

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED BALANCE SHEET
FOR THE FINANCIAL QUARTER ENDED 30 APRIL 2003

	(UNAUDITED) AS AT END OF CURRENT QUARTER 30/04/2003 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/10/2002 RM'000
Property, Plant and Equipment	177,236	126,546
Land Held for Development	925,135	355,291
Investment in Associated Companies	94,255	92,876
Long Term Investments	43,675	43,110
Amount owing by Associated Companies	2,471	2,869
Current Assets		
Land under development	258,926	297,482
Gross amount due from customers	61,875	48,039
Inventories	12,404	13,758
Trade and other receivables	273,272	301,383
Amount owing by associated companies	5,715	6,544
Current tax assets	7,076	5,315
Deposits	175,968	298,106
Cash and cash equivalents	112,181	251,757
	907,417	1,222,384
Current Liabilities		
Trade and other payables	177,578	182,377
Unpaid land acquisition costs	298,666	-
Share application monies	-	239,626
Short term borrowings	31,252	45,583
Bank overdraft	-	356
Current tax liabilities	21,331	23,518
	528,827	491,460
Net Current Assets	378,590	730,924
	1,621,362	1,351,616
Shareholders' Funds		
Share Capital	554,183	431,000
Reserves		
Share Premium	232,960	114,282
Merger Reserve	(66,436)	(66,436)
Revaluation Reserve	1,151	1,151
Retained Profit	464,432	428,392
Dividend	23,054	13,521
Shareholders' Equity	1,209,344	921,910
Minority Interests	1,501	1,472
Long Term Borrowings	408,044	425,994
Other Long Term Liabilities	1,446	1,446
Deferred Tax Liabilities	1,027	794
	1,621,362	1,351,616
Net Tangible Assets Per Share (RM)	2.18	2.14

(The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Report for the year ended 31 October 2002)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 APRIL 2003
(The figures have not been audited)

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/04/2003 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2002 RM'000	CURRENT YEAR TO DATE 30/04/2003 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2002 RM'000
Revenue	218,702	165,706	367,448	300,134
Cost of sales	(174,871)	(131,718)	(276,390)	(218,723)
Gross profit	43,831	33,988	91,058	81,411
Other operating income	1,808	4,028	4,598	7,645
Administrative and general expenses	(9,918)	(9,454)	(21,710)	(19,626)
Profit from operations	35,721	28,562	73,946	69,430
Net profit from investing activities	1,598	1,445	5,434	3,203
Share of profit less losses of associated companies	3,600	510	6,555	708
Finance costs	(1,245)	(1,780)	(2,567)	(3,573)
Profit before taxation	39,674	28,737	83,368	69,768
Taxation	(11,292)	(8,157)	(24,284)	(20,092)
Profit after taxation	28,382	20,580	59,084	49,676
Minority interests	(15)	(21)	11	(35)
Net profit for the year	28,367	20,559	59,095	49,641
Basic earnings per share (sen)	5.12	4.61	10.73	11.13
Diluted earnings per share (sen)	5.10	4.53	10.69	11.07

(The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Report for the year ended 31 October 2002)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 APRIL 2003
(The figures have not been audited)

	Share Capital RM'000	Share Premium RM'000	Merger Reserve RM'000	Revaluation Reserve RM'000	Unappropriated Profit RM'000	Dividend RM'000	Total RM'000
Balance at 1.11.2002	431,000	114,282	(66,436)	1,151	428,392	13,521	921,910
Issue of shares							
- 1 for 3 rights issue	123,143	120,680	-	-	-	-	243,823
- pursuant to ESOS	40	37	-	-	-	-	77
Share issue expenses	-	(2,039)	-	-	-	-	(2,039)
Net profit for the period	-	-	-	-	59,095	-	59,095
Final Dividend paid	-	-	-	-	(1)	(13,521)	(13,522)
Interim Dividend	-	-	-	-	(23,054)	23,054	-
Balance at 30.04.2003	554,183	232,960	(66,436)	1,151	464,432	23,054	1,209,344
Balance at 1.11.2001	334,798	108,182	(66,436)	1,151	354,882	13,928	746,505
Issue of shares							
- pursuant to ESOS	784	985	-	-	-	-	1,769
Net profit for the period	-	-	-	-	49,641	-	49,641
Final Dividend paid	-	-	-	-	(14)	(13,928)	(13,942)
Interim Dividend	-	-	-	-	(15,362)	15,362	-
Balance at 30.04.2002	335,582	109,167	(66,436)	1,151	389,147	15,362	783,973

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Report for the year ended 31 October 2002)

