

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

Interim Financial Report
31 October 2009

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	Page No.
Condensed Consolidated Balance Sheet	1
Condensed Consolidated Income Statement	2
Condensed Consolidated Statement Of Changes In Equity	3
Condensed Consolidated Cash Flow Statement	4
Notes to the Interim Financial Report	5-8
Additional Information Required by the Listing Requirements of Bursa Malaysia Securities Berhad	9-14

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED BALANCE SHEET
AS AT 31 OCTOBER 2009
(The figures have been audited)

	As At 31 October 2009 RM'000	(RESTATED) As At 31 October 2008 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	146,014	89,821
Investment Properties	197,587	178,236
Land Held for Property Development	1,211,522	1,220,058
Prepaid Lease Payments	870	880
Investment in Associated Companies	2,282	2,730
Other Investments	337	553
Amount Owing by Associated Companies	-	2
Amount Owing by Jointly Controlled Entities	15,900	302
Amount Owing by Joint Venture Partner	7,166	6,447
Deferred Tax Assets	33,141	26,829
	<u>1,614,819</u>	<u>1,525,858</u>
Current Assets		
Property Development Costs	897,949	853,984
Gross Amount Due From Customers	39,464	53,479
Inventories	27,318	35,178
Trade And Other Receivables	437,137	431,990
Amount Owing by Associated Companies	-	1,309
Amount Owing by Jointly Controlled Entities	19,367	10,944
Current Tax Assets	30,656	25,460
Deposits	610,315	407,599
Cash and Bank Balances	275,226	215,083
	<u>2,337,432</u>	<u>2,035,026</u>
TOTAL ASSETS	<u>3,952,251</u>	<u>3,560,884</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	762,604	762,524
Reserves		
Share Premium	218,017	217,584
Option Reserve	6,988	-
Warrant Reserve	47,766	47,798
Exchange Translation Reserve	(932)	1,500
Retained Earnings	1,002,778	945,936
Equity Attributable to Equity Holders of the Company	<u>2,037,221</u>	<u>1,975,342</u>
Minority Interests	357	358
Total Equity	<u>2,037,578</u>	<u>1,975,700</u>
Non-current liabilities		
Long Term Borrowings	1,107,291	1,018,999
Other Long Term Liabilities	1,446	1,446
Deferred Tax Liabilities	981	1,194
	<u>1,109,718</u>	<u>1,021,639</u>
Current Liabilities		
Gross Amount Due To Customers	7,537	8,042
Trade And Other Payables	457,225	441,012
Short Term Borrowings	144,353	83,917
Bank Overdrafts	186,167	21,100
Current Tax Liabilities	9,673	9,474
	<u>804,955</u>	<u>563,545</u>
Total Liabilities	<u>1,914,673</u>	<u>1,585,184</u>
TOTAL EQUITY AND LIABILITIES	<u>3,952,251</u>	<u>3,560,884</u>
Net Assets Per Share (RM)	<u>2.00</u>	<u>1.94</u>

(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 OCTOBER 2009
(The figures have been audited)

