

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

Interim Financial Report
31 October 2012

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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 2012

	(AUDITED)	(AUDITED)
	As At	Restated
	31 October 2012	31 October 2011
	RM'000	RM'000
ASSETS		
Non-Current Assets		
Property, Plant and Equipment	77,315	74,062
Investment Properties	602,310	262,641
Land Held for Property Development	4,514,037	1,831,294
Concession Assets	11,708	-
Investment in Associated Companies	1,891	2,279
Other Investments	337	337
Amount Owing by Former Joint Venture Partner	13,714	12,674
Amount Owing by Jointly Controlled Entities	57,772	48,357
Deferred Tax Assets	93,779	66,920
	<u>5,372,863</u>	<u>2,298,564</u>
Current Assets		
Property Development Costs	1,606,654	875,420
Gross Amount Due from Customers	25,741	23,079
Inventories	23,552	26,288
Trade and Other Receivables	743,998	872,859
Amount Owing by Jointly Controlled Entities	18,174	35,101
Current Tax Assets	18,759	17,936
Deposits	594,206	704,509
Cash and Bank Balances	949,357	731,901
	<u>3,980,441</u>	<u>3,287,093</u>
TOTAL ASSETS	<u>9,353,304</u>	<u>5,585,657</u>
EQUITY AND LIABILITIES		
EQUITY		
Share Capital	1,504,250	1,374,554
Reserves		
Share Premium	1,113,480	696,575
Option Reserve	242	39,304
Warrant Reserve	28,904	46,036
Exchange Translation Reserve	(2,686)	(4,319)
Retained Earnings	1,399,684	1,294,292
Equity Attributable to Equity Holders of the Company	<u>4,043,874</u>	<u>3,446,442</u>
Non-controlling interests	<u>(4,754)</u>	<u>(6,956)</u>
Total Equity	<u>4,039,120</u>	<u>3,439,486</u>
Non-current liabilities		
Long Term Borrowings	2,361,745	1,117,142
Deferred Tax Liabilities	2,195	975
	<u>2,363,940</u>	<u>1,118,117</u>
Current liabilities		
Gross Amount Due to Customers	6,022	6,205
Trade and Other Payables	1,375,471	768,312
Short Term Borrowings	1,415,988	199,736
Bank Overdrafts	104,847	36,435
Current Tax Liabilities	47,916	17,366
	<u>2,950,244</u>	<u>1,028,054</u>
Total liabilities	<u>5,314,184</u>	<u>2,146,171</u>
TOTAL EQUITY AND LIABILITIES	<u>9,353,304</u>	<u>5,585,657</u>
Net Assets Per Share (RM)	<u>2.01</u>	<u>1.88</u>

(The Condensed Consolidated Statement Of Financial Position should be read in conjunction with the Annual Financial Report for the year ended 31 October 2011)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2012
(The figures have been audited)

	3 MONTHS ENDED		12 MONTHS ENDED	
	31 October 2012	31 October 2011	31 October 2012	31 October 2011
	RM'000	RM'000	RM'000	RM'000
Revenue	763,623	633,366	2,526,595	2,232,473
Cost of sales	(465,515)	(455,975)	(1,663,696)	(1,618,595)
Gross profit	<u>298,108</u>	<u>177,391</u>	<u>862,899</u>	<u>613,878</u>
Other operating income	23,769	12,669	65,026	79,839
Selling and marketing expenses	(62,093)	(41,583)	(175,939)	(127,573)
Administrative and general expenses	(56,267)	(37,626)	(169,470)	(124,120)
Share of profits less losses of associated companies	10	6	12	30
Finance costs	(10,245)	(1,812)	(15,023)	(11,460)
Profit before taxation	<u>193,282</u>	<u>109,045</u>	<u>567,505</u>	<u>430,594</u>
Taxation	(67,902)	(31,404)	(179,877)	(108,163)
Profit for the period	<u>125,380</u>	<u>77,641</u>	<u>387,628</u>	<u>322,431</u>
Other comprehensive income:				
Exchange differences on translation of foreign operations	(18,573)	657	2,070	(567)
Total comprehensive income for the period	<u>106,807</u>	<u>78,298</u>	<u>389,698</u>	<u>321,864</u>
Profit attributable to:				
Equity holders of the Company	127,026	82,469	393,816	327,973
Non-controlling interests	(1,646)	(4,828)	(6,188)	(5,542)
	<u>125,380</u>	<u>77,641</u>	<u>387,628</u>	<u>322,431</u>
Total comprehensive income attributable to:				
Equity holders of the Company	108,202	83,126	395,515	327,406
Non-controlling interests	(1,395)	(4,828)	(5,817)	(5,542)
	<u>106,807</u>	<u>78,298</u>	<u>389,698</u>	<u>321,864</u>
Earnings per share attributable to equity holders of the Company				
- Basic earnings per share (sen)	<u>6.34</u>	<u>4.61</u>	<u>20.51</u>	<u>19.22</u>
- Diluted earnings per share (sen)	<u>6.26</u>	<u>4.40</u>	<u>19.96</u>	<u>18.07</u>