S P SETIA BERHAD
(Company No.: 19698-X)
(Incorporated in Malaysia)
CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 APRIL 2003
(The figures have not been audited)

	6 months Ended 30/04/2003 RM'000
Profit before tax	83,368
Adjustments for:-	
Non-cash items	(4,012)
Non-operating items	(4,321)
Operating profit before changes in working capital	75,035
Net Change in current assets	(16,820)
Net Change in current liabilities	(5,064)
Cash generated from operations	53,151
Interest received	1,277
Interest paid	(10,308)
Tax paid	(25,664)
Net cash generated from operating activities	18,456
Investing Activities	
Other investments	(234,106)
Net cash used in investing activities	(234,106)
Financing Activities	
Transactions with shareholders	(11,287)
Bank borrowings	(34,545)
Others financing activities	143
Net cash used in financing activities	(45,689)
Net change in cash and cash equivalents	(261,339)
Cash and cash equivalent at 1 November	547,718
Cash and cash equivalent at 30 April	286,379

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

	30/04/2003 RM'000
Deposits	175,968
Cash and bank balances	112,181
	288,149
Less: Deposits pledged to licensed banks	(1,770)
	286,379

Note: There are no comparative figures for the same period of the preceding year, as this is the first time a condensed consolidated cash flow statement is presented.

(The Condensed Consolidated cash flow statement should be read in conjunction with the Annual Financial Report for the year ended 31 October 2002)

NOTES TO THE INTERIM FINANCIAL REPORT

1. **Basis of preparation**

The interim financial report has been prepared in compliance with MASB 26, Interim Financial Reporting.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the year ended 31 October 2002.

The accounting policies and methods of computation adopted by the Group in this interim financial report are consistent with those adopted in the financial statements for the year ended 31 October 2002.

2. **Qualified audit report**

The preceding audited financial statements for the year ended 31 October 2002 were not qualified.

3. **Seasonal or cyclical factors**

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

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

There were no unusual items for the financial period ended 30 April 2003.

5. **Changes in estimates**

There were no material changes in estimates for the financial period ended 30 April 2003.

6. **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 year-to-date except the issuance of the following shares:-

- a. 40,000 new ordinary shares of RM1.00 each pursuant to the Company's Employee's Share Option Scheme (ESOS) with exercise prices ranging from RM1.89 to RM2.20 per share. The total cash proceeds arising from the exercise of options under the ESOS during the current financial year-to-date amounted to RM76,530; and
- b. Renounceable rights issue of 123,142,857 new ordinary shares of RM1.00 each at an issue price of RM1.98 per share, payable in full upon acceptance, on the basis of one (1) new share for every three (3) existing shares held.

7. **Dividend paid**

A final dividend of 3% comprising 1% tax exempt and 2% less 28% tax amounting to RM13,522,064 was paid in respect of the financial year ended 2002.

8. Segmental Reporting

	Construction RM'000	Property Development RM'000	Other Operations RM'000	Eliminations RM'000	Consolidated RM'000
<u>Revenue</u>					
External Sales	75,868	281,851	9,729	-	367,448
Inter-segment sales	81,832	5,006	13,324	(100,162)	-
Total Revenue	<u>157,700</u>	<u>286,857</u>	<u>23,053</u>	<u>(100,162)</u>	<u>367,448</u>
<u>Results</u>					
Segment results	4,491	68,620	835		73,946
Profit from investing activities					
- dividend income					580
- interest income					4,688
- rental income					58
- gain on partial disposal of a subsidiary company					108
Finance costs					(2,567)
Share of profits less losses of associated companies	6,701	(31)	(115)		6,555
Taxation					<u>(24,284)</u>
Profit after taxation					<u>59,084</u>

9. Valuation of property, plant and equipment

The Group does not state any assets based on valuation of its property, plant and equipment.

10. Material Events subsequent to the End of Period

There were no material transactions or events subsequent to the first quarter ended 30 April 2003 till 11 June 2003 (the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report).

11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter and financial year-to-date, except for the disposal of 4,900 ordinary shares at par in Darul Tahap (M) Sdn. Bhd., a wholly owned subsidiary of S P Setia Berhad, resulting in S P Setia Berhad holding 51% of the total paid up of Darul Tahap (M) Sdn. Bhd..

The above changes in the composition of the Group did not have any material effects on the Net Tangible Assets and the Earnings of the S P Setia Berhad Group for the current quarter and financial year-to-date.

12. Contingent Liabilities

There were no contingent liabilities in respect of the Group since the last annual balance sheet date.

