MFRS 140 Investment Property in making that judgement.

In making its judgement, the Group considers whether a property generates cash flows largely independently of other assets held by the Group. Owner-occupied properties generate cash flows that are attributable not only to the property, but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rental or for capital appreciation and another portion that is held for use in the production or supply of goods and services or for administrative purposes.

If these portions could be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately.

If the portions could not be sold separately, the property is accounted for as an investment property only if an insignificant portion is held for use in the production and supply of goods and services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

Key sources of estimation uncertainty - Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The valuation methodology commonly used is the comparison method which is based on comparable historical transactions adjusted for specific market factors such as location, size, condition, accessibility and design of the respective properties and the investment method which entails determination of the net income applying suitable growth rates and capitalising of the net income by a suitable rate of return.

Certain properties were valued based on the replacement cost method which is based on current estimates of construction costs less depreciation, obsolescence and existing physical conditions of the respective properties.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

5. RIGHT-OF-USE - INVESTMENT PROPERTIES

	Group	
	2025	**2024**
	RM'000	**RM'000**
At beginning of the year	**38,000**	46,755
Additions	**13,668**	-
Changes in fair value (see Note 34)	**(3,465)**	(8,755)
At end of the year	**48,203**	38,000
Included in the above are:		
At fair value:		
Leasehold land and building	**48,203**	38,000

This relates to a lease of an office building by the Group for a remaining tenure of 3 years (2024: 4 years). This office building has been subleased to other tenants.

6. INVENTORIES

	Group	
	2025	**2024**
	RM'000	**RM'000**
Non-current		
Cost:		
- Land held for property development *(Note (a))*	**11,311,295**	11,940,785
Net realisable value:		
- Land held for property development *(Note (a))*	**384,832**	337,816
	11,696,127	12,278,601
Current		
Cost:		
- Land held for sales	**40,356**	14,483
- Property development costs *(Note (b))*	**2,818,825**	2,436,899
- Completed properties	**1,140,408**	1,257,213
- Consumable goods, raw materials and others	**1,945**	2,120
	4,001,534	3,710,715
Net realisable value:		
- Completed properties	**85,784**	56,488
	4,087,318	3,767,203
Total inventories	**15,783,445**	16,045,804

6. INVENTORIES (CONT'D.)

During the financial year, the amount of completed properties, consumable goods, raw materials and others recognised as an expense in cost of sales of the Group was RM 322,055,000 (2024: RM 629,602,000).

The following inventories have been charged to various banks to partially secure the borrowings referred to in Note 27 below:

	Group	
	2025 RM'000	**2024 RM'000**
Land held for property development	**2,057,788**	1,990,140
Property development costs	**330,478**	55,707
	2,388,266	2,045,847

Key sources of estimation uncertainty - Allowance for stock obsolescence and inventories write down

Inventories are stated at the lower of cost and net realisable value. The Group estimates the net realisable value of inventories based on an assessment of expected sales prices.

Inventories are reviewed on a regular basis and the Group will make an allowance for excess or obsolete inventories based primarily on historical trends and management estimates of expected and future product demand and related pricing.

Demand levels, changes in product preference and pricing competition could change from time to time. If such factors result in an adverse effect on the Group's products, the Group might be required to reduce the value of its inventories and additional allowances for slow moving inventories may be required.

During the financial year, the Group recognised write-downs of land held for development and completed properties amounting to RM 187,825,000 and RM 11,759,000 respectively (2024: RM 14,606,000 and RM 5,991,000), mainly due to changes in development plans. In the previous financial year, a write-down on other inventories amounting to RM 6,363,000 was also recognised.

Significant judgement made in applying accounting policies – Capitalisation of borrowing costs

The Group capitalises borrowings cost during the period in which development activities are undertaken or where there are on-going development activities which benefit an entire township. Borrowing costs are capitalised until the asset is substantially completed for its intended use or sale.

Significant judgement is involved in determining whether the development activities carried out meet the criteria of active development in ascertaining whether borrowing costs incurred should be capitalised. Besides that, management is also required to estimate the appropriate apportionment of borrowing costs eligible for capitalisation to the various development phases.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

6. INVENTORIES (CONT'D.)

(a) Land held for property development

Group 2025	Freehold land RM'000	Leasehold land RM'000	Development expenditure RM'000	Total RM'000
At 1.1.2025	**4,334,807**	**3,001,105**	**4,942,689**	**12,278,601**
Additions	**363,747**	**10,577**	**467,628**	**841,952**
Write-down	**-**	**(73,497)**	**(114,328)**	**(187,825)**
Transfer to land held for sales	**(33,426)**	**-**	**(6,930)**	**(40,356)**
Transfer to inventories - property development costs *(see Note (b))*	**(434,873)**	**(6,406)**	**(547,975)**	**(989,254)**
Transfer to contract cost assets - costs to fulfil contracts with customers *(see Note 19)*	**(144,323)**	**(32)**	**(51,437)**	**(195,792)**
Exchange differences	**(8,516)**	**(1,797)**	**(886)**	**(11,199)**
At 31.12.2025	**4,077,416**	**2,929,950**	**4,688,761**	**11,696,127**
2024				
At 1.1.2024	4,562,832	3,103,590	4,690,524	12,356,946
Additions	187,196	8,836	729,355	925,387
Write-down	-	(8,239)	(6,367)	(14,606)
Reclass from investment property (see Note 4)	4,551	-	415	4,966
Transfer to land held for sales	(4,267)	(359)	(9,857)	(14,483)
Transfer to inventories - property development costs *(see Note (b))*	(179,850)	(21,623)	(274,808)	(476,281)
Transfer to contract cost assets - costs to fulfill contracts with customers *(see Note 19)*	(213,344)	(79,901)	(183,783)	(477,028)
Exchange differences	(22,311)	(1,199)	(2,790)	(26,300)
At 31.12.2024	4,334,807	3,001,105	4,942,689	12,278,601

Included in additions incurred during the financial year are borrowing costs of RM79,590,000 (2024: RM118,206,000).

6. INVENTORIES (CONT'D.)

(b) Property development costs

	Group 2025 RM'000	Group 2024 RM'000
Freehold land at cost	**642,689**	437,784
Leasehold land at cost	**45,585**	44,940
Development costs	**1,748,625**	1,676,295
At 1 January	**2,436,899**	2,159,019
Costs transferred from inventories - land held for property development *(see Note (a))*		
- freehold land	**434,873**	179,850
- leasehold land	**6,406**	21,623
- development costs	**547,975**	274,808
Costs transferred to contract cost assets *(see Note 19)*		
- freehold land	**(331,758)**	(201,810)
- leasehold land	**(11,818)**	(18,096)
- development costs	**(766,757)**	(649,834)
Costs incurred during the year		
- freehold land	**5,758**	285,827
- leasehold land	**55**	2
- development costs	**786,532**	695,476
Exchange differences	**(35,475)**	(175,779)
	635,791	412,067
Unsold completed properties transferred to inventories	**(253,865)**	(134,187)
	2,818,825	2,436,899
At 31 December		
Freehold land at cost	**708,011**	642,689
Leasehold land at cost	**38,435**	45,585
Development costs	**2,072,379**	1,748,625
	2,818,825	2,436,899

Included under development and construction costs incurred and accounted for under inventories - property development costs and contract cost assets during the financial year are borrowing costs of RM9,553,000 (2024: RM9,529,000).

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

7. INTANGIBLE ASSETS

Group 2025	Right to operate SPICE RM'000	Computer software RM'000	Work in progress RM'000	Total RM'000
Cost				
At beginning of the year	**16,025**	**2,830**	**1,266**	**20,121**
Additions	**-**	**260**	**3,504**	**3,764**
Reclassification	**-**	**2,510**	**(2,510)**	**-**
At end of the year	**16,025**	**5,600**	**2,260**	**23,885**
Accumulated amortisation				
At beginning of the year	**4,139**	**502**	**-**	**4,641**
Charge for the year	**534**	**838**	**-**	**1,372**
At end of the year	**4,673**	**1,340**	**-**	**6,013**
Net carrying amount				
At end of the year	**11,352**	**4,260**	**2,260**	**17,872**
2024				
Cost				
At beginning of the year	16,025	1,491	468	17,984
Additions	-	583	1,554	2,137
Reclassification	-	756	(756)	-
At end of the year	16,025	2,830	1,266	20,121
Accumulated amortisation				
At beginning of the year	3,606	93	-	3,699
Charge for the year	533	409	-	942
At end of the year	4,139	502 93	-	4,641
Net carrying amount				
At end of the year	11,886	2,328	1,266	15,480

7. INTANGIBLE ASSETS (CONT'D.)

Company 2025	Computer software RM'000	Work in progress RM'000	Total RM'000
Cost			
At beginning of the year	**2,830**	**1,266**	**4,096**
Additions	**260**	**3,504**	**3,764**
Reclassification	**2,510**	**(2,510)**	**-**
At end of the year	**5,600**	**2,260**	**7,860**
Accumulated amortisation			
At beginning of the year	**502**	**-**	**502**
Charge for the year	**838**	**-**	**838**
At end of the year	**1,340**	**-**	**1,340**
Net carrying amount			
At end of the year	**4,260**	**2,260**	**6,520**
2024			
Cost			
At beginning of the year	1,491	468	1,959
Additions	583	1,554	2,137
Reclassification	756	(756)	-
At end of the year	2,830	1,266	4,096
Accumulated amortisation			
At beginning of the year	93	-	93
Charge for the year	409	-	409
At end of the year	502	-	502
Net carrying amount			
At end of the year	2,328	1,266	3,594

The Group had entered into a BOT agreement with Majlis Perbandaran Pulau Pinang ("MPPP") to construct the Subterranean Penang International Convention & Exhibition Centre ("SPICE") and complementary retail, food and beverage outlets and offices in year 2011. The terms of the arrangement also require the Group to improve and refurbish the existing Penang International Sports Arena indoor stadium and aquatic centre.

The terms of the arrangement allow the Group to operate SPICE for up to a period of thirty years ("Concession Period") after the completion of construction. Upon expiry of the concession arrangement, subject to the agreement between the Group and MPPP, the Group may be able to operate SPICE for two further terms, consisting of a period of not less than fifteen years each.

7. INTANGIBLE ASSETS (CONT'D.)

The BOT agreement also grants the Group the right to additional density for the Group's development project within the island of Pulau Pinang. Such development rights are limited to 1,500 residential units. The development rights are only exercisable during the Concession Period and any right not exercised by the end of the Concession Period shall lapse.

Other than the right to operate SPICE, intangible assets of the Group also consists of computer software, whilst intangible assets of the Company comprises solely computer software.

8. INVESTMENTS IN SUBSIDIARY COMPANIES

	Company	
	2025 **RM'000**	**2024** **RM'000**
Unquoted shares in subsidiary companies, at cost	**4,733,558**	4,735,832
Redeemable convertible preference shares in subsidiaries, at cost	**4,138,456**	4,218,456
Capital contribution to subsidiary companies, at cost	**3,656,837**	3,724,518
	12,528,851	12,678,806
Impairment losses	**(1,814,256)**	(1,370,982)
	10,714,595	11,307,824

In the previous financial year, RM446,626,000 of capital contribution to subsidiary companies have been converted into redeemable convertible preference shares ("RCPS"). The salient terms of RCPS in subsidiary companies are as follows:

(i) The redemption of RCPS is solely at the discretion of the respective subsidiary companies;

(ii) The distribution to the holders of RCPS is at the discretion of the respective subsidiary companies; and

(iii) The conversion of RCPS into ordinary shares is fixed at one (1) RCPS for one (1) ordinary share.

In the current financial year, the Company has redeemed the RCPS issued by its subsidiaries amounting to RM80,000,000 (2024: RM50,000,000). The capital contribution to subsidiary companies represents additional shareholders' net investment. The capital contribution is unsecured, interest free and the repayment of such balances are not expected in the foreseeable future. The amount, timing and method of repayment of these amounts if any are solely at the unconditional discretion of the subsidiaries.

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

Significant judgement - Impairment assessment of investment in subsidiary companies

At the reporting date, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective cash generating units ("CGU"s) based on their fair value less cost to sell or their respective value-in-use ("VIU"), whichever is higher. The recoverable amount is determined based on the higher of;

(i) Value in use, which is calculated using cash flow projections based on approved financial budgets, at a post-tax discount rate of 9% to 12.5% (2024: 8.5% to 12.5%) per annum, based on different geographical location of the investees' operations. For subsidiaries involved in property development, the cash flow projections are prepared based on the anticipated remaining life span of the respective development projects;

or

(ii) Fair value less costs of disposal (Level 3 in the fair value hierarchy).

Estimating the VIU of the CGUs involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGUs, and discounting them at the appropriate rate. The cash flow forecasts included a number of significant judgements and estimates such as the timing of the project launches and sales, product pricing and costing and discount rate applied in the determination of VIU.

The review gave rise to the recognition of impairment losses of investments in subsidiary companies of RM443,275,000 (2024: RM424,406,000) as disclosed in Note 34 based on recoverable amounts of RM3,120,963,000 (2024: RM3,445,641,000). The impairment losses arose mainly because the subsidiaries either did not have viable business plans/activities, significantly delayed its product launches or have recorded a decline in value of their assets.

The movements in the impairment losses during the financial year are as follows:

	Company	
	2025	**2024**
	RM'000	**RM'000**
At beginning of the year	**1,370,982**	949,773
Impairment loss during the year	**443,274**	424,406
Liquidation of subsidiary	**-**	(3,197)
At end of the year	**1,814,256**	1,370,982

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are as follows:

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
Bandar Setia Alam Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Indah Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Syarikat Kemajuan Jerai Sdn Bhd	**100**	100	**-**	-	Malaysia	Under member's voluntary winding-up
S P Setia Project Management Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development project management
Wawasan Indera Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and project management services
S P Setia Eco-Projects Management Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property development project management
Setia Fontaines Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia HC Ventures Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding
Bukit Indah (Johor) Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Bina Raya Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are as follows: (cont'd.)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
Setia Precast Sdn Bhd	**100**	100	**-**	-	Malaysia	Building contractors
Setia-Wood Industries Sdn Bhd	**100**	100	**-**	-	Malaysia	Fabrication, installation and sale of wood products, provision of of kiln dry services, sale of building materials, household goods and sale of cosmetic products
S P Setia Marketing Sdn Bhd	**-**	-	**100**	100	Malaysia	Sale of wood products and building materials
Setia Readymix Sdn Bhd	**100**	100	**-**	-	Malaysia	Building contractors and manufacturing and sale of building materials
S P Setia Management Services Sdn Bhd	**100**	100	**-**	-	Malaysia	Under member's voluntary winding-up
Futurecrest (M) Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding
Shabra Development Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and project management services
KL Eco City Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Tenaga Raya Sdn Bhd	**-**	100	**-**	-	Malaysia	Dissolved
Indera Perasa Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding, project management services, property and building management

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are as follows: (cont'd.)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
Setia Eco Templer Recreation Sdn Bhd	**-**	-	**100**	100	Malaysia	Operate and manage a recreation club, banqueting and leasing of retail and food and beverage outlets
Setia IP Holdings Sdn Bhd	**100**	100	**-**	-	Malaysia	Custodian and management of Group's intellectual property rights
Setia Ecohill 2 Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Ecohill Recreation Sdn Bhd	**-**	-	**100**	100	Malaysia	Operate and manage a recreation club
S P Setia Technology Sdn Bhd	**100**	100	**-**	-	Malaysia	Provision of money lending service
S P Setia PMC Sdn Bhd	**100**	100	**-**	-	Malaysia	Provision of accounting, finance and corporate secretarial services
Setia Promenade Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Bukit Indah Property Management Sdn Bhd	**70**	70	**-**	-	Malaysia	Property development
Kewira Jaya Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are as follows: (cont'd.)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
Kay Pride Sdn Bhd	**-**	-	**100**	100	Malaysia	Property development, property investment holding and project management services
Aeropod Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development, property investment holding and general construction
Setia Japan Holding Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding
Eco Meridian Sdn Bhd	**100**	100	**-**	-	Malaysia	Construction and operation of concession asset, hotel and hotel resort operator and property investment holding
Setia Ecohill Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia City Development Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development, property investment holding and project management services
Gita Kasturi Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Intra Hillside Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Eco Green Sdn Bhd	**100**	100	**-**	-	Malaysia	Property investment holding

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are as follows: (cont'd.)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
Setia Eco Heights Sdn Bhd	**-**	100	**-**	-	Malaysia	Dissolved
Setia Eco Land Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
Setia Alam Recreation Sdn Bhd	**-**	-	**100**	100	Malaysia	Operate and manage a recreation club
Setia Alamsari Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment holding
S P Setia Property Services Sdn Bhd	**100**	100	**-**	-	Malaysia	Operation of convention centre
Flexrise Projects Sdn Bhd	**100**	100	**-**	-	Malaysia	Property investment holding
Pelita Mentari Sdn Bhd	**100**	100	**-**	-	Malaysia	Property investment holding and project management services
Setia Eco Templer Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and property investment
Setia EM (Central) Sdn Bhd	**100**	100	**-**	-	Malaysia	Under member's voluntary winding-up
S P Setia DMC Sdn Bhd	**100**	100	**-**	-	Malaysia	Development management consultancy
Exceljade Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development and project management services
Sendiman Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are as follows: (cont'd.)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
Setia Ventures Excellence Sdn Bhd	**-**	100	**-**	-	Malaysia	Dissolved
Kemboja Mahir Sdn Bhd	**70**	70	**-**	-	Malaysia	Property development and investment holding
Bandar Eco-Setia Sdn Bhd	**50**	50	**-**	-	Malaysia	Property development and property investment
Setia Eco Park Recreation Sdn Bhd	**-**	-	**50**	50	Malaysia	Operate and manage a recreation club and banqueting
Ganda Anggun Sdn Bhd	**-**	-	**70**	70	Malaysia	Property development
Kesas Kenangan Sdn Bhd	**-**	-	**70**	70	Malaysia	Property development and property investment
Setia Eco Glades Sdn Bhd	**70**	70	**-**	-	Malaysia	Property development and property investment holding
Setia Safiro Sdn. Bhd.	**70**	70	**-**	-	Malaysia	Property development and property investment holding
Setia Federal Hill Sdn Bhd	**100**	100	**-**	-	Malaysia	Property development
Setia International Limited	**100**	100	**-**	-	Malaysia	Investment holding
Setia MyPhuoc Limited	**-**	-	**100**	100	Malaysia	Investment holding
Setia Lai Thieu Limited	**-**	-	**95**	95	British Virgin Islands	Investment holding

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are as follows: (cont'd.)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
Setia Australia Limited	**-**	-	**100**	100	Malaysia	Investment holding
+ Setia Lai Thieu One Member Company Limited	**-**	-	**95**	95	Vietnam	Property development
+ Setia (Melbourne) Development Company Pty Ltd	**-**	-	**100**	100	Australia	Property development
+ Setia St Kilda (Melbourne) Pty Ltd	**-**	-	**100**	100	Australia	Property development
+ Setia Carnegie Pty Ltd	**-**	-	**100**	100	Australia	Property development
+ Setia A'Beckett (Melbourne) Pty Ltd	**-**	-	**100**	100	Australia	Property development
+ S P Setia International (S) Pte. Ltd.	**100**	100	**-**	-	Singapore	Promotion, marketing and other activities related to property development
+ Setia (Bukit Timah) Pte. Ltd.	**-**	-	**100**	100	Singapore	Promotion, marketing and other activities related to property development
+ S P Setia Development Pte. Ltd.	**-**	100	**-**	-	Singapore	Struck off
+ Setia International Japan Co. Ltd.	**100**	100	**-**	-	Japan	Investment holding
+ Setia Osaka Tokutei Mokuteki Kaisha	**-**	-	**100**	100	Japan	Property development
I & P Group Sdn. Berhad	**100**	100	**-**	-	Malaysia	Investment holding and provision of management services to the subsidiaries

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are as follows: (cont'd.)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
I & P Menara Sendirian Berhad	**-**	-	**100**	100	Malaysia	Property development
I & P Alam Impian Sdn. Bhd.	**-**	-	**99**	99	Malaysia	Property development and operation and management of a recreation club, banqueting and retail
I & P Setiawangsa Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development
Petaling Garden Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development and investment holding
Setia Mayuri Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development
Biltmore (M) Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development
^ PG Resorts Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development
Temasya Development Co. Sdn. Bhd.	**-**	-	**66.06**	66.06	Malaysia	Property development
Alpine Affluent Sdn. Bhd.	**-**	-	**66.06**	66.06	Malaysia	Property development
Scenic Promenade Sdn. Bhd.	**-**	-	**66.06**	66.06	Malaysia	Sublease of land
Syarikat Perumahan Pegawai Kerajaan Sendirian Berhad	**-**	-	**70.09**	70.09	Malaysia	Development and sales of land, residential and commercial properties and rental of properties
Plaza Damansara Sdn. Bhd.	**-**	-	**70.09**	70.09	Malaysia	Dormant

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are as follows: (cont'd.)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
Perumahan Kinrara Berhad	**-**	-	**51**	51	Malaysia	Property development, operation of golf course
Kinrara Urusharta Sdn. Bhd.	**-**	-	**51**	51	Malaysia	Under member's voluntary winding-up
# I & P Kota Bayuemas Sdn. Bhd.	**-**	-	**51.91**	51.91	Malaysia	Property development
Pelangi Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Property development and investment holding
+ Yukong Development (Pte) Limited	**-**	-	**100**	100	Singapore	Property development and investment in real properties
Taman Gunong Hijau Sdn. Bhd	**-**	-	**89.14**	89.14	Malaysia	Property development and investment in real properties
I & P Multi Resources Sdn. Berhad	**-**	-	**100**	100	Malaysia	Investment holding
I & P Development Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Dormant
I & P Supply Berhad	**-**	-	**100**	100	Malaysia	Dormant
I & P Inderawasih Jaya Sdn. Bhd	**-**	-	**100**	100	Malaysia	Dormant
Peninsular Land Development Sdn. Berhad	**-**	-	**100**	100	Malaysia	Dormant
I & P Nibong Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Dormant

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

The subsidiary companies are as follows: (cont'd.)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	**2024 %**	**2025 %**	**2024 %**		
Perusahaan Minyak Sawit Bintang Sendirian Berhad	**-**	-	**100**	100	Malaysia	Under member's voluntary winding-up
Yong Peng Realty Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Under member's voluntary winding-up
Pelangi Concrete Industries Sdn. Bhd.	**-**	-	**100**	100	Malaysia	Investment holding
Setia International (Australia) Limited	**100**	100	**-**	-	Malaysia	Investment holding
+ Setia Sydney Pty Ltd	**-**	-	**100**	100	Australia	Property development
+ Setia La Trobe Pty Ltd	**-**	-	**100**	100	Australia	Property development
+ Setia Carlton Pty Ltd	**-**	-	**100**	100	Australia	Property development
Setia SFH Ventures Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding
Setia Square Ventures Sdn Bhd	**100**	100	**-**	-	Malaysia	Investment holding
Setia HS KL Sdn Bhd	**-**	-	**100**	100	Malaysia	To supply personnel to support the operations of hotel services at Amari Kuala Lumpur Hotel
Setia HS PNG Sdn Bhd	**-**	-	**100**	100	Malaysia	To supply personnel to support the operations of hotel services at Amari SPICE Penang Hotel

+ Audited by member firms of Ernst & Young Global
 # 51% directly owned by Perumahan Kinrara Berhad and 25.9% directly owned by I & P Group Sdn. Berhad
^ 70% directly owned by Petaling Garden Sdn. Bhd. and 30% directly owned by I & P Group Sdn. Berhad

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

Subsidiary companies that have material non-controlling interests

Details of the Group's subsidiary companies that have material non-controlling interests at the end of the reporting period are as follows:

Name of subsidiary company	Place of incorporation and operation	Proportion of ownership interests held by non-controlling interest		Profit allocated to non-controlling interests		Carrying amount of non-controlling interests	
		2025	2024	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Bandar Eco-Setia Sdn Bhd Group	Malaysia	**50%**	50%	**29,099**	15,983	**292,286**	273,747
Setia Eco Glades Sdn Bhd	Malaysia	**30%**	30%	**1,211**	3,019	**65,418**	64,207
Kesas Kenangan Sdn Bhd	Malaysia	**30%**	30%	**4,339**	6,514	**91,218**	86,879
Perumahan Kinrara Berhad Group	Malaysia	**49%**	49%	**43,839**	24,559	**523,868**	492,279
Syarikat Perumahan Pegawai Kerajaan Sendirian Berhad Group	Malaysia	**29.91%**	29.91%	**2,558**	536	**152,744**	156,168
Temasya Development Co. Sdn. Bhd. Group	Malaysia	**33.94%**	33.94%	**5,482**	2,340	**140,091**	138,003
Individually immaterial subsidiary companies with non-controlling interests				**7,099**	1,771	**25,208**	18,612
				93,627	54,722	**1,290,833**	1,229,895

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

Summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amounts before intra-group elimination) is as follows:

	2025 RM'000	2024 RM'000
Bandar Eco-Setia Sdn Bhd Group		
Non-current assets	**376,890**	396,369
Current assets	**305,131**	285,444
Non-current liabilities	**(15,365)**	(17,939)
Current liabilities	**(82,085)**	(116,381)
Net assets	**584,571**	547,493
Revenue	**192,801**	152,418
Profit for the year, representing total comprehensive income for the year	**58,197**	31,966
Dividends declared to non-controlling interests	**10,560**	8,465
Net cash from operating activities	**39,643**	44,021
Net cash used in investing activities	**(1,437)**	(2,489)
Net cash used in financing activities	**(21,120)**	(80,000)
Net increase/(decrease) in cash & cash equivalents	**17,086**	(38,468)

	2025 RM'000	2024 RM'000
Setia Eco Glades Sdn Bhd		
Non-current assets	**265,658**	258,801
Current assets	**127,083**	165,794
Non-current liabilities	**(13,725)**	(14,340)
Current liabilities	**(160,957)**	(196,233)
Net assets	**218,059**	214,022
Revenue	**67,836**	140,047
Profit for the year, representing total comprehensive income for the year	**4,036**	10,063
Dividends declared to non-controlling interests	**-**	690
Net cash from operating activities	**39,760**	54,635
Net cash (used in)/from investing activities	**(5,322)**	68
Net cash used in financing activities	**(31)**	(2,882)
Net increase in cash & cash equivalents	**34,407**	51,821

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

Summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amounts before intra-group elimination) is as follows: (cont'd.)