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 October 2011)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2012
(The figures have been audited)

	Attributable to Equity Holders of the Company					Unappropriated Profit RM'000	Total RM'000	Non-controlling interests RM'000	Total Equity RM'000
	Non-Distributable		Option Reserve RM'000	Warrant Reserve RM'000	Exchange Translation Reserve RM'000				
Share Capital RM'000	Share Premium RM'000								
Balance at 1.11.2011	1,374,554	696,575	39,304	46,036	(4,319)	1,294,292	3,446,442	(6,956)	3,439,486
Total other comprehensive income for the year, represented by exchange differences on translation of foreign operations	-	-	-	-	1,699	-	1,699	371	2,070
Profit for the year	-	-	-	-	-	393,816	393,816	(6,188)	387,628
Transactions with owners:									
Dividends paid	-	-	-	-	-	(204,631)	(204,631)	-	(204,631)
Issuance of ordinary shares:									
- Exercise of ESOS	50,496	146,174	(38,891)	-	-	-	157,779	-	157,779
- Exercise of Warrants	64,665	210,266	-	(17,132)	-	-	257,799	-	257,799
- Acquisition of additional shares in subsidiary companies	14,535	60,465	-	-	(66)	(83,964)	(9,030)	7,519	(1,511)
Issue of shares by a subsidiary company to a non-controlling interest	-	-	-	-	-	-	-	500	500
ESOS lapsed/forfeited	-	-	(171)	-	-	171	-	-	-
Balance at 31.10.2012	1,504,250	1,113,480	242	28,904	(2,686)	1,399,684	4,043,874	(4,754)	4,039,120
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 other comprehensive income for the year, represented by exchange differences on translation of foreign operations	-	-	-	-	(567)	-	(567)	-	(567)
Profit for the year	-	-	-	-	-	327,973	327,973	(5,542)	322,431
Transactions with 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:									
- 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/forfeited	-	-	(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

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 October 2011)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2012
(The figures have been audited)

	12 MONTHS ENDED 31 October 2012 RM'000	12 MONTHS ENDED 31 October 2011 RM'000
Profit before taxation	567,505	430,594
Adjustments for:-		
Non-cash items	19,797	32,701
Non-operating items	(27,467)	(27,119)
Operating profit before changes in working capital	<u>559,835</u>	<u>436,176</u>
Changes in property development costs	(114,856)	142,737
Changes in gross amount due from/to customers	(2,416)	19,789
Changes in inventories	3,030	4,283
Changes in receivables	80,219	62,750
Changes in payables	358,201	154,373
Cash generated from operations	<u>884,013</u>	<u>820,108</u>
Interest received	16,187	11,118
Interest paid	(79,592)	(73,621)
Rental received	880	1,516
Tax paid	(175,796)	(116,574)
Net cash generated from operating activities	<u>645,692</u>	<u>642,547</u>
Investing Activities		
Additions to land held for future development	(3,076,893)	(541,577)
Purchase of property, plant and equipment	(16,642)	(14,422)
Additions to investment properties	(173,241)	(123,839)
Additions to concession assets	(11,708)	-
Proceeds from disposal of property, plant and equipment	172	203
Acquisition of additional shares in a subsidiary company	(1,511)	-
Proceeds from disposal of investment properties	13,925	107,190
Proceeds from disposal of share in a subsidiary company	-	40
Advances to jointly controlled entities	(5,354)	(20,053)
Development expenditure paid	(4,580)	(14,942)
Deposit and part consideration paid for acquisition of land	(2,366)	(159,807)
Advance payments in relation to the Privatisation Agreement	-	(112,694)
Other investments	(49,854)	24,849
Net cash used in investing activities	<u>(3,328,052)</u>	<u>(855,052)</u>

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(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2012
(The figures have been audited)

	12 MONTHS ENDED 31 October 2012 RM'000	12 MONTHS ENDED 31 October 2011 RM'000
Financing Activities		
Proceeds from issue of shares		
- by the Company	407,812	1,061,673
- by a subsidiary company to a non-controlling interest	500	-
Payment of share issue expenses	-	(9,394)
Share applicaion monies	-	7,766
Redemption of bond	-	(250,000)
Redemption of cumulative preference shares	-	(65,625)
Drawdown of bank borrowings	3,090,042	469,498
Repayment of bank borrowings	(638,402)	(376,786)
Interest paid	(6,604)	(2,410)
Dividends paid	(204,631)	(173,783)
Net cash generated from financing activities	<u>2,648,717</u>	<u>660,939</u>
Net changes in cash and cash equivalents	(33,643)	448,434
Effect of exchange rate changes	(2,893)	(467)
Cash and cash equivalents at 1 November 2011/2010	1,387,197	939,230
Cash and cash equivalents at 31 October 2012/2011	<u>1,350,661</u>	<u>1,387,197</u>

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

	31.10.2012 RM'000	31.10.2011 RM'000
Deposits	594,206	704,509
Cash and bank balances	949,357	731,901
Bank overdrafts	(104,847)	(36,435)
	<u>1,438,716</u>	<u>1,399,975</u>
Less: Deposits pledged and maintained in Sinking Fund	(1,290)	(6,008)
Sinking Fund, Debt Service Reserve and Escrow Accounts	(86,765)	(6,770)
	<u>1,350,661</u>	<u>1,387,197</u>

(The Condensed Consolidated Statements Of Cash Flow should be read in conjunction with the Annual Financial Report for the year ended 31 October 2011)

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 2011.