	3 MONTHS ENDED		12 MONTHS ENDED	
	31 October 2009 RM'000	(RESTATED) 31 October 2008 RM'000	31 October 2009 RM'000	(RESTATED) 31 October 2008 RM'000
Revenue	393,615	461,510	1,408,415	1,471,357
Cost of sales	(311,573)	(351,217)	(1,104,153)	(1,090,573)
Gross profit	<u>82,042</u>	<u>110,293</u>	<u>304,262</u>	<u>380,784</u>
Other operating income	7,710	4,792	17,373	13,911
Selling and marketing expenses	(16,646)	(12,980)	(32,171)	(34,111)
Administrative and general expenses	(22,406)	(26,086)	(86,461)	(98,983)
Profit from operations	<u>50,700</u>	<u>76,019</u>	<u>203,003</u>	<u>261,601</u>
Net profit from investing activities	21,274	31,281	36,609	44,109
Share of profits less losses of associated companies	(21)	597	(448)	4,401
Finance costs	(2,280)	(1,772)	(8,052)	(12,244)
Profit before taxation	<u>69,673</u>	<u>106,125</u>	<u>231,112</u>	<u>297,867</u>
Taxation	(12,815)	(30,048)	(59,880)	(84,412)
Profit for the period	<u>56,858</u>	<u>76,077</u>	<u>171,232</u>	<u>213,455</u>
Attributable to:				
Equity holders of the Company	56,859	76,078	171,233	213,456
Minority interests	(1)	(1)	(1)	(1)
	<u>56,858</u>	<u>76,077</u>	<u>171,232</u>	<u>213,455</u>
Earnings per share attributable to equity holders of the Company				
- Basic earnings per share (sen)	<u>5.59</u>	<u>7.48</u>	<u>16.84</u>	<u>21.04</u>
- Diluted earnings per share (sen)	<u>5.48</u>	<u>- *</u>	<u>16.74</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)
(Incorporated in Malaysia)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2009
(The figures have been audited)

	Attributable to Equity Holders of the Company						Minority Interests	Total Equity
	Non-Distributable			Exchange Translation Reserve				
	Share Capital	Share Premium	Warrant Reserve	Option Reserve	Unappropriated Profit	Total		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1.11.2008	762,524	217,584	47,798	-	945,936	1,975,342	358	1,975,700
Translation differences for the period	-	-	-	-	-	(2,432)	-	(2,432)
Profit for the period	-	-	-	-	171,232	171,232	(1)	171,231
Net income/(expense) recognised directly in equity	-	-	-	-	171,232	168,800	(1)	168,799
Dividend paid	-	-	-	-	(114,390)	(114,390)	-	(114,390)
Issue of ordinary shares pursuant to - exercise of Warrants	80	433	(32)	-	-	481	-	481
Options granted under ESOS	-	-	-	6,988	-	6,988	-	6,988
Balance at 31.10.2009	762,604	218,017	47,766	6,988	1,002,778	2,037,221	357	2,037,578
Balance at 1.11.2007	504,454	438,430	-	-	897,999	1,840,883	492	1,841,375
Translation differences for the period	-	-	-	-	-	1,500	-	1,500
Profit for the period	-	-	-	-	213,456	213,456	(1)	213,455
Net income/(expense) recognised directly in equity	-	-	-	-	213,456	214,956	(1)	214,955
Dividends paid	-	-	-	-	(165,519)	(165,519)	-	(165,519)
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)
Balance at 31.10.2008	762,524	217,584	47,798	-	945,936	1,975,342	358	1,975,700

(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
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 OCTOBER 2009
(The figures have been audited)

	12 MONTHS ENDED	12 MONTHS ENDED (RESTATED)
	31 October 2009 RM'000	31 October 2008 RM'000
Profit before taxation	231,112	297,867
Adjustments for:-		
Non-cash items	5,146	(14,949)
Non-operating items	(19,346)	(12,279)
Operating profit before changes in working capital	<u>216,912</u>	<u>270,639</u>
Net Change in current assets	142,130	113,410
Net Change in current liabilities	33,173	3,740
Cash generated from operations	<u>392,215</u>	<u>387,789</u>
Interest received	4,932	6,465
Interest paid	(50,019)	(52,703)
Rental received	593	401
Tax paid	(71,552)	(91,845)
Net cash generated from operating activities	<u>276,169</u>	<u>250,107</u>
Investing Activities		
Equity investments	-	(2,381)
Other investments	(210,219)	(267,458)
Net cash used in investing activities	<u>(210,219)</u>	<u>(269,839)</u>
Financing Activities		
Transactions with shareholders	(113,909)	(82,100)
Bank borrowings	129,632	(191,384)
Others financing activities	-	449,629
Net cash generated from financing activities	<u>15,723</u>	<u>176,145</u>
Net changes in cash and cash equivalents	81,673	156,413
Effect of exchange rate changes	310	248
Cash and cash equivalents at 1 November 2008/2007	590,520	433,859
Cash and cash equivalents at 31 October 2009/2008	<u>672,503</u>	<u>590,520</u>