	2025 RM'000	2024 RM'000
Kesas Kenangan Sdn Bhd		
Non-current assets	**395,601**	414,906
Current assets	**127,923**	119,234
Non-current liabilities	**(70,000)**	(70,000)
Current liabilities	**(149,466)**	(174,546)
Net assets	**304,058**	289,594
Revenue	**88,433**	130,585
Profit for the year, representing total comprehensive income for the year	**14,463**	21,714
Dividends declared to non-controlling interests	**-**	-
Net cash from operating activities	**11,375**	69,499
Net cash used in investing activities	**(2,878)**	(16,744)
Net cash used in financing activities	**(40,037)**	(42,298)
Net (decrease)/increase in cash & cash equivalents	**(31,540)**	10,457

	2025 RM'000	2024 RM'000
Perumahan Kinrara Berhad Group		
Non-current assets	**722,043**	744,691
Current assets	**592,317**	460,380
Non-current liabilities	**(41,520)**	(28,841)
Current liabilities	**(203,722)**	(171,580)
Net assets	**1,069,118**	1,004,650
Revenue	**400,317**	324,415
Profit for the year, representing total comprehensive income for the year	**89,468**	50,120
Dividends declared to non-controlling interests	**12,250**	12,250
Net cash from operating activities	**431,263**	79,357
Net cash used in investing activities	**(305,305)**	(35,362)
Net cash used in financing activities	**(25,948)**	(26,049)
Net increase in cash and cash equivalents	**100,010**	17,946

8. INVESTMENTS IN SUBSIDIARY COMPANIES (CONT'D.)

Summarised financial information of the Group's subsidiary companies that have material non-controlling interests (amounts before intra-group elimination) is as follows: (cont'd.)

	2025 RM'000	2024 RM'000
Syarikat Perumahan Pegawai Kerajaan Sendirian Berhad Group		
Non-current assets	**493,863**	493,029
Current assets	**42,203**	41,741
Non-current liabilities	**(198)**	-
Current liabilities	**(25,190)**	(12,643)
Net assets	**510,678**	522,127
Revenue	**-**	34,680
Profit for the year, representing total comprehensive income for the year	**8,551**	1,792
Dividends declared to non-controlling interests	**5,982**	11,067
Net cash from operating activities	**7,206**	27,782
Net cash from investing activities	**15,613**	13,824
Net cash used in financing activities	**(20,000)**	(37,231)
Net increase in cash and cash equivalents	**2,819**	4,375

	2025 RM'000	2024 RM'000
Temasya Development Co. Sdn. Bhd. Group		
Non-current assets	**335,496**	326,816
Current assets	**132,109**	123,208
Non-current liabilities	**(4,867)**	(1,972)
Current liabilities	**(49,978)**	(41,443)
Net assets	**412,760**	406,609
Revenue	**32,444**	19,434
Profit for the year, representing total comprehensive income for the year	**16,151**	6,895
Dividends declared to non-controlling interests	**3,394**	4,412
Net cash (used in)/from operating activities	**(24,741)**	20,328
Net cash from investing activities	**12,607**	12,518
Net cash used in financing activities	**(10,000)**	(13,000)
Net (decrease)/increase in cash and cash equivalents	**(22,134)**	19,846

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

9. INVESTMENTS IN JOINT VENTURES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted ordinary shares, at cost	**3,208,011**	3,207,883	**32,751**	32,751
Capital contribution to a joint venture, at cost	**4,655**	4,655	**-**	-
Group's share of post acquisition profits less losses	**(647,826)**	(421,863)	**-**	-
Group's share of non-distributable reserves	**(17,712)**	52,267	**-**	-
	2,547,128	2,842,942	**32,751**	32,751

The joint ventures are as follows:

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
Setia Putrajaya Sdn Bhd	**60**	60	**-**	-	Malaysia	Property development, building construction and investment holding
Setia Putrajaya Development Sdn Bhd	**-**	-	**60**	60	Malaysia	Property development
Greenhill Resources Sdn Bhd	**-**	-	**50**	50	Malaysia	Property investment holding, as the owner, landlord and operator of a retail mall
Setia City Healthcare Sdn Bhd	**-**	-	**49**	49	Malaysia	Develop and operate an ambulatory care centre
Setia MF SFH DevelopmentSdn Bhd	**-**	-	**51**	51	Malaysia	Property development
# SetiaBecamex Joint Stock Company	**-**	-	**57.25**	57.25	Vietnam	Property development
# Battersea Project Holding Company Limited	**-**	-	**40**	40	Jersey	Mixed use redevelopment of Battersea Power Station

9. INVESTMENTS IN JOINT VENTURES (CONT'D.)

The joint ventures are as follows: (cont'd.)

	Equity interests				Place of business/ Country of incorporation	Principal activities
	Direct		Indirect			
	2025 %	2024 %	2025 %	2024 %		
# Battersea Power Station Development Company Limited	**-**	-	**40**	40	United Kingdom	Property development and estate management services
# Battersea Power Station Estates Limited	**-**	-	**40**	40	United Kingdom	Provision of letting and management services
^ Setia MF Ecohill Sdn Bhd	**-**	-	**51**	-	Malaysia	Property development

 # Audited by a firm other than Ernst & Young PLT or a member firm of Ernst & Young Global
^ Newly incorporated joint venture during the financial year

Notwithstanding that the Group has ownership of more than half of the equity shareholding in certain investees, they are treated as joint ventures pursuant to the contractual rights and obligations of the respective joint venture agreements. All the Group's joint ventures, both locally and overseas, are involved in property development and investment, supporting its core business.

The Group's joint ventures are accounted for using the equity method in the financial statements.

The Group's estimated commitment in joint ventures at the reporting date are as below:

	2025 RM'000	2024 RM'000
Commitments for Setia MF SFH Development Sdn Bhd	**80,581**	80,581
Commitments for SetiaBecamex Joint Stock Company	**9,427**	-
	90,008	80,581

There are no contingent liabilities relating to the Group's interest in the joint ventures as at the reporting date.

Summarised financial information in respect of the Group's material joint ventures which comprise the Battersea Group of companies are set out below.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

9. INVESTMENTS IN JOINT VENTURES (CONT'D.)

Battersea Group of companies

Summarised statements of financial position:

	2025 RM'000	2024 RM'000
Non-current assets	**6,232,379**	6,195,649
Current assets		
Cash and cash equivalents	**371,248**	255,924
Other current assets	**2,285,174**	2,776,877
	2,656,422	3,032,801
Non-current liabilities		
Borrowings	**1,968,158**	2,225,124
Other non-current liabilities	**32,114**	31,537
	2,000,272	2,256,661
Current liabilities		
Trade and other payables and provisions	**474,085**	575,479
Borrowings	**892,461**	372,536
	1,366,546	948,015
Net assets	**5,521,983**	6,023,774

Summarised statements of comprehensive income:

	2025 RM'000	2024 RM'000
Revenue	**506,464**	1,146,813
Depreciation and amortisation	**(6,985)**	(5,359)
Interest income	**26,197**	11,699
Write-down of inventories	**(44,809)**	(6,949)
Interest expense	**(77,796)**	(96,138)
Loss before tax	**(348,465)**	(490,880)
Taxation	**(4,418)**	(136)
Loss for the financial year	**(352,883)**	(491,016)
Total comprehensive loss for the financial year	**(352,883)**	(491,016)
Share of results of joint ventures	**(141,153)**	(196,406)

9. INVESTMENTS IN JOINT VENTURES (CONT'D.)

Reconciliation of the above summarised financial information to the carrying amount of the Group's interest in the Battersea Group of companies is as follows:

	2025 RM'000	2024 RM'000
Net assets		
At the beginning of the financial year	**6,023,774**	6,771,170
Non-distributable reserves	**(148,908)**	(256,380)
Total comprehensive loss for the financial year	**(352,883)**	(491,016)
At end of the financial year	**5,521,983**	6,023,774
Proportion of ownership interest held by the Group	**40%**	40%
Carrying amount of the Group's interest in the joint venture	**2,208,793**	2,409,510

There is no dividend paid by Battersea Group of companies during the financial year (2024: RM Nil).

The recoverable amount of the Group's investment in a joint venture is determined based on its value-in-use prepared based on the future sales of the property inventories, on-going development projects and investment properties. The estimates are in line with the latest project budgets and estimates, barring any unforeseen deviations in project revenue and costs. The estimated future net future cashflows are discounted at 9% in deriving the recoverable amount. A reasonably possible increase in discount rate by 0.5% would result in a reduction of recoverable amount of the investment in joint venture by RM58 million, whilst a 1% increase in construction costs would result in a decrease in recoverable amount by RM61million.

The Group has provided a Loan Letter of Undertaking to the banks of a joint venture for its outstanding borrowings as at 31 December 2025 to the extent of the Group's equity shareholding.This is assessed as a financial guarantee contract, and is considered unlikely to result in a liability as at 31 December 2025.

The summarised aggregate financial information of the Group's share of other individually non-material joint ventures as at 31 December is set out below:

	2025 RM'000	2024 RM'000
Share of (loss)/profit for the year, representing total comprehensive (loss)/profit for the financial year	**(71,919)**	15,112
Carrying amount of the Group's interest in individually non-material joint ventures	**338,335**	433,432

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For The Financial Year Ended 31 December 2025

10. INVESTMENTS IN ASSOCIATED COMPANIES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Unquoted ordinary shares, at cost	**13,150**	**69,766**	**900**	900
Capital contribution to an associated company, at cost	**90,158**	**90,158**	**90,158**	90,158
Group's share of post-acquisition profit less losses	**516,856**	**448,384**	**-**	-
Group's share of non-distributable reserves	**4,341**	**11,420**	**-**	-
	624,505	**619,728**	**91,058**	91,058

The associated companies are as follows:

	Equity interests Direct 2025 %	Equity interests Direct 2024 %	Equity interests Indirect 2025 %	Equity interests Indirect 2024 %	Place of business/ Country of incorporation	Principal activities
∞ PTB Property Developer Sdn Bhd	**49**	49	**-**	-	Malaysia	In liquidation
∞ Qinzhou Development (Malaysia) Consortium Sdn. Bhd.	**45**	45	**-**	-	Malaysia	Investment holding
∞ China-Malaysia Qinzhou Industrial Park (Guangxi) Development Co. Ltd	**-**	-	**22**	22	China	Property development
* Tanah Sutera Development Sdn. Bhd.	**-**	-	**35**	35	Malaysia	Property development and investment in real properties
* ^ Merit Properties Sdn. Bhd.	**-**	-	**-**	20	Malaysia	Property development, investment in real properties and providing management services
∞Þ Fahim-I Hitech Sdn. Bhd.	**-**	-	**20**	20	Malaysia	Dormant

** Audited by member firms of Ernst & Young PLT*
∞ Audited by a firm other than Ernst & Young PLT or a member firm of Ernst & Young Global
Þ Financial year end 30 June
^ Disposed during the year

On 10 July 2025, the Group disposed of its entire equity interest in Merit Properties Sdn Bhd, for a total cash consideration of RM95,000,000 and recorded a gain on disposal of RM8,479,000.

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D.)

Summarised financial information in respect of the Group's material associated companies operating within the property development and investment sector, which is in alignment with the Group's core business activities, is set out below. The information represents amounts derived from the associated companies' financial statements, adjusted for any material differences with the Group's accounting policies.

Summarised statements of financial position:

	Tanah Sutera Development Sdn. Bhd. Group		Merit Properties Sdn. Bhd.	
	2025 RM'000	**2024 RM'000**	**2025* RM'000**	**2024 RM'000**
Non-current assets	**1,010,134**	745,450	-	399,194
Current assets				
Cash and cash equivalents	**352,440**	372,891	-	43,171
Other current assets	**236,176**	145,563	-	932
	588,616	518,454	-	44,103
Non-current liabilities				
Other non-current liabilities	**68,798**	45,670	-	11,993
Current liabilities				
Trade and other payables and provisions	**103,024**	73,929	-	2,692
Net assets	**1,426,928**	1,144,305	-	428,612

Summarised statements of comprehensive income:

	Tanah Sutera Development Sdn. Bhd. Group		Merit Properties Sdn. Bhd.	
	2025 RM'000	**2024 RM'000**	**2025* RM'000**	**2024 RM'000**
Revenue	**311,893**	160,670	-	4,088
Depreciation and amortisation	**(9,332)**	(1,407)	-	(55)
Interest income	**12,845**	12,969	-	1,574
Interest expense	**(183)**	(157)	-	(20)
Profit before tax	**385,628**	144,761	-	16,681
Taxation	**(68,005)**	(26,367)	-	(60)
Profit for the financial year	**317,623**	118,394	-	16,621
Total comprehensive income for the financial year	**317,623**	118,394	-	16,621
Share of results of associated companies	**111,168**	41,438	-	3,324
Dividend from associated companies	**12,250**	9,800	-	1,230

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For The Financial Year Ended 31 December 2025

10. INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D.)

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the associated companies are as follows:

	Tanah Sutera Development Sdn. Bhd. Group		Merit Properties Sdn. Bhd.	
	2025 RM'000	**2024 RM'000**	**2025* RM'000**	**2024 RM'000**
Net assets				
At beginning of the financial year	**1,144,305**	1,053,911	**-**	418,141
Total comprehensive income for the financial year	**317,623**	118,394	**-**	16,621
Dividends paid	**(35,000)**	(28,000)	**-**	(6,150)
At end of the financial year	**1,426,928**	1,144,305	**-**	428,612
Group's interest in the associated companies	**35%**	35%	**0%**	20%
Carrying amount at end of the financial year	**499,425**	400,507	**-**	85,722

* *Merit Properties Sdn Bhd disposed on 10 July 2025*

The summarised aggregate financial information of the Group's share of other individually non-material associated companies as at 31 December is set out below:

	2025 RM'000	**2024 RM'000**
Profit for the year, representing total comprehensive profit for the year	**251**	10,317
Dividend from associated companies	**820**	-
Carrying amount of the Group's interest in individually non-material associated companies	**34,922**	43,341
Capital contribution to an associated company, at cost*	**90,158**	90,158
	125,080	133,499

* *This amount relates to the capital contribution to Qinzhou Development (Malaysia) Consortium Sdn Bhd, an associated company which holds the investment in China-Malaysia Qinzhou Industrial Park (Guangxi) Development Co. Ltd. in China.*

The capital contribution is not expected to be recalled within the foreseeable future.

11. OTHER INVESTMENTS

	Group	
	2025 RM'000	**2024 RM'000**
Non-current		
At fair value through profit or loss		
Equity instruments (unquoted in Malaysia)	**96**	96

12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES

Amounts owing by subsidiary companies included under non-current assets

The amounts owing by subsidiary companies included under non-current assets represent unsecured advances which are not expected to be recalled within the next 12 months and are analysed as follows:

	Company	
	2025 **RM'000**	**2024** **RM'000**
Unsecured advances:		
- bearing interest at 4.00% to 8.00% (2024: 4.00% to 8.00%) per annum	**3,628,151**	3,286,336
- interest free	**26,400**	23,548
Unquoted redeemable cumulative preference shares	**-**	39,078
	3,654,551	3,348,962
Allowance for impairment loss	**(151,733)**	(114,659)
	3,502,818	3,234,303

Amounts owing by subsidiary companies included under current assets

	Company	
	2025 **RM'000**	**2024** **RM'000**
Trade accounts:		
- staff secondment fee	**10,688**	6,240
Unsecured advances:		
- bearing interest at 4.00% to 8.00% (2024: 4.00% to 8.00%) per annum	**423,165**	383,509
- interest free	**945,991**	638,009
- unquoted redeemable cumulative preference shares	**39,479**	-
	1,419,323	1,027,758
Allowance for impairment loss	**(925)**	(3,408)
	1,418,398	1,024,350

The movement in the allowance for impairment losses during the financial year is as follows:

	Company	
	2025 **RM'000**	**2024** **RM'000**
At beginning of the year	**118,067**	18,239
Allowance for impairment loss during the year	**47,330**	99,828
Reversal of allowance for impairment loss during the year	**(11,456)**	-
Liquidation of subsidiary company	**(1,283)**	-
At end of the year	**152,658**	118,067

The trade accounts are expected to be settled within the normal credit periods. Unsecured advances are repayable on demand.

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12. AMOUNTS OWING BY/TO SUBSIDIARY COMPANIES (CONT'D.)

Amounts owing to subsidiary companies included under non-current liabilities

The amounts owing to subsidiary companies included under non-current liabilities represent unsecured advances which are not expected to be repaid within the next 12 months and are analysed as follows:

	Company	
	2025 RM'000	**2024 RM'000**
Unsecured advances:		
- bearing interest at 3.45% to 4.75% (2024: 3.95% to 6.23%) per annum	**739,000**	600,000
- interest free	**91,972**	130,838
	830,972	730,838

Amounts owing to subsidiary companies included under current liabilities

	Company	
	2025 RM'000	**2024 RM'000**
Unsecured advances:		
- interest free	**67,332**	123,315

Unsecured advances are repayable on demand.

13. AMOUNTS OWING BY JOINT VENTURES

Amounts owing by joint ventures included under non-current assets

	Group	
	2025 RM'000	**2024 RM'000**
Unsecured advances:		
- bearing interest at 8.00% (2024: 8.00%) per annum	**217,505**	69,785
Allowance for doubtful debts	**(6,791)**	-
	210,714	69,785

The unsecured advances owing by a joint venture is not repayable within 12 months.

13. AMOUNTS OWING BY JOINT VENTURES (CONT'D.)

Amounts owing by joint ventures included under current assets

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Unsecured advances:				
- bearing interest at 4.00% to 6.00% (2024: 4.00% to 6.00%) per annum	**98,701**	123,870	**-**	-
- interest free	**6,247**	6,271	**73**	212
	104,948	130,141	**73**	212

Unsecured advances are repayable on demand.

14. AMOUNTS OWING BY/TO RELATED PARTIES

These represent amounts owing by/to Permodalan Nasional Berhad ("PNB") and the government related entities disclosed in Note 39(a) ("PNB Group").

The amounts owing by/to related parties are repayable/payable on demand.

15. DEFERRED TAX

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Deferred tax assets	**278,582**	263,291	**4,605**	3,629
Deferred tax liabilities	**(412,167)**	(461,501)	**-**	-
	(133,585)	(198,210)	**4,605**	3,629
At beginning of the year	**(198,210)**	(111,797)	**3,629**	2,515
Credited/(Charged) to profit or loss	**64,775**	(87,552)	**976**	1,114
Exchange rate differences	**(150)**	1,139	**-**	-
At end of the year	**(133,585)**	(198,210)	**4,605**	3,629

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

15. DEFERRED TAX (CONT'D.)

The temporary differences on which deferred tax assets/liabilities have been recognised are as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Tax effects of:				
- unabsorbed capital allowances	**7,850**	8,316	**2,227**	1,641
- unutilised tax losses	**13,218**	10,002	**-**	-
- valuation of development land and property development and construction profits	**(88,043)**	(129,718)	**-**	-
- excess of capital allowances claimed over accumulated depreciation on property, plant and equipment	**(11,812)**	(18,695)	**(609)**	(590)
- fair value changes on investment properties	**(60,934)**	(61,627)	**(168)**	(168)
- others	**6,136**	(6,488)	**3,155**	2,746
	(133,585)	(198,210)	**4,605**	3,629

Key sources of estimation uncertainty – Recognition of deferred tax assets

Deferred tax assets are recognised for all deductible temporary differences, unabsorbed capital allowances and unutilised tax losses to the extent that it is probable that taxable profit will be available in future against which the deductible temporary differences, capital allowances and tax losses can be utilised.

Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. When an entity has a history of recent losses, the entity recognises a deferred tax asset arising from unused tax losses or tax credits only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the entity.

The Group has recognised the deferred tax assets as it is probable that its development projects and its cost and efficiency rationalisation strategies would generate sufficient taxable profits in future against which the deferred tax assets can be utilised.

Unutilised tax losses, unabsorbed capital allowances and other temporary differences which exist as at 31 December on which deferred tax assets have not been recognised in the financial statements are as follows:

	Group	
	2025 RM'000	**2024 RM'000**
Unutilised tax losses	**756,698**	712,855
Unabsorbed capital allowances	**9,583**	9,362
Others - deductible temporary differences	**185,134**	199,653
	951,415	921,870

15. DEFERRED TAX (CONT'D.)

Tax losses for which the tax effects have not been recognised in the financial statements:

	Group	
	2025 **RM'000**	**2024** **RM'000**
- Expiring in 2028	**174,920**	180,232
- Expiring in 2029	**93,058**	96,116
- Expiring in 2030	**119,738**	119,738
- Expiring in 2031	**111,825**	111,825
- Expiring in 2032	**55,736**	57,516
- Expiring in 2033	**98,578**	99,302
- Expiring in 2034	**48,345**	48,126
- Expiring in 2035	**54,498**	-
	756,698	712,855

Deferred tax assets have not been recognised in respect of these items for certain subsidiary companies as it is not probable that taxable profits of the subsidiary companies would be available against which the unutilised tax losses, unabsorbed capital allowances and other deductible temporary differences could be utilised.

The unutilised capital allowances of the Group are available indefinitely for offsetting against future taxable profits of the respective entities within the Group, subject to no substantial changes in shareholdings of those entities under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Based on the Malaysian Finance Act gazetted on 31 December 2021, the time limit for the carry forward of the unutilised tax losses is 10 years.

