

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

**Interim Financial Report**  
**31 July 2009**

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**(Incorporated in Malaysia)**

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**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED BALANCE SHEET**  
**AS AT 31 JULY 2009**

	(UNAUDITED) As At 31 July 2009 RM'000	(AUDITED) As At 31 October 2008 RM'000
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Property, Plant and Equipment	73,385	80,226
Investment Properties	177,004	167,931
Land Held for Property Development	1,172,741	1,133,456
Prepaid Lease Payments	873	880
Investment in Associated Companies	121,125	106,560
Other Investments	387	553
Amount Owing by Associated Companies	575	304
Amount Owing by Jointly Controlled Operation	6,642	6,447
Deferred Tax Assets	29,020	14,520
	1,581,752	1,510,877
<b>Current Assets</b>		
Property Development Costs	876,621	786,262
Gross Amount Due From Customers	11,002	10,163
Inventories	19,272	29,630
Trade And Other Receivables	309,711	342,907
Amount Owing by Associated Companies	14,314	14,877
Amount Owing by Jointly Controlled Entities	21,379	5,032
Current Tax Assets	20,693	23,449
Deposits	346,039	393,598
Cash and Bank Balances	294,643	199,225
	1,913,674	1,805,143
<b>TOTAL ASSETS</b>	3,495,426	3,316,020
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Share Capital	762,604	762,524
Reserves		
Share Premium	218,017	217,584
Warrant Reserve	47,766	47,798
Option Reserve	3,931	-
Exchange Translation Reserve	42	1,500
Retained Earnings	984,050	945,936
<b>Equity Attributable to Equity Holders of the Company</b>	2,016,410	1,975,342
<b>Minority Interests</b>	358	358
<b>Total Equity</b>	2,016,768	1,975,700
<b>Non-current liabilities</b>		
Long Term Borrowings	916,392	886,769
Other Long Term Liabilities	1,446	1,446
Deferred Tax Liabilities	914	1,194
	918,752	889,409
<b>Current Liabilities</b>		
Gross Amount Due To Customers	7,835	-
Trade And Other Payables	422,258	367,381
Short Term Borrowings	101,870	67,266
Bank Overdrafts	16,669	6,790
Current Tax Liabilities	11,274	9,474
	559,906	450,911
<b>Total Liabilities</b>	1,478,658	1,340,320
<b>TOTAL EQUITY AND LIABILITIES</b>	3,495,426	3,316,020
Net Assets Per Share (RM)	1.98	1.94

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 October 2008)

**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
**(Incorporated in Malaysia)**  
**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIOD ENDED 31 JULY 2009**  
*(The figures have not been audited)*

	3 MONTHS ENDED		9 MONTHS ENDED	
	31 July 2009 RM'000	31 July 2008 RM'000	31 July 2009 RM'000	31 July 2008 RM'000
Revenue	317,056	302,403	887,459	907,569
Cost of sales	(250,096)	(230,297)	(694,776)	(658,987)
Gross profit	<u>66,960</u>	<u>72,106</u>	<u>192,683</u>	<u>248,582</u>
Other operating income	2,877	3,208	8,859	8,717
Selling and marketing expenses	(5,257)	(5,920)	(14,159)	(19,672)
Administrative and general expenses	(19,574)	(23,392)	(61,057)	(69,545)
Profit from operations	<u>45,006</u>	<u>46,002</u>	<u>126,326</u>	<u>168,082</u>
Net profit from investing activities	4,211	4,041	15,298	12,645
Share of profits less losses of associated companies	4,877	5,309	12,418	13,965
Finance costs	(651)	(451)	(1,810)	(6,528)
Profit before taxation	<u>53,443</u>	<u>54,901</u>	<u>152,232</u>	<u>188,164</u>
Taxation	(10,762)	(14,042)	(37,858)	(50,786)
Profit for the period	<u>42,681</u>	<u>40,859</u>	<u>114,374</u>	<u>137,378</u>
Attributable to:				
Equity holders of the Company	42,681	40,859	114,374	137,378
Minority interests	-	-	-	-
	<u>42,681</u>	<u>40,859</u>	<u>114,374</u>	<u>137,378</u>
Earnings per share attributable to equity holders of the Company				
- Basic earnings per share (sen)	<u>4.20</u>	<u>4.02</u>	<u>11.25</u>	<u>13.55</u>
- Diluted earnings per share (sen)	<u>4.13</u>	<u>- *</u>	<u>11.22</u>	<u>- *</u>

