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

Interim Financial Report
31 October 2011

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(Incorporated in Malaysia)

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S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2011
(The figures have been audited)

	As At 31 October 2011 RM'000	(RESTATED) (See Note 1 (ii)) As At 31 October 2010 RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	74,062	108,248
Investment Properties	262,641	117,446
Land Held for Property Development	1,786,029	1,371,152
Investment in Associated Companies	2,279	2,249
Other Investments	337	337
Amount Owing by Former Joint Venture Partner	12,674	13,890
Amount Owing by Jointly Controlled Entities	48,357	30,213
Deferred Tax Assets	66,920	42,465
	2,253,299	1,686,000
Current Assets		
Property Development Costs	894,189	840,448
Gross Amount Due From Customers	49,575	69,775
Inventories	26,288	23,601
Trade and Other Receivables	872,859	655,289
Amount Owing By Jointly Controlled Entities	35,101	18,380
Current Tax Assets	17,936	34,045
Deposits	704,509	646,140
Cash and Bank Balances	731,901	412,384
	3,332,358	2,700,062
TOTAL ASSETS	5,585,657	4,386,062
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	1,374,554	762,606
Reserves		
Share Premium	696,575	218,027
Option Reserve	39,304	24,482
Warrant Reserve	46,036	47,765
Exchange Translation Reserve	(4,319)	(3,808)
Retained Earnings	1,294,292	1,140,201
Equity Attributable to Equity Holders of the Company	3,446,442	2,189,273
Minority Interests	(6,956)	79
Total Equity	3,439,486	2,189,352
Non-current liabilities		
Long Term Borrowings	1,117,142	1,016,335
Other Long Term Liabilities	-	1,446
Deferred Tax Liabilities	975	979
	1,118,117	1,018,760
Current Liabilities		
Gross Amount Due To Customers	6,205	7,117
Trade and Other Payables	768,312	534,283
Short Term Borrowings	199,736	513,051
Bank Overdrafts	36,435	107,613
Current Tax Liabilities	17,366	15,886
	1,028,054	1,177,950
Total Liabilities	2,146,171	2,196,710
TOTAL EQUITY AND LIABILITIES	5,585,657	4,386,062
Net Assets Per Share (RM)	1.88	2.15

(The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 October 2010)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2011
(The figures have been audited)

	3 MONTHS ENDED		12 MONTHS ENDED	
	31 October 2011 RM'000	31 October 2010 RM'000	31 October 2011 RM'000	31 October 2010 RM'000
Revenue	633,366	557,998	2,232,473	1,745,870
Cost of sales	(455,975)	(398,790)	(1,618,595)	(1,320,058)
Gross profit	177,391	159,208	613,878	425,812
Other operating income	12,669	36,823	79,839	108,703
Selling and marketing expenses	(41,583)	(31,413)	(127,573)	(62,206)
Administrative and general expenses	(37,626)	(60,750)	(124,120)	(132,109)
Share of profits less losses of associated companies	6	(37)	30	(33)
Finance costs	(1,812)	(2,461)	(11,460)	(9,200)
Profit before taxation	109,045	101,370	430,594	330,967
Taxation	(31,404)	(26,214)	(108,163)	(79,162)
Profit for the period	77,641	75,156	322,431	251,805
Other comprehensive income:				
Exchange differences on translation of foreign operations	657	(222)	(567)	(2,875)
Total comprehensive income for the period	78,298	74,934	321,864	248,930
Profit attributable to:				
Equity holders of the Company	82,469	75,156	327,973	251,813
Non-controlling interests	(4,828)	-	(5,542)	(8)
	77,641	75,156	322,431	251,805
Total comprehensive income attributable to:				
Equity holders of the Company	83,126	74,934	327,406	248,938
Non-controlling interests	(4,828)	-	(5,542)	(8)
	78,298	74,934	321,864	248,930
Earnings per share attributable to equity holders of the Company				
- Basic earnings per share (sen)	4.61	4.93 *	19.22	16.51 *
- Diluted earnings per share (sen)	4.40	4.79 *	18.07	16.19 *

** Restated for the effects of 1 bonus share for every 2 shares held.*

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 October 2010)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2011
(The figures have been audited)