The unutilised tax losses accumulated up to the year of assessment 2018 are allowed to be carried forward for 10 consecutive years of assessment (i.e. from years of assessment 2019 to 2028) and any balance of the unutilised losses thereafter shall be disregarded.

As for any unutilised tax losses that originated from the year of assessment 2019 onwards, these are allowed to be carried forward for a maximum period of 10 consecutive years of assessment immediately following that originating year of assessment and any balance of the unutilised tax losses thereafter shall be disregarded.

The foreign unutilised losses and unabsorbed capital allowances applicable to foreign incorporated subsidiary companies, if any, are pre-determined by and subject to the tax legislations of the respective countries.

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16. TRADE RECEIVABLES

	Group	
	2025 **RM'000**	**2024** **RM'000**
Non-Current		
Gross progress billings receivable	**669**	6,202
Current		
Gross progress billings receivable	**914,725**	373,077
Gross retention sums receivable	**137,934**	135,475
Other gross receivables	**1,701**	9,059
Total gross receivables	**1,054,360**	517,611
Allowance for impairment loss	**(21,572)**	(17,808)
	1,032,788	499,803
Total	**1,033,457**	506,005

The progress billings are due within 30 to 90 days (2024: 14 to 90 days) as stipulated in sale and purchase agreements and construction contracts. The retention sums are due upon the expiry of the defect liability period stated in the respective sale and purchase agreements and construction contracts.

Non-current gross progress billings receivables are due within 1 to 2 years and above (2024: 2 to 3 years). Current other gross receivables are due within 7 to 90 days (2024: 7 to 90 days).

Ageing analysis of the Group's trade receivables are as follows:

	Group	
	2025 **RM'000**	**2024** **RM'000**
Neither past due nor impaired	**847,769**	384,120
1 to 30 days past due but not impaired	**75,068**	58,298
31 to 60 days past due but not impaired	**40,986**	25,376
61 to 90 days past due but not impaired	**25,797**	14,470
91 to 120 days past due but not impaired	**16,493**	6,226
More than 121 days past due but not impaired	**27,344**	17,515
	1,033,457	506,005
Individually impaired	**21,572**	17,808
	1,055,029	523,813

<u>Receivables that are neither past due nor impaired</u>

The receivables that are neither past due nor impaired are creditworthy debtors with good payment track records with the Group. None of the Group's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

16. TRADE RECEIVABLES (CONT'D.)

Receivables that are past due but not impaired

The receivables that are past due but not impaired are mainly related to the progress billings to be settled by the purchasers or the purchasers' end-financiers. However, the Directors are of the opinion that these debts should be realised in full without material losses in the ordinary course of business as the legal title to the properties sold remains with the Group until the purchase consideration is fully settled/paid.

Receivables that are impaired

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in financial difficulties or are disputing payment obligations and have defaulted on payment. These receivables are generally not secured by any collateral or credit enhancements.

The Group measures allowance for impairment losses of trade receivables based on lifetime ECLs.

The expected credit losses on trade receivables are estimated by reference to historical loss experience of the debtors and an analysis of the debtor's current financial position, adjusted for forward-looking factors specific to the debtors and the general economic conditions, where applicable. The Group generally performs impairment assessment on trade receivables on an individual basis or on an account-by-account basis. In respect of its property development activities, the Group has assessed that these debts should be realised in full without material losses in the ordinary course of business as the legal titles to the properties sold remain with the Group until the purchase consideration is fully settled/paid.

The movement in the allowance for impairment losses of trade receivables during the financial year is as follows:

	Group	
	2025 **RM'000**	**2024** **RM'000**
At beginning of the year	**17,808**	2,460
Allowance for impairment loss during the year	**3,932**	17,091
Reversal of allowance for impairment loss during the year	**(168)**	(1,716)
Bad debts written off	**-**	(27)
At end of the year	**21,572**	17,808

The currency exposure profile of trade receivables net of allowance for impairment losses is as follows:

	Group	
	2025 **RM'000**	**2024** **RM'000**
Malaysian Ringgit	**1,033,039**	503,207
Vietnamese Dong	**418**	2,798
	1,033,457	506,005

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16. TRADE RECEIVABLES (CONT'D.)

Retention sums are expected to be received as follows:

	Group	
	2025 RM'000	2024 RM'000
- not later than one year	**91,721**	94,765
- later than one year	**46,213**	40,710
	137,934	135,475

17. CONTRACT ASSETS/(LIABILITIES)

	Group	
	2025 RM'000	2024 RM'000
Contract assets		
Property development *(see Note (a))*	**468,995**	628,001
Construction and other contracts *(see Note (b))*	**100**	73
	469,095	628,074
Contract liabilities		
Property development *(see Note (a))*	**(50,445)**	(8,546)
Construction and other contracts *(see Note (b))*	**(47,200)**	(49,096)
	(97,645)	(57,642)
	371,450	570,432

(a) Contract assets and contract liabilities from property development activities

	Group	
	2025 RM'000	2024 RM'000
Contract assets	**468,995**	628,001
Contract liabilities	**(50,445)**	(8,546)
	418,550	619,455
At beginning of the year	**619,455**	906,416
Consideration payable to customers	**94,844**	76,861
Revenue recognised during the year	**3,995,818**	5,026,993
Interest income relating to deferred payment scheme	**129**	6,412
Progress billings during the year	**(4,291,696)**	(5,398,644)
Exchange rate differences	**-**	1,417
At end of the year	**418,550**	619,455

17. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

(a) Contract assets and contract liabilities from property development activities (cont'd.)

An amount of RM3,364,000 (2024: RM56,020,000) included in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 31 December 2025.

Revenue from property development activities are recognised over time using the input method, which is based on the actual cost incurred to date on the property development projects as compared to the total budgeted cost for the respective development projects.

The transaction price allocated to the unsatisfied performance obligations as at 31 December 2025 is RM2,700,628,000 (2024: RM1,954,698,000). The remaining performance obligations are expected to be recognised as follows:

	Group	
	2025 RM'000	**2024 RM'000**
Within 1 year	**1,536,259**	1,237,678
Between 1 and 4 years	**1,164,369**	717,020
	2,700,628	1,954,698

(b) Contract assets and contract liabilities from construction and other contracts

	Group	
	2025 RM'000	**2024 RM'000**
Contract assets	**100**	73
Contract liabilities	**(47,200)**	(49,096)
	(47,100)	(49,023)
At beginning of the year	**(49,023)**	(46,898)
Revenue recognised during the year	**27,729**	46,762
Progress billings during the year	**(25,806)**	(48,887)
At end of the year	**(47,100)**	(49,023)

An amount of RM1,597,000 (2024: RM1,574,000) included in contract liabilities at the beginning of the financial year has been recognised as revenue for the financial year ended 31 December 2025.

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17. CONTRACT ASSETS/(LIABILITIES) (CONT'D.)

Contract expenditure includes the following expenses incurred during the financial year:

	Group	
	2025 RM'000	2024 RM'000
Depreciation of property, plant and equipment	**-**	453
Hire of machinery	**-**	3

The construction revenue is recognised progressively based on the actual cost incurred to date on the construction projects as compared to the total budgeted cost for the respective projects.

The transaction price allocated to the unsatisfied performance obligations for construction and other contracts as at 31 December 2025 is RM47,200,000 (2024: RM49,096,000).

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Accrued lease income	**88,514**	88,232	**-**	-
Current				
Refundable deposits and part purchase consideration for the acquisition of development land	**-**	31,660	**-**	-
Dividend receivable	**-**	-	**1,596**	1,596
Deposits	**90,666**	87,305	**1,307**	1,308
Value Added Tax/Goods and Services Tax receivables	**6,046**	4,637	**-**	-
Prepayments	**21,541**	21,140	**2,249**	-
Accrued lease income	**5,810**	6,103	**-**	-
Other sundry receivables	**171,497**	91,446	**7,887**	709
	295,560	242,291	**13,039**	3,613
Allowance for impairment loss	**(36,915)**	(13,900)	**-**	-
	258,645	228,391	**13,039**	3,613
Total	**347,159**	316,623	**13,039**	3,613

18. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (CONT'D.)

The movement in the allowance for impairment losses of other receivables during the financial year is as follows:

	Group	
	2025	**2024**
	RM'000	**RM'000**
At beginning of the year	**13,900**	9,646
Allowance for impairment loss during the year	**23,338**	4,591
Reversal of allowance for impairment loss during the year	**-**	(280)
Bad debts written off	**(323)**	(57)
At end of the year	**36,915**	13,900

The currency exposure profile of other receivables, deposits and prepayments net of allowance for impairment losses is as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Malaysian Ringgit	**336,603**	272,531	**13,039**	3,613
Australian Dollar	**7,562**	39,588	**-**	-
Singapore Dollar	**176**	171	**-**	-
Vietnamese Dong	**2,795**	4,322	**-**	-
United States Dollar	**23**	11	**-**	-
	347,159	316,623	**13,039**	3,613

19. CONTRACT COST ASSETS

	Group	
	2025	**2024**
	RM'000	**RM'000**
Contract cost assets		
Costs to fulfil contracts with customers *(Note (a))*	**181,351**	170,577
Costs to obtain contracts with customers *(Note (b))*	**7,226**	1,516
	188,577	172,093

19. CONTRACT COST ASSETS (CONT'D.)

(a) Costs to fulfil contracts with customers

	Group	
	2025 RM'000	**2024 RM'000**
At beginning of the financial year	**170,577**	423,338
Costs transferred from inventories - land held for property development *(see Note 6)*	**195,792**	477,028
Costs transferred from inventories - property development costs *(see Note 6)*	**1,110,333**	869,740
Costs incurred during the year	**674,115**	767,960
Costs recognised in profit or loss during the year	**(1,969,379)**	(2,359,577)
Exchange differences	**(87)**	(7,912)
At end of the financial year	**181,351**	170,577

(b) Costs to obtain contracts with customers

	Group	
	2025 RM'000	**2024 RM'000**
At beginning of the financial year	**1,516**	57,432
Costs incurred during the year	**14,037**	19,097
Costs recognised in profit or loss during the year	**(8,327)**	(72,674)
Exchange differences	**-**	(2,339)
At end of the financial year	**7,226**	1,516

20. SHORT-TERM DEPOSITS

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Short-term deposits with licensed banks	**511,072**	733,400	**399**	150,099

Included in short-term deposits of the Group is an amount of RM4,541,000 (2024: RM7,064,000) which has been charged to banks as security for banking facilities.

As at reporting date, the effective interest rates for the Group's short-term deposits range from 1.75% to 6.00% (2024: 2.44% to 5.77%). As at reporting date, the effective interest rates for the Company's short-term deposits range from 2.05% to 2.45% (2024: 2.45% to 3.80%). All short-term deposits have average maturity periods of 1 to 6 months.

20. SHORT-TERM DEPOSITS (CONT'D.)

The currency exposure profile of short-term deposits is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian Ringgit	**501,647**	672,403	**399**	150,099
Australian Dollar	**-**	2,626	**-**	-
Vietnamese Dong	**9,240**	58,176	**-**	-
United States Dollar	**185**	195	**-**	-
	511,072	733,400	**399**	150,099

21. CASH AND BANK BALANCES

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Cash and bank balances include monies in:				
- Cash at bank and on hand	**1,254,656**	1,528,562	**349,700**	508,051
- Housing Development Accounts	**722,228**	766,965	**-**	-
- Sinking Fund Accounts	**1,435**	2,902	**-**	-
- Debt Service Reserve Accounts	**50,585**	64,328	**1,415**	7,991
- Escrow Accounts	**25,966**	36,366	**-**	-
- Revenue Accounts	**6,195**	8,947	**-**	-
- Rights and Excess Accounts:				
Sukuk Wakalah and RCPS-i C	**9**	6	**9**	6
Total	**2,061,074**	2,408,076	**351,124**	516,048

Withdrawals from the Housing Development Accounts are restricted in accordance with the Housing Developers (Housing Development Account) Regulations 1991.

Funds maintained in the Housing Development Accounts earn interest ranging from 0.75% to 3.09% (2024: 0.82% to 2.76%) per annum.

The sinking fund, debt service reserve, escrow and revenue accounts were opened in accordance with the terms and conditions set out in the term loan agreements referred to in Note 27 below.

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21. CASH AND BANK BALANCES (CONT'D.)

The currency exposure profile of cash and bank balances is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian Ringgit	**1,907,943**	2,099,987	**336,550**	494,362
Singapore Dollar	**17,606**	38,605	**9,669**	10,055
Australian Dollar	**84,131**	231,333	**21**	21
Great British Pound	**21,819**	27,077	**3,616**	10,213
Vietnamese Dong	**26,933**	8,700	**-**	-
United States Dollar	**2,425**	2,252	**1,268**	1,397
Japanese Yen	**217**	122	**-**	-
	2,061,074	2,408,076	**351,124**	516,048

22. SHARE CAPITAL

	Group/Company			
	2025		2024	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid share capital, at no par value:				
At beginning of the year	**5,002,483**	**9,238,060**	4,354,836	8,722,775
Issuance of shares:				
Conversion from RCPS-i A *(see Note 23)*	**208**	**603**	-	-
Conversion from RCPS-i C *(see Note 23)*	**637**	**506**	647,647	515,285
At end of the year	**5,003,328**	**9,239,169**	5,002,483	9,238,060

During the financial year, the issued and paid-up ordinary share capital of the Company was increased by way of the following:

(a) Conversion of 603,236 RCPS-i A to 208,012 ordinary shares with the conversion ratio of ten (10) new S P Setia Berhad shares for twenty-nine (29) RCPS-i A held.

(b) 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.

23. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") AND ("RCPS-i C")

	Group/Company			
	2025		2024	
	Number of shares '000	Amount RM'000	Number of shares '000	Amount RM'000
Issued and fully paid RCPS-i A:				
At beginning of the year	**1,088,658**	1,087,363	**1,088,658**	1,087,363
Conversion to ordinary shares *(see Note 22)*	**(603)**	(603)	**-**	-
At end of the year	**1,088,055**	1,086,760	**1,088,658**	1,087,363
Issued and fully paid RCPS-i C:				
At beginning of the year	**541,124**	203,463	**1,897,135**	718,748
Conversion to ordinary shares *(see Note 22)*	**(1,333)**	(506)	**(1,356,011)**	(515,285)
At end of the year	**539,791**	202,957	**541,124**	203,463

RCPS-i A

The RCPS-i A issued by the Company to the shareholders are convertible at any time at the discretion of the holder commencing 2 December 2016 ("Issue Date A") up to such date no later than nine (9) market days prior to the relevant redemption date into such number of fully paid new S P Setia shares without payment of any consideration (cash or otherwise) and with the conversion ratio of two (2) new S P Setia shares for seven (7) RCPS-i A held.

The Company may at any time on or after the 15th anniversary of the Issue Date A, at its discretion, redeem all (and not some only of) the outstanding RCPS-i A in cash at the redemption price which shall be the aggregate of the issue price of RM1.00, any preferential dividends declared but unpaid as at the redemption date and any Deferred Dividends A (as defined below) as at the redemption date.

Under the Constitution, the conversion ratio for RCPS-i A is subject to adjustments from time to time, at the determination of our Board, in the event of any alteration to our Company's share capital, whether by way of rights issue, capitalisation issue, consolidation of shares, subdivision of shares or reduction of capital howsoever being affected, in accordance with the provisions of the Constitution. The conversion ratio for RCPS-i A had previously been adjusted to fifty (50) new S P Setia shares for one hundred sixty-nine (169) RCPS-i A held and subsequently readjusted to ten (10) new S P Setia shares for twenty-nine (29) RCPS-i A held, upon issuance of RCPS-i C. The effective date for the most recent adjusted conversion ratio was 3 November 2022.

23. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") AND ("RCPS-i C") (CONT'D.)

RCPS-i A (cont'd.)

The RCPS-i A confers on holders, the following rights and privileges:

(i) The right to receive preferential dividends, out of distributable profits of the Company earned from the first day of the calendar month following the Issue Date A ("Profits for RCPS-i A") when declared and approved by the Board of the Company, at an expected preferential dividend rate of 6.49%.

From the period commencing on and including the 15th anniversary of the Issue Date A until the redemption date, an additional stepped-up preferential dividend rate of 1.0% per annum above the expected rate abovementioned, shall be payable on the RCPS-i A on an annual basis, provided that the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends, if applicable) ("Expected Preferential Dividend Rate A") shall not exceed a total rate of 20%. The maximum amount of preferential dividends that can be declared and paid on each preferential dividend entitlement date ("Expected Preferential Dividend Amount A") shall be capped at such Expected Preferential Dividend Rate A unless otherwise decided by the Board of the Company.

On any preferential dividend entitlement date for RCPS-i A:

i. In the event that the Profits for RCPS-i A are lower than the Expected Preferential Dividend Amount A and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount A (in whole or in part):

(a) The Company may, at its discretion, declare and pay any amount of preferential dividends up to an amount equal to the Profits for RCPS-i A as at such preferential dividend entitlement date. The amount of Profits for RCPS-i A declared as preferential dividends by the Company on a particular preferential dividend entitlement date, if any shall be referred to as ("Declared Sum A"); and

(b) The amount equivalent to the difference between the Profits for RCPS-i A as at such preferential dividend entitlement date and Declared Sum A, shall be cumulative ("Deferred Dividends A-1"), so long as the RCPS-i A remains unredeemed.

23. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") AND ("RCPS-i C") (CONT'D.)

RCPS-i A (cont'd.)

The RCPS-i A confers on holders, the following rights and privileges: (cont'd.)

On any preferential dividend entitlement date for RCPS-i A: (cont'd.)

ii. In the event that the Profits for RCPS-i A are more than the Expected Preferential Dividend Amount A and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount A (in whole or in part), the amount equivalent to the difference between the Expected Preferential Dividend Amount A and the Declared Sum A, shall be cumulative ("Deferred Dividends A-2"), so long as the RCPS-i A remains unredeemed.

Deferred Dividends A-1 and A-2 (as the case may be) ("Deferred Dividends A") may be declared and/or paid, at the discretion of the Company, on any subsequent preferential dividend entitlement date for RCPS-i A, provided that the Cumulative Condition A (as defined below) is fulfilled on such preferential dividend entitlement date.

"Cumulative Condition A" of the RCPS-i A means on any preferential dividend entitlement date, the Company:

(a) has sufficient Profits for RCPS-i A that is at least equivalent to the aggregate of the Declared Sum A and any Deferred Dividends A accumulated as at and on such preferential dividend entitlement date;

(b) has maintained books and records that evidence the Company having Profits for RCPS-i A that is at least equivalent to the aggregate of the Declared Sum A and any Deferred Dividends A accumulated as at and on such preferential dividend entitlement date; and

(c) makes an announcement on the Main Market of Bursa Malaysia Securities Berhad that such amount of Deferred Dividends A on such preferential dividend entitlement date shall be cumulative.

Where there is no Profit for RCPS-i A available for the declaration and payment of dividends, the Company shall have no obligation to declare or distribute any preferential dividends on the relevant preferential dividend entitlement date for RCPS-i A. Such preferential dividends shall not be cumulative.

Each RCPS-i A holder will cease to receive any preferential dividends from and including the date the RCPS-i A is converted into new S P Setia shares save for preferential dividends declared but unpaid up to the date of conversion.

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23. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") AND ("RCPS-i C") (CONT'D.)

RCPS-i A (cont'd.)

The RCPS-i A confers on holders, the following rights and privileges: (cont'd.)

(ii) The rights as regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of the Company, save and except in respect of any resolution made:

i. when the preferential dividends for RCPS-i A or any part thereof is in arrears and unpaid for more than six (6) months;

ii. on a proposal to reduce the Company's share capital;

iii. on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;

iv. on a proposal to wind up the Company;

v. during the winding up of the Company; or

vi. on any proposal that affects the rights and privileges attached to the RCPS-i A, including the amendments to the Constitution of the Company.

In any of the aforesaid circumstances, each RCPS-i A holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RCPS-i A held.

23. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") AND ("RCPS-i C") (CONT'D.)

RCPS-i C

The Company had undertaken a renounceable rights issue of 2,472,010,007 RCPS-i C at an issue price of RM0.38 per share to raise gross proceeds of RM939,364,000 in the prior financial year to part settle the redemption of RCPS-i B. The RCPS-i C was issued on 24 November 2022 and listed on 30 November 2022.

The RCPS-i C issued by the Company to the shareholders are convertible at any time at the discretion of the holder commencing 30 November 2022 ("Issue Date C") up to such date no later than nine (9) market days prior to the relevant redemption date into such number of fully paid new S P Setia shares without payment of any consideration (cash or otherwise) and with the conversion ratio of thirty two (32) new S P Setia shares for sixty seven (67) RCPS-i C held.

The Company may at any time on or after the 5th anniversary of the Issue Date C, at its discretion, redeem all (and not part) the outstanding RCPS-i C in cash at the redemption price which shall be the aggregate of the issue price of RM0.38, any preferential dividends declared but unpaid as at the redemption date and any Deferred Dividends C (as defined below) as at the redemption date

The RCPS-i C confers on holders, the following rights and privileges:

(i) The right to receive preferential dividends, out of distributable profits of the Company earned from the first day of the calendar month following the Issue Date C ("Profits for RCPS-i C") when declared and approved by the Board of the Company, at an expected preferential dividend rate of 5.43%.

From the period commencing on and including the 5th anniversary of the Issue Date C until the redemption date, an additional stepped-up preferential dividend rate of 1.0% per annum above the expected rate mentioned above, shall be payable on the RCPS-i C on an annual basis, provided that the aggregate of the expected preferential dividend rate (including the stepped-up preferential dividends, if applicable) ("Expected Preferential Dividend Rate C") shall not exceed a total rate of 20%. The maximum amount of preferential dividends that can be declared and paid on each preferential dividend entitlement date ("Expected Preferential Dividend Amount C") shall be capped at such Expected Preferential Dividend Rate C unless otherwise decided by the Board of the Company.

On any preferential dividend entitlement date for RCPS-i C:

i. In the event that the Profits for RCPS-i C are lower than the Expected Preferential Dividend Amount C and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount C (in whole or in part):

(a) The Company may, at its discretion, declare and pay any amount of preferential dividends up to an amount equal to the Profits for RCPS-i C as at such preferential dividend entitlement date. The amount of Profits for RCPS-i C declared as preferential dividends by the Company on a particular preferential dividend entitlement date, if any shall be referred to as ("Declared Sum C"); and

(b) The amount equivalent to the difference between the Profits for RCPS-i C as at such preferential dividend entitlement date and Declared Sum C, shall be cumulative ("Deferred Dividends C-1"), so long as the RCPS-i C remains unredeemed.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

23. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") AND ("RCPS-i C") (CONT'D.)

RCPS-i C (cont'd.)

The RCPS-i C confers on holders, the following rights and privileges:(cont'd.)

ii. In the event that the Profits for RCPS-i C are more than the Expected Preferential Dividend Amount C and the Company does not declare the preferential dividends up to the Expected Preferential Dividend Amount C (in whole or in part), the amount equivalent to the difference between the Expected Preferential Dividend Amount C and the Declared Sum C, shall be cumulative ("Deferred Dividends C-2"), so long as the RCPS-i C remains unredeemed.

Deferred Dividends C-1 and C-2 (as the case may be) ("Deferred Dividends C") may be declared and/or paid, at the discretion of the Company, on any subsequent preferential dividend entitlement date for RCPS-i C, provided that the Cumulative Condition C (as defined below) is fulfilled on such preferential dividend entitlement date.