\* *Anti-dilutive*

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 October 2008)

**S P SETIA BERHAD**  
**(Company No.: 19698-X)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD ENDED 31 JULY 2009**  
*(The figures have not been audited)*

	Attributable to Equity Holders of the Company					Minority Interests	Total Equity		
	Non-Distributable		Unappropriated						
	Share Capital RM'000	Share Premium RM'000	Warrant Reserve RM'000	Option Reserve RM'000	Exchange Translation Reserve RM'000	Unappropriated Profit RM'000	Total RM'000	RM'000	RM'000
<b>Balance at 1.11.2008</b>	762,524	217,584	47,798	-	1,500	945,936	1,975,342	358	1,975,700
Translation differences for the period	-	-	-	-	(1,458)	-	(1,458)	-	(1,458)
Profit for the period	-	-	-	-	-	114,374	114,374	-	114,374
Net income/(expense) recognised directly in equity	-	-	-	-	(1,458)	114,374	112,916	-	112,916
Final dividend paid	-	-	-	-	-	(76,260)	(76,260)	-	(76,260)
Issue of ordinary shares pursuant to - exercise of Warrants	80	433	(32)	-	-	-	481	-	481
Options granted under ESOS	-	-	-	3,931	-	-	3,931	-	3,931
<b>Balance at 31.07.2009</b>	<b>762,604</b>	<b>218,017</b>	<b>47,766</b>	<b>3,931</b>	<b>42</b>	<b>984,050</b>	<b>2,016,410</b>	<b>358</b>	<b>2,016,768</b>
<b>Balance at 1.11.2007</b>	504,454	438,430	-	-	-	897,999	1,840,883	492	1,841,375
Translation differences for the period	-	-	-	-	(1,250)	-	(1,250)	-	(1,250)
Profit for the period	-	-	-	-	-	137,378	137,378	-	137,378
Net income/(expense) recognised directly in equity	-	-	-	-	(1,250)	137,378	136,128	-	136,128
Final dividend paid	-	-	-	-	-	(112,853)	(112,853)	-	(112,853)
Issue of warrants	-	-	50,120	-	-	-	50,120	-	50,120
Issue of ordinary shares pursuant to - bonus issue	252,227	(252,227)	-	-	-	-	-	-	-
- exercise of Warrants	5,843	31,381	(2,322)	-	-	-	34,902	-	34,902
Acquisition of additional shares in an existing subsidiary company	-	-	-	-	-	-	-	(133)	(133)
<b>Balance at 31.07.2008</b>	<b>762,524</b>	<b>217,584</b>	<b>47,798</b>	<b>-</b>	<b>(1,250)</b>	<b>922,524</b>	<b>1,949,180</b>	<b>359</b>	<b>1,949,539</b>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 October 2008)

**S P SETIA BERHAD**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIOD ENDED 31 JULY 2009**  
*(The figures have not been audited)*

	<b>9 MONTHS ENDED 31 July 2009 RM'000</b>	<b>9 MONTHS ENDED 31 July 2008 RM'000</b>
Profit before taxation	152,232	188,164
Adjustments for:-		
Non-cash items	(308)	(3,903)
Non-operating items	(17,205)	(10,702)
Operating profit before changes in working capital	<u>134,719</u>	<u>173,559</u>
Net Change in current assets	28,584	68,620
Net Change in current liabilities	(10,967)	(9,527)
Cash generated from operations	<u>152,336</u>	<u>232,652</u>
Interest received	3,004	4,053
Interest paid	(26,749)	(25,767)
Rental received	499	127
Tax paid	(47,277)	(61,140)
Net cash generated from operating activities	<u>81,813</u>	<u>149,925</u>
<b>Investing Activities</b>		
Equity investments	-	(2,382)
Other investments	(15,570)	(185,239)
Net cash used in investing activities	<u>(15,570)</u>	<u>(187,621)</u>
<b>Financing Activities</b>		
Transactions with shareholders	(75,779)	(27,506)
Bank borrowings	54,957	(212,255)
Others financing activities	-	449,305
Net cash (used in)/generated from financing activities	<u>(20,822)</u>	<u>209,544</u>
Net changes in cash and cash equivalents	45,421	171,848
<b>Effect of exchange rate changes</b>	(259)	(407)
<b>Cash and cash equivalents at 1 November 2008/2007</b>	575,502	397,617
<b>Cash and cash equivalents at 31 July 2009/2008</b>	<u>620,664</u>	<u>569,058</u>