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

	31 October 2009 RM'000	31 October 2008 RM'000
Deposits	610,315	407,599
Cash and bank balances	275,226	215,083
Bank overdrafts	(186,167)	(21,100)
	<u>699,374</u>	<u>601,582</u>
Less: Deposits pledged to licensed banks	(22,711)	(4,440)
Sinking Fund and Escrow Accounts	(4,160)	(6,622)
	<u>672,503</u>	<u>590,520</u>

(The Condensed Consolidated cash flow statement 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 STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 OCTOBER 2009
(The figures have been audited)

	Attributable to Equity Holders of the Company						Minority Interests	Total Equity
	Non-Distributable			Exchange Translation Reserve				
	Share Premium	Warrant Reserve	Option Reserve	Unappropriated Profit	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1.11.2008	217,584	47,798	-	1,500	945,936	1,975,342	358	1,975,700
Translation differences for the period	-	-	-	(2,432)	-	(2,432)	-	(2,432)
Profit for the period	-	-	-	-	171,232	171,232	(1)	171,231
Net income/(expense) recognised directly in equity	-	-	-	(2,432)	171,232	168,800	(1)	168,799
Dividend paid	-	-	-	-	(114,390)	(114,390)	-	(114,390)
Issue of ordinary shares pursuant to - exercise of Warrants	80	(32)	-	-	-	481	-	481
Options granted under ESOS	-	-	6,988	-	-	6,988	-	6,988
Balance at 31.10.2009	218,017	47,766	6,988	(932)	1,002,778	2,037,221	357	2,037,578
Balance at 1.11.2007	438,430	-	-	-	897,999	1,840,883	492	1,841,375
Translation differences for the period	-	-	-	1,500	-	1,500	-	1,500
Profit for the period	-	-	-	-	213,456	213,456	(1)	213,455
Net income/(expense) recognised directly in equity	-	-	-	1,500	213,456	214,956	(1)	214,955
Dividends paid	-	-	-	-	(165,519)	(165,519)	-	(165,519)
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)
Balance at 31.10.2008	217,584	47,798	-	1,500	945,936	1,975,342	358	1,975,700

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	12 MONTHS ENDED 31 October 2009 RM'000	12 MONTHS ENDED (RESTATED) 31 October 2008 RM'000
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Adjustments for:-		
Non-cash items	5,146	(14,949)
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Operating profit before changes in working capital	<u>216,912</u>	<u>270,639</u>
Net Change in current assets	142,130	113,410
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Equity investments	-	(2,381)
Other investments	(210,219)	(267,458)
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Cash and cash equivalents at 31 October 2009/2008	<u>672,503</u>	<u>590,520</u>

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

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Deposits	610,315	407,599
Cash and bank balances	275,226	215,083
Bank overdrafts	(186,167)	(21,100)
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Less: Deposits pledged to licensed banks	(22,711)	(4,440)
Sinking Fund and Escrow Accounts	(4,160)	(6,622)
	<u>672,503</u>	<u>590,520</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 and Note (a) below.

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.

(a) Reclassification/ Restatement of comparative figures

During the current financial year, certain associated companies which are accounted for in the consolidated financial statements by the equity method of accounting were reclassified as jointly controlled entities subsequent from re-examining the shareholders agreements taking into consideration the substance and economic reality of the relationship between the group vis-à-vis the other shareholders of these companies. Following such re-examination, it was determined that these companies should more fairly be classified as jointly-controlled entities to be accounted for in the consolidated financial statements using the proportionate consolidation method of accounting. The reclassification has been effected with retrospective effect, and the comparative figures have been restated. The reclassification has no effect on the net results for the current and previous financial quarter/year. There is also no effect on retained earnings.

2. Seasonal or cyclical factors

The business operations of the Group during the financial year 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 year ended 31 October 2009.