"Cumulative Condition C" of the RCPS-i C means on any preferential dividend entitlement date, the Company:

(a) has sufficient Profits for RCPS-i C that is at least equivalent to the aggregate of the Declared Sum C and any Deferred Dividends C accumulated as at and on such preferential dividend entitlement date;

(b) has maintained books and records that evidence the Company having Profits for RCPS-i C that is at least equivalent to the aggregate of the Declared Sum C and any Deferred Dividends C accumulated as at and on such preferential dividend entitlement date; and

(c) makes an announcement on the Main Market of Bursa Malaysia Securities Berhad that such amount of Deferred Dividends C on such preferential dividend entitlement date shall be cumulative.

Where there is no Profit for RCPS-i C available for the declaration and payment of dividends, the Company shall have no obligation to declare or distribute any preferential dividends on the relevant preferential dividend entitlement date for RCPS-i C. Such preferential dividends shall not be cumulative.

Each RCPS-i C holder will cease to receive any preferential dividends from and including the date the RCPS-i C is converted into new S P Setia Shares save for preferential dividends declared but unpaid up to the date conversion.

23. ISLAMIC REDEEMABLE CONVERTIBLE PREFERENCE SHARES ("RCPS-i A") AND ("RCPS-i C") (CONT'D.)

RCPS-i C (cont'd.)

The RCPS-i C confers on holders, the following rights and privileges:(cont'd.)

(ii) The rights as regards to the receipt of notices (including that of general meetings), reports and audited financial statements, to attend meetings and to receive shareholders' resolutions in writing, but shall not be entitled to vote or approve any shareholders' resolutions or vote at any general meeting of the Company, save and except in the respect of any resolution made:

i. when the preferential dividends for RCPS-i C or any part thereof is in arrears and unpaid for more than six (6) months;

ii. on a proposal to reduce the Company's share capital;

iii. on a proposal for the disposal of substantially the whole of the Company's property, business and undertaking;

iv. on a proposal to wind up the Company;

v. during the winding up of the Company; or

vi. on any proposal that affects the rights and privileges attached to the RCPS-i C, including the amendments to the Constitution of the Company.

In any of the aforesaid circumstances, each RCPS-i C holder shall be entitled to vote at all general meetings of the members of its class, and on a poll at any such general meetings to one (1) vote for each RCPS-i C held.

24. RESERVES

(a) Reserve on acquisition arising from common control

	Group	
	2025 RM'000	**2024 RM'000**
Reserve on acquisition arising from common control	**(1,295,884)**	(1,295,884)

This represents the difference between the consideration payable on the acquisition of I & P Group Sdn. Berhad in prior years in excess of the equity of I & P Group Sdn. Berhad arising as a result of the application of the pooling of interests method of accounting whereby assets, liabilities and reserves of the entities are recorded at their pre-combination carrying amounts or existing carrying amounts from the perspective of common control shareholder.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

24. RESERVES (CONT'D.)

(b) Exchange translation reserve

The exchange translation reserve represents exchange differences arising from the translation of the financial statements of all entities within the Group whose functional currencies are different from the Group's presentation currency.

Also included in this reserve at Group level are the exchange translation gain/loss relating to monetary items that forms part of a reporting entity's net investment in a foreign operation and those qualifying as net investment hedge. Details of net investment hedge effectiveness recognised in the exchange translation reserve is disclosed in Note 44(b).

25. REDEEMABLE CUMULATIVE PREFERENCE SHARES (UNSECURED)

The redeemable cumulative preference shares ("RCPS") issued by subsidiaries of the Company ("the Subsidiaries") are redeemable at any time at the discretion of the Subsidiaries after 5th anniversary but before the 8th to 15th anniversary of the respective issue dates, provided always that the redemption sum to be determined shall not be less than RM1.00 and any amount of dividend payable on the redemption date (including the aggregate amount of any arrears or accruals of dividend, whether or not declared, at the time of redemption).

The preference shares confer on their holders the following rights and privileges:

(i) The right to be paid, a cumulative preferential dividend of 4% per annum on the issue price, or at 500% per annum gross based on its nominal value;

(ii) The right in a winding up or return of capital (other than on the redemption of the preference shares) to receive, in priority to the holders of any other class of shares in the capital of the Subsidiaries, repayment in full of RM1.00 and the payment of any cumulative preferential dividend calculated up to the date of commencement of the winding up or return of capital, but no further right to share in surplus assets; and

(iii) The right to receive notice of and attend all general meetings of the Subsidiaries, and shall have the right on a poll at any general meeting of the Subsidiaries to one vote for each preference share held:

(a) upon any resolution which varies or is deemed to vary the rights attached to the preference shares;

(b) upon any resolution for the reduction of capital of the Subsidiaries; and

(c) upon any resolution for the winding up of the Subsidiaries,

but shall otherwise have no right to vote at general meetings of the Subsidiaries.

26. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Non-current				
Consideration payable for acquisition of development land	**86,188**	80,522	**-**	-
Current				
Unsecured advances	**10,136**	14,027	**-**	-
Interest accrued	**22,079**	10,565	**13,216**	14,565
Deposits received	**85,675**	72,921	**-**	-
Consideration payable for acquisition of development land	**231,753**	231,758	**-**	-
Accrued selling and marketing costs	**92,389**	103,863	**-**	-
Other sundry payables and accruals	**373,008**	454,061	**32,882**	23,884
	815,040	887,195	**46,098**	38,449
Total	**901,228**	967,717	**46,098**	38,449

The non-current consideration payable for the acquisition of development land refers to consideration payable to vendors of Setia Eco Templer and Setia Alamsari projects. The current consideration payable for acquisition of development land pertains to amounts payable by KL Eco City Sdn Bhd and Setia Federal Hill Sdn Bhd to Dewan Bandaraya Kuala Lumpur ("DBKL") and Kementerian Kesihatan Malaysia ("KKM") respectively.

The unsecured advances are from non-controlling shareholders of subsidiary companies. These advances are interest free and payable on demand.

The currency exposure profile of other payables and accruals is as follows:

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Malaysian Ringgit	**872,546**	929,823	**46,098**	37,556
Vietnamese Dong	**1,300**	8,811	**-**	-
Singapore Dollar	**673**	1,328	**-**	-
Australian Dollar	**26,628**	13,306	**-**	-
Great British Pound	**-**	913	**-**	893
Japanese Yen	**57**	13,524	**-**	-
United States Dollar	**24**	12	**-**	-
	901,228	967,717	**46,098**	38,449

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

27. BORROWINGS

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Non-current				
Secured:				
Term loans	**1,468,416**	1,740,862	**-**	-
Bridging loans	**135,323**	130,153	**-**	-
Medium term notes and commercial paper *(Note b)*	**800,447**	722,084	**-**	-
Hire purchase and finance lease *(Note a)*	**148**	279	**-**	-
Unsecured:				
Term loans	**135,840**	794,207	**-**	-
Sukuk Wakalah *(Note c)*	**2,346,869**	2,995,122	**2,346,869**	2,995,122
	4,887,043	6,382,707	**2,346,869**	2,995,122
Current				
Secured:				
Term loans	**496,428**	167,149	**-**	-
Bridging loans	**167,324**	190,554	**-**	-
Revolving credits	**241,563**	435,790	**-**	-
Medium term notes and commercial paper *(Note b)*	**23,425**	73,530	**-**	-
Hire purchase and finance lease *(Note a)*	**131**	131	**-**	-
Bank overdrafts	**-**	21,129	**-**	-
Unsecured:				
Term loans	**776,558**	859,819	**-**	720,959
Revolving credits	**476,000**	446,000	**475,000**	445,000
Commercial paper	**200,000**	-	**200,000**	-
Sukuk Wakalah *(Note c)*	**649,733**	-	**649,733**	-
Bank overdrafts	**-**	9,647	**-**	9,647
	3,031,162	2,203,749	**1,324,733**	1,175,606
Total borrowings	**7,918,205**	8,586,456	**3,671,602**	4,170,728
The borrowings are repayable as follows:				
Not later than one year	**3,031,162**	2,203,749	**1,324,733**	1,175,606
Later than one year but not later than five years	**3,845,977**	5,103,372	**2,097,286**	2,346,411
Later than five years	**1,041,066**	1,279,335	**249,583**	648,711
	7,918,205	8,586,456	**3,671,602**	4,170,728

27. BORROWINGS (CONT'D.)

Note a	Group 2025 RM'000	Group 2024 RM'000
The minimum lease payments are as follows:		
Not later than one year	**161**	161
Later than one year but not later than five years	**176**	341
Total minimum lease payments	**337**	502
Amount representing finance charges	**(58)**	(92)
Present value of minimum lease payment	**279**	410
The present value of payments are as follows:		
Not later than one year	**131**	131
Later than one year but not later than five years	**148**	279
Present value of minimum lease payments	**279**	410

The range of interest rates per annum at the reporting date for borrowings are as follows:

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Term loans	**4.28 - 6.98**	1.07 - 9.51	**-**	4.51 - 9.51
Bridging loans	**4.89 - 4.91**	4.56 - 5.65	**-**	-
Revolving credits	**3.98 - 4.73**	4.26 - 5.05	**4.02 - 4.80**	4.44 - 4.75
Medium term notes and commercial paper	**3.30 - 4.92**	5.18 - 5.49	**3.30**	-
Hire purchase and finance lease	**4.50**	4.50	**-**	-
Bank overdrafts	**-**	4.14 - 4.80	**-**	4.38 - 4.51
Sukuk Wakalah	**4.38**	3.85 - 4.80	**4.38**	3.85 - 4.80

The borrowings are secured by:

- various fixed and floating charges and deeds of assignment over various assets belonging to the Group, including properties as indicated in Notes 2, 4 and 6 above; and
- short-term deposits, sinking fund, debt service reserve, escrow and revenue accounts as indicated in Notes 20 and 21 above.

Note b

Medium Term Notes ("MTN") and Commercial Paper ("CP")

In prior years, Setia Alamsari Sdn Bhd ("Setia Alamsari"), a wholly-owned subsidiary of the Group, had issued Islamic MTN ("Sukuk Murabahah")("Alamsari MTN") with a total nominal value of RM358 million pursuant to a Sukuk Murabahah Programme (the "Programme"). The Programme, which has a tenure of 10 years from the date of first issuance is to partially finance the purchase consideration of parcels of land acquired by Setia Alamsari in the prior years and its related land conversion premium. Setia Alamsari had upsized MTN from RM358 million to RM 556 million in previous year.

27. BORROWINGS (CONT'D.)

Note b (cont'd.)

Medium Term Notes ("MTN") and Commercial Paper ("CP") (cont'd.)

The interest payment is due every quarter with a profit rate of between 4.97% to 5.46% (2024: 5.22% to 5.49%) per annum, commencing from the issue date of the Alamsari MTN.

The Alamsari MTN is secured by:

(i) First party first legal charge over the freehold land of Setia Alamsari held under inventories as disclosed in Note 6;

(ii) Corporate guarantee from the Company;

(iii) Takaful and insurance, and

(iv) First ranking charge over the Finance Service Reserve Account and Designated Accounts.

As at 31 December 2025, the outstanding amount of the Alamsari MTN is RM306 million (2024: RM296 million).

In prior years, a wholly-owned subsidiary of the Group, Setia Fontaines Sdn Bhd ("Setia Fontaines") issued Islamic MTN ("Sukuk Murabahah")("Setia Fontaines MTN") amounting to RM434 million pursuant to a Sukuk Murabahah Programme of up to RM434 million in nominal value ("Sukuk Murabahah Programme") to finance the purchase of freehold land acquired by Setia Fontaines. Setia Fontaines had subsequently upsized the existing Sukuk Murabahah Programme to RM2.5 billion in nominal value with approved subscription of up to RM749 million. The Sukuk Murabahah Programme comprises of 4 Tranches with the purpose to redeem the Tranche 1 of the Sukuk Murabahah Programme of RM434 million and to partly finance the construction and development cost to be incurred by Setia Fontaines on its land held under Mukim 6, Daerah Seberang Perai Utara, Pulau Pinang. The Sukuk Murabahah Programme has a tenure between 10 to 12 years from the date of the first issuance.

The profit payment is due every month with the profit rate between 4.72% to 5.18% (2024: 5.18% to 5.23%) per annum, commencing from the issuance date of the Setia Fontaines MTN.

The Setia Fontaines MTN is secured by:

(i) First legal charge created over the freehold land of Setia Fontaines under inventories as disclosed in Note 6;

(ii) Corporate guarantee by the Company;

(iii) Legal charge over designated accounts; and

(iv) Assignment and legal charge over redemption proceeds account.

As at 31 December 2025, the outstanding amount of the Setia Fontaines MTN is RM517 million (2024: RM499 million).

27. BORROWINGS (CONT'D.)

Note c

Islamic Medium Term Notes ("Sukuk Wakalah")

On 4 May 2021, the Company made a lodgement to the Securities Commission Malaysia ("SC") for the establishment of a rated Islamic Medium Term Notes Programme of up to RM3.0 billion in nominal value under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme") under the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

The Sukuk Wakalah Programme allows for the issuance of rated and senior unsecured sukuk ("Sukuk Wakalah") from time to time, subject to total outstanding amount of Sukuk Wakalah not exceeding RM3.0 billion at any point in time. The Sukuk Wakalah Programme has been accorded a credit rating of AAIS by Malaysian Rating Corporation Berhad.

The issued tranches of Sukuk Wakalah are as follows:

Tranche	Issuance Date	Amount (RM Million)	Tenure	Periodic Distribution Rate (per annum)
1	25 June 2021	500	5 Years	3.85%
2	25 June 2021	300	7 Years	4.30%
3	21 April 2022	350	5 Years	4.22%
4	21 April 2022	600	7 Years	4.67%
5	21 April 2022	250	10 Years	4.80%
6	23 June 2023	150	3 Years	4.30%
7	23 June 2023	450	5 Years	4.41%
8	23 June 2023	400	7 Years	4.56%
		3,000		

The proceeds raised from the issuance of these Sukuk Wakalah was utilised for refinancing and repayment of existing borrowings of the Group.

The currency exposure profile of borrowings is as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Malaysian Ringgit	**6,317,737**	6,795,052	**3,671,602**	3,825,269
Great British Pound	**744,102**	1,103,906	**-**	345,459
Australian Dollar	**823,910**	620,607	**-**	-
Japanese Yen	**-**	31,131	**-**	-
United States Dollar	**32,456**	35,760	**-**	-
	7,918,205	8,586,456	**3,671,602**	4,170,728

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28. LEASE LIABILITIES

	Group	
	2025 RM'000	2024 RM'000
Non-current		
Lease liabilities	**9,353**	2,021
Current		
Lease liabilities	**5,126**	806
Total lease liabilities	**14,479**	2,827

The movement of lease liabilities during the financial year is as follows:

	Group	
	2025 RM'000	2024 RM'000
At beginning of the year	**2,827**	3,925
Additions	**14,597**	-
Interest:		
- Charge for the year	**182**	154
Payments of:		
- Principal	**(989)**	(906)
- Interest	**(110)**	(172)
Early termination of lease contracts	**(2,011)**	-
Exchange differences	**(17)**	(174)
At end of the year	**14,479**	2,827

The Group has leases of buildings used as office premises and storage facilities as well as leases of plant and machinery. Leases are generally entered into a fixed period ranging from 3 to 5 years.

29. TRADE PAYABLES

	Group	
	2025 **RM'000**	**2024** **RM'000**
Contractors' claims	**150,767**	176,500
Retention sums	**291,703**	305,112
Accrued construction costs	**978,329**	1,001,719
Others	**51,575**	67,527
	1,472,374	1,550,858

The normal credit terms extended by contractors and suppliers range from 7 to 60 days (2024: 7 to 60 days). The retention sums are repayable upon the expiry of the defect liability period.

Other trade payables are required to be settled within 14 to 60 days (2024: 14 to 60 days).

Included under accrued construction cost are provisions for affordable housing obligation of RM222,274,000 (2024: RM229,827,000) and provision for cost to complete projects of RM456,800,000 (2024: RM419,354,000). During the current year, with respect to affordable housing there were net additions and utilisation amounting to RM24,839,000 and RM32,391,000 (2024: RM13,257,000 and RM52,558,000) respectively whilst for provision for cost to complete projects, RM69,212,000 and RM31,767,000 (2024: RM134,086,000 and RM28,134,000) respectively.

The currency exposure profile of trade payables is as follows:

	Group	
	2025 **RM'000**	**2024** **RM'000**
Malaysian Ringgit	**1,466,510**	1,531,955
Singapore Dollar	**-**	12,717
Vietnamese Dong	**5,375**	1,593
Australian Dollar	**489**	4,593
	1,472,374	1,550,858

Retention sums are expected to be settled as follows:

	Group	
	2025 **RM'000**	**2024** **RM'000**
- not later than one year	**73,581**	105,556
- later than one year	**218,122**	199,556
	291,703	305,112

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30. REVENUE

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Sale of development properties	**3,995,818**	5,026,993	**-**	-
Construction and other revenue	**222,025**	266,575	**-**	-
Gross dividend from subsidiary companies	**-**	-	**969,016**	978,469
	4,217,843	5,293,568	**969,016**	978,469
Revenue from contracts with customers	**4,166,884**	5,246,353	**-**	-
Revenue from other sources of income	**50,959**	47,215	**969,016**	978,469
	4,217,843	5,293,568	**969,016**	978,469
Disaggregation of the revenue from contracts with customers:				
Timing of revenue recognition:				
At a point in time	**1,482,782**	2,783,685	**-**	-
Over time	**2,684,102**	2,462,668	**-**	-
	4,166,884	5,246,353	**-**	-

Key sources of estimation uncertainty - Revenue recognition of property development activities

The terms of the property development contracts and the laws that apply to these contracts, will determine whether the control of the properties sold is transferred and the corresponding revenue is recognised over time or at a point in time.

The Group recognises certain of its property development activities over time or based on the percentage of completion method using the input method which is based on the actual cost incurred to date on the property development project as compared to the total budgeted cost for the respective development projects.

Significant judgement is required in determining the progress towards complete satisfaction of the performance obligation and this includes determining the extent of property development costs incurred and the total estimated costs of property development, which in turn is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group. In making these judgements, management relies on past experience and the work of specialists.

31. COST OF SALES

	Group	
	2025 RM'000	2024 RM'000
Cost of properties sold	**2,431,449**	3,277,048
Construction and other cost of sales	**123,310**	215,397
	2,554,759	3,492,445

32. OTHER INCOME

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Interest income from:				
- subsidiary companies	**-**	-	**194,681**	196,712
- joint ventures	**13,352**	9,015	**-**	185
- associated company	**187**	-	**-**	-
- deposits and short-term funds	**26,988**	27,714	**2,323**	3,691
- deferred payment scheme	**129**	6,412	**-**	-
- financial assets measured at amortised cost	**-**	-	**401**	381
- other bank accounts	**46,120**	48,335	**9,450**	6,490
Rental income from:				
- investment properties	**63,984**	64,991	**-**	-
- other operating leases	**37,799**	22,181	**-**	-
Hotel income	**37,573**	35,989	**-**	-
Reversal of impairment losses on:				
- intercompanies	**-**	-	**11,456**	-
Gain on disposal of investment properties	**3,929**	1,199	**-**	-
Gain on disposal of property, plant and equipment	**2,651**	53,484	**96**	1
Gain on fair value adjustment of investment properties	**45,691**	2,629	**-**	592
Forfeiture income	**7,138**	25,679	**-**	-
Gain on liquidation of subsidiary companies	**1,234**	-	**-**	-
Gain on disposal of associated company	**8,479**	-	**-**	-
Gain on foreign exchange				
- realised	**-**	4,082	**-**	5,144
- unrealised	**-**	7,497	**-**	30,819
Management fee	**-**	-	**95,623**	74,611
Gain on disposal of joint ventures	**-**	56,346	**-**	53,309
Others	**17,571**	12,571	**7,601**	7,102
	312,825	378,124	**321,631**	379,037

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33. FINANCE COSTS

	Group		Company	
	2025 **RM'000**	**2024** **RM'000**	**2025** **RM'000**	**2024** **RM'000**
Interest on:				
- bank overdrafts	**930**	593	**49**	55
- revolving credits	**31,264**	29,672	**19,827**	20,118
- bridging loans	**816**	1,902	**-**	-
- term loans	**176,233**	242,576	**23,085**	74,245
- hire purchase and finance lease	**30**	34	**-**	-
- Sukuk Wakalah	**117,196**	100,060	**131,475**	131,475
- unwinding of discount	**-**	-	**7,897**	10,734
Preference share dividend	**1,734**	1,734	**-**	-
Interest expense to subsidiary companies	**-**	-	**27,009**	30,327
Interest expense on financial liabilities measured at amortised cost	**1,199**	1,282	**-**	-
Interest expense on lease liabilities				
- charge for the year	**182**	154	**-**	-
Amortisation of transaction costs on borrowings	**9,485**	2,516	**1,480**	1,447
Others	**3,960**	3,619	**567**	461
	343,029	384,142	**211,389**	268,862

34. PROFIT BEFORE TAX

	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Profit before tax is stated after charging:				
Fees for statutory audits:				
Current year:				
- Ernst & Young PLT, Malaysia	**2,294**	2,117	**213**	185
- member firms of Ernst & Young Global	**639**	725	**-**	-
- other auditors	**676**	767	**-**	-
Other non-audit services:				
- Ernst & Young PLT, Malaysia	**379**	349	**13**	12
Amortisation of intangible assets	**1,372**	942	**838**	409
Bad debts written off	**407**	207	**35**	-
Allowance for impairment loss on receivables	**27,270**	21,682	**47,330**	99,828
Allowance for impairment loss on advances to joint venture	**6,791**	-	**-**	-
Reversal of allowance for impairment loss:				
- trade receivables	**(168)**	(1,716)	**-**	-
- other receivables	**-**	(280)	**-**	-
Depreciation:				
- property, plant and equipment	**37,819**	44,131	**1,508**	1,376
- right-of-use - property, plant and equipment	**863**	982	**-**	-
Direct operating expenses on:				
- income generating investment properties	**19,527**	17,732	**-**	-
- non-income generating investment properties	**9**	8	**9**	8
Directors' remuneration				
- Company's Directors:				
- fees and other emoluments	**8,132**	6,936	**8,132**	6,936
- Other key management personnel:				
- fees and other emoluments	**7,845**	5,913	**2,802**	2,519
Property, plant and equipment written off	**59**	104	**-**	-
Write-down in value of completed properties	**11,759**	5,991	**-**	-
Write-down of land held for property development	**187,825**	14,606	**-**	-
Write-down of other inventories	**-**	6,363	**-**	-
Reversal of write-down of completed properties	**-**	(25)	**-**	-
Impairment loss on investment in subsidiary companies	**-**	-	**443,274**	424,406

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For The Financial Year Ended 31 December 2025

34. PROFIT BEFORE TAX (CONT'D.)

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Loss on fair value adjustment of right-of-use-investment properties	**3,465**	8,755	**-**	-
Loss on liquidation of subsidiary companies	**-**	19	**354**	82
Expenses relating to leases:				
- short-term leases	**1,273**	288	**7,429**	7,008
- low value assets	**1,636**	1,359	**630**	228
Loss/(gain) on foreign exchange:				
- realised	**223**	-	**1,643**	-
- unrealised	**11,545**	-	**(720)**	-

Directors' and other key management personnel's remuneration do not include the estimated monetary value of benefits-in-kind as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Company's Directors	**726**	697	**726**	697
Other key management personnel	**486**	537	**148**	198

35. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2025	**2024**	**2025**	**2024**
	RM'000	**RM'000**	**RM'000**	**RM'000**
Expensed off during the year	**270,435**	269,438	**96,773**	75,128
Capitalised during the year	**31,193**	39,042	**-**	-
	301,628	308,480	**96,773**	75,128

Included in employee benefits expense that was expensed off during the year is an amount of RM32,373,000 (2024: RM34,710,000) accounted for under cost of sales.