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 2011 except for the adoption of the following Amendments to FRSs and IC Interpretations:-

Amendments to FRSs	Improvements to FRSs (2010)
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 7	Improving Disclosures about Financial Instruments
TR - 3	Guidance on Disclosures of Transition to IFRSs

The adoption of the above amendments to FRSs and TR does not have any material impact on the financial statements of the Group.

The following are the new/revised FRS and IC Interpretations which are effective but are not applicable to the Group:-

Amendment to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
IC Interpretation 4	Determining Whether an Arrangement contains a Lease
IC Interpretation 18	Transfers of Assets from Customers
IC Interpretation 19	Extinguishing Financial Liabilities with Equity Instruments
Amendments to IC Interpretation 14	Prepayment of a Minimum Funding Requirement
TR i - 4	Shariah Compliant Sale Contracts

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 2012.

4. Changes in estimates

There were no material changes in estimates for the financial year ended 31 October 2012.

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 67,329,414 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)	45,535	3,400	3,432	8,185	6,778

The total cash proceeds arising from the exercise of ESOS during the current financial year amounted to RM157,778,304.

- (b) Issuance of 86,220,501 new ordinary shares of RM0.75 each pursuant to the exercise of warrants at RM2.99 per share. The total cash proceeds arising from the exercise of warrants during the current financial year amounted to RM257,799,298; and
- (c) Issuance of 19,379,845 new ordinary shares of RM0.75 each at an issue price of RM3.87 pursuant to the acquisition of the remaining 40% equity interest in KL Eco City Sdn Bhd at a total purchase consideration of RM75,000,000.

6. Dividends paid

A final dividend of 9 sen per share less 25% income tax amounting to RM129,598,809 was paid on 9 May 2012 in respect of the financial year ended 31 October 2011.

An interim dividend of 5 sen less 25% income tax amounting to RM75,032,431 was paid on 12 September 2012 in respect of the financial year ended 31 October 2012.

7. Segmental Reporting

The segmental analysis for the financial year ended 31 October 2012 are as follows:-

	Property Development	Construction	Other Operations	Eliminations	Consolidated
	RM'000	RM'000	RM'000	RM'000	RM'000
<u>Revenue</u>					
External sales	2,274,846	127,962	123,787	-	2,526,595
Inter-segment sales	248,311	71,706	64,043	(384,060)	-
Total revenue	2,523,157	199,668	187,830	(384,060)	2,526,595
Gross profit	820,309	19,437	23,153	-	862,899
Other operating income	39,681	6,583	18,762	-	65,026
Operating expenses	(321,302)	(8,483)	(15,624)	-	(345,409)
Share of net profits less losses of associated companies	11	-	1	-	12
Finance costs	(11,157)	(1,143)	(2,723)	-	(15,023)
Profit before taxation	527,542	16,394	23,569	-	567,505
Tax expense					(179,877)
Profit for the year					387,628

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 2012 till 5 December 2012 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report) except as disclosed in page 15, Note 6 (v) and (vi) and page 16, Note 6 (ix) and (x) of the Status of Corporate Proposals.