4. Changes in estimates

There were no material changes in estimates for the financial year ended 31 October 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 year 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 year 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.

An interim dividend of 5 sen less 25% income tax amounting to RM38,130,215 was paid in respect of the financial year ended 31 October 2009.

7. Segmental Reporting

The segmental analysis for the year ended 31 October 2009 are as follow:-

	Property Development	Construction	Other Operations	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
External sales	1,216,935	119,374	72,106	-	1,408,415
Inter-segment sales	52,450	11,211	66,513	(130,174)	-
Total revenue	<u>1,269,385</u>	<u>130,585</u>	<u>138,619</u>	<u>(130,174)</u>	<u>1,408,415</u>
<u>Results</u>					
Segment results	202,499	3,660	(3,156)	-	203,003
Net profit from investing activities					36,609
Share of net profits less losses of associated companies	(448)	-	-	-	(448)
Finance costs					<u>(8,052)</u>
Profit before taxation					231,112
Tax expense					<u>(59,880)</u>
Profit for the period					<u>171,232</u>

8. Material Events subsequent to the End of Period

There were no material transactions or events subsequent to the current quarter ended 31 October 2009 till 3 December 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 year 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;
- (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 resulting in Setia Land becoming a wholly owned subsidiary of SP Setia Berhad;

9. Changes in the Composition of the Group (continued)

- (c) Subscription of 10 shares for cash consideration of USD10/- in Setia Lai Thieu Limited (“Setia Lai Thieu”) through Setia International Limited on 9 September 2009 resulting in Setia Lai Thieu becoming a wholly owned subsidiary of S P Setia Berhad;
- (d) Acquisition of additional 3 ordinary shares in Indera Perasa Sdn Bhd (“Indera Perasa”) for cash consideration of RM3/- on 18 September 2009, resulting in Indera Perasa becoming a wholly owned subsidiary of S P Setia Berhad; and
- (e) Acquisition of additional 5,000,000 ordinary shares of RM1 each in Setia Putrajaya Sdn Bhd (“SPJ”) for cash consideration of RM6,652,200.00 on 29 October 2009, resulting in SPJ becoming a 60% jointly controlled entity of S P Setia Berhad.

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 RM2.87 million and RM139,000 given to secure banking facilities and performance bonds granted by the respective banks to jointly controlled entities.

11. Capital Commitments

	31/10/2009 RM'000
Commitments to purchase development land	
- Contracted	14,481
- Approved but not Contracted	22,857
Contractual commitments for acquisition of investment properties	4,405
Commitments for acquisition of property, plant and equipment	
- Contracted	6,174
- Approved but not Contracted	49
Commitment to subscribe for shares in a jointly controlled entity	<u>72,767</u>

12. Significant Related Party Transactions

	01/11/2008 To 31/10/2009 RM'000
<i>Transactions with jointly controlled entities:</i>	
(i) Construction services rendered	1,931
(ii) Interest charged	1,548
(iii) Marketing expenses charged	133
(iv) Project management and administrative fee received and receivable	6,572
(v) Rental paid and payable	287
(vi) Security services rendered	337
(vii) Sales of goods	7,493
(viii) Sale of development properties to directors of the Company	5,559
(ix) Sale of development properties to directors of subsidiary companies	10,574
(x) Sale of development properties to companies in which a director of the Company has financial interest	6,533
(xi) Disposal of freehold land	15,584
(xii) Purchase of property, plant & equipment	61
	<hr/>
<i>Transactions with directors of the Company and subsidiary companies, members of their family and companies, firms and trust bodies in which they have interests:</i>	
(i) Rental paid to a company in which a director has interest	72
(ii) Security services rendered to a director of the Company	127
(iii) Security services rendered to a trust body in which directors of subsidiary companies are the trustee	86
(iv) Rental charged to a trust body in which directors of subsidiary companies are the trustee	72
(v) Rental charged to a trust body in which a director of the Company is the trustee	25
(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 properties to directors of the Company	3,455
(viii) Sale of development properties to directors of the subsidiary companies	1,638
(ix) Sale of development property to a immediate family member of a director of the Company	341
(x) Sale of development property to a company in which a director of the subsidiary companies has financial interest	1,385
(xi) Sale of goods to directors of the subsidiary companies	69
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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 year, the Group achieved a profit after taxation of RM171.2 million on the back of revenue totalling RM1.4 billion. 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 construction and wood-based manufacturing activities also contributed to the earnings achieved.