35. EMPLOYEE BENEFITS EXPENSE (CONT'D.)

The employee benefit expenses which include the remuneration of Directors and key management personnel are as follows:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Salaries, bonus and other emoluments	**247,753**	231,623	**77,237**	58,454
Employee severance benefit	**1,693**	21,882	**-**	-
Defined contribution plan	**18,240**	21,483	**8,727**	6,313

36. TAXATION

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) addresses the tax challenges arising from the digitalisation of the global economy. The Global Anti-Base Erosion Model Rules (Pillar Two model rules) apply to multinational enterprises (MNEs) with annual revenue in excess of EUR 750 million per their consolidated financial statements.

The Pillar Two model rules introduce new taxing mechanisms under which MNEs would pay a minimum level of tax (the Minimum Tax):

- The Qualified Domestic Minimum Top-up Tax (QDMTT)
- The Income Inclusion Rule (IIR)

The new taxing mechanisms can impose a minimum tax on the income arising in each jurisdiction in which an MNE operates. The IIR and QDMTT do so by imposing a top-up tax in a jurisdiction whenever the effective tax rate (ETR), determined on a jurisdictional basis under the Pillar Two rules, is below a 15% minimum rate.

On 23 May 2023, the International Accounting Standards Board issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12 (the Amendments). The Amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the OECD, including tax law that implements a QDMTT. The Group has adopted these amendments, which introduce:

- A mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation.

The Pillar Two model rules were effective in Vietnam and Australia starting from 1 January 2024. According to these rules, the Group is considered a multinational enterprise to which the Pillar Two rules shall be applied. At the same time, Pillar Two legislation has been enacted or substantively enacted in several other jurisdictions in which the Group operates effective for the financial year beginning 1 January 2025. The Group applies the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Notes to the Financial Statements

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36. TAXATION (CONT'D.)

The Group has performed an assessment of potential exposure to Pillar Two income taxes for the financial year ended 31 December 2025 across all jurisdictions in which it operates, using current-year financial reporting data. Based on this assessment, the Group has identified that it meets the Transitional CbCR Safe Harbour for the jurisdictions in which it operates. Accordingly, the Group's estimated Pillar Two top-up tax for the year ended 31 December 2025 is nil.

This conclusion does not eliminate the administrative burdens associated with Pillar Two implementation and is subject to interpretative uncertainties as jurisdictions continue to issue guidance and administrative practices evolve.

The Group continues to follow Pillar Two legislative developments, as further countries enact the Pillar Two model rules, to evaluate the potential future impact on its consolidated results of operations, financial position and cash flows.

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Income tax:				
In respect of current year				
- Malaysian income tax	**427,002**	388,661	**23,087**	19,875
- foreign income tax	**3,257**	30,787	**-**	-
	430,259	419,448	**23,087**	19,875
Over provision in prior years				
- Malaysian income tax	**(1,572)**	(13,149)	**(83)**	(70)
- foreign income tax	**(289)**	(7,283)	**-**	-
	(1,861)	(20,432)	**(83)**	(70)
	428,398	399,016	**23,004**	19,805
Deferred tax:				
- Origination and reversal of temporary differences	**(52,684)**	66,282	**(942)**	(1,114)
- (Over)/Under provision in prior years	**(12,091)**	21,270	**(34)**	-
	(64,775)	87,552	**(976)**	(1,114)
Real Property Gain Tax	**-**	3,491	**-**	-
Capital Gain Tax	**1,900**	1,189	**-**	1,189
	365,523	491,248	**22,028**	19,880

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2024: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

36. TAXATION (CONT'D.)

The provision for taxation differs from the amount of taxation determined by applying the applicable statutory tax rate on the profit before tax as a result of the following differences:

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Accounting profit (excluding share of results in joint ventures and associated companies)	**1,070,758**	1,248,139	**454,942**	454,773
Taxation at 24% tax rate	**256,982**	299,553	**109,186**	109,146
Tax effects arising from:				
Non-deductible expenses	**135,890**	78,742	**145,523**	144,408
Non-taxable income:				
- interest income	**(982)**	(2,305)	**-**	-
- single tier dividend income	**-**	-	**(232,564)**	(234,710)
- others	**(16,673)**	(5,277)	**-**	-
Deferred tax assets not recognised	**10,112**	103,597	**-**	-
Recognition and utilisation of tax losses brought forward from previous years, not previously recognised	**(3,021)**	(972)	**-**	-
Effect on different tax rate used	**(2,503)**	11,949	**-**	-
Deferred tax on fair value of investment properties at real property gain tax rate	**(2,230)**	443	**-**	(83)
(Over)/Under provision in prior years:				
- income tax	**(1,861)**	(20,432)	**(83)**	(70)
- deferred tax	**(12,091)**	21,270	**(34)**	-
Effect on Real Property Gain Tax	**-**	3,491	**-**	-
Effect on Capital Gain Tax	**1,900**	1,189	**-**	1,189
	365,523	491,248	**22,028**	19,880

The Company is on the single tier income tax system; accordingly the entire retained earnings of the Company is available for distribution by way of dividend without incurring additional tax liability.

The carrying amounts of the Group's and the Company's tax assets as at 31 December 2025 were RM77,525,000 and RM Nil (2024: RM57,759,000 and RM1,125,000) respectively.

The carrying amounts of the Group's and the Company's tax liabilities as at 31 December 2025 was RM139,373,000 and RM6,143,000 (2024: RM94,252,000 and RM Nil) respectively.

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36. TAXATION (CONT'D.)

Key sources of estimation uncertainty - Income taxes

Significant judgement is involved in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group and the Company recognise liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

37. EARNINGS PER SHARE

Basic earnings per share

The basic earnings per share for the year 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 for the year, divided by the weighted average number of shares in issue as follows:

	Group	
	2025 **'000**	**2024** **'000**
Profit attributable to owners of the Company (RM)	**509,955**	575,954
- less: RCPS-i A preferential dividends (RM)	**(70,654)**	(70,654)
- less: RCPS-i C preferential dividends (RM)	**(11,141)**	(26,134)
Adjusted profit attributable to equity holders of the Company (RM)	**428,160**	479,166
Number of ordinary shares at beginning of the year	**5,002,484**	4,354,837
Weighted average effect of shares issued pursuant to:		
- conversion of RCPS-i A into ordinary shares	**48**	-
- conversion of RCPS-i C into ordinary shares	**492**	360,954
Weighted average number of ordinary shares	**5,003,024**	4,715,791
Basic Earnings Per Share (sen)	**8.56**	10.16

37. EARNINGS PER SHARE (CONT'D.)

Diluted earnings per share

The diluted earnings per share for the year 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 for the year, 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, as follows:

	Group	
	2025 '000	**2024 '000**
Profit attributable to owners of the Company (RM)	**509,955**	575,954
- less: RCPS-i A preferential dividends (RM)	**(70,654)**	(70,654)
- less: RCPS-i C preferential dividends (RM)	**(11,141)**	(26,134)
Adjusted profit attributable to equity holders of the Company (RM)	**428,160**	479,166
Weighted average number of ordinary shares calculated above	**5,003,024**	4,715,791
Effect of potential exercise of RCPS-i C	**257,810**	258,446
Adjusted weighted average number of ordinary shares that would have been in issue	**5,260,834**	4,974,237
Diluted Earnings Per Share (sen)	**8.14**	9.63

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.

38. DIVIDENDS

	2025 RM'000	**2024 RM'000**
Ordinary Shares Dividends		
In respect of the financial year ended 31 December 2024		
Single-tier dividend of 2.88 sen per share:		
- Payment in cash	**144,087**	-
In respect of the financial year ended 31 December 2023		
Single-tier dividend of 1.34 sen per share:		
- Payment in cash	**-**	59,674
	144,087	59,674

Subsequent to 31 December 2025, the Directors declared a single tier dividend of 2.55 sen per ordinary share for the financial year ended 31 December 2025. The financial statements for the current financial year do not reflect this proposed dividend. It will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2026.

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38. DIVIDENDS (CONT'D.)

	2025 RM'000	2024 RM'000
Preferential Dividends		
In respect of the financial period from 1 July 2023 to 31 December 2023		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	**-**	35,327
- RCPS-i C preferential dividend of 5.43% per annum, payment in cash	**-**	17,446
In respect of the financial period from 1 January 2024 to 30 June 2024		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	**-**	35,327
- RCPS-i C preferential dividend of 5.43% per annum, payment in cash	**-**	8,688
In respect of the financial period from 1 July 2024 to 31 December 2024		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	**35,327**	-
- RCPS-i C preferential dividend of 5.43% per annum, payment in cash	**5,572**	-
In respect of the financial period from 1 January 2025 to 30 June 2025		
- RCPS-i A preferential dividend of 6.49% per annum, payment in cash	**35,327**	-
- RCPS-i C preferential dividend of 5.43% per annum, payment in cash	**5,569**	-
	81,795	96,788

Subsequent to 31 December 2025, the Directors declared a preferential dividend of 6.49% per annum in respect of the RCPS-i A and 5.43% per annum in respect of the RCPS-i C for financial period from 1 July 2025 to 31 December 2025. The financial statements for the current financial year do not reflect this proposed dividend. It will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2026.

39. RELATED PARTY DISCLOSURES

In addition to related party disclosures elsewhere in the financial statements, set out below are the other related party disclosures. The following significant related party transactions took place at terms agreed between the parties during the financial year:

(a) Significant related party transactions during the financial year are as follows:

	Transaction value			
	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Transactions with subsidiary companies				
Interest received and receivable	**-**	-	**194,681**	196,712
Interest paid and payable	**-**	-	**27,009**	30,327
Event service fee paid and payable	**-**	-	**1,142**	1,044
Dividend received and receivable	**-**	-	**969,016**	978,469
Staff secondment fee received and receivable	**-**	-	**7,348**	6,904
Group management fee received and receivable	**-**	-	**95,623**	74,611
Rental paid and payable	**-**	-	**7,429**	7,008
Transactions with associated companies				
Dividend received and receivable	**13,070**	11,030	**-**	-
Transactions with joint ventures				
Management fee received and receivable	**3,895**	3,495	**-**	-
Interest received and receivable	**13,352**	9,015	**-**	185
Staff secondment fee received and receivable	**380**	359	**-**	-
Event and marketing fee received and receivable	**18**	110	**-**	-
Rental paid and payable	**590**	-	**-**	-
Dividend received and receivable	**12,728**	2,372	**-**	-

39. RELATED PARTY DISCLOSURES (CONT'D.)

(a) Significant related party transactions during the financial year are as follows: (cont'd.)

	Transaction value			
	Group		Company	
	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Transactions with related company				
Management fee received and receivable	**-**	2,358	**-**	-
Transactions with Directors of the Company, members of their family and company in which they have interests				
Rental and amenities to a Director of the Company	**14**	-	**-**	-
Sale of property to a close family member of Directors of the Company	**270**	-	**-**	-
Sale of properties to Directors of the Company	**-**	3,862	**-**	-
Sale of properties to a former Director of the Company	**4,097**	-	**-**	-

	Transaction value	
	Group	
	2025 RM'000	2024 RM'000
Transactions with Directors of subsidiary companies, key senior management and close family members of the Directors		
Sale of properties to Directors of subsidiary companies	**6,029**	10,138
Sale of properties to key senior management	**6,853**	10,084

Transactions with shareholders and Government

Permodalan Nasional Berhad ("PNB") and Amanahraya Trustees Berhad – Amanah Saham Bumiputera ("ATR-ASB"), both government-linked entities, are the substantial shareholders of the Company, with direct shareholding of 20.88% and 19.78% respectively (2024: 20.88% and 20.47%). PNB, ATR-ASB and entities directly controlled by PNB are collectively referred to as government-related entities to the Group and the Company.

The transactions entered into with these government-linked corporations have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

39. RELATED PARTY DISCLOSURES (CONT'D.)

(b) Key management personnel remuneration

	Group		Company	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Directors				
Fees, salaries, bonuses and other emoluments	**7,771**	6,547	**7,771**	6,547
Estimated monetary value of benefits-in-kind	**726**	697	**726**	697
Total short-term employee benefits	**8,497**	7,244	**8,497**	7,244
Post-employment benefits - EPF	**361**	389	**361**	389
	8,858	7,633	**8,858**	7,633
Other key management personnel				
Fees, salaries, bonuses and other emoluments	**7,042**	5,316	**2,539**	2,267
Estimated monetary value of benefits-in-kind	**486**	537	**148**	198
Total short-term employee benefits	**7,528**	5,853	**2,687**	2,465
Post-employment benefits - EPF	**803**	597	**263**	252
	8,331	6,450	**2,950**	2,717
Total compensation	**17,189**	14,083	**11,808**	10,350

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40. COMMITMENTS

(a) Operating lease commitments

The Group as lessor

The Group leases out its investment properties to third parties under non-cancellable operating leases. These leases are with remaining lease period of 1 to 24 years (2024: 1 to 25 years) with the option to renew upon expiry. Certain of the leases include contingent rental arrangements computed based on sales achieved by tenants.

Future minimum rentals receivable under non-cancellable operating leases at the reporting date are as follows:

	Group	
	2025 RM'000	**2024 RM'000**
Not later than one year	**133,208**	104,573
Later than one year but not later than five years	**220,058**	193,002
Later than five years	**274,918**	290,392
	628,184	587,967

(b) Other commitments

	Group	
	2025 RM'000	**2024 RM'000**
Contractual commitment for construction of investment properties	**665**	19,567
Contractual commitment for acquisition/construction of property, plant and equipment	**2,375**	2,347
Contractual commitment for acquisition of development land	**-**	284,941
	3,040	306,855

41. CONTINGENT LIABILITIES AND MATERIAL LITIGATION

(a) Corporate Guarantees

	Company	
	2025 RM'000	**2024 RM'000**
Guarantees given to banks to secure banking facilities granted to subsidiary companies	**4,240,065**	4,399,704
Guarantees given to banks for performance bonds granted to subsidiary companies	**342,847**	377,430
Guarantees given to the suppliers of goods for credit terms granted to subsidiary companies	**456**	-
	4,583,368	4,777,134

As at reporting date, no values are ascribed for these guarantees and letters of undertaking provided by the Company to secure banking facilities described above as the Directors regard the value of the credit enhancement provided by these guarantees as minimal and the probability of default, based on historical track records of the parties receiving the guarantees are remote.

(b) Material Litigation

(i) 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) Sinermaju 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.

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41. CONTINGENT LIABILITIES AND MATERIAL LITIGATION (CONT'D.)

(b) Material Litigation (cont'd.)

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

i) 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.
ii) damages or equitable compensation for the additional sum of RM37,592,483.20 after the deduction of the ring-fenced money above.
iii) 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.
iv) other and further damages or equitable compensation to be assessed by the court.
v) account and inquiry of profits.
vi) general damages; and
vii) costs of investigations, interest and other costs in the action.

Hearing of the Defendants' application for discovery is fixed on 27 April 2026 and 4 May 2026 respectively. Full Trial dates remain fixed on 1 to 4 February 2027 and 15 to 19 February 2027.

(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 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.

42. CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

2025 Group	At 1 January RM'000	Cash flows RM'000	Foreign exchange movement RM'000	Others RM'000	At 31 December RM'000
Long term and short term borrowings excluding bank overdrafts	**8,555,680**	**(606,405)**	**(38,105)**	**7,035**	**7,918,205**
Unsecured advances	**14,027**	**(4,500)**	**-**	**609**	**10,136**
Redeemable cumulative preference shares	**38,432**	**(1,734)**	**-**	**1,905**	**38,603**
Lease liabilities	**2,827**	**(989)**	**(17)**	**12,658**	**14,479**
Total liabilities from financing activities	**8,610,966**	**(613,628)**	**(38,122)**	**22,207**	**7,981,423**
Company					
Long term and short term borrowings excluding bank overdrafts, representing total liabilities from financing activities	**4,161,081**	**(490,959)**	**1,643**	**(163)**	**3,671,602**
2024					
Group					
Long term and short term borrowings excluding bank overdrafts	10,136,298	(1,458,443)	(134,768)	12,593	8,555,680
Unsecured advances	17,435	(4,164)	-	756	14,027
Redeemable cumulative preference shares	38,268	(1,734)	-	1,898	38,432
Lease liabilities	3,925	(906)	(174)	(18)	2,827
Total liabilities from financing activities	10,195,926	(1,465,247)	(134,942)	15,229	8,610,966
Company					
Long term and short term borrowings excluding bank overdrafts, representing total liabilities from financing activities	5,205,105	(1,019,343)	(32,114)	7,433	4,161,081

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's and the Company's activities are exposed to a variety of financial risks, including interest rate risk, credit risk, foreign currency risk, liquidity and cash flow risks. The Group's and the Company's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the Group and the Company.

Financial risk management is carried out through risk review, internal control systems and adherence to the Group's and the Company's financial risk management policies. The Board regularly reviews these risks and approves the policies covering the management of these risks. The Group and the Company do not trade in derivative instruments.

(a) Interest rate risk

The Group and the Company are exposed to interest rate risk which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The Group and the Company do not generally hedge interest rate risks. The Group and the Company have a policy to ensure that interest rates obtained are competitive.

Sensitivity analysis for interest rate risk

The weighted average interest rate for bank borrowings of the Group and the Company are as follows:

	Group		Company	
	2025	**2024**	**2025**	**2024**
	%	**%**	**%**	**%**
Weighted average interest rate	**4.79**	5.19	**4.29**	4.70

A sensitivity analysis has been performed based on the outstanding floating rate bank borrowings of the Group and the Company as at 31 December 2025. If interest rates were to increase or decrease by 50 basis points with all other variables held constant, the Group's and the Company's profit before tax would decrease or increase by RM16,684,000 and RM3,375,000 (2024: RM20,561,000 and RM5,830,000) respectively.

For those interest expense incurred and capitalised as part of the expenditure on land held for property development and property development costs during the financial year, if the interest rates were to increase or decrease by 50 basis points with all other variables held constant, those assets of the Group would increase or decrease by RM7,924,000 (2024: RM7,241,000).

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities.

The Group and the Company minimise and monitor its credit risk by dealing with creditworthy counter-parties and applying credit approval controls for material contracts. If necessary, the Group may obtain collaterals from counter-parties as a means of mitigating losses in the event of default.

In respect of trade receivables arising from the sale of development properties, the Group mitigates its credit risk by maintaining its name as the registered owner of the development properties until full settlement by the purchasers or the purchasers' end-financiers.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Credit risk (cont'd.)

At the reporting date, the Group did not have any significant concentration of credit risk that may arise from exposure to a single debtor or to group of debtors.

The ageing analysis of receivables which are trade in nature is disclosed in Note 16. Short-term deposits with banks and other financial institutions, and cash and bank balances that are neither past due nor impaired are placed with or entered into with reputable banks and financial institutions with high credit ratings and no history of default.

(c) Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates.

The Group operates internationally and is exposed to various currencies, mainly Great British Pound, Australian Dollar, Vietnamese Dong, United States Dollar, Chinese Yuan and Japanese Yen.

The Group maintains a natural hedge, whenever possible, by borrowing in the currency of the country in which the property or investment is located.

The material unhedged financial assets/liabilities of the Group that are not denominated in their functional currencies are as follows:

	Balance denominated in	**2025 RM'000**	**2024 RM'000**
Functional currencies of the companies within the Group			
<u>Borrowings</u>			
Ringgit Malaysia	GBP	**-**	345,459
Great British Pound	USD	**32,456**	35,760
United States Dollar	AUD	**135,840**	138,860

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Foreign currency exchange risk (cont'd.)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the GBP, AUD and USD exchange rates against the respective major functional currencies of the entities within the Group, with all other variables remaining constant:

(Decrease)/increase to		**2025 RM'000 Profit before tax**	**2024 RM'000 Profit before tax**
GBP/RM	strengthened by 10%	**-**	(34,546)
	weakened by 10%	**-**	34,546
USD/GBP	strengthened by 10%	**(3,246)**	(3,576)
	weakened by 10%	**3,246**	3,576
AUD/USD	strengthened by 10%	**(13,584)**	(13,886)
	weakened by 10%	**13,584**	13,886

The impact of sensitivity analysis of the rest of the foreign currencies is not material to the Group.

(d) Liquidity and cash flow risks

Liquidity and cash flow risks are the risks that the Group and the Company will not be able to meet its financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arises principally from its various payables and borrowings.

The Group and the Company seek to ensure all business units maintain optimum levels of liquidity at all times, sufficient for their operating, investing and financing activities.

Therefore, the policy seeks to ensure that each business unit, through efficient working capital management (i.e. inventory, accounts receivable and accounts payable management), must be able to convert its current assets into cash to meet all demands for payment as and when they fall due.

Owing to the nature of its businesses, the Group and the Company always maintain sufficient credit lines available to meet their liquidity requirements while ensuring an effective working capital management within the Group and the Company.

43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Liquidity and cash flow risks (cont'd.)

<u>Analysis of financial instruments by remaining contractual maturities</u>

The table below summarises the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

2025 **Group**	**On demand or within one year** **RM'000**	**One to five years** **RM'000**	**Over five years** **RM'000**	**Total** **RM'000**
Financial liabilities:				
Trade payables	**793,300**	**-**	**-**	**793,300**
Other payables and accruals	**815,145**	**94,333**	**10,149**	**919,627**
Amounts owing to related parties	**648**	**-**	**-**	**648**
Borrowings	**3,285,572**	**3,739,980**	**1,780,294**	**8,805,846**
Lease liabilities	**5,382**	**10,477**	**-**	**15,859**
Redeemable cumulative preference shares	**18,834**	**23,100**	**-**	**41,934**
Total undiscounted financial liabilities	**4,918,881**	**3,867,890**	**1,790,443**	**10,577,214**
Company				
Financial liabilities:				
Amounts owing to subsidiary companies	**67,332**	**830,972**	**-**	**898,304**
Other payables and accruals	**46,098**	**-**	**-**	**46,098**
Borrowings	**1,469,810**	**2,330,072**	**265,967**	**4,065,849**
Total undiscounted financial liabilities	**1,583,240**	**3,161,044**	**265,967**	**5,010,251**

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43. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) Liquidity and cash flow risks (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

2024 Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
Financial liabilities:				
Trade payables	901,677	-	-	901,677
Other payables and accruals	887,195	54,380	44,909	986,484
Amounts owing to related parties	374	-	-	374
Borrowings	2,365,403	5,376,519	1,411,759	9,153,681
Lease liabilities	934	2,194	-	3,128
Redeemable cumulative preference shares	1,734	41,934	-	43,668
Total undiscounted financial liabilities	4,157,317	5,475,027	1,456,668	11,089,012
Company				
Financial liabilities:				
Amounts owing to subsidiary companies	123,315	730,838	-	854,153
Other payables and accruals	38,448	-	-	38,448
Borrowings	1,359,899	2,678,021	686,540	4,724,460
Total undiscounted financial liabilities	1,521,662	3,408,859	686,540	5,617,061

44. FINANCIAL INSTRUMENT

(a) Financial assets and financial liabilities

Financial assets and financial liabilities are measured either at fair value or at amortised cost. The principal accounting policies in Note 1 describe how the classes of financial instruments are measured. The following table analyses the financial assets and liabilities in the statements of financial position by the class of financial instruments to which they are assigned, and therefore by the measurement basis:

2025 Group	At amortised cost RM'000	At fair value through profit or loss RM'000	Total RM'000
Financial assets:			
Other investments	-	96	96
Other receivables and deposits	225,248	-	225,248
Trade receivables	1,033,457	-	1,033,457
Amounts owing by joint ventures	315,662	-	315,662
Short-term deposits	511,072	-	511,072
Cash and bank balances	2,061,074	-	2,061,074
Total financial assets	4,146,513	96	4,146,609
Financial liabilities:			
Trade payables	793,300	-	793,300
Other payables and accruals	901,228	-	901,228
Amounts owing to related parties	648	-	648
Long-term borrowings	4,887,043	-	4,887,043
Short-term borrowings	3,031,162	-	3,031,162
Redeemable cumulative preference shares	38,603	-	38,603
Total financial liabilities	9,651,984	-	9,651,984

Notes to the Financial Statements

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44. FINANCIAL INSTRUMENT (CONT'D.)