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) Acquisition of 2 ordinary shares of RM1.00 each in Intra Hillside Sdn Bhd (“Intra Hillside”) on 10 November 2011, resulting in Intra Hillside becoming a wholly owned subsidiary of S P Setia Berhad;
- (ii) Acquisition of additional 1 ordinary share of RM1.00 in Setia Alam Recreation Sdn Bhd (“Setia Alam Recreation”) by Bandar Setia Alam Sdn Bhd (“Bandar Setia Alam”), a wholly owned subsidiary of S P Setia Berhad on 17 February 2012, resulting in Setia Alam Recreation becoming a wholly owned subsidiary of Bandar Setia Alam;
- (iii) Acquisition of additional 1 ordinary share of RM1.00 each in Setia Eco Green Sdn Bhd (“Setia Eco Green”), Setia Eco Land Sdn Bhd (“Setia Eco Land”) and Setia Eco Heights Sdn Bhd (“Setia Eco Heights”) respectively on 17 February 2012, resulting in these three companies becoming wholly owned subsidiaries of S P Setia Berhad;
- (iv) Acquisition of 45 ordinary shares of RM1.00 each in Qinzhou Development (Malaysia) Consortium Sdn Bhd (“Qinzhou Development”) on 28 March 2012, resulting in Qinzhou Development becoming a 45% jointly controlled entity of S P Setia Berhad;
- (v) Incorporation of a subsidiary, S P Setia Development Pte. Ltd. (“S P Setia Development”), with an issued and paid up capital of SGD2.00 comprising of 2 ordinary shares of SGD1.00 each, on 18 April 2012, resulting in S P Setia Development becoming a wholly owned subsidiary of S P Setia Berhad;
- (vi) Incorporation of a subsidiary, Setia St Kilda (Melbourne) Pty Ltd (“Setia St Kilda”) with an issued and paid up capital of AUD1.00 comprising of 1 ordinary share of AUD1.00 each, through Setia Australia Limited on 16 May 2012 resulting in Setia St Kilda becoming a wholly owned subsidiary of S P Setia Berhad;
- (vii) Incorporation of a subsidiary, S P Setia Property Services Sdn Bhd (“S P Setia Property Services”) on 27 June 2012, with an issued and paid up capital of RM2.00 comprising of 2 ordinary shares of RM1.00 each, resulting in S P Setia Property Services becoming a wholly owned subsidiary of S P Setia Berhad;
- (viii) Acquisition of 4 ordinary shares of £0.01 each in Battersea Project Holding Company Limited (“Battersea Project Hold Co”), a company incorporated in Jersey, through Setia International Limited on 4 July 2012, resulting in Battersea Project Hold Co becoming a 40% jointly controlled entity of S P Setia Berhad;
- (ix) Acquisition of a jointly controlled entity, Battersea Project Land Company Limited (“Battersea Project Land Co”), a company incorporated in Jersey through Battersea Project Hold Co on 4 July 2012, resulting in Battersea Project Land Co becoming a 40% jointly controlled entity of S P Setia Berhad;

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

- (x) Acquisition of 2 ordinary shares of RM1.00 each in Flexrise Projects Sdn Bhd (“Flexrise Projects”) and Pelita Mentari Sdn Bhd (“Pelita Mentari”) respectively on 9 July 2012, resulting in these two companies becoming wholly owned subsidiaries of S P Setia Berhad;
- (xi) Incorporation of a jointly controlled entity, Qinzhou Development (Hong Kong) Limited (“Qinzhou Hong Kong”), a company incorporated in Hong Kong, with an issued and paid up capital of HKD1.00 comprising of 1 ordinary share of HKD1.00 each on 30 July 2012, through Qinzhou Development, resulting in Qinzhou Hong Kong becoming a 45% jointly controlled entity of S P Setia Berhad;
- (xii) Acquisition of a jointly controlled entity, Battersea Power Station Development Company Limited (“Battersea Power Station Dev Co”), a company incorporated in United Kingdom through Setia International Limited on 31 August 2012, resulting in Battersea Power Station Dev Co becoming a 40% jointly controlled entity of S P Setia Berhad;
- (xiii) Acquisition of 2 ordinary shares of RM1.00 each in Ivory Paragon Sdn Bhd (“Ivory Paragon”) on 10 September 2012, resulting in Ivory Paragon becoming a wholly owned subsidiary of S P Setia Berhad; and
- (xiv) Incorporation of Battersea Power Station Malaysia Sdn Bhd (“Battersea Power Station Malaysia”) on 30 October 2012, with an issued and paid up capital of RM2.00 comprising of 2 ordinary shares of RM1.00 each, to be transferred to Battersea Project Hold Co thereby resulting in Battersea Power Station Malaysia becoming a 40% jointly controlled entity of S P Setia Berhad.

10. Contingent Liabilities

Changes in contingent liabilities in respect of the Group since the last annual reporting date are as follow:-

	31/10/2012	31/10/2011
	RM'000	RM'000
Guarantees given to banks for performance bonds granted to jointly controlled entities	561	640
Guarantees given to banks to secure banking facilities granted to jointly controlled entities	31,875	20,850
Others	-	706
	<u>32,436</u>	<u>22,196</u>

11. Capital Commitments

	As at
	31/10/2012
	RM'000
Commitments to purchase development land	
- Contracted	501,198
- Approved but not Contracted	22,857
Contractual commitments for construction of investment properties	64,946
Contractual commitments for acquisition of property, plant and equipment	<u>1,850</u>

12. Significant Related Party Transactions

01/11/2011
To
31/10/2012
RM'000

Transactions with jointly controlled entities:-

(i) Construction services rendered	7,156
(ii) Interest charged	4,709
(iii) Marketing expenses charged	442
(iv) Project management and administrative fee received and receivable	11,191
(v) Rental paid and payable	314
(vi) Rental received and receivable	62
(vii) Security services rendered	190
(viii) Sale of building material	5,897
(ix) Staff secondment	307