The Group's profit after tax for the current quarter is 25% lower than the profit after tax for the corresponding quarter of the preceding year. This is mainly due to inclusion of profit recognised on the disposal of the 25.07% interest held in Loh & Loh Corporation Berhad amounting to RM26.9 million in the corresponding period of the preceding year. However, the effect was partially mitigated by the recognition of profits on the disposal of land to Greenhill Resources Sdn Bhd in the current quarter of this financial year.

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

The Group's current quarter profit before tax is RM69.7 million, which is 18.2% higher than the preceding quarter ended 31 July 2009.

3. Prospects for the Next Financial Year

The Board is pleased to report that in FY2009 the Group set a new benchmark in terms of total Group sales of RM1.65 billion – an 18% improvement from its previous record-high achieved in FY2008 and 50% higher than its FY2009 sales target of RM1.1 billion. Of the total, Malaysian projects accounted for RM1.58 billion whilst *EcoLakes*, the Group's maiden project in Vietnam, achieved a commendable US\$21 million or RM71 million from the launch of its first two phases.

The strength of the Group's sales is a strong testament not only of the resilience of the regional property market particularly that of Malaysia but also of the inherent attractiveness and desirability of the Group's products – twin conditions necessary to excel in challenging times. Macroeconomic conditions in the region are expected to further improve in FY2010 which will enable the Group to reap the benefits of the long-term seeds of growth planted in FY2009. These include the strategic decision made to proceed with the launch of *Setia Sky Residences*, *Setia Walk* and *EcoLakes*, projects which represent the Group's maiden expansion into the luxury high-rise, integrated commercial and international spheres respectively. The strong take up rates of 80% - 90% achieved by all three projects in these new markets are early firstfruits of the Group's bold implementation of its growth plans amid the turbulence of FY2009.

For FY2010 Management intends to focus on improving overall yields by targeting to grow either the Gross Development Value (GDV) and / or margins on properties sold through continued value creation on all its development projects. Other plans include the proposed disposal of certain non-core assets and deployment of the Group's strong balance sheet to acquire new landbank to secure the Group's long-term growth prospects.

Whilst near-term profit margins will continue to remain range-bound next year due to the flow-through effect of the 5/95 financial incentives given and the attractive introductory prices in 2009 for new project launches, the Group is still expected to see a return to earnings growth in 2010. As such, based on the

strong sales achieved in FY2009, Management's plans for FY2010 and on the assumption that macroeconomic factors remain conducive, the consensus earnings growth of between 10% and 15% estimated by investment analysts is in-line with internal Management targets.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published. For the avoidance of doubt, Management's comment on the consensus earnings growth of between 10% - 15% estimated by investment analysts for FY2010 is not to be construed as Management's formal estimate or forecast of the Group's performance for the next financial year. Management undertakes no responsibility to update the above comment to reflect events or circumstances which take place after the date of this announcement.

5. Income Tax

Income Tax comprises: -

	3 MONTHS ENDED		12 MONTHS ENDED	
	31/10/2009	31/10/2008	31/10/2009	31/10/2008
	RM'000	RM'000	RM'000	RM'000
- current taxation	5,943	20,522	67,564	80,341
- deferred taxation	7,171	4,235	(6,258)	(998)
- in respect of prior years	(299)	5,291	(1,426)	5,069
	<u>12,815</u>	<u>30,048</u>	<u>59,880</u>	<u>84,412</u>

The Group's effective tax rate for the current quarter is lower compared to the statutory taxation rate mainly due to certain income which is not subject to income tax.

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 year.