(a) Financial assets and financial liabilities (cont'd.)

2024 Group	At amortised cost RM'000	At fair value through profit or loss RM'000	Total RM'000
Financial assets:			
Other investments	-	96	96
Other receivables and deposits	196,511	-	196,511
Trade receivables	506,005	-	506,005
Amounts owing by joint ventures	199,926	-	199,926
Amounts owing by related parties	1,080	-	1,080
Short-term deposits	733,400	-	733,400
Cash and bank balances	2,408,076	-	2,408,076
Total financial assets	4,044,998	96	4,045,094
Financial liabilities:			
Trade payables	901,677	-	901,677
Other payables and accruals	967,717	-	967,717
Amounts owing to related parties	374		374
Long-term borrowings	6,382,707	-	6,382,707
Short-term borrowings	2,203,749	-	2,203,749
Redeemable cumulative preference shares	38,432	-	38,432
Total financial liabilities	10,494,656	-	10,494,656

44. FINANCIAL INSTRUMENT (CONT'D.)

(a) Financial assets and financial liabilities (cont'd.)

2025 Company	At amortised cost RM'000	At fair value through profit or loss RM'000	Total RM'000
Financial assets:			
Other receivables and deposits	**10,790**	**-**	**10,790**
Amounts owing by subsidiary companies	**4,921,216**	**-**	**4,921,216**
Amounts owing by joint ventures	**73**	**-**	**73**
Short-term deposits	**399**	**-**	**399**
Cash and bank balances	**351,124**	**-**	**351,124**
Total financial assets	**5,283,602**	**-**	**5,283,602**
Financial liabilities:			
Amounts owing to subsidiary companies	**898,304**	**-**	**898,304**
Other payables and accruals	**46,098**	**-**	**46,098**
Long-term borrowings	**2,346,869**	**-**	**2,346,869**
Short-term borrowings	**1,324,733**	**-**	**1,324,733**
Total financial liabilities	**4,616,004**	**-**	**4,616,004**

2024 Company	At amortised cost RM'000	At fair value through profit or loss RM'000	Total RM'000
Financial assets:			
Other receivables and deposits	3,613	-	3,613
Amounts owing by subsidiary companies	4,258,653	-	4,258,653
Amounts owing by joint ventures	212	-	212
Short-term deposits	150,099	-	150,099
Cash and bank balances	516,048	-	516,048
Total financial assets	4,928,625	-	4,928,625
Financial liabilities:			
Amounts owing to subsidiary companies	854,153	-	854,153
Other payables and accruals	38,449	-	38,449
Long-term borrowings	2,995,122	-	2,995,122
Short-term borrowings	1,175,606	-	1,175,606
Total financial liabilities	5,063,330	-	5,063,330

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44. FINANCIAL INSTRUMENT (CONT'D.)

(b) Hedge of net investments in foreign operations

Included in interest-bearing loans at 31 December 2024 was a borrowing of GBP61,574,000 which had been designated as a hedge of of the Group's net investment in the Battersea group of companies.

During the financial year ended 31 December 2025, the GBP borrowing was fully repaid. Accordingly, the hedge relationship was discontinued upon repayment of the borrowing.

Up to the date of repayment, the borrowing continued to hedge the Group's exposure to GBP foreign exchange risk arising from its net investment in the Battersea group of companies. Gains or losses arising from the retranslation of the borrowing were recognised in the other comprehensive income and accumulated in the exchange translation reserve to offset the corresponding translation differences on the net investment.

As at 31 December 2025, there is no outstanding foreign currency denominated borrowing designated as a hedge of net investments.

The impact of the hedging instrument on the statement of financial position was, as follows:

Group	Notional amount GBP'000	Carrying amount RM'000	Line item in the statement of financial position RM'000	Change in fair value used for measuring ineffectiveness for the period RM'000
2024				
Foreign currency denominated borrowings	**61,574**	**345,459**	**Short term borrowings**	**12,664**

The impact of the hedged item on the statement of financial position is, as follows:

Group	Change in fair value used for measuring ineffectiveness RM'000	Exchange translation reserve RM'000
2024		
Net investments in joint venture	**12,664**	**12,664**

The hedging loss recognised in other comprehensive income before tax was equal to the change in fair value used for measuring effectiveness. There is no ineffectiveness recognised in profit or loss.

45. FAIR VALUE MEASUREMENT

The Group and the Company measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(a) Non-financial assets that are measured at fair value

(i) The table below analyses the Group's and the Company's non-financial assets measured at fair value at the reporting date, according to the levels in the fair value hierarchy:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Investment Properties				
Group				
2025				
Commercial properties	**-**	**-**	**2,060,083**	**2,060,083**
2024				
Commercial properties	-	-	1,993,138	1,993,138
Company				
2025				
Commercial properties	**-**	**-**	**4,030**	**4,030**
2024				
Commercial properties	-	-	4,030	4,030
Right-of-use - Investment Properties				
Group				
2025				
Commercial properties	**-**	**-**	**48,203**	**48,203**
2024				
Commercial properties	-	-	38,000	38,000

45. FAIR VALUE MEASUREMENT (CONT'D.)

(a) Non-financial assets that are measured at fair value (cont'd.)

(ii) Description of valuation techniques used and key inputs to valuation on non-financial assets

The fair value of the investment properties was substantially arrived at via valuations performed by certified external valuers based on the following valuation techniques depending on the location and types of properties:

(a) Comparison method

The market comparison approach is a method whereby the property's fair value is estimated based on comparable transactions. This approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. In theory, the best comparable sale would be an exact duplicate of the subject property and would indicate, by the known selling price of the duplicate, the price for which the subject property could be sold. Investment properties valued under the comparison method, with insignificant adjustments factors, are categorised as Level 2 in the fair value hierarchy. Certain other investment properties valued using the comparison method with significant adjustments made for differences such as location, size, condition, accessibility and design ("adjustment factors") are categorised as Level 3 in the fair value hierarchy.

(b) Investment method

The investment method entails determining the net annual income by deducting the annual ongoings from the gross annual income and capitalising the net income by a suitable rate of return consistent with the type and quality of the investment to arrive at the market value of the subject property.

The investment properties valued using this method is categorised as Level 3 in the fair value hierarchy.

(c) Comparison/Depreciable Replacement Cost method

The comparison/cost method of valuation entails separate valuations of the land and buildings to arrive at the market value of the subject property. The land is valued by reference to transactions of similar lands in the surrounding areas with appropriate adjustments made for differences in the relevant characteristics of the land. Completed buildings are valued by reference to the current estimates on construction costs to erect equivalent buildings, taking into consideration of similar buildings in terms of size, construction, finishes, contractors' overheads, fees and profits. Appropriate adjustments are then made for the factors of obsolescence and existing physical condition of the building.

The investment properties valued using this method is categorised as Level 3 in the fair value hierarchy.

45. FAIR VALUE MEASUREMENT (CONT'D.)

(a) Non-financial assets that are measured at fair value (cont'd.)

(ii) Description of valuation techniques used and key inputs to valuation on non-financial assets (cont'd.)

Description of valuation techniques used and key inputs to valuation on investment properties are as below:

	Valuation techniques	**Significant unobservable inputs**	**Range**
Land	Comparison method	Adjustment factors to prices of comparable properties	-70% to 25% (2024: -72% to 25%)
Building	Investment method	Estimated rental value per square foot per month	RM0.69 to RM40 (2024: RM0.53 to RM40)
		Capitalisation/Discount rate	3.50% to 7.50% (2024: 3.50% to 7.50%)
		Void allowance	2% to 10% (2024: 5% to 10%)
Building	Depreciable replacement cost method	Construction cost per square foot	RM65 to RM447 (2024: RM50 to RM447)
		Depreciation rate	1.60% (2024: 1.60%)

(iii) Fair value reconciliation of non-financial assets measured at Level 3

Investment Properties

	Group		**Company**	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
At beginning of the year	**1,993,138**	1,964,804	**4,030**	3,438
Additions	**27,016**	3,999	**-**	-
Disposals	**(5,209)**	(3,724)	**-**	-
Transfer from property, plant and equipment *(see Note 2)*	**-**	6,102	**-**	-
Transfer from inventories - completed properties	**-**	12,450	**-**	-
Transfer to inventories - land held for development *(see Note 6)*	**-**	(4,966)	**-**	-
Transfer from investment properties under construction	**-**	12,879	**-**	-
Changes in fair value	**45,691**	2,629	**-**	592
Exchange differences	**(553)**	(1,035)	**-**	-
At end of the year	**2,060,083**	1,993,138	**4,030**	4,030

Right-of-use - Investment Properties

Refer to fair value reconciliation disclosed in Note 5.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

45. FAIR VALUE MEASUREMENT (CONT'D.)

(b) Financial instruments that are measured or disclosed at fair value

The carrying amounts and fair values of the non-current financial assets and liabilities of the Group and the Company at the reporting date are as follows:

	Group			Company		
2025	**Carrying amount RM'000**	**Fair Value RM'000 Level 2**	**Fair Value RM'000 Level 3**	**Carrying amount RM'000**	**Fair Value RM'000 Level 2**	**Fair Value RM'000 Level 3**
Financial assets:						
Other investments	**96**	**-**	**96^**	**-**	**-**	**-**
Amounts owing by subsidiary companies	**-**	**-**	**-**	**3,502,818**	**-**	**#**
Amounts owing by joint ventures	**210,714**	**-**	**#**	**-**	**-**	**-**
Trade receivables	**669**	**-**	**#**	**-**	**-**	**-**
Financial liabilities:						
Redeemable cumulative preference shares	**21,000**	**-**	**20,497**	**-**	**-**	**-**
Other payables and accruals	**86,188**	**-**	**#**	**-**	**-**	**-**
Floating rate long term borrowings	**2,540,026**	*****	**-**	**-**	*****	**-**
Fixed rate long term borrowings	**2,347,017**	**-**	**2,972,815**	**2,346,869**	**-**	**2,972,667**
Lease liabilities	**9,353**	**-**	**#**	**-**	**-**	**-**
Amounts owing to subsidiary companies	**-**	**-**	**-**	**830,972**	**-**	**#**

45. FAIR VALUE MEASUREMENT (CONT'D.)

(b) Financial instruments that are measured or disclosed at fair value (cont'd.)

The carrying amounts and fair values of the non-current financial assets and liabilities of the Group and the Company at the reporting date are as follows: (cont'd.)

	Group			Company		
2024	**Carrying amount RM'000**	**Fair Value RM'000 Level 2**	**Fair Value RM'000 Level 3**	**Carrying amount RM'000**	**Fair Value RM'000 Level 2**	**Fair Value RM'000 Level 3**
Financial assets:						
Other investments	96	-	96^	-	-	-
Amounts owing by subsidiary companies	-	-	-	3,234,303	-	#
Amounts owing by joint ventures	69,785	-	#	-	-	-
Trade receivables	6,202	-	#	-	-	-
Financial liabilities:						
Redeemable cumulative preference shares	38,432	-	36,757	-	-	-
Other payables and accruals	80,522	-	#	-	-	-
Floating rate long term borrowings	3,387,306	*	-	-	*	-
Fixed rate long term borrowings	2,995,401	-	2,972,917	2,995,122	-	2,972,638
Lease liabilities	2,021	-	#	-	-	-
Amounts owing to subsidiary companies	-	-	-	730,838	-	#

** The carrying amounts are reasonable approximation of fair values because they are floating rate instruments which are repriced to market interest rates at regular intervals.*
 # The carrying amounts are reasonable approximation of fair value.
^ Other investments are measured at fair value through profit or loss.

The carrying amounts of all other financial assets and liabilities of the Group and the Company at the reporting date approximated or were at their fair values due either to their short-term nature or that they are floating rate instruments that are repriced to market interest rates on or near the reporting date. The fair values of the financial assets and financial liabilities above are determined using discounted cash flow method. The most significant input being the discount rate that reflects the credit risk of the counterparties.

There were no transfers between Level 1, Level 2 and Level 3 during the financial year.

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

46. CAPITAL MANAGEMENT

The primary objectives of the Group's and the Company's capital management are to ensure that it maintains a strong capital base and healthy capital ratios in order to support its existing business operations and enable future development of the businesses as well as maximise shareholders' value.

The capital structure of the Group and the Company consists of equity attributable to the shareholders of the Company (i.e. share capital, RCPS-i A and RCPS-i C, reserves and retained earnings), and total debts, which include borrowings.

Management reviews and manages the capital structure regularly and makes adjustments to address changes in the economic environment and risk characteristics inherent in its business operations. These initiatives may include equity capital raising exercises and adjustments to the amount of dividends distributed to shareholders. No changes were made in the objectives, policies and processes during the financial year ended 31 December 2025 and 31 December 2024.

		Group		Company	
	Note	2025 RM'000	2024 RM'000	2025 RM'000	2024 RM'000
Debt:					
Redeemable cumulative preference shares	25	**38,603**	38,432	**-**	-
Long-term borrowings	27	**4,887,043**	6,382,707	**2,346,869**	2,995,122
Short-term borrowings	27	**3,031,162**	2,203,749	**1,324,733**	1,175,606
		7,956,808	8,624,888	**3,671,602**	4,170,728
Short-term funds and deposits, cash and bank balances:					
Short-term deposits	20	**511,072**	733,400	**399**	150,099
Cash and bank balances	21	**2,061,074**	2,408,076	**351,124**	516,048
		2,572,146	3,141,476	**351,523**	666,147
Net debt		**5,384,662**	5,483,412	**3,320,079**	3,504,581
Total equity		**16,088,675**	15,843,751	**11,520,372**	11,313,339
Gross gearing ratio		**0.49**	0.54	**0.32**	0.37
Net gearing ratio		**0.33**	0.35	**0.29**	0.31

The gearing ratio is not governed by the MFRS and its definition and calculation may vary from one group/company to another.

47. SEGMENTAL ANALYSIS

Primary reporting format - business segment

The operations of the Group are primarily organised into two main segments:

(i) Property development - Property development
(ii) Construction, investment holding & others - Building construction, manufacturing, trading and investing

Transactions between segments were entered into in the normal course of business and were established on terms and conditions that are not materially different from that obtainable in transactions with unrelated parties. The effects of such inter-segmental transactions are eliminated on consolidation.

The operations of the Group are primarily carried out in Malaysia. Group income taxes are presented on a group basis and are not allocated to operating segments.

(a) Segment results

2025	Property Development RM'000	Construction, Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	3,995,818	222,025	-	4,217,843
Inter-segment revenue	204,771	14,003	(218,774)	-
Total revenue	4,200,589	236,028	(218,774)	4,217,843
Gross profit	1,564,369	98,715	-	1,663,084
Other income	264,447	48,378	-	312,825
Operating expenses	(514,537)	(47,585)	-	(562,122)
Share of results of joint ventures	(145,339)	(67,733)	-	(213,072)
Share of results of associated companies	111,406	13	-	111,419
Finance costs	(306,167)	(36,862)	-	(343,029)
Profit/(Loss) before tax	974,179	(5,074)	-	969,105
Taxation	(333,893)	(31,630)	-	(365,523)
Profit/(Loss) for the year	640,286	(36,704)	-	603,582

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

47. SEGMENTAL ANALYSIS (CONT'D.)

(a) Segment results (cont'd.)

2024	Property Development RM'000	Construction, Investment Holding & Others RM'000	Eliminations RM'000	Consolidated RM'000
External revenue	5,026,993	266,575	-	5,293,568
Inter-segment revenue	198,018	7,296	(205,314)	-
Total revenue	5,225,011	273,871	(205,314)	5,293,568
Gross profit	1,749,945	51,178	-	1,801,123
Other income	274,697	103,427	-	378,124
Operating expenses	(496,893)	(50,073)	-	(546,966)
Share of results of joint ventures	(173,414)	(7,880)	-	(181,294)
Share of results of associated companies	55,079	-	-	55,079
Finance costs	(344,214)	(39,928)	-	(384,142)
Profit before tax	1,065,200	56,724	-	1,121,924
Taxation	(443,978)	(47,270)	-	(491,248)
Profit for the year	621,222	9,454	-	630,676

(b) Segment assets, liabilities and other information

2025	Property Development RM'000	Construction, Investment Holding & Others RM'000	Consolidated RM'000
Segment assets	**21,538,705**	**2,016,952**	**23,555,657**
Investments in joint ventures	**2,346,454**	**200,674**	**2,547,128**
Investments in associated companies	**624,505**	**-**	**624,505**
Current and deferred tax assets	**347,495**	**8,612**	**356,107**
Consolidated total assets			**27,083,397**
Segment liabilities	**5,035,467**	**5,407,715**	**10,443,182**
Current and deferred tax liabilities	**446,645**	**104,895**	**551,540**
Consolidated total liabilities			**10,994,722**
Additions to non-current assets* (other than financial instruments and deferred tax assets)	**686,441**	**11,420**	**697,861**
Interest income	**66,807**	**19,969**	**86,776**
Depreciation and amortisation	**(26,232)**	**(13,822)**	**(40,054)**
Other material non-cash items	**(194,338)**	**(8,865)**	**(203,203)**

47. SEGMENTAL ANALYSIS (CONT'D.)

(b) Segment assets, liabilities and other information (cont'd.)

2024	Property Development RM'000	Construction, Investment Holding & Others RM'000	Consolidated RM'000
Segment assets	21,618,845	2,201,245	23,820,090
Investments in joint ventures	2,575,880	267,062	2,842,942
Investments in associated companies	619,728	-	619,728
Current and deferred tax assets	310,636	10,414	321,050
Consolidated total assets			27,603,810
Segment liabilities	5,203,811	6,000,495	11,204,306
Current and deferred tax liabilities	460,695	95,058	555,753
Consolidated total liabilities			11,760,059
Additions to non-current assets* (other than financial instruments and deferred tax assets)	943,570	9,306	952,876
Interest income	79,074	12,402	91,476
Depreciation and amortisation	(29,199)	(16,856)	(46,055)
Other material non-cash items	(18,617)	(26,840)	(45,457)

* *Non-current assets comprise property, plant and equipment, right-of-use - property, plant and equipment, investment properties, right of use - investment properties, intangible assets and inventory - land held for property development.*

(c) Segment by geographical location

Revenue and non-current assets other than financial instruments and deferred tax assets, by location of the Group's operations are analysed as follows:

	Revenue		Non-current assets (other than financial instruments and deferred tax assets)	
	2025 RM'000	**2024 RM'000**	**2025 RM'000**	**2024 RM'000**
Malaysia	**4,097,472**	4,782,766	**14,894,708**	15,805,253
Singapore	**-**	-	**4**	2,574
Australia	**76,053**	405,890	**603,486**	255,187
Vietnam	**-**	104,912	**95,303**	111,411
United Kingdom	**-**	-	**2,208,793**	2,409,510
Japan	**44,318**	-	**-**	54,481
	4,217,843	5,293,568	**17,802,294**	18,638,416

Notes to the Financial Statements

For The Financial Year Ended 31 December 2025

47. SEGMENTAL ANALYSIS (CONT'D.)

(d) Information about major customers

There is no significant concentration of revenue from any major customers as the Group mainly sells its development properties to individual end purchasers.

48. SIGNIFICANT SUBSEQUENT EVENT

(a) On 27 October 2025, the Company lodged with the Securities Commission Malaysia ("SC") for the establishment of an Islamic notes issuance programme of up to RM3.5 billion in nominal value for the issuance of Senior Sukuk Wakalah and/or Perpetual Sukuk Wakalah under the Shariah principle of Wakalah Bi Al-Istithmar ("Sukuk Wakalah Programme"), as well as an Islamic commercial papers ("ICP") programme of up to RM500 million in nominal value, pursuant to the SC's Guidelines on Unlisted Capital Market Products under the Lodge and Launch Framework.

As at the date of this report, the Company has issued: -

(i) RM1.5 billion of Senior Sukuk Wakalah, with tenure ranging from 5 years to 10 years; and
(ii) RM450 million of ICPs, with tenure ranging from 59 days to 90 days, of which RM200 million has been issued during the financial year.

The proceeds from these issuances are used for Shariah-compliant purposes, which for the Senior Sukuk Wakalah may include but not limited to general corporate purposes, working capital requirements, capital expenditure and/or investments of the Company and its subsidiaries ("Group") and/or refinancing of existing borrowings while ICP proceeds are for general corporate purposes, working capital requirements of the Group and/or refinancing of existing borrowings.

49. AUTHORISATION FOR ISSUE OF FINANCIAL STATEMENTS

These financial statements were authorised for issue on 6 March 2026 by the Board of Directors.

Statement By Directors

Pursuant to Section 251(2) of the Companies Act, 2016

We, Y.A.M Tan Sri Dato' Seri Syed Anwar Jamalullail and Datuk Zaini Bin Yusoff, being two of the Directors of S P Setia Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 330 to 458 are drawn up in accordance with the MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board of Directors in accordance with a Directors' resolution dated 6 March 2026

Y.A.M TAN SRI DATO' SERI SYED ANWAR JAMALULLAIL	**DATUK ZAINI BIN YUSOFF**
Chairman	Director

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act, 2016

I, Annuar Marzuki Bin Abdul Aziz, being the officer primarily responsible for the financial management of S P Setia Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 330 to 458 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by	)	
the abovenamed	)	
Annuar Marzuki Bin Abdul Aziz	)	
at Klang	)	
on 6 March 2026	)	ANNUAR MARZUKI BIN ABDUL AZIZ
	)	[MIA 11345]
	)	
	)	

Before me:

Commissioner for Oaths

Independent Auditors' Report

To The Members of S P Setia Berhad (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of S P Setia Berhad, which comprise the statements of financial position as at 31 December 2025 of the Group and of the Company, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 330 to 458.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025, and of their financial performance and cash flows for the year then ended in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), as applicable to audits of financial statements of public interest entities and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities* for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Key Audit Matters (cont'd.)

Key audit matters in respect of the financial statements of the Group

(a) Revenue and cost of sales from property development activities recognised on percentage of completion method

For the financial year ended 31 December 2025, revenue of RM 3,996 million and cost of sales of RM 2,431 million from property development activities account for approximately 95% and 95% of the total Group's revenue and cost of sales respectively.

Where the Group uses percentage of completion method to recognise revenue and profit from its property development activities, the amount of revenue and profit recognised are dependent on, amongst others, the extent of costs incurred to the total estimated costs of construction to derive at the percentage of completion, the actual sales value of units sold and the estimated total revenue for each of the respective projects.

We identified revenue and cost of sales recognised on percentage of completion method or over time from property development activities as matters requiring audit focus as these areas involved significant management's judgement and estimates in estimating the total property development costs (which is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group).

In assessing the appropriateness of the extent of costs incurred, total estimated costs of construction and total estimated revenue collectively, we have:

- Obtained an understanding of the process in deriving the stage of completion which includes verifying the certified work done such as examining the progress claims from contractors, architect certification, and performing site visits on a sampling basis;

- Evaluated the assumptions applied in estimating the property development costs for property development phases on a sampling basis by examining documentary evidence such as letter of award issued to contractors and for amount not contracted for to consider the historical accuracy of management's forecasts for the similar property development projects to support the budgeted costs;

- Verified the gross development value against the signed sales and purchase agreements and estimated selling prices of unsold development to transacted selling price on sampling basis;

- Considered the expected handover date of ongoing development projects on a sampling basis to determine the adequacy of provision for liquidated ascertained damages, if any; and

- Checked the mathematical accuracy of the revenue and profit based on the percentage of completion calculations and considered the implications of identified errors and changes in estimates.

The Group's accounting policies and disclosures on property development activities based on percentage of completion method are disclosed in Notes 1(r)(i), 6, 30 and 31 respectively to the financial statements.

Independent Auditors' Report

To The Members of S P Setia Berhad (Incorporated in Malaysia)

Key Audit Matters (cont'd.)

Key audit matters in respect of the financial statements of the Group (cont'd.)