	Attributable to Equity Holders of the Company							Non-controlling interests	Total Equity
		Non-Distributable							
	Share Capital RM'000	Share Premium RM'000	Option Reserve RM'000	Warrant Reserve RM'000	Exchange Translation Reserve RM'000	Unappropriated Profit RM'000	Total RM'000	RM'000	RM'000
Balance at 1.11.2010	762,606	218,027	24,482	47,765	(3,808)	1,140,201	2,189,273	79	2,189,352
Effect arising from adoption of FRS 139	-	-	-	-	-	(1,713)	(1,713)	-	(1,713)
Balance at 1.11.2010, as restated	762,606	218,027	24,482	47,765	(3,808)	1,138,488	2,187,560	79	2,187,639
Total comprehensive income for the period	-	-	-	-	(567)	327,973	327,406	(5,542)	321,864
Transactions with owners in their capacity as owners:									
Dividends paid	-	-	-	-	-	(173,783)	(173,783)	-	(173,783)
Partial disposal of a subsidiary	-	-	-	-	-	1,084	1,084	(1,044)	40
Dilution of equity interest in a subsidiary	-	-	-	-	56	393	449	(449)	-
Share issue expenses	-	(9,394)	-	-	-	-	(9,394)	-	(9,394)
Issuance of ordinary shares pursuant to:-									
- Bonus Issue	440,162	(440,162)	-	-	-	-	-	-	-
- Private Placement	114,794	769,887	-	-	-	-	884,681	-	884,681
- Exercise of ESOS	51,927	135,556	(36,488)				150,995	-	150,995
- Exercise of Warrants	5,065	22,661	-	(1,729)	-	-	25,997	-	25,997
Options granted under ESOS	-	-	51,447	-	-	-	51,447	-	51,447
ESOS lapsed	-	-	(137)	-	-	137	-	-	-
Balance at 31.10.2011	1,374,554	696,575	39,304	46,036	(4,319)	1,294,292	3,446,442	(6,956)	3,439,486
Balance at 1.11.2009	762,604	218,017	6,988	47,766	(933)	1,002,779	2,037,221	357	2,037,578
Total comprehensive income for the period	-	-	-	-	(2,875)	251,813	248,938	(8)	248,930
Transactions with owners in their capacity as owners:									
Dividends paid	-	-	-	-	-	(114,391)	(114,391)	-	(114,391)
Issue of ordinary shares pursuant to exercise of Warrants	2	10	-	(1)	-	-	11	-	11
Options granted under ESOS	-	-	17,494	-	-	-	17,494	-	17,494
Issuance of ordinary shares to a non-controlling interest	-	-	-	-	-	-	-	8	8
Acquisition of additional shares in an existing subsidiary company	-	-	-	-	-	-	-	(278)	(278)
Balance at 31.10.2010	762,606	218,027	24,482	47,765	(3,808)	1,140,201	2,189,273	79	2,189,352

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 October 2010)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2011
(The figures have been audited)

	12 MONTHS ENDED 31 October 2011 RM'000	12 MONTHS ENDED 31 October 2010 RM'000
Profit before taxation	430,594	330,967
Adjustments for:-		
Non-cash items	32,701	(18,053)
Non-operating items	(27,119)	(20,866)
Operating profit before changes in working capital	436,176	292,048
Net Change in current assets	229,559	100,554
Net Change in current liabilities	154,373	83,703
Cash generated from operations	820,108	476,305
Interest received	11,118	6,180
Interest paid	(73,621)	(48,786)
Rental received	1,516	800
Tax paid	(116,574)	(86,257)
Net cash generated from operating activities	642,547	348,242
Investing Activities		
Other investments	(855,052)	(230,970)
Net cash used in investing activities	(855,052)	(230,970)
Financing Activities		
Transaction with shareholders	820,637	(114,372)
Bank borrowings	(159,698)	263,057
Net cash generated from financing activities	660,939	148,685
Net changes in cash and cash equivalents	448,434	265,957
Effect of exchange rate changes	(467)	770
Cash and cash equivalents at 1 November 2010/2009	939,230	672,503
Cash and cash equivalents at 31 October 2011/2010	1,387,197	939,230

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

	31.10.2011 RM'000	**31.10.2010** RM'000
Deposits	704,509	646,140
Cash and bank balances	731,901	412,384
Bank overdrafts	(36,435)	(107,613)
	1,399,975	950,911
Less: Deposits pledged and maintained in Sinking Fund	(6,008)	(5,166)
Sinking Fund, Debt Service Reserve and Escrow Accounts	(6,770)	(6,515)
	1,387,197	939,230

(The Condensed Consolidated Statements Of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 October 2010)

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 ("Bursa Malaysia").

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 October 2010.

The accounting policies adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the financial year ended 31 October 2010 except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and IC Interpretations:

FRS 3	Business Combinations (revised)
FRS 7	Financial Instruments: Disclosures
FRS 101	Presentation of Financial Statements (revised)
FRS 123	Borrowing Costs (revised)
FRS 127	Consolidated and Separate Financial Statements (revised)
FRS 139	Financial Instruments: Recognition and Measurement
Amendments to FRSs	Improvements to FRSs (2009)
Amendments to FRS 1 and FRS 127	First-time Adoption of Financial Reporting Standards and Consolidated and Separate Financial Statements : Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
Amendments to FRS 2	Share-based Payment Vesting Conditions and Cancellations
Amendments to FRS 2	Share-based payment
Amendments to FRS 132	Financial Instruments: Presentation
IC Interpretation 9	Reassessment of Embedded Derivatives
IC Interpretation 10	Interim Financial Reporting and Impairment
IC Interpretation 13	Customer Loyalty Programmes
IC Interpretation 14	FRS 119 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
IC Interpretation 17	Distributions of Non-cash Assets to Owners
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

1. **Basis of preparation (continued)**

The adoption of the FRSs and IC Interpretations do not have any significant impact to the Group or the Group's significant accounting policies except as discussed below:

(i) FRS 101

The revised FRS 101 separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. The Standard also introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of income and expense recognised directly in equity, either in one single statement, or in two linked statements.

The Group had elected to present the statement of comprehensive income in one statement.