Cash and cash equivalents included in the cash flows comprise the following balance sheet amounts:-

	<b>31 July 2009 RM'000</b>	<b>31 July 2008 RM'000</b>
Deposits	346,039	438,011
Cash and bank balances	294,643	225,805
Bank overdrafts	(16,669)	(84,410)
	<u>624,013</u>	<u>579,406</u>
Less: Deposits pledged to licensed banks	(1,681)	(100)
Sinking Fund and Escrow Accounts	(1,668)	(10,248)
	<u>620,664</u>	<u>569,058</u>

(The Condensed Consolidated cash flow statement should be read in conjunction with the Annual Financial Report for the year ended 31 October 2008)

## NOTES TO THE INTERIM FINANCIAL REPORT

### 1. **Basis of preparation**

The interim financial report has been prepared in accordance with Financial Reporting Standard 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 October 2008.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 October 2008.

### 2. **Seasonal or cyclical factors**

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

### 3. **Unusual items affecting assets, liabilities, equity, net income or cash flows**

There were no unusual items for the financial period ended 31 July 2009.

### 4. **Changes in estimates**

There were no material changes in estimates for the financial period ended 31 July 2009.

### 5. **Debts and equity securities**

There were no issuance and repayment of debt and equity securities, share buy-backs, share cancellations, shares held as treasury shares and resale of treasury shares during the current financial period to-date except for the 107,350 new ordinary shares of RM0.75 each pursuant to the exercise of warrants at RM4.48 per share. The total cash proceeds arising from the exercise of warrants during the current financial period to-date amounted to RM480,928.

### 6. **Dividends paid**

A final dividend of 10 sen less 25% income tax amounting to RM76,260,434 was paid in respect of the financial year ended 31 October 2008.

## 7. Segmental Reporting

The segmental analysis for the period ended 31 July 2009 are as follow:-

	<b>Property Development</b> RM'000	<b>Construction</b> RM'000	<b>Other Operations</b> RM'000	<b>Eliminations</b> RM'000	<b>Consolidated</b> RM'000
<u>Revenue</u>					
External sales	790,561	31,950	64,948	-	887,459
Inter-segment sales	30,250	1,560	43,616	(75,426)	-
Total revenue	820,811	33,510	108,564	(75,426)	887,459
<u>Results</u>					
Segment results	122,660	(1,502)	5,168	-	126,326
Net profit from investing activities					15,298
Share of net profits less losses of associated companies	11,857	561	-	-	12,418
Finance costs					(1,810)
Profit before taxation					152,232
Tax expense					(37,858)
Profit for the period					114,374

## 8. Material Events subsequent to the End of Period

There were no material transactions or events subsequent to the current quarter ended 31 July 2009 till 10 September 2009 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

## 9. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial period to-date except for the following:-

- (a) Subscription of 2 ordinary shares for a cash consideration of SGD1/- each in S P Setia International (S) Pte Ltd ("Setia International"), a company incorporated in the Republic of Singapore on 9 April 2009 resulting in Setia International becoming a wholly owned subsidiary of S P Setia Berhad; and
- (b) Acquisition of 1 ordinary share for a cash consideration of HK\$1/- in Setia Land (China) Limited ("Setia Land"), a company incorporated in Hong Kong, through Setia International Limited on 30 July 2009.

## 10. Contingent Liabilities

There were no changes in contingent liabilities in respect of the Group since the last annual balance sheet date except for additional guarantees of USD900,000 and RM60,000 given to secure a banking facility and a performance bond granted by the respective banks to two jointly controlled entities.