(b) Net realisable value of completed properties

As at 31 December 2025, the carrying amount of completed properties stood at RM1,226 million, which represents 14% of the Group's total current assets. Completed properties are classified as inventories and are carried at the lower of cost or net realisable value. Management's annual assessment of realisable value of completed properties is significant to our audit because it is based on assumptions that are affected by expected future market and economic conditions as well as the saleable condition of the property units which are slow moving, for which significant judgement is required.

Our procedures in relation to management assessment of the net realisable value of completed properties include:

- Comparing the recent transacted prices of comparable completed properties, after taking into consideration the discount given. We focused our evaluation on those completed properties that are slow moving;

- Evaluated the appropriateness of the data used by the management as input into their determination of net realisable value. We interviewed the management, discussed and challenged the significant estimates and assumptions applied in their determination of net realisable value; and

- Physical sighting of completed properties on a sampling basis and assessed the related cost of maintenance to determine any potential write down due to physical obsolescence.

The Group's accounting policies and disclosures on completed properties are disclosed in Notes 1(k) and 6 respectively to the financial statements.

(c) Valuation of investment properties

As at 31 December 2025, the carrying amount of investment properties amounted to RM2,108 million, representing approximately 11.5% and 7.8% of the Group's total non-current assets and total assets respectively. The Group had recognised a net fair value gain on its investment properties of RM 42 million during the financial year.

Investment properties are stated at fair value and any gain or loss arising from changes in the fair value are included in profit or loss in the year in which they arise. The Group has appointed independent professional valuers to perform valuations on its investment properties. The valuations are based on assumptions, amongst others, comparable historical transactions and adjustments factors to comparable transactions including location, size, condition, accessibility and design and market knowledge, estimated rental value per square foot, expected market rental growth, yield rate, outgoings rate, void rate, reversion rate and discount rate.

We consider the valuation of the investment properties as an area of audit focus as such valuation involves significant judgement and estimates that are highly subjective.

Key Audit Matters (cont'd.)

<u>Key audit matters in respect of the financial statements of the Group (cont'd.)</u>

(c) Valuation of investment properties (cont'd.)

Our procedures to address this area of focus include, amongst others, the following:

- Assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;

- As part of our evaluations of the fair values of investment properties, we had discussions with the independent valuers to obtain an understanding of their valuation process which included assessment of the comparability of historical transactions used and property related data used as input to the valuation models;

- We obtained an understanding of the adjustments factors made by the valuers or management to account for differences in, amongst others, the occupancy rate, property's location, property's size, the physical conditions of the subject property, tenure between the subject property and the comparable properties, and where applicable, the estimated construction costs to erect equivalent buildings;

- We also assessed whether the capitalisation rate used in the valuation models reflects the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive; and

- Reviewed the methodology adopted by the independent valuers or management in estimating the fair value of the investment properties and assessed whether such methodology is consistent with those used in the industry.

The Group's accounting policies and disclosures on investment properties are disclosed in Notes 1(g) and 4 respectively to the financial statements.

<u>Key audit matter in respect of the financial statements of the Company</u>

(d) Impairment assessment of investment in subsidiary companies

As at 31 December 2025, the carrying amount of the investment in subsidiary companies of the Company amounted to RM10,715 million, representing 75% and 66% of the Company's total non-current assets and total assets respectively. The Company had recognised net impairment loss of investment in subsidiaries of RM443 million during the financial year.

At the reporting date, the Company reviewed its investments in subsidiary companies for indications of impairment and where such indications exist, the Company performed an impairment assessment to determine the recoverable amounts of such investments. The Company estimated the recoverable amount of the respective cash generating units ("CGU"s) based on their fair value less cost to sell or their respective value-in-use ("VIU") whichever is higher. Estimating the recoverable amounts based on VIU involved estimates made by management relating to the future cash inflows and outflows that will be derived from the CGU and discounting them at the appropriate rate. The cash flow forecasts included a number of significant judgements and estimates such as the timing of project launches and sales, product pricing and costing, and discount rate.

Independent Auditors' Report

To The Members of S P Setia Berhad (Incorporated in Malaysia)

Key Audit Matters (cont'd.)

Key audit matter in respect of the financial statements of the Company (cont'd.)

(d) Impairment assessment of investment in subsidiary companies (cont'd.)

We consider this to be an area of focus for our audit as the amounts involved are significant, the assessment process is complex and involves significant management's judgements about future market and economic conditions and changes in assumptions may lead to a significant change in the recoverable amount of the investment in subsidiary companies.

Our procedures to address this area of focus included, amongst others, the following:

- Obtained an understanding of the relevant internal controls over the process of estimating the recoverable amounts of the CGUs;
- Evaluated the appropriateness of the methodology and approach applied;
- For impairment assessment based on VIU, we have:
    - Checked the basis of preparing the cash flow forecasts taking into consideration the assessment of management's historical budgeting accuracy; and
    - Evaluated whether key assumptions which comprised the timing of project launches and sales, product pricing and costing, and discount rate were reasonable by making comparisons to historical trends, taking into consideration the current and expected outlook of the economic growth.
- For impairment assessment based on fair value less cost to sell, where applicable, we have:
    - Where applicable, if the management obtain valuation reports provided by independent valuers for the assets held by subsidiaries, assessed the objectivity, independence, reputation, experience and expertise of the independent valuers;
    - Reviewed the methodology adopted in estimating the fair value of the assets and assessed whether such methodology is consistent with those used in the industry; and
    - Evaluated the appropriateness of the data used as input of the valuations. We interviewed the management or independent valuers where applicable, discussed and challenged the significant estimates and assumptions applied in their valuation process.
- Analysed the sensitivity of the key assumptions by assessing the impact of changes to the key assumptions on the recoverable amount.

We also reviewed and assessed the Company's disclosures relating to the impairment of assessment of investment in subsidiary companies in Note 8.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRS Accounting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditors' Report

To The Members of S P Setia Berhad (Incorporated in Malaysia)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the financial statements of the Group. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, action taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 8 to the financial statements.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Elina Chan Su Yin
No. 03508/07/2026 J
Chartered Accountant

Kuala Lumpur, Malaysia
6 March 2026

Analysis of Shareholdings

As at 12 February 2026

Issued and Paid-Up Share Capital	: RM10,484,134,386.53 divided into 5,003,328,979 ordinary shares ("Ordinary Shares") and 1,088,054,650 Islamic redeemable convertible preference shares ("RCPS-i A") and 539,789,576 Class C Islamic redeemable convertible preference shares ("RCPS-i C")
Class of Shares	: Ordinary Shares, RCPS-i A and RCPS-i C
Voting Rights	: One Vote per Ordinary Share or RCPS-i A or RCPS-i C

DISTRIBUTION OF SHAREHOLDINGS OF ORDINARY SHARES

Size of Shareholdings	No. of Ordinary Shareholders	%	No. of Ordinary Shares	%
less than 100	1,550	9.41	52,663	0.00
100 - 1,000	3,210	19.48	1,647,113	0.03
1,001 - 10,000	6,917	41.98	33,002,237	0.66
10,001 - 100,000	3,754	22.79	128,544,140	2.57
100,001 to less than 5% of issued shares	1,042	6.32	2,455,880,014	49.09
5% and above of issued shares	3	0.02	2,384,202,812	47.65
Total	**16,476**	**100.00**	**5,003,328,979**	**100.00**

LIST OF THIRTY LARGEST SHAREHOLDERS

	Name of Ordinary Shareholders	No. of Ordinary Shares	%
1.	Permodalan Nasional Berhad	1,044,592,558	20.88
2.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	979,602,404	19.58
3.	Kumpulan Wang Persaraan (Diperbadankan)	360,007,850	7.20
4.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	223,121,435	4.46
5.	Amanahraya Trustees Berhad Amanah Saham Malaysia	150,785,827	3.01
6.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	132,647,700	2.65
7.	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	101,501,763	2.03
8.	Amanahraya Trustees Berhad Amanah Saham Malaysia 2 – Wawasan	74,901,886	1.50
9.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd	54,133,500	1.08
10.	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	46,003,533	0.92
11.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for Citibank New York (Norges Bank 19)	44,831,300	0.90
12.	Guoline (Singapore) Pte Ltd	42,300,000	0.85

	Name of Ordinary Shareholders	No. of Ordinary Shares	%
13.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (EDP 2)	41,651,299	0.83
14.	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3- Didik	41,526,059	0.83
15.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	41,150,578	0.82
16.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	39,158,145	0.78
17.	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	37,426,792	0.75
18.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Allianz Life Insurance Malaysia Berhad (MEF)	36,555,000	0.73
19.	Quek Leng Chan	32,300,000	0.65
20.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AsianIslamic)	30,985,200	0.62
21.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Ishares Core MSCI Emerging Markets ETF	26,617,600	0.53
22.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	23,000,000	0.46
23.	Hong Leong Assurance Berhad As Beneficial Owner (Life PAR)	22,730,600	0.45
24.	Citigroup Nominees (Asing) Sdn Bhd UBS AG	22,635,598	0.45
25.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	21,693,100	0.43
26.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)	21,141,800	0.42
27.	Associated Land Sendirian Berhad	20,000,000	0.40
28.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment AL-FAUZAN (5170)	19,871,201	0.40
29.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	18,586,033	0.37
30.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (CIMB PRIN)	18,545,600	0.37
Total		**3,770,004,361**	**75.35**

Analysis of Shareholdings

As at 12 February 2026

DISTRIBUTION OF SHAREHOLDINGS OF RCPS-i A

Size of Shareholdings	No. of Holders of RCPS-i A	%	No. of RCPS-i A	%
less than 100	55	5.24	1,818	0.00
100 - 1,000	307	29.26	167,778	0.02
1,001 - 10,000	412	39.28	1,497,227	0.14
10,001 - 100,000	174	16.59	6,371,331	0.58
100,001 to less than 5% of issued RCPS-i A	99	9.44	326,125,990	29.97
5% and above of issued RCPS-i A	2	0.19	753,890,506	69.29
Total	**1,049**	**100.00**	**1,088,054,650**	**100.00**

LIST OF THIRTY LARGEST HOLDERS OF RCPS-i A

	Name of Holders of RCPS-i A	No. of RCPS-i A	%
1.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	645,884,132	59.36
2.	Kumpulan Wang Persaraan (Diperbadankan)	108,006,374	9.93
3.	Amanahraya Trustees Berhad Amanah Saham Bumiputera 3 - Didik	42,745,400	3.93
4.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	39,666,122	3.65
5.	Amanahraya Trustees Berhad Amanah Saham Malaysia	32,071,600	2.95
6.	Lembaga Tabung Haji	32,000,000	2.94
7.	Amanahraya Trustees Berhad Amanah Saham Malaysia 2 - Wawasan	27,737,200	2.55
8.	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	24,046,800	2.21
9.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic)	18,714,578	1.72
10.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AHAM AM)	16,673,800	1.53
11.	Amanahraya Trustees Berhad Amanah Saham Bumiputera 2	15,000,000	1.38
12.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Ng Paik Pheng (PB)	10,027,800	0.92
13.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for AHAM Select Dividend Fund	6,763,800	0.62
14.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Maybank Malaysia Dividend Fund	5,282,233	0.49
15.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Manulife Investment- HW Flexi Fund (270519)	4,599,100	0.42

	Name of Holders of RCPS-i A	No. of RCPS-i A	%
16.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (AberIslamic)	4,533,304	0.42
17.	Ting Poi Ling	4,000,000	0.37
18.	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	3,605,132	0.33
19.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Aberdeen)	3,325,537	0.31
20.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (Aberdeen)	2,883,653	0.26
21.	Maybank Nominees (Tempatan) Sdn Bhd AHAM Asset Management Berhad for Hong Leong Assurance Berhad (PAR-220082)	2,647,800	0.24
22.	Universal Trustee (Malaysia) Berhad KAF Tactical Fund	2,039,500	0.19
23.	Lim Boon Cheng	1,519,700	0.14
24.	Yap Kon Lian	1,189,400	0.11
25.	Len Chui Phin	1,147,900	0.10
26.	Lim Bun Hwa	1,000,000	0.09
27.	Ho Chu Chai	961,000	0.09
28.	Lim Bun Hwa	893,000	0.08
29.	Ching Weng Cheong	800,000	0.07
30.	Citigroup Nominees (Tempatan) Sdn Bhd Kumpulan Wang Persaraan (Diperbadankan) (AHAM AM EQ)	752,100	0.07
Total		**1,060,516,965**	**97.47**

DISTRIBUTION OF SHAREHOLDINGS OF RCPS-i C

Size of Shareholdings	No. of Holders of RCPS-i C	%	No. of RCPS-i C	%
less than 100	184	16.95	7,799	0.00
100 - 1,000	145	13.35	84,815	0.02
1,001 - 10,000	466	42.91	2,023,727	0.37
10,001 - 100,000	246	22.65	7,351,533	1.36
100,001 to less than 5% of issued RCPS-i C	44	4.05	30,321,702	5.62
5% and above of issued RCPS-i C	1	0.09	500,000,000	92.63
Total	**1,086**	**100.00**	**539,789,576**	**100.00**

Analysis of Shareholdings

As at 12 February 2026

LIST OF THIRTY LARGEST HOLDERS OF RCPS-i C

	Name of Holders of RCPS-i C	No. of RCPS-i C	%
1.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	500,000,000	92.63
2.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Equity Fund)	12,260,004	2.27
3.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Dividend Fund (5311-401)	3,429,111	0.64
4.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Insurance Berhad (Managed Fund)	2,418,544	0.45
5.	CIMB Islamic Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad - Kenanga Syariah Growth Fund	1,843,371	0.34
6.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Investment Growth Fund (4074)	1,206,337	0.22
7.	Citigroup Nominees (Tempatan) Sdn Bhd Lembaga Tabung Haji (UOB)	810,000	0.15
8.	Cimsec Nominees (Tempatan) Sdn Bhd CIMB for Ng Paik Pheng (PB)	600,000	0.11
9.	HSBC Nominees (Tempatan) Sdn Bhd HSBC (M) Trustee Bhd for Manulife Flexi Invest Fund	585,300	0.11
10.	Eu Mui @ Ee Soo Mei	480,000	0.09
11.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Manulife Investment - ML Flexi Fund (250283)	363,400	0.07
12.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Goh Kim Keong (Desa Jaya-CL)	350,800	0.06
13.	Lao Chok Keang	320,000	0.06
14.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohd Salleh Bin Hashim	300,000	0.06
15.	Yap Pei Lin	300,000	0.06
16.	Quah Huat Hock	255,672	0.05
17.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Koh Siu Juian (KKINABALU-CL)	251,850	0.04
18.	Sim Wee Yong	250,000	0.04
19.	Teoh Guat Lin	235,000	0.04
20.	Lim Poh Fong	230,000	0.04
21.	Ong Chong Chee	230,000	0.04
22.	Lim Khean Beng	215,000	0.04
23.	Annie Chin	211,300	0.04
24.	Sia Tian Poh	206,000	0.04
25.	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Teo Chee Haw (MUAR-CL)	201,000	0.04
26.	Low Seng Wan @ Loo Chang Yuan	201,000	0.04

	Name of Holders of RCPS-i C	No. of RCPS-i C	%
27.	Goh Tian Hock	200,000	0.04
28.	Tan Ah Kow @ Tan Chee Lin	200,000	0.04
29.	Chan Kam Seng	175,900	0.03
30.	Lee Yeow Chor	166,495	0.03
Total		**528,496,084**	**97.91**

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest	% of Issued Shares	Indirect Interest	% of Issued Shares
Permodalan Nasional Berhad	1,044,592,558	20.88	-	-
Amanahraya Trustees Berhad – Amanah Saham Bumiputera	979,602,404	19.58	-	-
Employees Provident Fund Board	480,154,435	9.60	-	-
Kumpulan Wang Persaraan (Diperbadankan)	363,750,150	7.27	51,669,664	1.03
Yayasan Pelaburan Bumiputra	-	-	1,044,592,558	20.88

DIRECTORS AND THEIR SHAREHOLDINGS

	No. of Ordinary Shares Held				No. of	No. of
Name	Direct	%	Indirect	%	RCPS-i A Held	RCPS-i C Held
Y.A.M. Tan Sri Dato' Seri Syed Anwar Jamalullail	-	-	-	-	-	-
Datuk Zaini Bin Yusoff	283,000	0.01	-	-	-	-
Datuk Ir. Khairil Anwar Bin Ahmad	-	-	-	-	-	-
Dato' Merina Binti Abu Tahir	-	-	-	-	-	-
Dato' Tengku Marina Binti Tunku Annuar	-	-	-	-	-	-
Dato' Sheranjiv Sammanthan	-	-	-	-	-	-
Datin Wan Daneena Liza Binti Wan Abdul Rahman	-	-	-	-	-	-
Lim Fu Yen	-	-	-	-	-	-
Datin Grace Yeoh Cheng Geok	-	-	-	-	-	-
Mohamad Abdul Halim Bin Ahmad	-	-	-	-	-	-
Aida Hazrina Binti Mohd Tazaai	-	-	-	-	-	-

List of Material Properties Held by The Group

As at 31 December 2026

No.	Location	Description	Date of Acquisition	Land Area (sq. ft.)	Tenure	Net Book Value (RM'000)
1.	HSD120100, HSD120110 & HSD120820, Bandar Kuala Lumpur	Land held for development	29/11/2002 13/04/2018	1,724,351	Leasehold	2,658,233
2.	Mukim 06, Daerah Seberang Perai Utara, Pulau Pinang	Land under development and held for development	22/12/2016 28/07/2020	66,160,226	Freehold	1,125,494
3.	308, Exhibition St, Melbourne VIC 3000, Australia	Land under development	29/04/2016	44,563	Freehold	1,121,586
4.	Daerah Kelang, Mukim of Klang, Selangor Darul Ehsan	Land under development and held for development	24/10/2001	10,303,067	Freehold	1,103,764
5.	HSD184053 & HSD184054 Mukim Beranang, Daerah Ulu Langat, Selangor Darul Ehsan	Land under development and held for development	21/12/2018	12,665,506	Freehold	740,648
6.	Lot 39 GRN 45874 Mukim Beranang, Daerah Hulu Langat, Selangor Darul Ehsan	Land under development and held for development	28/11/2012	23,034,848	Freehold	608,957
7.	Daerah Kelang, Mukim of Klang, Selangor Darul Ehsan	Land under development and held for development	27/02/2002	5,307,830	Freehold	437,798
8	Tanjong Bungah, Mukim 17 & 18 Daerah Timur Laut, Pulau Pinang	Land held for development	05/10/2016	1,535,669	Freehold	436,769
9.	Seksyen 95A & 98, Kampung Haji Abdullah Hukum, Kuala Lumpur	Land use right	24/10/2011	-	Leasehold	436,409
10.	Daerah Klang, Mukim of Klang, Selangor Darul Ehsan	Land held for development	24/10/2001	17,363,452	Freehold	370,745

** Amount is inclusive of land held for property development, property development cost and contract cost assets*

Group Directory

HEAD OFFICE

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199201015192 (246695-X)

SETIA IP HOLDINGS SDN BHD
201401046540 (1122728-W)

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CENTRAL REGION

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PERUMAHAN KINRARA BERHAD
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E bandarkinrara@spsetia.com

KL ECO CITY
KL ECO CITY SDN BHD
198901007838 (185140-X)

SETIA FEDERAL HILL
SETIA FEDERAL HILL SDN BHD
200001002605 (505210-V)

SETIA SKY SEPUTEH
GITA KASTURI SDN BHD
201101025499 (953635-X)

Setia International Centre
Lot 215, Pantai Baru, Jalan Bangsar
59200 Kuala Lumpur, Malaysia
T +603 2287 5522
(KL Eco City & Setia Sky Seputeh)
+603 2283 2255 (Setia Federal Hill)
F +603 2287 5252 (KL Eco City & Setia Sky Seputeh)
E klecocity@spsetia.com
setiafederalhill@spsetia.com
skyseputeh-sales@spsetia.com

SETIA ALAMSARI
SETIA ALAMSARI SDN BHD
200901017492 (860589-P)

Setia Alamsari Welcome Centre,
1, Persiaran Alam Sari 2,
Alam Sari, 43000 Kajang,
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T +603 8736 2255
F +603 8741 2251
E setiaalamsari-sales@spsetia.com

SETIA ALAM
BANDAR SETIA ALAM SDN BHD
200101030381 (566140-D)

SETIA ALAMAN INDUSTRIAL PARK
PETALING GARDEN SDN BHD
195701000208 (3113-T)

SETIA ECO PARK
BANDAR ECO-SETIA SDN BHD
200101030379 (566138-A)

PRECINCT ARUNDINA
S P SETIA ECO-PROJECTS MANAGEMENT SDN BHD
199401003986 (289665-V)

S P Setia Bhd Corporate HQ
Sales Gallery
Annex Building, Ground Floor
12, Persiaran Setia Dagang
Setia Alam, Seksyen U13
40170 Shah Alam,
Selangor Darul Ehsan, Malaysia
T +603 5030 2255
(Setia Alam & Setia Alaman)
+603 5030 2288
(Setia Eco Park & Precinct Arundina)
E bsa-sales@spsetia.com
eco-sales@spsetia.com

SETIA ALAM IMPIAN
I & P ALAM IMPIAN SDN BHD
199601021892 (394244-M)

LAKEPOINT CLUB
I&P ALAM IMPIAN SDN BHD
199601021892 (394244-M)

LakePoint Gallerie
1, Jalan Panglima Hitam 35/26,
Alam Impian, Seksyen 35,
40470 Shah Alam,
Selangor Darul Ehsan, Malaysia
T +603 5162 7600
+603 5039 9200 (LakePoint Club)
E alamimpian@spsetia.com
lakepointclub@spsetia.com

SETIA BAYUEMAS
I & P KOTA BAYUEMAS SDN BHD
200201000854 (568517-V)

Setia Bayuemas Welcome Centre,
Persiaran Bayu Impian/KS9,
Kota Bayuemas,
41200 Klang Bandar Diraja,
Selangor Darul Ehsan, Malaysia
T +603 3325 1700
F +603 3325 1800
E bayuemas@spsetia.com

SETIA CITY CONVENTION CENTRE
S P SETIA PROPERTY SERVICES SDN BHD
201201023163 (1007655-H)

1 & 3, Jalan Setia Dagang AG U13/AG,
Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan, Malaysia
T +603 3359 5252
E setiacitycc@spsetia.com

SETIA ECO GLADES SDN BHD
200701009474 (767476-H)

SETIA SAFIRO
SETIA SAFIRO SDN BHD
201801012245 (1274261-M)

Setia Eco Glades Lifestyle Gallery,
1, Persiaran Setia Eco Glades,
Setia Eco Glades, Cyber 1, 63000
Cyberjaya, Selangor Darul Ehsan,
Malaysia
T +603 8008 2228
F +603 8008 2233
E eco-glades@spsetia.com.my
safiro-sales@spsetia.com

Group Directory

CENTRAL REGION

SETIA ECOHILL
SETIA ECOHILL SDN BHD
201001019878 (903607-T)

SETIA ECOHILL 2
SETIA ECOHILL 2 SDN BHD
199801010090 (466218-P)

CLUB 360
SETIA ECOHILL RECREATION SDN BHD
199901018024 (492924-W)

Setia Ecohill Welcome Centre,
Kelab 360, 1, Persiaran Ecohill Barat,
Setia Ecohill, 43500 Semenyih,
Selangor Darul Ehsan, Malaysia
T +603 8724 2255
(Setia EcoHill & Setia EcoHill 2)
+603 8723 5525 (Club 360)
F +603 8724 2525
E setia360club@spsetia.com

SETIA ECO TEMPLER
SETIA ECO TEMPLER SDN BHD
201201036071 (1020553-T)

TEMPLER'S CLUB
SETIA ECO TEMPLER RECREATION SDN BHD
201401045218 (1121402-X)