(ii) Amendments to FRS 117 Leases (as part of the Improvements to FRSs (2009))

Prior to the adoption of the Amendments to FRS 117, leasehold land with title which had an indefinite economic life that was not expected to pass to the lessee at the end of the lease term was classified as operating lease. Upfront payments for the rights to use the leasehold land over a predetermined period were accounted for as prepaid lease payments and amortised on a straight-line basis over the remaining period of the lease.

Upon adoption of the Amendments to FRS 117, the Group reassessed the classification of leasehold land as a finance lease or an operating lease based on the extent of risks and rewards associated with the land. The Group has determined that all leasehold lands of the Group are in substance finance leases and has reclassified its leasehold land from prepaid lease payments to investment properties.

The reclassification has been made retrospectively in the Condensed Consolidated Statement of Financial Position and the following comparative figures have been restated:

	Audited as at 31 October 2010 RM'000	**Effect of adopting Amendments to FRS 117 RM'000**	**Restated as at 31 October 2010 RM'000**
Investment properties	116,586	860	117,446
Prepaid lease payments	860	(860)	-

(iii) Amendments to FRS 140 Investment Property (as part of the Improvements to FRSs (2009))

On 1 November 2010, the Group adopted the amendments to FRS 140 which arose from the Improvements to FRSs issued in 2009.

The Group has properties that are being constructed for future use classified as investment properties. Such investment properties under construction ("IPUC") were accounted as property, plant and equipment. Upon adoption of the amendments to FRS 140, these IPUC are reclassified as investment properties.

The Group applied the amendments prospectively. As a result of the adoption of the amendments to FRS 140, as at 1 November 2010, the Group has reclassified IPUC of RM36,876,000 from property, plant and equipment to investment properties.

1. **Basis of preparation (continued)**

(iv) FRS 139 establishes principles for recognising and measuring financial assets, financial liabilities and some contracts to buy and sell non-financial items. The Group has adopted FRS 139 prospectively on 1 November 2010 in accordance with the transitional provisions. The effects arising from the adoption of this Standard has been accounted for by adjusting the opening balance of retained earnings as at 1 November 2010. Comparatives are not restated. The details of the changes in accounting policies and the effects arising from the adoption of FRS 139 are discussed below:

Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, Held-to-Maturity investments or Available-for-Sale ("AFS") financial assets.

Investment in unquoted shares

Prior to 1 November 2010, other investment was recorded at cost adjusted for any diminution in value in the Group's financial statements.

As at 1 November 2010, other investment is designated as AFS investment and since the fair value of the AFS investment cannot be reliably measured, it is measured at cost less impairment loss.

Loans and receivables

Prior to 1 November 2010, the Group granted interest bearing loans or advances to its jointly controlled entities with interest different from market rates which were recorded at cost in the Group's financial statements.

With the adoption of FRS 139, amounts owing by jointly controlled entities are now recognised initially at fair value, which are estimated by discounting the expected cash flows using the current market interest rate of a loan with similar risk and tenure. Interest income is recognized in profit or loss using effective interest method.

Financial liabilities

Financial liabilities are classified as financial liabilities at fair value through profit or loss, financial liabilities at amortised cost or other financial liabilities.

The Group's financial liabilities are initially measured at fair value and subsequently measured at amortised cost.

1. **Basis of preparation (continued)**

(v) The following are effects arising from the changes in accounting policies in (iii) and (iv):

	As at 31 October 2010 RM'000	**Reclassification[1] RM'000**	**Effect of adopting FRS 139 RM'000**	**Effect of adopting Amendments to FRS 140 RM'000**	**After adoption of FRSs as at 1 November 2010 RM'000**
Property, plant and equipment	108,248	-	-	(36,876)	71,372
Investment properties	117,446[2]	-	-	36,876	154,322
Amounts owing by former joint venture partner	-	13,890	(1,694)	-	12,196
Amounts owing by jointly controlled entities	30,213	-	(19)	-	30,194
Trade and other Receivables	669,179	(13,890)	-	-	655,289
Retained earnings	1,140,201	-	(1,713)	-	1,138,488

[1] The amounts owing was reclassified from current asset to non-current asset to better reflect the timing of recoverability of the amount owing.

[2] Restated due to adoption of Amendments to FRS 117

(vi) The following are the new/revised FRS and IC Interpretations which are effective but are not applicable to the Group for the financial year ended 31 October 2011:

FRS 1	First-time Adoption of Financial Reporting Standards (revised)
FRS 4	Insurance Contracts
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 138	Intangible Assets
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
TR *i* – 3	Presentation of Financial Statements of Islamic Financial Institutions

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 2011.

4. **Changes in estimates**

There were no material changes in estimates for the financial year ended 31 October 2011.