**11. Capital Commitments**

	<b>31/07/2009</b>
	RM'000
Contractual commitment to purchase development land	14,481
Contractual commitment for acquisition of investment properties	6,207
Contractual commitment for acquisition of property, plant and equipment	<u>3,971</u>

**12. Significant Related Party Transactions**

	<b>01/11/2008</b>
	<b>To</b>
	<b>31/07/2009</b>
	RM'000
<i>Transactions with associated companies:</i>	
( i ) Construction services rendered	3,863
( ii ) Security services rendered	394
(iii) Project management and administrative fee received and receivable	6,991
(iv) Marketing expenses charged	180
( v ) Sale of goods	9,008
(vi) Rental paid and payable	430
(vii) Sale of development properties to directors of the Company	4,608
(viii) Sale of development properties to directors of subsidiary companies	<u>6,713</u>
<i>Transactions with jointly controlled entities:</i>	
( i ) Interest charged	659
(ii) Project management fee charged	1,167
(iii) Security services rendered	52
(iv) Sales of goods	2,072
( v ) Sale of development property to a director of the Company	951
(vi) Sale of development properties to directors of subsidiary companies	2,722
(vii) Sale of development properties to companies in which a director of the Company has financial interest	<u>6,533</u>
<i>Transactions with directors of the Company and subsidiary companies, members of their family and companies, firms and trust body in which they have interests:</i>	
( i ) Rental paid to a company in which a director has interest	54
( ii ) Security services rendered to a director of the Company	107
(iii) Security services rendered to a trust body in which directors of subsidiary companies are the trustee	64
(iv) Rental charged to a trust body in which directors of subsidiary companies are the trustee	14
(v) Rental charged to a trust body in which a director of the Company is the trustee	17
(vi) Disposal of motor vehicles in connection to the Group's revised policy on car benefits	
- Disposed to directors of the Company	1,467
- Disposed to directors of subsidiary companies	1,067
- Disposed to companies in which directors of the Company have financial interest	930
(vii) Sale of development property to a director of the Company	472
(viii) Sale of development property to a immediate family member of a director of the Company	341
(ix) Sale of development property to a company in which a director of the subsidiary companies has financial interest	1,385
(x) Sale of goods to directors of the subsidiary companies	<u>29</u>

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

### 1. Review of Performance of the Company and its Principal Subsidiaries and Associates

For the current financial period to date, the Group achieved a profit after taxation of RM114.4 million on the back of revenue totalling RM887.5 million. The Group's profit and revenue were mainly derived from its property development activities carried out in the Klang Valley, Johor Bahru and Penang. Ongoing projects which contributed to the Group's profit and revenue include *Setia Alam* and *Setia Eco-Park* at Shah Alam, *SetiaHills* at Bukit Indah Ampang, *Setia Walk* at Pusat Bandar Puchong, *Bukit Indah*, *Setia Indah*, *Setia Tropika* and *Setia Eco Gardens* in Johor Bahru and *Setia Pearl Island* in Penang. Apart from property development, the Group's wood-based manufacturing activities also contributed to the earnings achieved.

The Group's profit after tax for the current quarter is 4% higher than the profit after tax for the preceding year corresponding quarter. This encouraging reversal of the negative profit trend recorded in the first two quarters of the current financial year is due mainly to the strong sales recorded by the Group from its 5/95 home and commercial ownership campaign ("5/95 campaign"), the effects of which are beginning to be reflected in the Group's financial performance.

### 2. Material changes in the Quarterly Results compared to the results of the Preceding Quarter

There were no material changes in the group's current quarter profit before tax compared to the preceding quarter ended 30 April 2009.

### 3. Prospects for the Current Financial Year

As alluded to above, the Group's 5/95 campaign has been a resounding success. The Board of Directors is pleased to report that sales of the Group's properties jumped from RM102 million to RM1.25 billion between 31 January 2009 and 31 July 2009. This means that the Group has already exceeded its FY2009 sales target of RM1.1 billion by 14%, with 3 months to spare before the financial year-end.

Since the launch of the 5/95 campaign on 19 January 2009, monthly sales have averaged more than RM190 million - historically the strongest and most rapid sales performance ever witnessed by the Group over the duration of 6 months. Having already achieved its FY2009 sales target, management decided not to extend the campaign when it expired on 19 July 2009 and will focus now on ensuring that the sold properties are constructed to the Group's usual high quality standards and for timely delivery to its customers.

Whilst the Group's earnings margins are likely to remain range-bound over the near term given the costs to be absorbed by the Group from the 5/95 campaign as well as the knock on effect of the high construction costs contracted in 2008, the Board of Directors is confident of the Group's prospects going forward. The tremendously strong sales achieved by the Group from all its projects in the Klang Valley, Johor Bahru and Penang in such uncertain times is testament to the depth of support the Group commands from Malaysian housebuyers. Therefore, barring any further and unforeseen negative external influences, the Board believes that the Group is back on track to strongly resume its long-term growth strategy and aspirations of becoming a regional property developer.