13. Commitments

	30/04/2003 RM'000
Contractual commitment for acquisition of property, plant and equipment	885
Other conditional contractual commitment	9,120
	<hr/> 10,005

14. Related Party Transactions

	30/04/2003 RM'000
<u>Recurrent Transactions</u>	
<i>Cumulative from 1 November 2002 to 30 April 2003:-</i>	
<i>Transaction with associated companies:</i>	
(i) Construction service rendered to Setia Putrajaya Sdn. Bhd. ("SPJ")	2,265
(ii) Administrative fee received from SPJ	1,080
(iii) Administrative fee received from Golden Klang Valley Sdn. Bhd.	22
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Transactions with directors of the Company and companies, firms in which they have interest:

(i) Rental paid to Dato' Voon Tin Yow	15
(ii) Rental paid to Alsirat Sdn. Bhd., a company in which Datuk Abdul Rashid bin Abdul Manaf and Dato' Liew Kee Sin have interest	36
(iii) Legal fees paid to Rashid & Lee, a firm in which Datuk Abdul Rashid bin Abdul Manaf, Tan Sri Dato' Zaki Bin Tun Azmi and George Anthony Dass David are partners	617

Non-Recurrent Transactions

Current Quarter from 1 February 2003 to 30 April 2003:-

Transactions with directors of the Company and companies, firms in which they have interest:

(i) Sale of residential properties to:	
- Datuk Abdul Rashid bin Abdul Manaf & Spouse	3,259
- Lintasan Seladang Sdn. Bhd., a company in which Datuk Abdul Rashid Bin Abdul Manaf has interest	4,933
- Azrina Corporation Sdn. Bhd., a company in which Datuk Abdul Rashid Bin Abdul Manaf & son have interest	5,089
- LKS Properties Sdn. Bhd., a company in which Dato' Liew Kee Sin & Spouse have interest	7,039
- Gelora Harta Sdn. Bhd., a company in which Dato' Liew Kee Sin & Spouse have interest*	6,042
- Rekasemi Resources Sdn Bhd., a company in which Tan Sri Dato' Hari Narayanan A/L Govindasamy & Spouse have interest.	2,485
- Leong Kok Wah & Spouse	1,612
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* Previously purchased by LKS Properties Sdn. Bhd. as announced on 2 May 2003. Subsequently revoked by LKS Properties Sdn. Bhd. and then sold to Gelora Harta Sdn. Bhd. as announced on 11 June 2003

The above transactions were entered into in the normal course of business and were established under negotiated terms.

ADDITIONAL INFORMATION REQUIRED BY THE KLSE'S LISTING REQUIREMENTS

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

The Group achieved an earning of RM59.09 million on the back of a revenue of RM367.45 million for the current year-to-date under review. This performance was mainly attributable to progressive profit recognised on properties sold in our Duta Nusantara project at Sri Hartamas, Kuala Lumpur and also profit recognised on properties sold, completed and handed over in Setia Indah, Johor and Bukit Indah Bandar Nusajaya, Johor. Apart from the profit contributed from property development, it was also attributed to the progressive profit recognised on the upgrading of Batu Pahat-Ayer Hitam-Kluang Highway.

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

The Group's current quarter profit before tax decreased by RM4.02 million compared to the preceding quarter ended 31 January 2003. This was mainly attributable to lower profit recognised on properties completion stage and handed over in Setia Indah, Johor and Bukit Indah Bandar Nusajaya, Johor.

3. Prospects for the current Financial Year

With the introduction of the Economic Stimulus Package by the Government in May 2003, the Board of Directors is optimistic that the Group's performance for the current financial year will be better than the previous financial year.

4. Variance of Actual Profit from Forecast Profit

Not applicable as no profit forecast was published.

5. Income Tax

Income Tax comprises: -

	SECOND QUARTER		CUMULATIVE	
	CURRENT YEAR QUARTER 30/04/2003 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2002 RM'000	CURRENT YEAR TO DATE 30/04/2003 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2002 RM'000
- current income tax	9,752	7,986	21,875	19,841
- deferred taxation	233	-	233	-
- associated companies	1,307	171	2,176	249
- in respect of prior years	-	-	-	2
	<u>11,292</u>	<u>8,157</u>	<u>24,284</u>	<u>20,092</u>

The Group effective taxation rate for the current quarter and financial year-to-date is higher compared to the statutory rate mainly due to the inavailability of group relief for losses incurred by certain subsidiary companies.

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-to-date.