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 following:

(a) Issuance of 69,235,875 new ordinary shares of RM0.75 each pursuant to the exercise of Employees Share Option Scheme ("ESOS") at the following option prices:

Exercise price	(RM)	1.97	2.46	2.70	3.77	2.89
No. of shares issued	('000)	51,799	4,386	5,614	1,716	5,721

The total cash proceeds arising from the exercise of ESOS during the current financial year amounted to RM150,994,946;

(b) Issuance of 6,752,170 new ordinary shares of RM0.75 each pursuant to the exercise of warrants at the following warrant prices:

Exercise price	(RM)	4.48	2.99
No. of warrants issued	('000)	3,898	2,854

The total cash proceeds arising from the exercise of warrants during the current financial year amounted to RM25,997,411;

(c) Redemption of 2.00% redeemable serial bond 1 of RM250 million upon its maturity on 23 November 2010;

(d) Issuance of 153,059,000 new ordinary shares of RM0.75 each pursuant to the Private Placement at an issue price of RM5.78 per ordinary share; and

(e) Issuance of 586,882,794 new ordinary shares of RM0.75 each and 78,176,263 new warrants pursuant to the Bonus Issue.

6. **Dividends paid**

A final dividend of 14 sen per share less 25% income tax amounting to RM107,141,600 was paid on 31 March 2011 in respect of the financial year ended 31 October 2010.

An interim dividend of 5 sen less 25% income tax amounting to RM66,641,503 was paid on 28 July 2011 in respect of the financial year ended 31 October 2011.

7. **Segmental Reporting**

The segmental analysis for the financial year ended 31 October 2011 is as follows:-

	Property Development	**Construction**	**Other Operations**	**Eliminations**	**Consolidated**
	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue					
External sales	1,941,185	185,531	105,757		2,232,473
Inter-segment sales	173,977	69,273	95,968	(339,218)	-
Total revenue	2,115,162	254,804	201,725	(339,218)	2,232,473
Gross profit	559,554	32,911	21,413	-	613,878
Other operating income	57,191	4,799	17,849	-	79,839
Operating expenses	(222,423)	(12,373)	(16,897)	-	(251,693)
Share of net profits less losses of associated companies	32	-	(2)	-	30
Finance costs	(7,968)	(3,486)	(6)	-	(11,460)
Profit before taxation	386,386	21,851	22,357	-	430,594
Tax expense					(108,163)
Profit for the year					322,431

8. **Material Events subsequent to the End of Financial Year**

There were no material transactions or events subsequent to the current quarter ended 31 October 2011 till 2 December 2011 (the latest practicable date which is not earlier than 6 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:-

(i) Incorporation of a subsidiary, Setia Jersey Investment Holding Company Limited ("Setia Jersey") with an issued and paid up capital of GBP2.00 comprising of 2 ordinary share of GBP1.00 each, through Setia International Limited on 15 December 2010 resulting in Setia Jersey becoming a wholly owned subsidiary of S P Setia Berhad;

(ii) On 2 March 2011, a wholly owned subsidiary of S P Setia Berhad, Setia Eco Glades Sdn Bhd ("Setia Eco Glades") (formerly known as Setia Eco Villa Sdn Bhd), increased its issued and paid-up share capital from 2 ordinary shares of RM1 each to 10 ordinary shares of RM1 each pursuant to the terms of a Subscription and Shareholders' Agreement entered into on 28 March 2011 with Setia Haruman Sdn Bhd. Following the increase in additional share capital, S P Setia Berhad subscribed for an additional 5 ordinary shares of RM1 each, resulting in S P Setia Berhad's equity interest in Setia Eco Glades being reduced from 100% to 70%;

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

(iii) On 3 March 2011, S P Setia Berhad transferred 40% of the equity interest in KL Eco City Sdn Bhd ("KLEC") to Yayasan Gerakbakti Kebangsaan ("YGK") following the novation by YGP Holdings Sdn Bhd ("YGP") to YGK of its rights, title, interests, obligations and liabilities in KLEC pursuant to a Conditional Shareholders Agreement entered into between S P Setia Berhad and YGP on 20 December 2000;

(iv) Acquisition of 2 ordinary shares of RM1.00 each in Setia City Development Sdn Bhd, (formerly known as Kuasa Kasturi Sdn Bhd) ("Setia City Development") on 18 March 2011, resulting in Setia City Development becoming a wholly owned subsidiary of S P Setia Berhad;

(v) Incorporation of a subsidiary, Setia Bac Ninh Limited ("Setia Bac Ninh") with an issued and paid up capital of USD10.00 comprising of 10 ordinary share of USD1.00 each, through Setia International Limited on 27 April 2011, resulting in Setia Bac Ninh becoming a wholly owned subsidiary of S P Setia Berhad;

(vi) Cessation of Retro Highland Sdn Bhd ("Retro Highland") as a wholly owned subsidiary of S P Setia Berhad ("S P Setia") on 11 August 2011, due to allotment of additional 2 ordinary shares of RM1 each to a third party, resulting in S P Setia's equity interest in Retro Highland being reduced from 100% to 50%; and

(vii) Acquisition of 2 ordinary shares of RM1.00 each in Gita Kasturi Sdn Bhd ("Gita Kasturi") on 15 September 2011, resulting in Gita Kasturi becoming a wholly owned subsidiary of S P Setia Berhad.

10. **Contingent Liabilities**

There were no changes in contingent liabilities in respect of the Group since the last financial year except for additional guarantees of RM116,000 given to a bank for performance bonds granted to a jointly controlled entity.