1, Jalan Ipoh-Rawang, KM-20,
Taman Rekreasi Templer, 48000 Rawang,
Selangor Darul Ehsan, Malaysia
T +603 6092 2288
+603 6092 2515 (Templer's Club)
F +603 6092 2289
+603 6092 2521 (Templer's Club)
E eco-templer@spsetia.com.my

SETIA MAYURI
SETIA MAYURI SDN BHD
198801006642 (174000-U)

Setia Mayuri Welcome Centre
6, Jalan 3/1A, Setia Mayuri
43500 Semenyih
Selangor Darul Ehsan, Malaysia
T +603 8925 2255
F +603 8727 5525
E setiamayuri@spsetia.com

SETIA PUTRAJAYA
SETIA PUTRAJAYA SDN BHD
199601029380 (401732-X)

Customer Relations Department
5, Jalan P15H, Presint 15
62050 Putrajaya
Wilayah Persekutuan Putrajaya,
Malaysia
T +603 8893 0006/0008
F +603 8893 0301
E spj-ccd@spsetia.com

SETIA SERAYA RESIDENCES
SETIA PUTRAJAYA DEVELOPMENT SDN BHD
199701009459 (424955-P)

Setia Seraya Galleria
No. 5, Jalan P15H
Presint 15, 62050 Putrajaya
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Malaysia
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E spj-sales@spsetia.com

SETIA WARISAN TROPIKA
PETALING GARDEN SDN BHD
195701000208 (3113-T)

Setia Warisan Tropika Welcome Centre
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43900 Sepang
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T +603 8706 2552
F +603 8706 2255
E swtropika-sales@spsetia.com

TEMASYAGLENMARIE
TEMASYA DEVELOPMENT CO. SDN BHD
197401002695 (19753-K)

TemasyaGlenmarie Welcome Centre
6 & 8, Jalan Kurator U1/61
TemasyaGlenmarie, Seksyen U1
40150 Shah Alam
Selangor Darul Ehsan, Malaysia
T +603 5569 6100
E temasyaglenmarie@spsetia.com

TRIO BY SETIA
GANDA ANGGUN SDN BHD
200101001750 (537506-W)

TRIO Sales Galleria,
D-2-14, Blok D, Tingkat 2, Pangsapuri TRIO
Jalan Langat/KS06, Bandar Bukit Tinggi 1
41200 Klang Bandar Diraja
Selangor Darul Ehsan, Malaysia
T +603 3005 1025
E triosales@spsetia.com

CANOPY CLUB
SETIA ECO PARK RECREATION SDN BHD
201001007700 (892323-K)

5C, Jalan Setia Nusantara U13/7
Seksyen U13, Setia Eco Park
40170 Shah Alam
Selangor Darul Ehsan, Malaysia
T +603 3344 9388
E canopyclub@spsetia.com

SETIA ALAM CLUB
SETIA ALAM RECREATION SDN BHD
201201004652 (978177-X)

Lot No. 2, Jalan Setia Prima K U13/K
Setia Alam, Seksyen U13
40170 Shah Alam
Selangor Darul Ehsan, Malaysia
T +603 3344 9255
F +603 3343 9255
E setiaalamclub@spsetia.com

NORTHERN REGION

SETIA FONTAINES
SETIA FONTAINES SDN BHD
200001002967 (505572-T)

SETIA SKY VISTA
SETIA PEARL ISLAND
SETIA PROMENADE SDN BHD
199601016034 (388384-W)

SETIA V RESIDENCES
SETIA SKY VILLE
KAY PRIDE SDN BHD
198901000466 (177772-V)

SETIA GREENS
KEWIRA JAYA SDN BHD
200001002246 (504851-V)

Setia Experience Centre
2296, Lingkaran Setia,
Bandar Setia Fontaines
13200 Kepala Batas,
Penang, Malaysia
T +604 576 2255
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E sf-sales@spsetia.com
spi-sales@spsetia.com
svr-sales@spsetia.com.my

SETIA SPICE ARENA
SETIA SPICE CONVENTION CENTRE ECO MERIDIAN SDN BHD
201001025513 (909427-K)

SPICE, 108/108C,
Jalan Tun Dr. Awang,
11900 Bayan Lepas,
Penang, Malaysia
T +604 643 2525
F +604 641 2250
E setiaspice@spsetia.com

SETIA SPICE AQUATIC CENTRE SETIA SPICE CANOPY
ECO MERIDIAN SDN BHD
201001025513 (909427-K)

SPICE, 108A/108B,
Jalan Tun Dr. Awang,
11900 Bayan Lepas,
Penang, Malaysia
T +604 637 4555
F +604 641 2250
E hello@spiceaquatic.com
spicecanopy@spsetia.com

SOUTHERN REGION

BUKIT INDAH
BUKIT INDAH (JOHOR) SDN BHD
199401021581 (307260-V)
TAMAN PERLING
PELANGI SDN BHD
197201001814 (13509-H)
Wisma S P Setia,
S3-0111, Laman Indah 3,
Jalan Indah 15, Taman Bukit Indah,
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Johor Darul Takzim, Malaysia
T +607 241 2255
F +607 241 5955
E bij-sales@spsetia.com

SETIA BUSINESS PARK II
SETIA INDAH SDN BHD
198901008253 (185555-H)
TAMAN PELANGI INDAH
YUKONG DEVELOPMENT (PTE) LIMITED
195102000014 (991872-U)
PLO 12062,
Jalan Persiaran Pelangi Indah,
Taman Pelangi Indah,
81800 Ulu Tiram, Johor Bahru,
Johor Darul Takzim, Malaysia
T +607 861 0555
F +607 861 9235
E sbp2-sales@spsetia.com
tpi-sales@spsetia.com

SETIA ECO CASCADIA
SETIA INDAH
SETIA INDAH SDN BHD
198901008253 (185555-H)
Wisma S P Setia, 1, Jalan Setia 3/6 ,
Taman Setia Indah, 81100 Johor Bahru,
Johor Darul Takzim, Malaysia
T +607 351 2255
F +607 357 9923
E sec-sales@spsetia.com

SETIA ECO GARDENS
SETIA BUSINESS PARK I
KESAS KENANGAN SDN BHD
200601026062 (745817-H)
Pejabat Tapak, Lot 2110,
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81550 Johor Bahru,
Johor Darul Takzim, Malaysia
T +607 555 2525
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E seg-sales@spsetia.com

SETIA TROPIKA
SETIA INDAH SDN BHD
198901008253 (185555-H)
Tropika Welcome Centre,
No.10, Jalan Setia Tropika 1/21,
Taman Setia Tropika, 81200 Kempas,
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T +607 237 2255
F +607 237 2225
E st-sales@spsetia.com.my

TAMAN RINTING
TAMAN GUNONG HIJAU SDN BHD
197301002956 (16420-U)
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Johor Darul Takzim, Malaysia
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F +607 386 1697
E tr-sales@spsetia.com

EASTERN REGION

AEROPOD BY SETIA
AEROPOD SDN BHD
200701009762 (767765-P)
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Sabah, Malaysia
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F +608 821 9255
E aeropod-sales@spsetia.com

INTERNATIONAL

AUSTRALIA

ATLAS MELBOURNE
SETIA LA TROBE PTY LTD
ACN 673 837 744
Display Suite
414 La Trobe Street
Melbourne Victoria 3000, Australia
T +613 9616 2500
E AtlasMelbourne-sales@spsetia.com

SETIA (MELBOURNE) DEVELOPMENT PTY LTD
ACN 143 464 804
1/155 Franklin Street
Melbourne Victoria 3000, Australia
T +613 9616 2500

UNITED KINGDOM

BATTERSEA POWER STATION DEVELOPMENT COMPANY
Marketing Suite
44 Electric Boulevard
Battersea Power Station
London, SW11 8BJ, United Kingdom
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F +44 20 7501 0699
E sales@bpsdc.co.uk

VIETNAM

ECOXUAN
SETIA LAI THIEU ONE MEMBER COMPANY LIMITED
Sales Gallery
No. 1A, NB-N1 Street
EcoXuan Lai Thieu Area, Lai Thieu Ward,
Ho Chi Minh City, Vietnam
T +84 274 366 2255
F +84 274 377 2255
E ecoxuan@spsetia.com.vn

ECOLAKES
ECOLAKES MY PHUOC
SETIABECAMEX JOINT STOCK COMPANY
SetiaBecamex JSC
Sales Gallery,
R11-1 Street, EcoLakes My Phuoc
Block 6, Thoi Hoa Ward,
Ho Chi Minh City, Vietnam
T +84 274 3577 255
F +84 274 3577 225
E ecolakes-sales@setiabecamex.vn

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Fifty First (51st) Annual General Meeting of the Company will be held at **Function Room 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan ("Main Venue") and virtually by way of electronic means via Vistra Share Registry and IPO (MY) portal ("The Portal") at https://srmy.vistra.com** on **Thursday, 23 April 2026 at 10.00 a.m. or at any adjournment thereof** for the following purposes:

AGENDA

1. To receive the audited financial statements of the Company for the financial year ended 31 December 2025 together with the reports of the Directors and auditors thereon. — **Please refer to Explanatory Note A**

2. To re-elect the following Directors who retire in accordance with Clause 102 of the Company's Constitution and, being eligible, offer themselves for re-election:

   (1) Datuk Ir. Khairil Anwar Bin Ahmad — **Resolution 1**
   (2) Datin Wan Daneena Liza Binti Wan Abdul Rahman — **Resolution 2**
   [Explanatory Note 1]

3. To re-elect Datuk Zaini Bin Yusoff, Director who retires in accordance with Clause 107 of the Company's Constitution and, being eligible, offer himself for re-election. — **Resolution 3** *[Explanatory Note 1]*

4. To approve the payment of fees and allowances to the Non-Executive Directors for the period from 24 April 2026 up to the date of the next Annual General Meeting. — **Resolution 4** *[Explanatory Note 2]*

5. To approve the payment of Directors' other remuneration and benefits to the Non-Executive Directors for the period from 24 April 2026 up to the date of the next Annual General Meeting amounting up to approximately RM1,300,000. — **Resolution 5** *[Explanatory Note 3]*

6. To re-appoint Messrs Ernst & Young PLT, Chartered Accountants, the retiring auditors, as the auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration. — **Resolution 6** *[Explanatory Note 4]*

AS SPECIAL BUSINESS

To consider and if thought fit, pass the following resolutions:

7. ORDINARY RESOLUTION

PROPOSED SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE AS SPECIFIED IN SECTION 2.3.1 OF THE CIRCULAR TO SHAREHOLDERS DATED 25 MARCH 2026 — **Resolution 7** *[Explanatory Note 5]*

"**THAT**, subject always to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given to the Company and its subsidiaries ("S P Setia Group") to enter into and give effect to specified recurrent related party transactions of a revenue or trading nature of the S P Setia Group with specified classes of Related Parties (as defined in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and as specified in Section 2.3.1 of the Circular to Shareholders dated 25 March 2026) which are necessary for the day to day operations in the ordinary course of business and are carried out at arm's length basis on normal commercial terms of the S P Setia Group and on terms not more favourable to the Related Parties than those generally available to the public and are not detrimental to minority shareholders of the Company and such approval shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed;

(ii) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or

(iii) revoked or varied by resolution passed by the shareholders in a general meeting,

whichever is the earlier.

AND THAT authority be and is hereby given to the Directors of the Company to complete and do all such acts and things as they may consider necessary or expedient in the best interest of the Company (including executing all such documents as may be required) to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

8. ORDINARY RESOLUTION

PROPOSED RENEWAL OF THE AUTHORITY TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY ("S P SETIA SHARES"), FOR THE PURPOSE OF THE COMPANY'S DIVIDEND REINVESTMENT PLAN ("DRP") THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY ("SHAREHOLDERS") THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND IN NEW S P SETIA SHARES

Resolution 8
[Explanatory Note 6]

"**THAT** pursuant to the DRP as approved by the Shareholders at the Extraordinary General Meeting held on 20 March 2014 and subject to the approval of the relevant regulatory authority (if any), approval be and is hereby given to the Company to allot and issue such number of new S P Setia Shares from time to time as may be required to be allotted and issued pursuant to the DRP upon such terms and conditions and to such persons as the Directors of the Company at their sole and absolute discretion, deem fit and in the interest of the Company PROVIDED THAT the issue price of the said new S P Setia Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5) market days volume weighted average market price ("VWAP") of S P Setia Shares immediately prior to the price-fixing date, of which VWAP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price of S P Setia Shares;

AND THAT the Directors and the Secretary of the Company be and are hereby authorised to do all such acts and enter into all such transactions, arrangements, deeds, undertakings and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments as may be imposed or agreed to by any relevant authorities (if any) or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, by the Directors as they, in their absolute discretion, deem fit and in the best interest of the Company."

Notice of Annual General Meeting

9. To transact any other business of which due notice shall have been given.

By Order of the Board

LEE WAI KIM
SSM PC No. 202008001422
MAICSA 7036446
Company Secretary

25 March 2026
Selangor Darul Ehsan

NOTES:

1. *The 51st Annual General Meeting ("51st AGM") of the Company will be held in a hybrid mode, whereby member(s), proxy(ies), corporate representative(s) or attorney(s) have the option to:*

   (i) Attend physically in person at the Main Venue ("Physical Attendance"); or
   (ii) Attend virtually using the Remote Participation and Voting (RPV) facilities available on Vistra Share Registry and IPO (MY) portal ("The Portal") at https://srmy.vistra.com ("Virtual Attendance").

   Please refer to the Administrative Guide for the detailed procedures for Physical Attendance and Virtual Attendance.

2. *A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, subject to the Constitution of the Company.*

3. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*

4. *Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*

5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the securities account.*

6. *The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.*

7. *To be valid, the duly completed Form of Proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company's Share Registrar not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:*

   In hard copy form
   The Form of Proxy must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, deposit the Form of Proxy in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   By electronic form
   The Form of Proxy can be lodged electronically with the Company's Share Registrar via The Portal at https://srmy.vistra.com. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of Form of Proxy via The Portal.

8. *Only members whose names appear in the Record of Depositors on 15 April 2026 shall be entitled to participate in the 51st AGM of the Company or appoint proxy/proxies to attend and/or vote on his/her behalf.*

EXPLANATORY NOTE A

This Agenda item is meant for discussion only as under the provisions of Sections 248(2) and 340(1)(a) of the Act and the Company's Constitution, the audited accounts do not require the formal approval of shareholders. As such, this item is not put forward for voting.

OTHER EXPLANATORY NOTES

1. Resolutions 1, 2 and 3 - Re-election of Directors

The Board is satisfied that in consideration of the wealth of expertise and experience of the following Directors of the Company, they will continue to bring sound judgment and valuable contribution to board deliberations through active participation in discussions and decision making by the Board:

1. Datuk Ir. Khairil Anwar Bin Ahmad;
2. Datin Wan Daneena Liza Binti Wan Abdul Rahman; and
3. Datuk Zaini Bin Yusoff.

The results of the Board Effectiveness Evaluation ("BEE") carried out in October 2025 showed that the performance of the above Directors as well as the Board Committees on which they were a member have exceeded expectations and contributed to the effectiveness of the Board as whole.

The aforesaid Directors have also confirmed that they satisfy all the requirements as set out in the Fit and Proper Policy for Directors of the Company and where applicable, the requirements of independence. Their profiles are set out on pages 245, 246 and 249 of the Integrated Report 2025. The skillsets of the aforesaid Directors have also been mapped against the Board Succession Plan and Diversity Policy.

In view thereof, the Board supports their re-election at the 51st AGM of the Company.

Dato' Merina Binti Abu Tahir is due to retire by rotation at the 51st AGM in accordance with Clause 102 of the Company's Constitution. Dato' Merina Binti Abu Tahir has indicated that she does not wish to seek re-election and will be retiring upon the conclusion of the 51st AGM of the Company.

2. Resolution 4 - Payment of Fees and Allowances to Non-Executive Directors of the Company

Based on the Non-Executive Directors' Remuneration Framework, the fees and allowances payable to the Non-Executive Directors comprised of the following:

Description of Fees and Allowances	
Monthly Fee for Non-Executive Chairman	RM50,000 per month
Monthly Fee for Non-Executive Director	RM12,000 per month
Monthly Fixed Allowance	Chairman of Audit Committee – RM5,000 Chairman of other Board Committee – RM3,000 Membership per Board Committee – RM2,000
Meeting Allowance	Chairman and Board Member – RM2,000 per meeting Board Committee Chairman and Member – RM2,000 per meeting

The fees and allowances remain the same as previous year.

Notice of Annual General Meeting

3. Resolution 5 - Payment of Other Remuneration and Benefits to Non-Executive Directors of the Company

Based on the Non-Executive Directors' Remuneration Framework, the Non-Executive Directors' remuneration other than those disclosed in Explanatory Note 2 comprised of the following:

Description of Remuneration/Benefits	
Allowance for membership on the board of directors of significant project/investment as appointed by the Board of the Company	RM5,000 per month
Other Benefits	Car, petrol and driver for Chairman, security services, Directors and Officers Liability Insurance, medical, hospitalisation and travel insurance, medical expenses for critical illness, professional membership fee and other claimable benefits

4. Resolution 6 - Re-appointment of Messrs Ernst & Young PLT ("EY")

The Audit Committee ("AC") has in February 2026, undertaken an External Auditors Evaluation to assess the performance of EY for the financial year ended 31 December 2025. This assessment was undertaken when deciding on the re-appointment of external auditors and took into account the following criteria:

1. Quality of Services Provided;
2. Sufficiency of Audit Firm Resources;
3. Communication and Interaction; and
4. Independence, Objectivity and Professional Skepticism.

The feedback from the Finance Department of all the Business Units in the Group was taken into consideration in the AC's assessment.

The AC and the Board were satisfied with the performance of EY based on the criteria of assessment and the requirements as prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. In this regard, the Board recommends the re-appointment of EY as external auditors of the Company for the financial year ending 31 December 2026.

5. Resolution 7 - Proposed Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

The proposed Resolution 7, if approved, will allow the S P Setia Group to enter into recurrent related party transactions of a revenue and trading nature relating to sale of properties by the S P Setia Group to related parties. The details of the proposal are set out in the Circular to Shareholders dated 25 March 2026 which is published together with the Notice of 51st AGM of the Company.

6. Resolution 8 - Proposed Renewal of the Authority to Allot and Issue New S P Setia Shares for the purpose of the Company's DRP that provides the Shareholders the Option to Elect to Reinvest their Cash Dividend in New S P Setia Shares

The proposed Resolution 8, if approved, will re-new the authority given to the Directors to allot and issue new S P Setia Shares pursuant to the DRP under the resolution passed at the 50th AGM held on 24 April 2025, the authority of which will lapse at the conclusion of the 51st AGM of the Company.

Form of Proxy

S P SETIA BERHAD
(197401002663 (19698-X))

		For appointment of two (2) proxies, percentage of shareholdings to be represented by each proxy must be indicated below:
No. of Ordinary Shares held		First proxy:
		Second proxy:
No. of Islamic Redeemable Convertible Preference Shares held		First proxy:
		Second proxy:
No. of Class C Islamic Redeemable Convertible Preference Shares held		First proxy:
		Second proxy:
CDS Account Number		

I/We ______________________________ NRIC No./Company No. ____________________
(full name in block letters)

of ____
(full address)

being a member/members of S P SETIA BERHAD, hereby appoint ______________________________
(full name in block letters)

NRIC No. ____________________ of ______________________________
(full address)

and/or failing him/her, ____
(full name in block letters)

NRIC No. ____________________ of ______________________________
(full address)

____

or failing him/her, the Chairman of the Meeting as * my/our proxy to attend and vote for * me/us and on * my/our behalf at Fifty First ("51st") Annual General Meeting ("AGM") of the Company to be held at **Function Room 1, Setia City Convention Centre, No. 1, Jalan Setia Dagang AG U13/AG, Setia Alam, Seksyen U13, 40170 Shah Alam, Selangor Darul Ehsan ("Main Venue") and virtually by way of electronic means via Vistra Share Registry and IPO (MY) portal ("The Portal") at https://srmy.vistra.com** on **Thursday, 23 April 2026 at 10.00 a.m. or at any adjournment thereof** in the manner as indicated below:-

NO.	RESOLUTIONS	FOR	AGAINST
1.	Re-election of Datuk Ir. Khairil Anwar Bin Ahmad.		
2.	Re-election of Datin Wan Daneena Liza Binti Wan Abdul Rahman.		
3.	Re-election of Datuk Zaini Bin Yusoff.		
4.	Approval for the Directors' Fees and Allowances for the period from 24 April 2026 up to the date of the next Annual General Meeting.		
5.	Approval for the Payment of Extra Remuneration and Provision of Benefits to Directors of the Company for the period from 24 April 2026 up to the date of the next Annual General Meeting.		
6.	Re-appointment of Messrs Ernst & Young PLT as the Auditors of the Company and to authorise the Directors to fix their remuneration.		
7.	Approval for the Proposed Shareholders' Mandate as specified in Section 2.3.1 of the Circular to Shareholders dated 25 March 2026.		
8.	Approval for the Proposed Authority to Allot and Issue New Ordinary Shares under the Company's Dividend Reinvestment Plan.		

* *Strike out whichever is not applicable.*

(Please indicate with an "X" in the spaces above how you wish your votes to be cast. If you do not do so, the proxy will vote or abstain from voting at his discretion).

Dated this ____________ day of ____________ 2026.

____
Signature of Member(s) or Common Seal

NOTES:

1. *The 51st Annual General Meeting ("51st AGM") of the Company will be held in a hybrid mode, whereby member(s), proxy(ies), corporate representative(s) or attorney(s) have the option to:*

   (i) Attend physically in person at the Main Venue ("Physical Attendance"); or
   (ii) Attend virtually using the Remote Participation and Voting (RPV) facilities available on Vistra Share Registry and IPO (MY) portal ("The Portal") at https://srmy.vistra.com ("Virtual Attendance").

   Please refer to the Administrative Guide for the detailed procedures for Physical Attendance and Virtual Attendance.
2. *A member of the Company shall be entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend, participate, speak and vote at a meeting of members of the Company, subject to the Constitution of the Company.*
3. *A member entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. Where a member appoints two (2) proxies, he/she shall specify the proportion of his/her shareholdings to be represented by each proxy.*
4. *Where a member of the Company is an exempt authorised nominee which holds shares in the Company for multiple beneficial owners in one (1) securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.*
5. *Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act, 1991, it may appoint not more than two (2) proxies in respect of each securities account it holds with shares of the Company standing to the credit of the securities account.*
6. *The Form of Proxy, in the case of an individual, shall be signed by the appointor or his attorney, and in the case of a corporation, either under seal or under the hand of an officer or attorney duly authorised.*
7. *To be valid, the duly completed Form of Proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company's Share Registrar not less than forty-eight (48) hours before the time appointed for holding the meeting or any adjournment thereof:*

   In hard copy form
   The Form of Proxy must be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, deposit the Form of Proxy in the drop-in box located at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   By electronic form
   The Form of Proxy can be lodged electronically with the Company's Share Registrar via The Portal at https://srmy.vistra.com. Kindly refer to the Administrative Guide on the procedures for electronic lodgement of Form of Proxy via The Portal.
8. *Only members whose names appear in the Record of Depositors on 15 April 2026 shall be entitled to participate in the 51st AGM of the Company or appoint proxy/proxies to attend and/or vote on his/her behalf.*

Fold here

Affix Stamp
Here

The Company Secretary
S P Setia Berhad

c/o Tricor Investor & Issuing House Services Sdn Bhd,
Unit 32-01, Level 32, Tower A, Vertical Business Suite,
Avenue 3, Bangsar South, No. 8 Jalan Kerinchi,
59200 Kuala Lumpur

Fold here

Setia

Stay Together. Stay Setia

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S P Setia Berhad
Registration No. 197401002663 (19698-X)

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