7. Quoted Securities

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

	3 MONTHS	12 MONTHS
	ENDED	ENDED
	31/10/2009	31/10/2009
	RM'000	RM'000
Total purchase consideration	-	-
Total sale proceeds	<u>73</u>	<u>75</u>
Total profit on disposal	<u>23</u>	<u>25</u>

The Group does not hold investment in quoted securities as at 31 October 2009.

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 3 December 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 ("DBKL") 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. As announced on 26 October 2009, KLEC and DBKL have agreed to extend the period for the execution of the Privatisation Agreement up to 20 February 2010;

- (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 Pulaui, 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 29 October 2009, the parties have mutually agreed to extend the period for fulfilment of the conditions precedent to expire on 29 April 2010;

- (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;

- (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.

Further to the announcement, Setia (Hangzhou) Development Company Limited, a subsidiary of S P Setia, had on 28 October 2009 entered into a Joint Venture Contract with Hangzhou Ju Shen to establish a limited liability joint-venture company (“JV Co”). The purpose of the JV Co is to undertake the Project on a piece of land measuring approximately 5 acres will be developed as the first phase of the Project; and

- (vii) On 26 October 2009, a subsidiary of S P Setia, Setia Lai Thieu Limited (“Setia LT”), had entered into an In-Principle Agreement with Investment and Industrial Development Corporation (Becamex IDC Corp) (“Becamex”) for the assignment of the implementation and development of an independent mixed-use real estate project on a piece of land measuring approximately 108,400 square metres / 26.79 acres located in Lai Thieu Town, Thuan An District, Binh Duong Province, Vietnam (“Land”) from Becamex to a company to be established by Setia LT in Vietnam for a total consideration of United States Dollars Sixteen Million Two Hundred and Sixty Thousand (US\$16,260,000) only.

9. Group Borrowings and Debt Securities

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

	Secured	Unsecured	Total
	RM’000	RM’000	RM’000
Hire Purchase & Leasing Borrowings	-	187	187
Bank Overdrafts	7,777	178,390	186,167
Short Term Bank Borrowings	114,781	29,492	144,273
Long Term Bank Borrowings	568,768	-	568,768
Redeemable Preference Shares	-	65,625	65,625
2% Redeemable Serial Bonds	-	472,791	472,791
	691,326	746,485	1,437,811

10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 3 December 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 3 December 2009, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

12. Dividends

- (a) (i) The board of Directors has recommended a final dividend in respect of the financial year ended 31 October 2009.
- (ii) Amount per share : 9 sen less income tax of 25%
- (iii) Previous corresponding period : 10 sen less income tax of 25%
- (iv) Date payable : To be determined later
- (v) In respect of deposited securities, entitlement to dividends will be determined on the basis of record of depositors as at a date to be determined later.
- (b) Total dividend for the current year : 14 sen less income tax

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 and year 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		12 MONTHS ENDED	
	31/10/2009	31/10/2008	31/10/2009	31/10/2008
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year attributable to equity holders of the Company	56,859	76,078	171,233	213,456
Number of ordinary shares at beginning of the period/year	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	-	-	88	5,602
Weighted average number of ordinary shares	1,016,806	1,016,698	1,016,786	1,014,510
Basic Earnings Per Share (sen)	5.59	7.48	16.84	21.04

The diluted earnings per share has been calculated by dividing the Group's profit for the period/year 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		12 MONTHS ENDED	
	31/10/2009	31/10/2008	31/10/2009	31/10/2008
	RM'000	RM'000	RM'000	RM'000
Profit for the period/year attributable to equity holders of the Company	56,859	-*	171,233	-*
Weighted average number of ordinary shares as per basic EPS	1,016,806	-*	1,016,786	-*
Effect of potential exercise of ESOS/ Warrants	21,053	-*	5,938	-*
Weighted average number of ordinary shares	1,037,859	-*	1,022,724	-*
Diluted Earnings Per Share (sen)	5.48	-*	16.74	-*

* *Anti-dilutive.*

14. Qualified audit report

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