11. **Capital Commitments**

	As at 31/10/2011 RM'000
Commitments to purchase development land	
- Contracted	1,445,412
- Approved but not Contracted	109,302
Contractual commitments for acquisition of investment properties	66,580
Contractual commitments for acquisition of property, plant and equipment	4,737
Commitments in relation to the Privatisation Agreement (see note 8(a)(i))	23,607
Others	800

12. **Significant Related Party Transactions**

	01/11/2010 To 31/10/2011 RM'000
Transactions with jointly controlled entities:	
(i) Construction services rendered	32,569
(ii) Interest charged	3,453
(iii) Marketing expenses charged	589
(iv) Project management and administrative fee received and receivable	10,826
(v) Rental paid and payable	309
(vi) Rental received and receivable	34
(vii) Security services rendered	172
(viii) Sale of building material	7,152
(ix) Staff secondment	216
(x) Disposal of motor vehicle	14
(xi) Sale of Investment Property	50,000
Transactions with directors of the Company and subsidiary companies, companies and trust bodies in which they have interests:	
(i) Rental paid to a company in which a director has interest	54
(ii) Security services rendered to a director of the Company	81
(iii) Security services rendered to a trust body in which directors of subsidiary companies are the trustees	86
(iv) Rental charged to a trust body in which directors of subsidiary companies are the trustees	135
(v) Rental charged to a trust body in which a director of the Company is the trustee	30
(vi) Roofing services rendered to a director of the Company	53
(vii) Roofing services rendered to a close family member of a director of the Company	10
(viii) Roofing services rendered to directors of the subsidiary companies	72
(ix) Membership subscription and facilities charges charged to directors of the Company	22
(x) Sale of development properties to directors of the Company	11,581
(xi) Sale of development properties to directors of the subsidiary companies	17,526
(xii) Sale of a development property to close family member of a director of the Company	2,368
(xiii) Sale of development properties to companies in which a director of the Company and subsidiary company have financial interest	127,777

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**

(a) **Performance of the current quarter against the same quarter in the preceding year (Q4 FY 2011 vs. Q4 FY 2010)**

There were no material changes in the Group's current quarter profit after taxation compared to the same quarter ended 31 October 2010.

(b) **Performance of the current year against the preceding year (FY 2011 vs. FY 2010)**

For the current year, the Group achieved a profit after taxation of RM322.4 million on the back of revenue totalling RM2,232.4 million, representing an increase of 27.9% over the results for the preceding year. The gross profit margin increased from 24.4% last year to 27.5% for the current financial year. This was mainly due to the flow through effect of overall increases in selling prices achieved for new launches since FY 2010 and the general stabilisation in prices of construction materials experienced during the financial year. The current year profit after taxation was arrived at after expensing the cost of financial incentives of RM79.8 million borne by the Group pursuant to its successful 5/95, Best for the Best and Invest Setiahomes campaigns.

The Group's profit and revenue were principally 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, *Setia Walk* at Pusat Bandar Puchong, *Setia Sky Residences* at Jalan Tun Razak, *Bukit Indah, Setia Indah*, *Setia Tropika* and *Setia Eco Gardens* in Johor Bahru and *Setia Pearl Island* and *Setia Vista* in Penang. Apart from property development, the Group's construction and wood-based manufacturing activities also contributed to the earnings achieved.

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 taxation compared to the preceding quarter ended 31 July 2011.

3. **Prospects for the Next Financial Year**

The Board is pleased to report that the Group has, once again, set a new full-year sales record in FY 2011 of RM3.29 billion, which represents a 42% increase from the previous record of RM2.31 billion set in FY 2010. This has been the fourth consecutive year of increase in the Group's new sales record and represents the second consecutive year that total Group sales have exceeded the RM2 billion mark. The Board is confident that the Group has the capability and capacity to grow the value of its new sales even further despite the anticipated head-winds stemming from the slowdown in the global economy. Fundamental determinants of property demand, such as demographics, favourable interest rates, job stability, and a structural decline in housing starts, remain supportive and positive. Recent pro-active policies from the central bank and government that seek to further encourage prudence in bank lending should not adversely impact genuine home-owner demand particularly for quality properties. With this mind, the Group targets to achieve total new sales of RM4 billion in FY 2012.

3. **Prospects for the Next Financial Year (continued)**

Existing projects in the Klang Valley, Johor Bahru and Penang will continue to underpin the Group's sales performance in FY 2012. The Group's recent launch of *KL EcoCity*, the Group's exciting new integrated green commercial and mixed residential development, is expected to contribute strongly to the Group's sales. Other recent launches like *Fulton Lane* and *EcoXuan*, the Group's maiden project in Melbourne and second project in Vietnam respectively, are expected to help augment sales in FY 2012 which will also benefit from planned new project launches like *Setia Eco Cascadia,* S P Setia's first upgraders' project in Johor, and *Aeropod*, the Group's maiden project in Sabah.

The Group's recent and upcoming new project launches is illustrative of S P Setia's wide breadth and depth of projects across market segments and geographic regions within Malaysia and regionally. Coupled with the Group's healthy cash flow and strong financial position, Management hopes to be able to capture increased market share in FY 2012. The Group also intends to seize opportunities which may arise during uncertain times to acquire more choice assets on favourable terms to further strengthen the Group's growth prospects in line with its long-term expansion plans.

Barring unforeseen external shocks, the Board is optimistic that the Group's strong performance will continue in FY 2012.