#### 4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

#### 5. Income Tax

Income Tax comprises: -

	3 MONTHS ENDED		9 MONTHS ENDED	
	31/07/2009	31/07/2008	31/07/2009	31/07/2008
	RM'000	RM'000	RM'000	RM'000
- current taxation	25,259	14,619	53,540	56,241
- deferred taxation	(13,413)	(355)	(15,020)	(5,233)
- in respect of prior years	(1,084)	(222)	(662)	(222)
	<u>10,762</u>	<u>14,042</u>	<u>37,858</u>	<u>50,786</u>

The group's effective tax rate for the financial period to-date is higher compared to the statutory taxation rate mainly due to certain non-tax deductible expenses.

#### 6. Profit on Sale of Unquoted Investments and/or Properties

There were no profits on sale of unquoted investments and/or properties outside the ordinary course of the Group's business for the current quarter and financial period to-date.

#### 7. Quoted Securities

Total purchases and disposals of quoted securities for the current quarter and financial period to-date were as follows:-

	3 MONTHS	9 MONTHS
	ENDED	ENDED
	31/07/2009	31/07/2009
	RM'000	RM'000
Total purchase consideration	-	-
Total sale proceeds	<u>2</u>	<u>2</u>
Total profit on disposal	<u>2</u>	<u>2</u>

Total investments in quoted securities as at 31 July 2009 were as follows:-

	RM'000
At cost	<u>874</u>
At book value	<u>48</u>
Market value	<u>48</u>

## 8. Status of Corporate Proposals

The following are the status of corporate proposals that have been announced by the Company but not completed as at 10 September 2009, the latest practicable date which shall not be earlier than 7 days from the date of this announcement: -

- (i) Conditional Shareholders' Agreement entered into on 20 December 2000 between S P Setia Berhad and YGP Holdings Sdn. Bhd. ("YGP") to govern the relationship between S P Setia Berhad and YGP ("the Parties") as proposed shareholders in KL Eco City Sdn Bhd (formerly known as Pelita Dunia Sdn Bhd) ("KLEC") and to set out the respective rights, duties and obligations of the Parties in relation to the proposed mixed residential and commercial development project.

On 21 August 2007, a Memorandum of Understanding was entered into between Datuk Bandar Kuala Lumpur and KLEC, currently a wholly owned subsidiary of S P Setia Berhad, pertaining to the proposed mixed residential and commercial development of the State Lands and Private Lands. Pending the signing of the Privatisation Agreement, both parties have on 23 April 2009 entered into an interim agreement to set out, amongst others, the Parties' respective rights and obligations and the steps to be taken in procuring the eventual issuance of the title to the said lands by the State Authority;

- (ii) Conditional agreement to lease between Bukit Indah (Johor) Sdn Bhd, a wholly owned subsidiary of S P Setia Berhad and Tesco Stores (Malaysia) Sdn Bhd of approximately 9.69 acres of freehold land together with building in the Mukim of Pulai, District of Johor Bahru, State of Johor as announced on 29 October 2007. The agreement became unconditional on 13 March 2009;
- (iii) Co-operation agreement entered into by Setia Saigon East Limited and Setia D-Nine Limited, both wholly owned subsidiaries of S P Setia Berhad and Saigon Hi-Tech Park Development Company to jointly develop a mixed real property development on a parcel of land measuring approximately 32 hectares or 79 acres located in District 9, Ho Chi Minh City, Vietnam as announced on 3 January 2008.

As announced on 6 July 2009, the parties have mutually agreed to extend the period for fulfilment of the conditions precedent to expire on 3 January 2010;

- (iv) Development agreement entered into by Aeropod Sdn Bhd, a 70% owned subsidiary of S P Setia Berhad and the State Government of Sabah for the proposed development of a piece of land measuring approximately 59.21 acres in Tanjung Aru, Kota Kinabalu, Sabah as announced on 29 January 2008.