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	41
(ii) Security services rendered to a director of the Company	82
(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	120
(v) Rental charged to a trust body in which a director of the Company is the trustee	30
(vi) Timber flooring work rendered to a director of the Company	27
(vii) Timber flooring work rendered to a director of the subsidiary companies	30
(viii) Sale of development properties to directors of the Company	28,371
(ix) Sale of development property to companies in which the directors of the Company have financial interest	4,689
(x) Sale of development property to directors of the subsidiary companies	13,325
(xi) Sale of development property to a immediate family member of the director of the Company	172
(xii) Sale of development property to a immediate family member of the director of the subsidiary companies	208
(xiii) Sale of development property to companies in which the directors of subsidiary companies have financial interest	2,351

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

1. Review of Group Performance

The performance of the respective operating business segments are analysed as follows:-

	4Q2012	4Q2011	YTD2012	YTD 2011
	RM'000	RM'000	RM'000	RM'000
Revenue				
Property Development	686,943	559,085	2,274,846	1,941,185
Construction	39,841	46,435	127,962	185,531
Other Operations	36,839	27,846	123,787	105,757
	<u>763,623</u>	<u>633,366</u>	<u>2,526,595</u>	<u>2,232,473</u>
Profit before taxation				
Property Development	178,676	97,886	527,542	386,386
Construction	4,642	6,547	16,394	21,851
Other Operations	9,964	4,612	23,569	22,357
	<u>193,282</u>	<u>109,045</u>	<u>567,505</u>	<u>430,594</u>

(a) Performance of the current quarter against the same quarter in the preceding year (Q4 FY2012 vs. Q4 FY2011)

The Group reported a profit before taxation (“PBT”) of RM193.3 million for Q4 FY2012, which is 77% higher than RM109 million reported for Q4 FY2011. Revenue and PBT of the respective operating business segments for the current quarter are analysed as follows:-

Property Development

Revenue increased by 23%, while the PBT increased by 83%. The increase in revenue is mainly contributed from higher revenue recognition from residential and commercial properties in the Klang Valley, Johor Bahru and Penang as a result of increased level of overall Group sales achieved since FY2011. PBT increased by a higher percentage mainly due to the increase in PBT margin from 18% to 26% arising from Group’s success in steadily increasing the selling prices for its products through continuous value-creation.

Ongoing projects which contributed to the profit and revenue achieved 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*, *Setia Eco Cascadia* and *Setia Eco Gardens* in Johor Bahru and *Setia Pearl Island*, *Setia Vista* and *Setia Greens* in Penang.

Construction

Revenue and PBT decreased by 14% and 29% respectively. Completion of the Kementerian Dalam Negeri (“KDN”) contract in *Setia Tropika*, Johor Bahru in the previous financial year has contributed to the current quarter decrease.

Other Operations

Revenue and profit from Other Operations mainly consist of wood-based manufacturing, trading activities, shopping mall operations and interest income from placement of funds.

(b) Performance of the current year against the preceding year (FY2012 vs. FY2011)

For the current financial year, the Group achieved PBT of RM567.5 million on the back of revenue totalling RM2,526.6 million, representing a 32% increase in PBT and a 13% increase in revenue as compared to the preceding year. During the current financial year, the Group also recorded an increase in gross profit margins from 28% to 34%.

The performance of the respective operating business segments for the current financial year are analysed as follows:-

Property Development

Revenue increased by 17%, while the PBT increased by 37% for the reasons mentioned above under the analysis of the current quarter's performance.

Construction

Revenue and PBT decreased by 31% and 25% respectively for the reasons mentioned above under the analysis of the current quarter's performance.

Other Operations

Revenue and PBT increased by 17% and 5% respectively mainly contributed by the Setia City Mall operations which commenced during the current financial year.

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

The Group's current quarter PBT is RM193.3 million, which is RM47.7 million higher than the preceding quarter ended 31 July 2012. This is mainly due to higher profit recognition from residential and commercial properties in Klang Valley, Penang and Johor Bahru.

3. Prospects for the Next Financial Year

The Board is pleased to report that for FY2012, the Group has achieved total sales of RM4.23 billion, which represents a 29% increase from the previous year's sales of RM3.29 billion. This is the fifth consecutive year of increase in the Group's annual sales and the first time that total Group sales have exceeded the RM4 billion mark.

Whilst the market environment is expected to be challenging in 2013 due to continued uncertainties in the global economy, the Board is confident, based on the Group's pipeline of ongoing and upcoming projects, that it will be able to sustain its strong growth trajectory. Accordingly, the Group has set a new sales target of RM5.5 billion to be achieved in FY2013.

As at the end of FY2012, the Group has 21 ongoing projects with 16 located in West Malaysia spread out through the Klang Valley, Johor Bahru and Penang, 1 project in Sabah and 4 international projects. These existing projects will continue to underpin the Group's sales performance in FY2013.

3. Prospects for the Next Financial Year (continued)

In addition, the Group has several new projects to be launched in FY2013 to further expand its product offering and market reach. These include two projects in the Klang Valley namely *Setia Eco Glades*, which offers eco-themed luxury properties in Cyberjaya, and *Setia Eco Hill*, which will cater to house buyers looking for more affordable landed properties in the Semenyih corridor. On the international front, the Group will be introducing *Parque Melbourne* and *Eco Sanctuary*, both the Group's second projects in Melbourne and Singapore respectively. Most significantly, the Group also targets to launch its iconic Central London *Battersea Power Station* joint-venture project in early 2013. All these new projects are expected to strongly augment Group sales in FY2013.