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		**12 MONTHS ENDED**	
	31/10/2011	**31/10/2010**	**31/10/2011**	**31/10/2010**
	RM'000	**RM'000**	**RM'000**	**RM'000**
- current taxation	31,296	14,901	130,692	78,513
- in respect of prior years	2,053	114	1,697	10,371
- deferred taxation	1,682	9,948	(19,914)	(912)
- in respect of prior years	(3,627)	1,251	(4,312)	(8,810)
	31,404	26,214	108,163	79,162

The Group's effective tax rate for the current quarter is higher compared to the statutory taxation rate mainly due to certain non-tax deductible expenses, however, the Group's effective tax rate for the financial year is equivalent to the statutory taxation rate.

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**

There were no purchases and disposals of quoted securities for the financial year.

The Group does not hold investment in quoted securities as at 31 October 2011.

8. **Status of Corporate Proposals**

(a) The following are the status of corporate proposals that have been announced by the Company but not completed as at 2 December 2011, the latest practicable date which shall not be earlier than 6 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") ("Shareholders' Agreement") to govern the relationship between S P Setia Berhad and YGP ("the Parties") as proposed shareholders in KL Eco City 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. Subsequent to the Shareholders' Agreement, YGP had, as earlier mentioned, novated all of its rights, title, interest, obligations and liabilities pursuant to the Shareholders' Agreement to Yayasan Gerakbakti Kebangsaan ("YGK").

As announced on 24 October 2011, KLEC and DBKL had entered into the Privatisation Agreement. The Privatisation Agreement is currently pending the fulfilment of the conditions precedent therein.

On 25 July 2011, S P Setia Berhad had entered into a conditional Share Sale Agreement ("SSA") with YGK to purchase the 40% equity interest in KLEC held by YGK for a total consideration of RM75,000,000 to be satisfied through the issuance of 19,379,845 new ordinary shares of RM0.75 each in S P Setia Berhad at an issue price of RM3.87 per S P Setia share ("Proposed Share Issuance").

The purchase consideration of RM75,000,000 was arrived at on a willing-buyer willing-seller basis and based on the equity valuation of KLEC using the discounted cash flow method of valuation after taking into account, amongst others, the following:

(a) the approved development order for the stratified mixed residential and commercial developments of the project known as "KL Eco City Project";

(b) the terms of the Privatisation Agreement to be entered into between KLEC and DBKL; and

(c) KLEC's cashflow forecasts and projections based on planned launches and sales by KLEC's management.

Bursa Malaysia has approved the listing application in relation to the Proposed Share Issuance on 23 November 2011 and the Circular to shareholders has been issued on 30 November 2011.

Barring unforeseen circumstances, the SSA is expected to be completed by first quarter of 2012;

(ii) 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 27 July 2011, the parties have mutually agreed to extend the period for fulfilment of the conditions precedent to expire on 3 July 2012;

8. **Status of Corporate Proposals (continued)**

(iii) 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 November 2011, the parties have mutually agreed to extend the period for fulfilment of the conditions precedent to expire on 28 April 2012;

(iv) 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 ("Retail Mall"), 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 Sale and Purchase Agreement between BSA and Greenhill and GR Investments Ltd ("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 disposal of the Stage 2 Land is expected to be completed approximately 2 years after completion of construction of the Retail Mall;

(v) On 26 October 2009, a subsidiary of S P Setia Berhad, 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 (USD16,260,000) only.

As announced on 11 March 2010, the People's Committee of Binh Duong Province has on 10 March 2010 issued the Investment Certificate for the establishment of Setia Lai Thieu One Member Company Limited to undertake the development of Eco-Xuan Lai Thieu on the Land for a term of 50 years from the date of issuance of the Investment Certificate.

The balance of the consideration is payable upon the issuance of the land use right certificate in the name of Setia LT, which is still pending as at the date hereof;

(vi) S P Setia Berhad had proposed development of an integrated health and research complex to be known as the 1NIH Complex on approximately 55.33 acres of land at Setia Alam by way of land swap for approximately 40.22 acres of government land located along Jalan Bangsar, Wilayah Persekutuan Kuala Lumpur.

As announced on 17 January 2011, terms and conditions of the proposal are currently being negotiated between Sentosa Jitra Sdn Bhd ("Sentosa Jitra"), Unit Kerjasama Awam Swasta ("UKAS") and Ministry of Health, Malaysia ("MOH"), collectively known as the "Parties". Further details will be disclosed after definitive and conclusive terms have been agreed upon, and a development agreement entered into by the Parties;

8. **Status of Corporate Proposals (continued)**

(vii) On 28 January 2011, a wholly owned subsidiary of the S P Setia Berhad, Setia Indah Sdn Bhd, had entered into a conditional Sale and Purchase Agreement ("SPA") with Kenyalang Property Development Sdn Bhd to purchase a piece of land held under H.S. (D) 368479 for PTD 117035 in the Mukim of Tebrau, District of Johor Bahru, state of Johor Darul Takzim measuring approximately 265.719 acres for a total cash consideration of RM125,788,604.