7. Quoted Securities

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

	RM'000
Total purchases	565
Total disposals	-
Total profit/(loss) on disposal	-

Total investments in quoted securities as at 30 April 2003 are as follows:-

	RM'000
At cost	48,296
At book value	43,338
Market value	27,592

8. Status of Corporate Proposals

The following are the corporate proposals that have been announced by the Company but not completed as at 11 June 2003, the latest practicable date which shall not be earlier than 7 days from the date of this announcement: -

- (a) Conditional Shareholders' Agreement entered into on 20 December 2000 between S P Setia Berhad and YGP Holdings Sdn Bhd ("YGP") to govern the relationship between S P Setia Berhad and YGP ("the Parties") as proposed shareholders in Pelita Dunia Sdn. Bhd. ("Pelita Dunia") and to set out the respective rights, duties and obligations of the Parties in relation to the acquisition by Pelita Dunia of several pieces of lands from Dewan Bandaraya Kuala Lumpur and various private owners for development into a mixed residential and commercial development project; and
- (b) Utilisation of Proceeds raised from Corporate Proposal
 - (i) Utilisation of Proceeds raised from Private Placements
The proceeds of approximately RM102.4 million was raised from the Private Placement of 33,570,000 new ordinary shares of RM1.00 each. As at the date of this announcement, an amount of RM0.7 million out of the Private Placement proceeds remains unutilised and is currently placed in interest bearing accounts.
 - (ii) Utilisation of Proceeds raised from Rights Issue
The proceeds of approximately RM243.8 million was raised from the Rights Issue of 123,142,857 new ordinary shares of RM1.00 each. As at the date of this announcement, an amount of RM27.5 million out of the Rights Issue proceeds remains unutilised and is currently placed in interest bearing accounts.

9. Group Borrowings and Debt Securities

Total group borrowings as at 30 April 2003 were as follows:

	Secured RM'000	Unsecured RM'000	Total RM'000
Hire Purchase & Leasing Borrowings	-	8,773	8,773
Short Term Bank Borrowings	28,713	-	28,713
Long Term Bank Borrowings	276,810	-	276,810
4.5% Redeemable Unsecured Bonds	-	125,000	125,000
	305,523	133,773	439,296

10. Off Balance Sheet Financial Instruments

The Group does not have any financial instruments with off balance sheet risk as at 11 June 2003, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

11. Material Litigation

The Group is not engaged in any material litigation as at 11 June 2003, the latest practicable date which is not earlier than 7 days from the date of issue of this quarterly report.

12. Dividends

- (a) (i) The board of Directors has recommended an interim dividend in respect of the financial year ended 31 October 2003.
- (ii) Amount per share : 3 sen less income tax of 28%
2 sen tax exempted
- (iii) Previous corresponding period : 3 sen less income tax of 28%
2 sen tax exempted
- (iv) Date payable : 29 July 2003
- (v) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 15 July 2003.
- (b) Total dividend for the current financial period : 3 sen less income tax of 28%
2 sen tax exempted

13. Earnings Per share

The basic earnings per share has been calculated by dividing the Group's net profit for the period of RM 59,095,000 (2002: RM49,641,000) by the weighted average number of shares in issue of 550,815,000 (2002: 446,187,000). The weighted average number of shares in issue is calculated as follows:-

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/04/2003 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2002 RM'000	CURRENT YEAR TO DATE 30/04/2003 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2002 RM'000
Net profit attributable to shareholders	28,367	20,559	59,095	49,641
Number of ordinary shares at beginning of the period	554,155	335,072	431,000	334,798
Effect of bonus issue	-	61,572	-	61,572
Effect of shares issued pursuant to				
- Rights issue	-	49,518	119,794	49,507
- Company's ESOS	24	128	21	310
Weighted average number of ordinary shares	554,179	446,290	550,815	446,187
Basic Earning Per share (sen)	5.12	4.61	10.73	11.13

13. Earnings Per share (continued)

The diluted earnings per share has been calculated by dividing the Group's net profit for the period of RM59,095,000 (2002: RM49,641,000) by the weighted average number of shares that would have been in issue upon full exercise of the remaining option under the ESOS and the Warrants, adjusted for the number of such shares that would have been issued at fair value, calculated as follows:

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER 30/04/2003 RM'000	PRECEDING YEAR CORRESPONDING QUARTER 30/04/2002 RM'000	CURRENT YEAR TO DATE 30/04/2003 RM'000	PRECEDING YEAR CORRESPONDING PERIOD 30/04/2002 RM'000
Net profit attributable to shareholders	28,367	20,559	59,095	49,641
Weighted average number of ordinary shares as per basic EPS	554,179	446,290	550,815	446,187
Effect of shares option/warrants	1,729	7,419	2,209	2,259
Weighted average number of ordinary shares (diluted)	555,908	453,709	553,024	448,446
Diluted Earning Per share (sen)	5.10	4.53	10.69	11.07