As such, barring unforeseen external shocks, the Board is optimistic that the Group's strong performance will continue in FY2013.

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	
	31/10/2012	31/10/2011	31/10/2012	31/10/2011
	RM'000	RM'000	RM'000	RM'000
- current taxation	73,791	31,296	207,680	130,692
- in respect of prior years	17	2,053	(2,158)	1,697
- deferred taxation	(3,538)	1,682	(27,845)	(19,914)
- in respect of prior years	(2,368)	(3,627)	2,200	(4,312)
	<u>67,902</u>	<u>31,404</u>	<u>179,877</u>	<u>108,163</u>

The Group's effective tax rate for the current quarter and financial year to-date is higher compared to the statutory taxation rate mainly due to non-tax deductible expenses and non-recognition of certain deferred tax assets.

6. Status of Corporate Proposals

- (a) The following are the status of corporate proposals that have been announced by the Company which had been completed since the preceding quarter report and those which are not completed as 5 December 2012, the latest practicable date which shall not be earlier than 7 days from the date of this announcement:-
- (i) As announced on 24 October 2011, KL Eco City Sdn Bhd ("KLEC") and Dewan Bandaraya Kuala Lumpur ("DBKL") had entered into the Privatisation Agreement. The Privatisation Agreement is currently pending the fulfilment of the conditions precedent therein.

As announced on 23 October 2012, KLEC and DBKL have mutually agreed to extend the period for fulfillment of the conditions precedent set out in Privatisation Agreement, in particular, the execution of an agreement with Railway Asset Corporation and the delivery of a land bond for the purpose of constructing of a new KTM Commuter Station, for a period of three (3) months to expire on 23 January 2013;

6. Status of Corporate Proposals (continued)

- (ii) 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 8 October 2012, the Development Agreement has been rendered unconditional;

- (iii) Disposal by Bandar Setia Alam Sdn Bhd (“Bandar Setia Alam”), 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 joint venture between Bandar Setia Alam 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, Bandar Setia Alam had entered into several agreements to reflect certain changes to the earlier Proposals announced on 2 July 2008. The agreements include the entry into two separate Sale and Purchase Agreements between Bandar Setia Alam, Greenhill and GR Investments Ltd (“GRI”) for the disposal by Bandar Setia Alam to Greenhill of approximately 14.31 acres (“Stage 1 Land”) of the Original Land on which the Retail Mall was to be constructed, and the remaining 16.19 acres (“Stage 2 Land”), for approximately RM56.1 million and RM63.5 million respectively;

- (iv) 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 or 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 USD16,260,000.

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 (“NewCo”) 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.

On approval of the masterplan in the scale of 1/500 for EcoXuan Lai Thieu, the area of the Land was increased from 108,400 square metres to 109,685 square metres (27.10 acres) and by the increase in land area, the total consideration payable to Becamex was adjusted to USD16,452,750 based on the rate of USD150 per square metre.

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;

6. Status of Corporate Proposals (continued)

- (v) On 29 November 2012, Sentosa Jitra Sdn Bhd (“Sentosa Jitra”), a 50% jointly controlled entity of S P Setia Berhad, entered into a Privatisation Agreement with the Government of Malaysia (“Government”) and Syarikat Tanah dan Harta Sdn Bhd to undertake the development and construction of a new integrated health and research complex to be known as the INIH Complex for the Government on a piece of land in Setia Alam, Selangor measuring approximately 41.115 acres (“Project Land”) by way of land swap for another piece of land measuring approximately 51.568 acres along Jalan Bangsar, Kuala Lumpur.

As announced, the Privatisation Agreement is conditional upon, inter-alia, the transfer of the Project Land to the Government and the submission of a letter of offer that Sentosa Jitra has secure the project financing in respect of the INIH Project being fulfilled within 9 months from the date of the Privatisation Agreement;

- (vi) On 12 August 2011, a wholly owned subsidiary of the S P Setia Berhad, Bukit Indah (Selangor) Sdn Bhd (“Purchaser”), had entered into a conditional Sale and Purchase Agreement (“SPA”) with Ban Guan Hin Realty Sdn Bhd (“Vendor”) 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 (“Said Land”) for a total cash consideration of RM330,130,350 or RM7.50 per square foot.

As announced on 13 December 2011, the Vendor did not agree to an extension of the period for the fulfillment of the conditions precedent which includes the requirement for the approval of the Estate Land Board to be obtained for the sale and transfer of the Said Land to the Purchaser.

On 31 January 2012, the Purchaser filed a civil action against the Vendor for amongst other remedies, specific performance of the SPA at the Kuala Lumpur High Court vide Suit No. 22NCvC-71-01/2012 (“**Civil Suit**”).