The SPA had been rendered unconditional on 22 August 2011 and is expected to be completed during the financial year ending 31 October 2012;

(viii) On 2 March 2011, Setia Eco Glades Sdn Bhd (previously known as Setia Eco Villa Sdn Bhd), presently a 70% subsidiary of S P Setia Berhad had entered into a conditional Sale and Purchase Agreement ("SPA") with Cyberview Sdn Bhd and Setia Haruman Sdn Bhd to purchase a piece of freehold land within the Cyberjaya Flagship Zone measuring approximately 268.11 acres for a total cash consideration of RM420,439,378 or RM36 per square foot. The SPA is expected to be completed during the financial year ending 31 October 2012;

(ix) On 12 August 2011, a wholly owned subsidiary of the S P Setia Berhad, Bukit Indah (Selangor) Sdn Bhd, had entered into a conditional Sale and Purchase Agreement ("SPA") with Ban Guan Hin Realty Sdn Bhd to purchase a piece of freehold land under Geran 45874 for Lot 39, Mukim Beranang, Daerah Ulu Langat, Negeri Selangor measuring approximately 1,010.5 acres for a total cash consideration of RM330,130,350 or RM7.50 per square foot. The SPA is expected to be completed during the financial year ending 31 October 2012;

(x) On 23 September 2011, a wholly owned subsidiary of the S P Setia Berhad, Setia International Limited, had entered into a conditional contract of sale ("Contract of Sale") with Portbridge Pty Ltd ACN 141 880 177 to purchase a piece of freehold land under certificate of title volume 11261 folio 962, being Lot 1 on Plan of Subdivision 623249L, in the City of Melbourne, Parish of Melbourne South at South Yarra, Australia and is located at the intersection of 557-563 St. Kilda Road and 1-23 Moubray Street, Melbourne, Victoria measuring approximately 2.23 acres for a total cash consideration of AUD25,250,000 (approximately RM81,000,000) or AUD260 per square foot.

The Contract of Sale had been rendered unconditional on 8 November 2011 and is expected to be completed during the financial year ending 31 October 2012;

(xi) On 28 September 2011, S P Setia Berhad had received a Notice of Take-Over Offer from Maybank Investment Bank Berhad ("Maybank IB"), on behalf of Permodalan Nasional Berhad ("PNB"), in respect of PNB's obligation to extend a take-over offer. On the same day, the Board, save for the PNB Directors, had decided to seek a competing offer from other interested parties to make an offer to purchase S P Setia Berhad's shares and warrants. To-date there has been no competing offer received from other interested parties to purchase the Company's shares and warrants.

On 14 October 2011, the Securities Commission Malaysia ("SC") had approved the take-over offer by PNB under the equity requirement for public companies.

On 17 October 2011, PNB had submitted an application to seek the approval of the SC for an extension of time ("Proposed Extension") to despatch the Offer Document within 2 days from the SC's clearance of the Proposed Extension. The Proposed Extension was approved by the SC on 25 October 2011.

On 2 December 2011, Maybank IB, on behalf of PNB submitted an application to the SC in relation to the proposed formalization of certain incentives and management rights relating to the management and general conduct of business of the S P Setia group of companies ("Proposed Arrangement") to be entered into between PNB, Tan Sri Dato' Sri Liew Kee Sin and S P Setia Berhad. The Proposed Arrangement and the Offer Document is pending the approval of the SC.

8. **Status of Corporate Proposals (continued)**

(xii) On 3 October 2011, a wholly owned subsidiary of the S P Setia Berhad, Setia Hicon Sdn Bhd, had entered into a conditional Sale and Purchase Agreement (“SPA”) with Spektrum Megah (M) Sdn Bhd to purchase a piece of freehold land under Geran 30905 for Lot 1812 and Geran 50544 for Lot 650, Mukim Semenyih, Daerah Ulu Langat, Negeri Selangor measuring approximately 673.27 acres for a total cash consideration of RM381,259,333 or RM13 per square foot. The SPA is expected to be completed during the financial year ending 31 October 2012;

On 29 November 2011, a Novation Agreement was entered into between Spektrum Megah (M) Sdn Bhd, Setia Hicon Sdn Bhd (“Setia Hicon”) and Setia Ecohill Sdn Bhd (“Setia Ecohill). Setia Hicon had novated and transferred all of its rights, title, interest, liabilities and obligations in and under the Sale and Purchase Agreement and Setia Ecohill had agreed to accept such novation and transfer. Both Setia Hicon and Setia Ecohill are both wholly-owned subsidiaries of S P Setia Berhad; and

(xiii) On 30 November 2011, S P Setia International (S) Pte Ltd, a wholly owned subsidiary of the S P Setia Berhad had been notified by the Urban Redevelopment Authority of Singapore of its successful tender bid of a parcel of land at Chestnut Avenue, Singapore measuring approximately 4.62 acres for a total tender sum of SGD180,000,000 or approximately RM437,400,000. Barring unforeseen circumstances, the land tender is expected to be completed during the financial year ending 31 October 2012.