As announced on 2 February 2009, the parties have mutually agreed to extend the period for fulfilment of the conditions precedent to expire on 29 October 2009;

- (v) Proposed disposal by Bandar Setia Alam Sdn Bhd ("BSA"), a wholly owned subsidiary of S P Setia, of approximately 30.5 acres of freehold land ("Original Land") located within Precinct 1 of the Setia Alam township ("Said Land") to Greenhill Resources Sdn Bhd ("Greenhill") for a total consideration of RM119,572,200.00 and proposed joint venture between BSA and Lend Lease Asian Retail Investment Fund 2 Limited ("ARIF"), a wholesale real estate development fund managed by Lend Lease Investment Management Pte Ltd, for the development of a retail mall on the Said Land, as announced on 2 July 2008.

Subsequently on 15 July 2009, BSA had entered into several agreements to reflect certain changes to the earlier Proposals announced on 2 July 2008. The agreements include the Amended and Restated Sale and Purchase Agreement between GR Investment Ltd ("GRI") and Greenhill for the disposal by BSA to Greenhill of approximately 14.31 acres ("Stage 1 Land") of the Original Land for a total consideration of approximately RM56.1 million and the Sale and Purchase Agreement between BSA and Greenhill and GRI for the disposal by BSA to Greenhill of approximately 16.19 acres of the Original Land ("Stage 2 Land") for a total consideration of approximately RM63.5 million. The agreement for Stage 1 Land became unconditional on 15 July 2009; and

- (vi) Co-operation Agreement entered into by S P Setia Berhad and Hangzhou Ju Shen Construction Engineering Limited (“Hangzhou Ju Shen”) to jointly plan, evaluate, develop, design, construct, manage and operate a mixed real property development (“Project”) on a parcel of land measuring approximately 25 acres located in Hangzhou City, Zhejiang Province, The People’s Republic of China as announced on 4 June 2009.

## 9. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 July 2009 were as follows:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	RM’000	RM’000	RM’000
Hire Purchase & Leasing Borrowings	-	218	218
Bank Overdrafts	1,038	15,631	16,669
Short Term Bank Borrowings	98,008	3,787	101,795
Long Term Bank Borrowings	446,546	-	446,546
2% Redeemable Serial Bonds	-	469,703	469,703
	<u>545,592</u>	<u>489,339</u>	<u>1,034,931</u>

## 10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 10 September 2009, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

## 11. Material Litigation

The Group is not engaged in any material litigation as at 10 September 2009, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

## 12. Dividends

The board of Directors declared an interim dividend of 5 sen less income tax 25% (2008: 7 sen less 26% income tax) in respect of the financial year ending 31 October 2009. The interim dividend was paid on 6 August 2009.

No dividend has been declared for the third quarter ended 31 July 2009.

### 13. Earnings Per Share Attributable To Equity Holders of The Company

The basic earnings per share has been calculated by dividing the Group's profit for the period attributable to equity holders of the Company by the weighted average number of shares in issue. The weighted average number of shares in issue is calculated as follows:-

	3 MONTHS ENDED		9 MONTHS ENDED	
	31/07/2009 RM'000	31/07/2008 RM'000	31/07/2009 RM'000	31/07/2008 RM'000
Profit for the period attributable to equity holders of the Company	42,681	40,859	114,374	137,378
Number of ordinary shares at beginning of the period	1,016,806	1,016,698	1,016,698	672,605
Effect of bonus issue	-	-	-	336,303
Effect of shares issued pursuant to Exercise of Warrants	-	-	82	4,868
Weighted average number of ordinary shares	1,016,806	1,016,698	1,016,780	1,013,776
Basic Earnings Per Share (sen)	4.20	4.02	11.25	13.55

The diluted earnings per share has been calculated by dividing the Group's profit for the period attributable to equity holders of the Company by the weighted average number of shares that would have been in issue upon full exercise of the remaining options under the Warrants and the ESOS granted, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	3 MONTHS ENDED		9 MONTHS ENDED	
	31/07/2009 RM'000	31/07/2008 RM'000	31/07/2009 RM'000	31/07/2008 RM'000
Profit for the period attributable to equity holders of the Company	42,681	-*	114,374	-*
Weighted average number of ordinary shares as per basic EPS	1,016,806	-*	1,016,780	-*
Effect of potential exercise of ESOS/ Warrants	17,440	-*	2,617	-*
Weighted average number of ordinary shares	1,034,246	-*	1,019,397	-*
Diluted Earnings Per Share (sen)	4.13	-*	11.22	-*

\* *Anti-dilutive.*

### 14. Qualified audit report

The preceding audited financial statements for the year ended 31 October 2008 were not qualified.