As announced, on 28 November 2012, the Purchaser and the Vendor have agreed to settle the Civil Suit amicably and have entered into an agreement (“**Settlement Agreement**”) to proceed with the sale and purchase of the Said Land on the terms and conditions of the SPA subject to the variations, amendments and modification set out in the Settlement Agreement, including the revision of the total consideration from RM330,130,350 or RM7.50 per square foot to RM396,156,420 (“**New Price**”) or RM9.00 per square foot.

On execution of the Settlement Agreement, the Purchaser paid the shortfall in the deposit in the sum of RM6,602,607.00, which together with the sum of RM33,013,035.00 paid earlier under the SPA represent 10% of the New Price. The balance 90% of the New Price in the sum of RM356,540,778.00 will be paid within 3 months from the date of the Settlement Agreement;

- (vii) As announced by the Company, the mandatory general offer (“MGO”) by Permodalan Nasional Berhad and Tan Sri Dato’ Sri Liew Kee Sin (“Joint Offerors”) on S P Setia Berhad had concluded on 19 March 2012. Pursuant to the closing of the MGO, the Joint Offerors and the persons acting in concert with them held 1,515,298,373 S P Setia Shares which represented 78.95% of S P Setia’s issued and paid-up share capital. Accordingly, S P Setia does not comply with the public shareholding spread requirement of at least 25% of its total listed shares to be in the hands of public shareholders. The Company had on 23 March 2012 wrote to Bursa Malaysia Securities Berhad (“Bursa Malaysia”) to seek an extension of time to comply with the minimum required public shareholding spread. Bursa Malaysia has granted the Company an extension of time of 6 months until 18 September 2012 to comply with the public shareholding spread requirement.

On 30 August 2012, in view of the recent announcement by the Company on the proposed placement exercise, the Company had written to Bursa Malaysia for a further extension of 3 months up to 18 December 2012 to comply with the public shareholding spread requirement;

6. Status of Corporate Proposals (continued)

(viii) On 1 April 2012, S P Setia Berhad and Rimbunan Hijau Group had via Qinzhou Development (Malaysia) Consortium Sdn Bhd (“Qinzhou Malaysia”) entered into a Joint Venture Framework Agreement with Qinzhou Jingu Investment Co., Ltd (“Qinzhou Jingu”) to establish a Sino-foreign joint venture limited liability company to develop, construct and operate the China-Malaysia Qinzhou Industrial Park on a parcel of land measuring approximately 55 square kilometres (or 13,590.5 acres) in total located next to the Guangxi Qinzhou Bonded Area and the national level Qinzhou Port Economic and Technological Development Zone in the Guangxi Zhuang Autonomous Region, The People's Republic of China (“Proposed Development”).

Negotiation between Qinzhou Malaysia and Qinzhou Jingu on the joint venture agreement for the Proposed Development is still ongoing;

(ix) On 13 August 2012, S P Setia Berhad (“the Company”) announced that the Proposed Placement will involve the placement of such number of new S P Setia Berhad shares, representing up to 15% of the issued and paid-up share capital of the Company to be identified via book-building. Based on the issued and paid-up share capital of the Company as at 25 October 2012 of RM1,504,038,838 comprising 2,005,385,117 S P Setia Berhad shares, the Proposed Placement will involve the issuance of up to 322,690,587 new S P Setia Shares (“Placement Shares”). The precise terms and conditions such as the identity of the placees, number of Placement Shares allocated and the issue price for the Placement Shares can only be determined upon completion of the book-building exercise for the Placement Shares. The resolution on the Proposed Placement has been approved by the shareholders at the Extraordinary General Meeting held on 23 November 2012 (“EGM”).

As the Company’s existing ESOS will expire on 5 May 2014, the Company is proposing to terminate the Existing ESOS in order to facilitate the Proposed New ESOS.

Subsequently on 12 October 2012, Maybank IB had, on behalf of the Board, announced that Bursa Securities had vide its letter dated 12 October 2012, approved the listing of such number of new S P Setia Shares to be issued pursuant to the Proposed Placement and exercise of the options to be granted pursuant to the Proposed New ESOS on the Main Market of Bursa Securities.

However, on 7 November 2012, Maybank IB has, on behalf of the Board, announced that the Company will not be tabling the resolutions on the Proposed ESOS Termination and Proposed New ESOS at the EGM as the Company is evaluating alternative incentive schemes before deciding on the eventual scheme to be implemented; and

(x) On 5 December 2012, Setia Hicon Sdn Bhd (“Setia Hicon”), a wholly owned subsidiary of S P Setia Berhad successfully bid for the tender to purchase a piece of land held under Geran 10567, Lot 258, Seksyen 089A, Bandar Kuala Lumpur, Daerah Kuala Lumpur, Wilayah Persekutuan measuring approximately 12,456 square metres together with the buildings and amenities erected thereon (“Property”) for a total price of RM294,965,304.00 (“Purchase Consideration”). The tender bid had been accepted by The Secretary of State for Foreign and Commonwealth Affairs of the United Kingdom of Great Britain and Northern Ireland (“Vendor”). In this connection, the Vendor and Setia Hicon have on 5 December 2012 entered into a Sale and Purchase Agreement (“SPA”) for the sale and purchase of the Property.