(b) As at 31 October 2011, the status of the utilisation of proceeds raised under the Placement exercise which was completed on 22 March 2011, amounting to RM884.6 million is as set out below:

Purpose	**Proposed utilisation RM’000**	**Actual utilisation RM’000**	**Reallocation RM’000**	**Balance unutilised RM’000**	**Intended timeframe for utilisation from 22 March 2011**
Existing projects and general working capital requirements	762,000	(226,503)	(535,497)	-	Within 24 months
Future expansion plans	113,100	(113,100)	535,684	535,684	Within 24 months
Estimated expenses for the Corporate Exercise	9,581	(9,394)	(187)	-	Within 3 months
Total	884,681	(348,997)	-	535,684	

Management had decided to reallocate the balance of the unutilised proceeds for Existing projects / general working capital requirements and Estimated expenses for Corporate Exercise amounting to RM535,497,000 and RM187,000 respectively to Future expansion plans. The purpose is to finance the acquisition and development of several parcels of development lands acquired after the completion of the Placement exercise and other future expansion plans.

9. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 October 2011 were as follows:

	Secured	**Unsecured**	**Total**
	RM'000	RM'000	RM'000
Bank Overdrafts	9,642	26,793	36,435
Short Term Bank Borrowings	144,736	55,000	199,736
Long Term Bank Borrowings	874,513	-	874,513
2% Redeemable Serial Bond	-	242,629	242,629
	1,028,891	324,422	1,353,313

Currency exposure profile of borrowings is as follows:

	Secured	**Unsecured**	**Total**
	RM'000	RM'000	RM'000
Ringgit Malaysia	910,973	324,422	1,235,395
Singapore Dollar	112,485	-	112,485
Vietnamese Dong	5,433	-	5,433
	1,028,891	324,422	1,353,313

10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 2 December 2011, the latest practicable date which is not earlier than 6 days from the date of issue of this quarterly report.

11. Material Litigation

The Group is not engaged in any material litigation as at 2 December 2011, the latest practicable date which is not earlier than 6 days from the date of issue of this quarterly report.

12. Dividends Declared

(a) (i) The board of Directors has recommended a final dividend in respect of the financial year ended 31 October 2011.
(ii) Amount per share : 9 sen less income tax of 25%
(iii) Previous corresponding period : 14 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 dividends for the current financial year : 14 sen less income tax of 25%

The total dividends for the current financial year will be paid based on the enlarged share capital of the company after taking into consideration, amongst others, the 1 for 2 Bonus issue of shares undertaken during the financial year.

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 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	
	31/10/2011 '000	31/10/2010 '000	31/10/2011 '000	31/10/2010 '000
Profit for the year attributable to equity holders of the Company (RM)	82,469	75,156	327,973	251,813
Number of ordinary shares at beginning of the year	1,779,576	1,016,805	1,016,808	1,016,805
Effect of shares issued pursuant to:				
- Bonus Issue	-	508,403	586,883	508,403
- Private Placement	-	-	90,577	-
- Exercise of ESOS	7,674	-	8,538	-
- Exercise of Warrants	99	1	3,584	1
Weighted average number of ordinary shares	1,787,349	1,525,209	1,706,390	1,525,209
Basic Earnings Per Share (sen)	4.61	4.93	19.22	16.51

The diluted earnings per share has been calculated by dividing the Group's profit for the 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	
	31/10/2011 '000	31/10/2010 '000	31/10/2011 '000	31/10/2010 '000
Profit for the year attributable to equity holders of the Company (RM)	82,469	75,156	327,973	251,813
Weighted average number of ordinary shares as per basic Earnings Per Share	1,787,349	1,525,209	1,706,390	1,525,209
Effect of potential exercise of ESOS/ Warrants (adjusted for the effect of bonus issue)	88,688	43,090	109,008	30,097
Weighted average number of ordinary shares	1,876,037	1,568,299	1,815,398	1,555,306
Diluted Earnings Per Share (sen)	4.40	4.79	18.07	16.19

14. **Realised and Unrealised Profits**

On 25 March 2010, Bursa Malaysia issued a directive to all listed issuers pursuant to Paragraphs 2.06 and 2.23 of Bursa Malaysia Main Market Listing Requirements. The directive requires all listed issuers to disclose the breakdown of the unappropriated profits or accumulated losses as at the end of the reporting period, into realised and unrealised profits or losses.

On 20 December 2010, Bursa Malaysia further issued guidance on the disclosure and the format required.

The breakdown of retained profits of the Group as at the reporting date, into realised and unrealised profits, pursuant to the directive, is as follows:

	31/10/2011 RM'000	**31/10/2010 RM'000**
Total retained profits of the Company and its subsidiaries:		
- Realised	1,153,857	1,052,795
- Unrealised	41,296	17,534
	1,195,153	1,070,329
Total retained profits from jointly controlled entities:		
- Realised	168,941	106,635
- Unrealised	15,584	13,077
	184,525	119,712
Total share of retained profits from associated companies:		
- Realised	(743)	(773)
- Unrealised	-	-
	(743)	(773)
Less: Consolidation adjustments	(84,643)	(49,067)
Total Group retained profits as per consolidated accounts	1,294,292	1,140,201

The determination of realised and unrealised profits is based on the Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for complying with the disclosure requirements stipulated in the directive of Bursa Malaysia and should not be applied for any other purposes.

15. **Auditors' Report on Preceding Annual Financial Statements**

The preceding audited financial statements for the year ended 31 October 2010 was unqualified.