Barring unforeseen circumstances, the SPA is expected to be completed by financial year 2013.

(b) As at 31 October 2012, the total proceeds raised under the Placement exercise amounting to RM884.6 million have been fully utilised.

7. Group Borrowings and Debt Securities

Total group borrowings and debt securities as at 31 October 2012 were as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Bank Overdrafts	2,949	101,898	104,847
Short Term Bank Borrowings	316,404	850,000	1,166,404
Long Term Bank Borrowings	2,361,745	-	2,361,745
2% Redeemable Serial Bond	-	249,584	249,584
	<u>2,681,098</u>	<u>1,201,482</u>	<u>3,882,580</u>

Currency exposure profile of borrowings is as follows:-

	Secured	Unsecured	Total
	RM'000	RM'000	RM'000
Ringgit Malaysia	1,744,912	1,190,065	2,934,977
Pound Sterling	473,409	-	473,409
Singapore Dollar	407,046	11,417	418,463
Australian Dollar	47,978	-	47,978
Vietnamese Dong	7,753	-	7,753
	<u>2,681,098</u>	<u>1,201,482</u>	<u>3,882,580</u>

8. Material Litigation

The Group is not engaged in any material litigation as at 5 December 2012, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

9. Dividends Declared

- (a) (i) The board of Directors has recommended a final dividend in respect of the financial year ended 31 October 2012.
- (ii) Amount per share : 9 sen less income tax of 25%
- (iii) Previous corresponding period : 9 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%

10. 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	
	31/10/2012 '000	31/10/2011 '000	31/10/2012 '000	31/10/2011 '000
Profit for the year attributable to equity holders of the Company (RM)	127,026	82,469	393,816	327,973
Number of ordinary shares at beginning of the year	2,000,765	1,779,576	1,832,738	1,016,808
Effect of shares issued pursuant to:				
- Acquisition of additional shares in a subsidiary company	-	-	14,138	-
- Bonus Issue	-	-	-	586,883
- Private Placement	-	-	-	90,577
- Exercise of ESOS	-	7,674	49,800	8,538
- Exercise of Warrants	2,231	99	23,298	3,584
Weighted average number of ordinary shares	2,002,996	1,787,349	1,919,974	1,706,390
Basic Earnings Per Share (sen)	6.34	4.61	20.51	19.22

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	
	31/10/2012 '000	31/10/2011 '000	31/10/2012 '000	31/10/2011 '000
Profit for the year attributable to equity holders of the Company (RM)	127,026	82,469	393,816	327,973
Weighted average number of ordinary shares as per basic Earnings Per Share	2,002,996	1,787,349	1,919,974	1,706,390
Effect of potential exercise of ESOS/ Warrants	24,894	88,688	53,380	109,008
Weighted average number of ordinary shares	2,027,890	1,876,037	1,973,354	1,815,398
Diluted Earnings Per Share (sen)	6.26	4.40	19.96	18.07

11. Realised and Unrealised Profits

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:-

	31/10/2012	31/07/2012
	RM'000	RM'000
Total retained profits of the Company and its subsidiaries:		
- Realised	1,240,674	1,220,670
- Unrealised	61,485	55,234
	<u>1,302,159</u>	<u>1,275,904</u>
Total retained profits from jointly controlled entities:		
- Realised	229,191	213,570
- Unrealised	21,501	21,158
	<u>250,692</u>	<u>234,728</u>
Total share of retained profits from associated companies:		
- Realised	(731)	(741)
- Unrealised	-	-
	<u>(731)</u>	<u>(741)</u>
Less: Consolidation adjustments	(152,436)	(162,201)
Total Group retained profits as per consolidated accounts	<u><u>1,399,684</u></u>	<u><u>1,347,690</u></u>

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.

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.

12. Notes to the Statement of Comprehensive Income

Notes to the Statement of Comprehensive Income comprises:-

	3 MONTHS	12 MONTHS
	ENDED	ENDED
	31/10/2012	31/10/2012
	RM'000	RM'000
Interest income	9,853	37,333
Other income including investment income	13,916	27,693
Interest expense	(10,245)	(15,023)
Depreciation and amortisation	(5,839)	(16,130)
Provision for write off of receivables	N/A	N/A
Provision for and write off of inventories	N/A	N/A
Gain or loss on disposal of quoted or unquoted investments or properties	2,456	2,456
Impairment of assets	(9,723)	(10,123)
Foreign exchange loss	(2,632)	(2,758)
Gain or loss on derivatives	N/A	N/A
Exceptional items	N/A	N/A

13. Auditors' Report on Preceding Annual Financial Statements

The preceding audited financial statements for the year ended 31 October 2011 was unqualified.